



# **IEH Solar Chile SpA**

## **IEH Chile SpA**

**Combined Financial Statements**  
**Amounts Expressed in US\$**  
**As of December 31<sup>st</sup>, 2021 and 2020**

**(Free translation from Spanish PwC Report)**

**IEH Solar Chile SpA**  
**IEH Chile SpA**

**Index as of December 31<sup>st</sup>, 2021**

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<b>Assets</b>	<b>Note</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
		<b>US\$</b>	<b>US\$</b>
<b>Current assets</b>			
Cash and cash equivalents	5	4.592.642	3.833.590
Restricted cash	6	-	3.539.573
Trade and other accounts receivable, current	7	1.524.124	1.910.486
Prepaid expenses and other assets, current	8	539.869	488.022
<b>Total current assets</b>		<b>6.656.635</b>	<b>9.771.671</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	76.246.381	80.397.160
Intangible assets	10	12.267.948	16.539.698
Prepaid expenses and other non-current assets		14.467	20.663
Right of use, leases	11	6.237.662	7.212.098
Deferred tax asset	24	5.176.494	4.886.764
<b>Total non-current assets</b>		<b>99.942.952</b>	<b>109.056.383</b>
<b>Total assets</b>		<b>106.599.587</b>	<b>118.828.054</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Current portion of long-term debt	12	3.213.582	4.297.737
Trade and other accounts payable, current	16	27.819	364.087
Taxes payable	15	176.632	198.624
Lease liabilities, current	14	253.520	306.823
Other current liabilities	17	251.706	434.747
<b>Total current liabilities</b>		<b>3.923.259</b>	<b>5.602.018</b>
<b>Non-current liabilities</b>			
Long-term debt	12	43.301.595	47.178.627
Trade and other accounts payable, non current	18	15.623.219	14.341.160
Non-current lease liabilities	14	5.975.581	6.884.630
Other liabilities, non-current	19	2.726.904	3.942.438
Liabilities for derivative instruments	13	-	4.126.460
<b>Total non-current liabilities</b>		<b>67.627.299</b>	<b>76.473.315</b>
<b>Total liabilities</b>		<b>71.550.558</b>	<b>82.075.333</b>
<b>Equity attributable to the owners of the parent:</b>			
Share capital	20	40.508.080	40.508.080
Reserves for hedging		-	(3.012.698)
Other reserves		1.698.676	1.698.676
Retained earnings		(2.441.337)	(1.834.270)
(Loss)/Profit for the year		(4.716.390)	(607.067)
<b>Total Equity</b>		<b>35.049.029</b>	<b>36.752.721</b>
<b>Total Liabilities and Equity</b>		<b>106.599.587</b>	<b>118.828.054</b>

**IEH Solar Chile SpA**  
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**Combined Statements of Comprehensive Income**  
**Amounts Expressed in US\$**  
**For the years ended December 31<sup>st</sup>, 2021 and 2020**

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	<u>Note</u>	<b>2021 US\$</b>	<b>2020 US\$</b>
Operating income	21	11.831.479	12.289.536
Operating costs	22	<u>(7.531.652)</u>	<u>(7.346.185)</u>
<b>Gross profit</b>		<b>4.299.827</b>	<b>4.943.351</b>
Administrative expenses	22	(714.032)	(1.493.042)
Financial expenses	23	(6.070.277)	(3.818.856)
Impairment of goodwill	10	(3.430.876)	-
Exchange difference		(230.111)	(416.814)
Other net income (loss)		25.804	-
<b>Loss before taxes</b>		<b><u>(6.119.665)</u></b>	<b><u>(785.361)</u></b>
Income tax	24	<u>1.403.275</u>	<u>178.294</u>
<b>(Loss)/Profit for the year</b>		<b><u>(4.716.390)</u></b>	<b><u>(607.067)</u></b>
Other comprehensive income:			
Reserves for hedging	13	4.126.460	(1.704.726)
Deferred tax hedging reserves		<u>(1.113.762)</u>	<u>1.767.631</u>
<b>Total net comprehensive income</b>		<b><u>(1.703.692)</u></b>	<b><u>(544.162)</u></b>

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	<b>Share Capital US\$</b>	<b>Reserves for hedging US\$</b>	<b>Retained earnings</b>	<b>Retained earnings US\$</b>	<b>Total Equity US\$</b>
Balance at January 1, 2021	40.508.080	(3.012.698)	1.698.676	(2.441.337)	36.752.721
Changes in equity:					
Capital increase	-	-	-	-	-
Reserves for hedging	-	4.126.460	-	-	4.126.460
Deferred tax hedging reserves	-	(1.113.762)	-	-	(1.113.762)
Other increases or decreases in equity	-	-	-	-	-
(Loss)/Profit for the year	-	-	-	(4.716.390)	(4.716.390)
<b>Balance at December 31, 2021</b>	<b>40.508.080</b>	<b>-</b>	<b>1.698.676</b>	<b>(7.157.727)</b>	<b>35.049.029</b>

  

	<b>Share Capital US\$</b>	<b>Reserves for hedging US\$</b>	<b>Retained earnings</b>	<b>Retained earnings US\$</b>	<b>Total Equity US\$</b>
Balance at January 1, 2021	40.508.080	(1.376.927)	-	(1.095.612)	38.035.541
Changes in equity:					
Capital increase	-	-	-	-	-
Reserves for hedging	-	(1.704.726)	-	-	(1.704.726)
Deferred tax hedging reserves	-	1.767.631	-	-	1.767.631
Other increases or decreases in equity	-	(1.698.676)	1.698.676	(738.658)	(738.658)
(Loss)/Profit for the year	-	-	-	(607.067)	(607.067)
<b>Balance at December 31, 2020</b>	<b>40.508.080</b>	<b>(3.012.698)</b>	<b>1.698.676</b>	<b>(2.441.337)</b>	<b>36.752.721</b>

**IEH Solar Chile SpA**  
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**Combined Statements of Cash Flows**  
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	<b>2021 US\$</b>	<b>2020 US\$</b>
<b>Cash flows by operating activities</b>		
Profit (loss)	(4.716.390)	(607.067)
Adjustment for depreciation and amortization expense	4.882.611	4.948.631
Other debits and credits	-	(133.694)
Adjustment for income tax expense	(1.403.275)	(178.294)
Exchange difference	230.111	416.814
Impairment of goodwill	3.430.876	-
Net financial cost	6.070.277	3.818.856
Taxes paid	(1.864.294)	(1.642.760)
Restricted cash	3.539.573	(174.603)
Changes in assets and liabilities:		
Adjustment for decreases (increases) in accounts receivable and others	285.190	877.245
Adjustment for (decreases) increases in accounts payable and others	1.542.831	1.246.854
<b>Net cash provided by operating activities</b>	<b>11.997.510</b>	<b>8.571.982</b>
<b>Cash flows from investing activities</b>		
Payment for acquisition of property, plant and equipment	4.537	-
<b>Net cash provided by (used in) investing activities</b>	<b>4.537</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from related loans	2.528.975	-
Loan payment from related companies	(1.000.000)	-
Proceeds from financial debt	48.200.000	-
Payments of financial debt	(50.984.978)	(3.300.148)
Interests paid	(10.726.050)	(3.680.541)
Lease payments, adoption NIF16	(306.208)	(249.840)
<b>Net cash used in financing activities</b>	<b>(12.288.261)</b>	<b>(7.230.529)</b>
<b>Increase (Decrease) in cash and cash equivalents during the year</b>	<b>(286.214)</b>	<b>1.341.453</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>1.045.266</b>	<b>(316.103)</b>
<b>Cash, and cash equivalents at the beginning of year</b>	<b>3.833.590</b>	<b>2.808.240</b>
<b>Cash and cash equivalents</b>	<b>4.592.642</b>	<b>3.833.590</b>

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**1. General Information**

IEH Solar Chile SpA (hereinafter the "IEH Solar") is a joint stock company, incorporated by public deed executed in the Santiago Notary Office of Patricio Raby Benavente on August 10<sup>th</sup>, 2017, whose extract was published in the Official Gazette on August 11<sup>th</sup> of the same year and registered in the Santiago Registry of Commerce on August 11<sup>th</sup>, 2017 on page 62.422, Number 33.745.

IEH Chile SpA (hereinafter the "IEH") is a joint stock company, incorporated by public deed on September 5<sup>th</sup>, 2013 at the Santiago Notary Office of Patricio Raby Benavente, an extract of which was published in the Official Gazette on September 13<sup>th</sup> of the same year and registered in the Santiago Commercial Registry on September 10<sup>th</sup>, 2013 on page 70.474, Number 46.504.

The main shareholder of IEH Solar and IEH is InterEnergy Renewables SL, which owns 100% participation in the companies. IEH Solar and IEH are domiciled at Av. President Kennedy 4700, office 901, Vitacura, Santiago, Chile.

The corporate purpose of IEH Solar and IEH is the investment in all kinds of assets, real or personal, tangible or intangible, the development and investment of electric power generation.

**2. Summary of Significant Accounting Policies**

The significant accounting policies applied in the preparation of the combined financial statements are detailed below. These policies have been applied consistently throughout the years presented, unless otherwise indicated.

**Basis of preparation**

The combined financial statements of IEH Solar and IEH as of December 31<sup>st</sup>, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, in addition to the combined financial statements.

These financial statements have been prepared on a combined basis for the purpose of being reported to the creditors of the Note Purchase and Guarantee Agreement, as required by section 7 of such document.



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The businesses included in the Combined Financial Statements have not operated as a single entity.

These financial statements have been combined on the basis of the Financial Statements of IEH Solar and IEH as of December 31<sup>st</sup>, 2021 and 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, in addition to the combined financial statements.

The combined financial statements have been prepared under the historical cost convention, modified by financial assets and liabilities (including derivative instruments) at fair value through profit or loss and other comprehensive income.

The preparation of combined financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the accounting policies of IEH Solar and IEH. Areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

**Basis of consolidation**

Subsidiaries are consolidated by the full integration method, including in the consolidated financial statements all their assets, liabilities, income, expenses and cash flows after making the corresponding adjustments and eliminations of the group's operations. The results of subsidiaries and jointly controlled companies are included in the consolidated statement of income from the effective date of disposal or termination of joint control, as appropriate.

The companies included in the consolidation of IEH Solar are:

Investments accounted for by the equity method	Country	Rut	% Participation	
			31-12-2021	31-12-2020
GR Tiaca SpA	Chile	76.451.224-3	100,00	100,00
GR Boldo SpA	Chile	76.515.598-3	100,00	100,00
GR Espino SpA	Chile	76.461.941-2	100,00	100,00
GR Coigüe SpA	Chile	76.461.939-0	100,00	100,00
GR Huigán SpA	Chile	76.461.937-4	100,00	100,00
GR Pacific Pan de Azúcar SpA	Chile	76.320.575-4	100,00	100,00
GR Litre SpA	Chile	76.451.198-0	100,00	100,00
GR Laurel SpA	Chile	76.515.589-4	100,00	100,00
GR Tineo SpA	Chile	76.461.943-9	100,00	100,00
GR Lingue SpA	Chile	76.464.206-6	100,00	100,00
GR Guayacán SpA	Chile	76.461.853-K	100,00	100,00

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The companies included in the consolidation of IEH are:

Investments accounted for by the equity method	Country	Rut	% Participation	
			31-12-2021	31-12-2020
Raki SpA	Chile	76.216.621-6	100,00	100,00
Huajache SpA	Chile	76.255.785-1	100,00	100,00

**New standards and amendments adopted by IEH Solar and IEH**

**a) Standards, interpretations and amendments that are mandatory for the first time for financial years beginning on January 1<sup>st</sup>, 2021.**

Amendments and improvements

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Reference Rate Reform (IBOR)- Phase 2", published in August 2020, addresses issues that arise during interest rate reference rate reform, including the replacement of a reference rate with an alternative.

Amendment to IFRS 16 "Lease concessions" Issued in March 2021. This amendment extends by one year the period of application of the practical expedient of IFRS 16 Leases (contained in the amendment to that standard published in May 2020), with the purpose of assisting lessees in accounting for lease concessions related to Covid-19. It extends the initial coverage of the amendment from June 30<sup>th</sup>, 2021 to June 30, 2022. The amendment is effective for annual periods beginning on or after April 1<sup>st</sup>, 2021, however, early adoption is permitted even for financial statements not authorized for issue as of March 31<sup>st</sup>, 2021.

Amendment to IFRS4 "Insurance contracts": deferral of IFRS 9 (issued on June 25<sup>th</sup>, 2020). This amendment defers the date of application of IFRS 17 by two years to January 1<sup>st</sup>, 2023 and changes the date set for the temporary exemption in IFRS 4 from applying IFRS 9 "Financial instruments" to January 1<sup>st</sup>, 2023.

The adoption of the standards, amendments and interpretations described above do not have a significant impact on the combined financial statements of IEH Solar and IEH.

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**Standards, interpretations and amendments issued, the application of which is not yet mandatory, for which early adoption has not been made.**

Standards and interpretations	Mandatory for fiscal years beginning on or after
IFRS 17 "Insurance Contracts". Issued in May 2017, it replaces the current IFRS 4. IFRS 17 will primarily change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard applies to annual periods beginning on or after January 1 <sup>st</sup> , 2023, with early application permitted provided that IFRS 9, "Financial Instruments", is applied.	01/01/2023
Amendments and improvements	
Amendment to IFRS 3, "Business Combinations", minor amendments were made to IFRS 3 to update the references to the conceptual framework for financial reporting, without changing the requirements for business combinations.	01/01/2022
Amendment to IAS 16, "Property, plant and equipment", prohibits companies from deducting from the cost of property, plant and equipment the proceeds received from the sale of items produced while the company is preparing the asset for its intended use. The company must recognize such sales revenue and related costs in profit or loss for the period.	01/01/2022
Amendment to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", clarifies for onerous contracts what unavoidable costs a company must include to assess whether a contract will generate losses.	01/01/2022
Annual improvements to IFRS standards 2018-2020 cycle. The following improvements were finalized in May 2020:	01/01/2022
<ul style="list-style-type: none"> <li>- IFRS 9 Financial Instruments: clarifies which fees should be included in the 10% test for derecognition of financial liabilities.</li> <li>- IFRS 16 Leases: modification of illustrative example 13 to remove the illustration of lessor payments in connection with leasehold improvements, to eliminate any confusion on the treatment of lease incentives.</li> <li>- IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the carrying amounts recorded in the books of their parent to also measure cumulative translation differences using the amounts reported by the parent. This</li> </ul>	

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amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

- IAS 41 Agriculture: elimination of the requirement for entities to exclude cash flows for tax purposes when measuring fair value under IAS 41.

Amendment to IAS 1 "Presentation of Financial Statements" on classification of liabilities". This amendment clarifies that liabilities will be classified as current or non-current depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date (e.g., receipt of a waiver or covenant breach). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The amendment should be applied retrospectively in accordance with IAS 8. Effective date of initial application January 1<sup>st</sup>, 2022, however, this date was deferred to January 1<sup>st</sup>, 2024.

01/01/2024

Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", issued in February 2021. The amendments are intended to improve disclosures of accounting policies and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 - Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction. These amendments require companies to recognize deferred taxes on transactions that, on initial recognition, result in equal amounts of taxable and deductible temporary differences.

01/01/2023

01/01/2023

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The following was issued by the IASB, and although its application was scheduled for 2016, the IASB changed its position and now its application date is yet to be defined.

no term

Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". Issued in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and those of IAS 28 in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when the transaction involves a business (whether in a subsidiary or not) and a partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary. Its early application is permitted.

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Management of IEH Solar and IEH believes that the adoption of the standards, interpretations and amendments described above will not have a material impact on the combined financial statements of IEH Solar and IEH in the period of first-time application.

**Functional and presentation currency**

Items included in the combined financial statements of IEH Solar and IEH are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of IEH Solar and IEH is the U.S. dollar, which is also the presentation currency of the combined IEH Solar and IEH financial statements.

**Transactions and balances**

Transactions in Chilean pesos are translated into the functional currency using the exchange rates in effect at the dates of the transactions. Gains and losses resulting from the settlement of these transactions and from the translation at the closing exchange rates of monetary assets and liabilities denominated in local currency are recognized in the statement of income, unless they are deferred in equity, through other comprehensive income.

**Exchange rates**

Assets and liabilities denominated in local currency and those denominated in Unidades de Fomento (UF) are presented at the following exchange rates and closing values, respectively:

<u>Date</u>	<u>US\$/CL\$</u>	<u>CL\$/UF</u>
31-12-2021	844,69	30.991,74
31-12-2020	710,95	29.070,33

**Property, plant and equipment, and depreciation**

Property, plant and equipment are initially recognized at cost and subsequently valued at cost less accumulated depreciation and impairment, if any.

Subsequent costs (replacement of components, expansions, growth, etc.) are included in the value of the initial asset or recognized as a separate asset, only when it is probable that future economic benefits associated with the items of property, plant and equipment will flow to IEH Solar and IEH and the cost of the item can be reliably determined. The value of the replaced component is derecognized for accounting purposes.

All other repairs and maintenance are charged to income for the year or period in which they are incurred.

In accordance with IAS 23, financial expenses associated with the construction of the asset are capitalized proportionately when the asset qualifies under IAS 23.

Depreciation of property, plant and equipment is calculated using the straight-line method over their estimated useful lives.

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The years of depreciation are described below:

	<b>Years</b>
Equipment	25
Infrastructure	25
Generators	20
Building	10
Machinery	7
Furniture and Fixtures	7

The residual value and useful lives of assets are reviewed, and adjusted if necessary, at each statement of financial position closing, so as to have a remaining useful life commensurate with the remaining economic useful life of assets.

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount by applying impairment tests.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the proceeds obtained with the carrying amount and are included in the statement of income.

**Financial instruments**

IEH Solar and IEH classify their financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

IEH Solar and IEH at the closing of these combined financial statements, only presents financial assets classified in accounts receivable, which are defined as non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months from the date of the statements of financial position and are classified as non-current assets. Loans and receivables include trade and other receivables and cash and cash equivalents in the statement of financial position.

**Derivative financial instruments**

Derivatives are initially recognized at fair value on the date a derivative contract becomes effective and subsequently measured at fair value. The method of recording the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedged item. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is greater than 12 months and it is not expected to be realized or settled within 12 months.

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**Trade and other receivables**

Trade and other receivables are amounts due from customers for services provided in the ordinary course of business. They are classified as current assets since they are expected to be collected in one year or less. Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment of accounts receivable.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, time deposits with credit institutions, other short-term highly liquid investments with an original maturity of three months or less. In the statement of financial position, overdrafts, if any, would be classified as Financial Liabilities in Current Liabilities.

**Shareholders' equity**

IEH Solar and IEH are joint stock companies (SpA), their combined capital stock amounts to US\$ 40.508.080 as of December 31<sup>st</sup>, 2021 (Note 20).

**Trade and other accounts payable**

Trade and other current accounts payable are recognized at their nominal value, since their average payment term is short and there is no material difference with their fair value.

**Obligations to banks and financial institutions**

Loans and financial liabilities of a similar nature are initially recognized at fair value, net of transaction costs incurred. Subsequently, they are measured at amortized cost and any difference between the funds obtained (net of the costs necessary to obtain them) and the repayment value is recognized in the income statement over the term of the debt in accordance with the effective interest rate method.

Financial obligations are classified as current liabilities unless IEH Solar and IEH have an unconditional right to defer settlement for at least 12 months after the statement of financial position date.

**Leases**

To determine whether a contract is, or contains, a lease, IEH Solar and IEH analyze the economic substance of the arrangement, assessing whether the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Control is deemed to exist if the customer has i) the right to obtain substantially all of the economic benefits from the use of an identified asset; and ii) the right to direct the use of the asset.

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When IEH Solar and IEH act as lessee at the inception of the lease (i.e. on the date the underlying asset is available for use), a right-of-use asset and a lease liability are recorded in the statement of financial position.

IEH Solar and IEH initially recognize right-of-use assets at cost. The cost of right-of-use assets comprises: i) the amount of the initial measurement of the lease liability; ii) lease payments made up to the commencement date, less lease incentives received; iii) initial direct costs incurred; and iv) estimated decommissioning or restoration costs.

Subsequently, the right-of-use asset is measured at cost, adjusted for any remeasurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated on the same basis as other similar depreciable assets if there is reasonable certainty that the lessee will acquire ownership of the asset at the end of the lease. If there is no such certainty, the asset is depreciated over the shorter of the useful life of the asset or the lease term.

Lease liabilities are initially measured at the present value of the lease payments, discounted at the incremental borrowing rate of IEH Solar and IEH, if the interest rate implicit in the lease cannot be readily determined. Lease payments included in the measurement of the liability comprise: i) fixed payments, less any lease incentive receivable; ii) variable lease payments that depend on an index or rate; iii) residual value guarantees; iv) exercise price of a purchase option; and v) lease termination penalties.

After the commencement date, the lease liability is increased to reflect the accrual of interest and reduced by the lease payments made. In addition, the carrying amount of the liability is remeasured if there is a change in the terms of the lease (changes in the lease term, in the amount of expected payments related to a residual value guarantee, in the valuation of a purchase option or change in an index or rate used to determine lease payments). The financial cost is recognized as an expense and is distributed among the years constituting the lease period, so that a constant interest rate is obtained in each year on the outstanding balance of the lease liability.

Short-term leases, equal to or less than one year, or leases of low-value assets are exempted from the application of the recognition criteria described above, recording the payments associated with the lease as an expense on a straight-line basis over the lease term.

IEH Solar and IEH do not have significant transactions in which it acts as lessor.

In the case of finance leases, at the commencement date, IEH Solar and IEH recognize in its statement of financial position the assets held under finance leases and present them as a receivable, at a value equal to the net investment in the lease, calculated as the sum of the present value of the lease payments and the present value of any accrued residual value, discounted at the interest rate implicit in the lease. Subsequently, finance income is recognized



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over the lease term, based on a model that reflects a constant rate of return on the net financial investment made in the lease.

For operating leases, lease payments are recognized as revenue on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative. Initial direct costs incurred to obtain an operating lease are added to the carrying amount of the underlying asset and are recognized as an expense over the lease term on the same basis as lease income.

**Impairment of Assets**

IEH Solar and IEH evaluate at each closing date of the Statement of Financial Position whether there is any indication of impairment of the recorded value of the assets. If any such indication exists, the recoverable value of the assets is estimated in order to determine the impairment suffered. When the asset analyzed does not generate cash flows independent of other assets, the fair value of the Cash Generating Unit in which such asset is included is estimated.

In the case of fixed and intangible assets with indefinite useful lives, not subject to systematic depreciation and amortization, impairment tests are performed at least annually or whenever there are indications that the asset has suffered an impairment loss.

The recoverable amount of an impaired asset is the higher of its fair value less costs to sell and its value in use. To estimate the value in use, the present value of the future cash flows of the annualized asset (or of the cash-generating unit to which it belongs, if applicable) is computed using a discount rate that reflects both the time value of money and the specific risk associated with the asset.

When the recoverable amount of an asset is estimated to be less than its net carrying amount, the difference is recorded with a charge to "Asset impairment losses" in the statement of comprehensive income. Losses recognized in this way are reversed with a credit to this account when estimates of their recoverable value improve, increasing the value of the asset up to the limit of the carrying amount that the asset would have had if the write-down had not been made.

**Income tax and deferred taxes**

The income tax expense for the year or period comprises current income tax and deferred income tax. The tax is recognized in the statement of income, except for items recognized directly in equity in other comprehensive income or arising from a business combination.

The current income tax charge is calculated on the basis of the tax laws in effect at the date of the statement of financial position.

Deferred taxes are calculated in accordance with the liability method, on the differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if deferred taxes arise from the initial recognition of a liability or asset in a transaction other than a business combination that at the time of the transaction affects

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neither the accounting result nor the taxable profit or loss, it is not recognized. Deferred tax is determined using tax rates and laws enacted or substantively enacted at the date of the statements of financial position and expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which such differences can be utilized.

**Provisions**

IEH Solar and IEH recognize a provision when it is contractually obligated or when there is a past practice that has created an assumed obligation.

Provisions for litigation and other contingencies are recognized when:

- IEH Solar and IEH have a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation;
- The amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the companies' best estimate. The discount rate used to determine the present value reflects current market assessments, at the date of the statement of financial position, of the time value of money, as well as the specific risk related to the particular liability, if applicable.

IEH Solar and IEH have recorded non-current obligations for decommissioning and retirement of their assets at the end of their lives.

**Classification of balances into current and non-current**

In the statement of financial position, balances are classified according to their maturities or estimated terms of realization, as current those maturing in twelve months or less from the closing date of the financial statements and as non-current those maturing in more than twelve months.

In the event that there are obligations maturing in less than twelve months, but whose long-term refinancing is assured, they are reclassified as non-current.

**Revenue and expense recognition**

Revenues and expenses are recognized on an accrual basis and, depending on the type of transaction, the following criteria are used for their recognition:

Generation of electric power: Revenues are recorded in accordance with physical deliveries of

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energy and power, at stabilized prices established by the National Energy Commission for periods of 6 months. These revenues include an estimate of the service supplied and not billed, as shown in the monthly economic transfers balance issued by the National Electric Coordinator, up to the closing date of the financial statements.

Almost 100% of IEH's net income comes from the sale of energy to the client EKA Chile S.A., according to the long-term energy sales contract.

**Interest income**

Interest income is recognized using the effective interest rate method.

**3. Risk management policy**

IEH Solar and IEH face various risks inherent to operating in the electricity generation market, such as changes in regulatory frameworks, changes in economic and financial market conditions or in the monetary policies of the authorities, environmental restrictions and acts of God or force majeure.

**Description of the market in which IEH Solar and IEH operate**

IEH Solar and IEH are engaged in the power generation business.

**Regulatory aspects**

IEH Solar Chile SpA is a joint stock company. On August 14<sup>th</sup>, 2017, it proceeded to make the registration in the commercial registry of Santiago, which is under No. 33.745, page 62.422.

IEH Chile SpA is a joint stock company. On September 10<sup>th</sup>, 2013, it was registered in the Santiago Commercial Registry under No. 40.659, page 70.474.

In addition, due to the characteristics of the business, IEH Solar and IEH are subject to the following legal provisions:

- Law No. 20,190, Capital Markets Law II, published in the Official Gazette on June 5<sup>th</sup>, 2007, which authorizes the establishment of Joint Stock Companies, establishing the conditions and requirements that must be met for their incorporation and the tax regime that affects them.

**Financial risk**

IEH Solar and IEH's operations are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. IEH Solar and IEH use certain derivative financial instruments to hedge certain risk exposures.

In view of the above, the financial structures of IEH Solar and IEH are defined, coordinated and controlled at the corporate level in order to prevent and mitigate the main financial risks

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identified.

**Exchange rate risk**

IEH Solar and IEH are not materially exposed to foreign exchange risk because their revenues and expenses are primarily denominated in U.S. dollars.

The foreign exchange exposure of IEH Solar and IEH corresponds to the net position between assets and liabilities denominated in currencies other than the functional currency. This net exposure is not significant and is mainly generated by short-term financial debt.

**Interest rate risk**

As of December 31<sup>st</sup>, 2021 IEH Solar and IEH have financial debt structured at a fixed rate.

As of December 31<sup>st</sup>, 2020 IEH Solar and IEH have financial debt structured at a variable rate. The risk is mitigated by a hedging instrument (swap) that fixes the interest rate.

**Liquidity risk and structure of financial liabilities**

IEH Solar and IEH's liquidity risk is managed through an adequate management of assets and liabilities, optimizing daily cash surpluses and thus ensuring compliance with debt commitments at the time of maturity.

Cash flow projections, analysis of the financial situation of the economic environment and analysis of the debt market are continuously carried out in order to, if required, contract new financing or restructure existing loans at terms that are consistent with the cash flow generation capacity of the various businesses in which IEH Solar and IEH participate.

The following is an analysis of the maturity of liabilities according to their contractual amounts (i.e., including interest to be accrued at each maturity).

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Capital risk	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$
Short and long-term debt	3.266.133	3.543.614	10.582.856	30.807.397	48.200.000
Lease liabilities	253.520	255.548	778.976	4.941.057	6.229.101
Trade and other payables	394.620	-	-	-	394.620
Derivative financial instruments	-	-	-	-	-
Other non-current liabilities	55.464	41.118	145.537	2.830.923	3.073.042
<b>Balance at December 31, 2021</b>	<b>3.969.737</b>	<b>3.840.280</b>	<b>11.507.369</b>	<b>38.579.377</b>	<b>57.896.763</b>

Interests	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$
Short and long-term debt	1.556.502	1.886.352	4.684.907	8.103.995	16.231.756
Lease liabilities	48.794	46.766	127.967	362.008	585.535
Trade and other payables	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other non-current liabilities	-	-	-	461.222	461.222
<b>Balance at December 31, 2021</b>	<b>1.605.296</b>	<b>1.933.118</b>	<b>4.812.874</b>	<b>8.927.225</b>	<b>17.278.513</b>

Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	US\$	US\$	US\$	US\$	US\$
Short and long-term debt	4.822.635	5.429.966	15.267.763	38.911.392	64.431.756
Lease liabilities	302.314	302.314	906.943	5.303.065	6.814.636
Trade and other payables	394.620	-	-	-	394.620
Derivative financial instruments	-	-	-	-	-
Other non-current liabilities	55.464	41.118	145.537	3.292.145	3.534.264
<b>Balance at December 31, 2021</b>	<b>5.575.033</b>	<b>5.773.398</b>	<b>16.320.243</b>	<b>47.506.602</b>	<b>75.175.276</b>

### **Credit risk**

Credit risk arises mainly from cash and cash equivalents, investments in deposits and trade receivables. IEH Solar and IEH only work with well-recognized foreign and local institutions. With respect to IEH's trade accounts receivable, IEH has a long-term contract with a single, high credit quality customer.

### **Fair value of financial instruments**

International Financial Reporting Standards specify a fair value hierarchy that classifies fair value into three levels, based on the inputs used in valuation techniques to measure fair value, as indicated below:

- Level 1: Quoted prices (unadjusted) in active markets for assets and liabilities identical at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Variables for the asset and liability that are not based on observable market information.

IEH Solar and IEH hold assets and liabilities in the Combined Statement of Financial Position measured at fair value.

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For financial instruments that are not recorded at fair value in the balance sheet, their carrying value approximates their fair value.

For financial instruments that are not recorded at fair value in the balance sheet, their carrying value approximates their fair value, due to their short-term nature and low credit risk (in the case of assets). These financial instruments include: cash at bank, accounts receivable, bonds payable, current portion and trade accounts payable.

#### **4. Management's estimates and critical judgments or criteria**

The estimates and judgments used are continually evaluated and are based on historical experience and other factors, including the expectation of the occurrence of future events that are believed to be reasonable under the circumstances.

IEH Solar and IEH make estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely equal actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to asset and liability balances in the next year are presented below:

- The valuation of investments in property, plant and equipment considers estimates to determine both the residual values and the useful lives to be used to calculate the depreciation of each asset.
- IEH Solar and IEH account for their deferred tax assets and liabilities based on the recoverability of such assets, based on the existence of deferred tax liabilities with similar reversal periods and the possibility of generating sufficient future taxable income. All of the foregoing is based on internal projections made by management based on the most recent or updated information available to it.
- IEH Solar makes annual estimates to determine the decommissioning values associated with the termination of the lease agreements, such estimate is presented at present value in the combined financial statements of IEH Solar and IEH.
- IEH Solar and IEH perform annual impairment tests of the Goodwill of each company, the projected cash flows taken as a basis in the impairment tests are discounted at a weighted nominal rate of cost of capital appropriate to the characteristics of the business to be evaluated.

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**5. Cash and cash equivalents**

The balance of cash and cash equivalents is as follows:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Cash in functional currency	1.649.867	2.407.347
Cash in foreign currency (US\$)	2.942.775	1.426.243
<b>Total</b>	<b>4.592.642</b>	<b>3.833.590</b>

**6. Restricted cash**

The restricted cash balance as of December 31<sup>st</sup>, 2021 and 2020 is as follows:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Restricted cash Itaú Bank	-	1.208.497
Restricted cash Security Bank	-	1.244.122
Restricted cash Santander Bank	-	1.086.954
<b>Total</b>	<b>-</b>	<b>3.539.573</b>

IEH Solar and IEH have long-term loans used to finance their assets (note 12), which require the maintenance of reserve accounts; such accounts, their denomination and monthly flow are detailed in (note 12).

**7. Trade and other current accounts receivable**

Trade and other current accounts receivable as of December 31<sup>st</sup>, 2021 and 2020 are detailed below:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Trade and other accounts receivable, current	1.524.124	1.910.486
<b>Total</b>	<b>1.524.124</b>	<b>1.910.486</b>

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Opening of accounts receivable aging 2021:

	Not due US\$	30 > 90 US\$	Past due 90 > 180 US\$	180 > 360 US\$	Total US\$
Trade and other accounts receivable, current	1.497.087	13.354	13.127	556	1.524.124
<b>Balance at December 31, 2021</b>	<b>1.497.087</b>	<b>13.354</b>	<b>13.127</b>	<b>556</b>	<b>1.524.124</b>

	Not due US\$	30 > 90 US\$	Past due 90 > 180 US\$	180 > 360 US\$	Total US\$
Trade and other accounts receivable, current	1.696.879	-	-	213.607	1.910.486
<b>Balance at December 31, 2020</b>	<b>1.696.879</b>	<b>-</b>	<b>-</b>	<b>213.607</b>	<b>1.910.486</b>

Changes in allowances for accounts receivable as of December 31<sup>st</sup>, 2021 and 2020:

	31-12-2021 US\$	31-12-2020 US\$
Balance at January 1, 2021	884.844	707.378
Increase in the provision recognized in income during the year	(216.800)	177.466
Exchange rate effects	-	-
<b>Total</b>	<b>668.044</b>	<b>884.844</b>

## **8. Prepaid expenses and other assets, current**

Prepaid expenses and other current assets as of December 31<sup>st</sup>, 2021 and 2020 are detailed below:

	31-12-2021 US\$	31-12-2020 US\$
Recoverable taxes	227.427	227.428
Prepaid insurance	100.773	87.569
Guarantees paid	92.356	32.247
Prepaid maintenance	77.768	74.167
Monthly provisional payments	18.876	18.876
Expenses per agreement	6.990	-
Advances to suppliers	4.286	30.326
Accounts receivable IEH Shared Services	4.499	3.656
VAT Tax Credit	3.968	13.405
Other accounts receivable	2.926	348
<b>Total</b>	<b>539.869</b>	<b>488.022</b>



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**9. Property, plant and equipment**

The following is a detail of the changes in property, plant and equipment:

**a) Gross values**

<b>Classes of property, plant and equipment, gross</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Land	2.236.234	2.236.234
Transmission lines, transformers, generators and wind generators	65.637.038	65.637.038
Buildings and infrastructure	28.747.512	28.747.512
Decommissioning	1.453.742	1.453.742
Tools, minor equipment and other assets	27.359	22.821
<b>Total</b>	<b>98.101.885</b>	<b>98.097.347</b>

**b) Accumulated depreciation and impairment losses**

<b>Accumulated depreciation and impairment</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Accumulated depreciation of transmission lines, transformers, generators and wind turbines	(15.518.733)	(12.629.776)
Accumulated depreciation buildings and infrastructure	(6.078.774)	(4.875.470)
Accumulated Decommissioning Depreciation	(244.381)	(186.183)
Accumulated depreciation tools, minor equipment and other assets	(13.616)	(8.758)
<b>Total</b>	<b>(21.855.504)</b>	<b>(17.700.187)</b>

**c) Net values**

<b>Classes of property, plant and equipment, net</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Land	2.236.234	2.236.234
Transmission lines, transformers, generators and wind generators	50.118.305	53.007.262
Buildings and infrastructure	22.668.738	23.872.042
Decommissioning	1.209.361	1.267.559
Tools, minor equipment and other assets	13.743	14.063
<b>Total</b>	<b>76.246.381</b>	<b>80.397.160</b>

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**d) Movement in property, plant and equipment**

	Land	Buildings and infrastructure	Transmission lines, transformers, generators and	Decommissioning	Tools, minor equipment and other assets	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at January 1, 2021	2.236.234	23.872.042	53.007.262	1.267.559	14.063	80.397.160
Movement						
Additions	-	-	-	-	4.537	4.537
Depreciation for the year	-	(1.203.304)	(2.888.957)	(58.198)	(4.857)	(4.155.316)
<b>Total movement</b>		<b>(1.203.304)</b>	<b>(2.888.957)</b>	<b>(58.198)</b>	<b>(320)</b>	<b>(4.150.779)</b>
<b>Balance at December 31, 2021</b>	<b>2.236.234</b>	<b>22.668.738</b>	<b>50.118.305</b>	<b>1.209.361</b>	<b>13.743</b>	<b>76.246.381</b>
Balance at January 1, 2020	2.236.234	25.075.657	55.896.219	1.325.758	17.974	84.551.842
Movement						
Additions	-	-	-	-	-	-
Depreciation for the year	-	(1.203.615)	(2.888.957)	(58.199)	(3.911)	(4.154.682)
<b>Total movement</b>		<b>(1.203.615)</b>	<b>(2.888.957)</b>	<b>(58.199)</b>	<b>(3.911)</b>	<b>(4.154.682)</b>
<b>Balance at December 31, 2020</b>	<b>2.236.234</b>	<b>23.872.042</b>	<b>53.007.262</b>	<b>1.267.559</b>	<b>14.063</b>	<b>80.397.160</b>

**10. Intangible assets**

**a) Goodwill**

On August 22<sup>nd</sup>, 2017, IEH Solar entered into a share purchase framework agreement, with the purpose of acquiring 11 solar farms for a total amount of US\$ 28.5 million, plus working capital adjustments. The price and related share transfers were made under previously determined conditions during 2017 and 2018.

As of December 31<sup>st</sup>, 2018, IEH Solar finalized all acquisitions of committed assets, which, generated Goodwill or identified goodwill totaling US\$ 1.639.629.

As of December 31<sup>st</sup>, 2015, IEH completed all acquisitions of committed assets, which generated identified goodwill totaling US\$6.102.495.

**b) PMGD License**

The intangible asset of IEH Solar corresponds to the PMGD license with which IEH Solar, through its subsidiaries, generates and injects self-dispatched energy into the national electricity system.

The movement of intangible assets as of December 31<sup>st</sup>, 2021 and 2020 is detailed below:

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	Goodwill	Concession agreements and rights of use	Licenses PMGD	Contracts and licenses	Software	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at January 1, 2021	8.019.220	2.432.862	5.423.400	655.000	9.216	16.539.698
Movement						
Additions	-	-	-	-	-	-
Revaluation of concession contracts and rights of use	-	(368.331)	-	-	-	(368.331)
Impairment of goodwill	(3.430.876)	-	-	-	-	(3.430.876)
Amortization	-	(103.356)	(235.800)	(131.000)	(2.387)	(472.543)
<b>Total movement</b>	<b>(3.430.876)</b>	<b>(471.687)</b>	<b>(235.800)</b>	<b>(131.000)</b>	<b>(2.387)</b>	<b>(4.271.750)</b>
<b>Balance at December 31, 2021</b>	<b>4.588.344</b>	<b>1.961.175</b>	<b>5.187.600</b>	<b>524.000</b>	<b>6.829</b>	<b>12.267.948</b>

  

	Goodwill	Concession agreements and rights of use	Licenses PMGD	Contracts and licenses	Software	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Saldo inicial al 01-01-2020	7.742.124	2.552.032	5.659.200	786.000	9.473	16.748.829
Movement						
Additions	-	-	-	-	2.131	2.131
Impairment of goodwill	277.096	-	-	-	-	277.096
Amortization	-	(119.170)	(235.800)	(131.000)	(2.388)	(488.358)
<b>Total movement</b>	<b>277.096</b>	<b>(119.170)</b>	<b>(235.800)</b>	<b>(131.000)</b>	<b>(257)</b>	<b>(209.131)</b>
<b>Balance at December 31, 2020</b>	<b>8.019.220</b>	<b>2.432.862</b>	<b>5.423.400</b>	<b>655.000</b>	<b>9.216</b>	<b>16.539.698</b>

Impairment tests are prepared based on estimates of the evolution of the market in which each generating unit for which goodwill has been determined operates. The tests have been performed based on the value in use of the assets, which considers the projections of revenues, costs, expenses, investments in property, plant and equipment and

working capital needs based on market growth projections and the business plans of each unit. The projections extend through the year 2041 for IEH Solar, the year in which the concession expires, while IEH's projections are through the year 2035.

The projected cash flows used as the basis for the impairment tests are discounted at a nominal weighted cost of capital rate appropriate to the characteristics of the business to be evaluated, based on the Weighted Average Cost of Capital (WACC) methodology. As of December 31<sup>st</sup>, 2021, the discount rate used was 5.75%.

At December 31<sup>st</sup>, 2021, based on the analyses performed, IEH identified impairment losses of US\$ 3.430.876.

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**11. Right of use, leases**

Details of rights of use, leases as of December 31<sup>st</sup>, 2021 and 2020 are shown below:

**a) Gross values**

<b>Leases (right of use), gross</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
		<b>US\$</b>
Leases (right of use)	7.824.514	7.824.514
Revaluation of leases (right of use)	(838.301)	-
<b>Total</b>	<b>6.986.213</b>	<b>7.824.514</b>

**b) Accumulated depreciation leases (right of use)**

<b>Accumulated depreciation leases (right of use)</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Accumulated depreciation leases (right of use)	(867.168)	(612.416)
Revaluation of accumulated depreciation leases (right of use)	118.617	-
<b>Total</b>	<b>(748.551)</b>	<b>(612.416)</b>

**c) Net Values**

<b>Leases (right of use), net</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Leases (right of use)	6.237.662	7.212.098
<b>Total</b>	<b>6.237.662</b>	<b>7.212.098</b>

**d) Movement right of use, leases**

	<b>Leases</b>
	<b>US\$</b>
Balance at January 1, 2021	7.212.098
Movement	
Revaluation of leases (right of use)	(719.684)
Depreciation for the year	(254.752)
<b>Total movement</b>	<b>(974.436)</b>
<b>Balance at December 31, 2021</b>	<b>6.237.662</b>

	<b>Leases</b>
	<b>US\$</b>
Saldo Inicial al 1 de enero de 2020	7.517.689
Movement	
Adoption of NIF16	-
Depreciation for the year	(305.591)
<b>Total movement</b>	<b>(305.591)</b>
<b>Balance at December 31, 2020</b>	<b>7.212.098</b>

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**12. Current and non-current obligations with banks and financial institutions**

On December 23<sup>rd</sup>, 2021, IEH Solar Chile SpA and IEH Chile SpA as issuers; and the guarantors, Scotiabank Chile as guarantee agents and depositary bank, and the purchaser of the document, signed a financing agreement called "Note Purchase and Guarantee Agreement" for an amount of US\$48,200 million at a fixed rate of 4.3% with semi-annual maturities from March 31<sup>st</sup>, 2022 to September 30<sup>th</sup>, 2028.

**a) Prepayments**

Pursuant to the Note Purchase and Guarantee Agreement, Section 4.7, the issuers, IEH Solar and IEH, by December 31<sup>st</sup>, 2021, shall have paid the fees, expenses and other amounts due under the Note Purchase and Guarantee Agreement or any other financing, such payments being reflected in the Funds Flow Memorandum.

Details of the prepayments made by IEH Solar and IEH are shown below:

**i. IEH Solar**

	Inter-American Investment Corporation US\$	Inter-American Infrastructure Finance Corporation S.A. US\$	Security Bank US\$	Life Insurance Company Consorcio Nacional de Seguros S.A. US\$	CN Life Compañía de Seguros de Vida S.A. US\$	Consorcio Bank US\$
Principal to be pre-paid	4.847.213	8.383.428	8.266.401	6.613.121	1.653.310	-
Pre-Payment Penalty	96.944	-	82.664	66.131	16.533	-
Regular Interest	22.607	254.297	128.519	102.816	25.704	-
WAC Fee	4.000	-	-	-	-	-
Breakage cost	-	-	51.987	41.590	10.397	-
Legal fees	9.490	8.000	-	-	-	-
Other cost	8	-	-	-	-	-
Unwind (1)	-	-	618.216	-	-	590.000
<b>Total</b>	<b>4.980.262</b>	<b>8.645.725</b>	<b>9.147.787</b>	<b>6.823.658</b>	<b>1.705.944</b>	<b>590.000</b>

**ii. IEH**

	<b>Santander Bank US\$</b>
Principal to be pre-paid	17.415.156
Pre-Payment Penalty	-
Regular Interest	18.265
WAC Fee	-
Breakage cost	-
Legal fees	-
Other cost	-
Unwind (1)	1.461.404
<b>Total</b>	<b>18.894.825</b>

(1) Corresponds to the exit cost of rate hedging derivative contracts.

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**b) Current and non-current obligations with banks and financial institutions**

Details of current and non-current obligations with banks and financial institutions as of December 31<sup>st</sup>, 2021 and 2020 are presented below:

<b>Current financial liabilities</b>		
	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Current interest-bearing loans	3.266.133	3.806.291
Deferred financing costs, current	(103.578)	-
<b>Total current loans and financing</b>	<b>3.162.555</b>	<b>3.806.291</b>
<b>Non-current financial liabilities</b>		
	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Non-current interest-bearing loans	44.933.867	47.178.627
Non-current deferred financing costs	(1.632.272)	-
<b>Total non-current loans and financing</b>	<b>43.301.595</b>	<b>47.178.627</b>
<b>Total current and non-current loans and financing</b>	<b>46.464.150</b>	<b>50.984.918</b>
<b>Current interest payable</b>		
	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Interest payable	51.027	491.446
<b>Total current loans and financing</b>	<b>51.027</b>	<b>491.446</b>

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The loans correspond to long-term structured financing transactions with scheduled maturities of principal and interest, the maturities are paid in installments calculated and scheduled according to the income flow of each project; below are the maturity months according to each project financed:

<b>Company</b>	<b>Installment maturities</b>
GR Tiaca SpA	Paid on December 24, 2021
GR Boldo SpA	Paid on December 24, 2021
GR Espino SpA	Paid on December 24, 2021
GR Huingán SpA	Paid on December 24, 2021
GR Pacific Pan de Azúcar SpA	Paid on December 24, 2021
GR Litre SpA	Paid on December 24, 2021
GR Laurel SpA	Paid on December 24, 2021
GR Tineo SpA	Paid on December 24, 2021
GR Lingue SpA	Paid on December 24, 2021
GR Guayacán SpA	Paid on December 24, 2021
Raki SpA	Paid on December 24, 2021
Huajache SpA	Paid on December 24, 2021
IEH Solar Chile SpA - IEH Chile SpA	March - November 2021

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a) The detail of maturities with current and non-current financial entities as of December 31<sup>st</sup>, 2021 and 2020 is presented below:

Loan type	Company	Financial institution	Agent	Issue date	Maturity date	Debt issued	31-12-2021 US\$	31-12-2020 US\$	31-12-2021 US\$	31-12-2020 US\$	Currency	Interest rate	Rate type
Senior Debt	GR Boldo SPA	Security Bank	Security Bank	2017	2034	1.480.000	-	105.094	-	1.152.118	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Boldo SPA	Consorcio Bank	Security Bank	2017	2034	1.184.000	-	84.075	-	921.694	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Boldo SPA	CN Life	Security Bank	2017	2034	296.000	-	21.019	-	230.424	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Tiaca SPA	Security Bank	Security Bank	2017	2034	1.390.000	-	97.049	-	1.078.311	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Tiaca SPA	Consorcio Bank	Security Bank	2017	2034	1.112.000	-	77.639	-	862.649	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Tiaca SPA	CN Life	Security Bank	2017	2034	278.000	-	19.410	-	215.662	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Espino SpA	Security Bank	Security Bank	2017	2034	1.475.001	-	103.543	-	1.142.053	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Espino SpA	Consorcio Bank	Security Bank	2017	2034	1.180.000	-	82.835	-	913.643	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Espino SpA	CN Life	Security Bank	2017	2034	295.000	-	20.709	-	228.411	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Pacific Pan de Azúcar SpA	IDB Invest	Itaú Bank	2016	2029	3.760.500	-	249.581	-	2.533.798	US dollar	4,20% + Libor 3M	Partly floating rate
Senior Debt	GR Huigán SpA	IDB Invest	Itaú Bank	2016	2029	2.979.069	-	193.648	-	2.313.414	US dollar	4,20% + Libor 3M	Partly floating rate
Senior Debt	GR Litre SpA	Security Bank	Security Bank	2018	2035	4.513.753	-	302.906	-	3.705.643	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Litre SpA	Consorcio Bank	Security Bank	2018	2035	3.611.002	-	242.325	-	2.964.515	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Litre SpA	CN Life	Security Bank	2018	2035	902.751	-	60.575	-	741.158	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Laurel SpA	Security Bank	Security Bank	2018	2035	1.450.000	-	106.430	-	1.188.275	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Laurel SpA	Consorcio Bank	Security Bank	2018	2035	1.160.000	-	85.144	-	950.620	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Laurel SpA	CN Life	Security Bank	2018	2035	290.000	-	21.286	-	237.655	US dollar	4,15% + Libor 180	Partly floating rate
Senior Debt	GR Guayacán SpA	Banco CIFI	Itaú Bank	2017	2034	2.070.000	-	62.100	-	1.854.993	US dollar	5,00% + Libor 180	Partly floating rate
Senior Debt	GR Lingue SpA	Banco CIFI	Itaú Bank	2017	2034	5.500.000	-	186.054	-	4.818.338	US dollar	5,00% + Libor 180	Partly floating rate
Senior Debt	GR Tineo SpA	Banco CIFI	Itaú Bank	2017	2034	2.240.000	-	71.625	-	1.710.097	US dollar	5,00% + Libor 180	Partly floating rate
Senior Debt	Raki SpA	Santander Bank	Santander Bank	2015	2030	15.789.922	-	964.498	-	10.492.161	US dollar	3,9% + Libor 180	Partly floating rate
Senior Debt	Huajache SpA	Santander Bank	Santander Bank	2015	2030	10.542.608	-	648.746	-	6.922.995	US dollar	3,9% + Libor 180	Partly floating rate
Bond	IEH Solar Chile SpA - IEH Chile SpA	HSBC	Banco Scotiabank	2021	2038	48.200.000	3.266.133	-	44.933.867	-	US dollar	4,30%	Fixed rate
Financial costs	IEH Solar Chile SpA - IEH Chile SpA			2021	2038	(1.735.850)	(103.578)	-	(1.632.272)	-			
<b>Saldo</b>							<b>3.162.555</b>	<b>3.806.291</b>	<b>43.301.595</b>	<b>47.178.627</b>			



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b) Details of current interest payable as of December 31<sup>st</sup>, 2021 and 2020 are presented below:

Loan type	Company	Financial institution	Agent	Issue date	Maturity date	Debt issued	31-12-2021 US\$	31-12-2020 US\$	Currency	Interest rate	Rate type
Deuda Senior	GR Boldo SPA	Security Bank	Security Bank	2017	2034	1.480.000	-	21.228	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Boldo SPA	Consorcio Bank	Security Bank	2017	2034	1.184.000	-	16.983	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Boldo SPA	CN Life	Security Bank	2017	2034	296.000	-	4.246	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Tiaca SPA	Security Bank	Security Bank	2017	2034	1.390.000	-	19.846	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Tiaca SPA	Consorcio Bank	Security Bank	2017	2034	1.112.000	-	15.877	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Tiaca SPA	CN Life	Security Bank	2017	2034	278.000	-	3.969	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Espino SpA	Security Bank	Security Bank	2017	2034	1.475.001	-	21.032	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Espino SpA	Consorcio Bank	Security Bank	2017	2034	1.180.000	-	16.826	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Espino SpA	CN Life	Security Bank	2017	2034	295.000	-	4.206	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Pacific Pan de Azúcar SpA	IDB Invest	Banco Itau	2016	2029	3.760.500	-	15.245	US dollar	4,20% + Libor 3M	Partly floating rate
Deuda Senior	GR Huinán SpA	IDB Invest	Banco Itau	2016	2029	2.979.069	-	13.508	US dollar	4,20% + Libor 3M	Partly floating rate
Deuda Senior	GR Litre SpA	Security Bank	Security Bank	2018	2035	4.513.753	-	67.685	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Litre SpA	Consorcio Bank	Security Bank	2018	2035	3.611.002	-	54.148	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Litre SpA	CN Life	Security Bank	2018	2035	902.751	-	13.537	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Laurel SpA	Security Bank	Security Bank	2018	2035	1.450.000	-	21.861	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Laurel SpA	Consorcio Bank	Security Bank	2018	2035	1.160.000	-	18.870	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Laurel SpA	CN Life	Security Bank	2018	2035	290.000	-	4.372	US dollar	4,15% + Libor 180	Partly floating rate
Deuda Senior	GR Guayacán SpA	Banco CIFI	Banco Itau	2017	2034	2.070.000	-	27.478	US dollar	5,00% + Libor 180	Partly floating rate
Deuda Senior	GR Lingue SpA	Banco CIFI	Banco Itau	2017	2034	5.500.000	-	71.729	US dollar	5,00% + Libor 180	Partly floating rate
Deuda Senior	GR Tineo SpA	Banco CIFI	Banco Itau	2017	2034	2.240.000	-	25.539	US dollar	5,00% + Libor 180	Partly floating rate
Deuda Senior	Rakí SpA	Santander Bank	Santander Bank	2015	2030	15.789.922	-	20.025	US dollar	3,9% + Libor 180	Partly floating rate
Deuda Senior	Huajache SpA	Santander Bank	Santander Bank	2015	2030	10.542.608	-	13.236	US dollar	3,9% + Libor 180	Partly floating rate
Bono	IEH Solar Chile SpA - IEH Chile SpA	HSBC	Scotiabank Bank	2021	2038	48.200.000	51.027	-	US dollar	4,30%	Fixed rate
<b>Saldo</b>							<b>51.027</b>	<b>491.446</b>			

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- c) Movements in current and non-current financial liabilities as of December 31<sup>st</sup>, 2021 and 2020 are detailed below:

	<b>Currents US\$</b>	<b>Non-current US\$</b>	<b>Total US\$</b>
Balance at January 1, 2021	4.297.737	47.178.627	51.476.364
Movement:			
Obtaining financing	3.266.133	44.933.867	48.200.000
Financial costs	(103.578)	(1.632.272)	(1.735.850)
Payment of principal	(8.046.609)	(42.938.369)	(50.984.978)
Accrued interest	(440.359)	-	(440.359)
Transfer of installments	4.240.258	(4.240.258)	-
<b>Total movement</b>	<b>(1.084.155)</b>	<b>(3.877.032)</b>	<b>(4.961.187)</b>
<b>Balance at December 31, 2021</b>	<b>3.213.582</b>	<b>43.301.595</b>	<b>46.515.177</b>

	<b>Currents US\$</b>	<b>Non-current US\$</b>	<b>Total US\$</b>
Balance at January 1, 2020	3.986.291	50.985.174	54.971.465
Movement:			
Payment of principal	(3.300.148)	-	(3.300.148)
Accrued interest	(194.953)	-	(194.953)
Transfer of installments	3.806.547	(3.806.547)	-
<b>Total movement</b>	<b>311.446</b>	<b>(3.806.547)</b>	<b>(3.495.101)</b>
<b>Balance at December 31, 2020</b>	<b>4.297.737</b>	<b>47.178.627</b>	<b>51.476.364</b>

**Covenants**

The borrower agrees to open and maintain with the agent bank, during the entire term of the contracts, certain reserve accounts. Said accounts shall be endowed and/or adjusted on each control date during the operation period and until the termination date, with funds coming from the income account, for an amount equivalent to:

- 1/6 monthly that assures to maintain the principal and interest of the next maturity in the account denominated "Debt Payment Account".
- 1/12 monthly per year to cover the differential between US\$358,530 and the "Repowering Capital Expenses" established in the schedule of the "Repowering Implementation Plan".

<b>Year</b>	<b>Capital US\$</b>
2024	597.550
2029	567.673
2034	539.289

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- and to cover the equivalent of the monthly operation and maintenance amount established in the annual budget approved by the independent engineer called "Operation and Maintenance Budget", which must be submitted no later than 30 days prior to each fiscal year.

**Warranties**

As of December 31<sup>st</sup>, 2021 IEH Solar and IEH maintain the following Stand-by Letters of Credit (SBLC) maturing December 31<sup>st</sup>, 2022:

<b>Letter of Credit Stand-by (SBLC)</b>	<b>US\$</b>
Debt Service Reserve Account	2.900.000
O&M Reserve Account	560.000
PPA Reserve Account	2.600.000
Wind Fractioning Reserve Account	633.000

**Derivative instruments**

As of December 31<sup>st</sup>, 2021, IEH Solar and IEH have not contracted interest rate hedges (swap) since the interest rate associated with current financing operations corresponds to "fixed rate".

As of December 31<sup>st</sup>, 2020 IEH Solar and IEH had contracted interest rate hedges (swap) for 7 operating companies, whereby IEH Solar and IEH agree to exchange the difference between fixed and variable interest rate amounts calculated on agreed amounts.

**13. Derivative instruments**

Details of the balances payable for hedging derivatives as of December 31<sup>st</sup>, 2021 and 2020 are shown below:

<b>Operation type</b>	<b>Company</b>	<b>Financial institution</b>	<b>Issue date</b>	<b>Maturity date</b>	<b>Notional value US\$</b>	<b>31-12-2021 US\$</b>	<b>31-12-2020 US\$</b>	<b>Currency</b>
Swap	GR Bordo SPA	Security Bank	2017	2034	(1.110.000)	-	(121.188)	US dollar
Swap	GR Bordo SPA	Consorcio Bank	2017	2034	(1.110.000)	-	(118.559)	US dollar
Swap	GR Tiaca SPA	Security Bank	2017	2034	(1.042.500)	-	(99.088)	US dollar
Swap	GR Tiaca SPA	Consorcio Bank	2017	2034	(1.042.500)	-	(96.697)	US dollar
Swap	GR Espino SpA	Security Bank	2017	2034	(1.106.250)	-	(118.143)	US dollar
Swap	GR Espino SpA	Consorcio Bank	2017	2034	(1.106.250)	-	(115.503)	US dollar
Swap	GR Litre SpA	Security Bank	2018	2035	(1.087.500)	-	(417.175)	US dollar
Swap	GR Litre SpA	Consorcio Bank	2018	2035	(1.087.500)	-	(407.745)	US dollar
Swap	GR Laurel SpA	Security Bank	2018	2035	(3.416.250)	-	(134.213)	US dollar
Swap	GR Laurel SpA	Consorcio Bank	2018	2035	(3.416.250)	-	(131.147)	US dollar
Swap	Raki SpA	Santander Bank	2015	2027	(8.012.097)	-	(1.426.520)	US dollar
Swap	Huajache SpA	Santander Bank	2015	2027	(5.354.459)	-	(940.482)	US dollar
<b>Saldo</b>						-	<b>(4.126.460)</b>	

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The detail of the effects on equity resulting from the change in hedging derivatives as of December 31<sup>st</sup>, 2021 and 2020 is presented below:

Operation type	Company	Financial institution	Issue date	Maturity date	Effect on equity		Currency
					2021	2020	
					US\$	US\$	
Swap	GR Boldo SPA	Security Bank	2017	2034	119.874	(59.957)	US dollar
Swap	GR Boldo SPA	Consorcio Bank	2017	2034	119.873	(59.255)	US dollar
Swap	GR Tiaca SPA	Security Bank	2017	2034	97.893	(58.228)	US dollar
Swap	GR Tiaca SPA	Consorcio Bank	2017	2034	97.892	(57.587)	US dollar
Swap	GR Espino SpA	Security Bank	2017	2034	116.823	(60.317)	US dollar
Swap	GR Espino SpA	Consorcio Bank	2017	2034	116.823	(59.581)	US dollar
Swap	GR Litre SpA	Security Bank	2018	2035	412.460	(200.144)	US dollar
Swap	GR Litre SpA	Consorcio Bank	2018	2035	412.460	(196.823)	US dollar
Swap	GR Laurel SpA	Security Bank	2018	2035	132.680	(64.343)	US dollar
Swap	GR Laurel SpA	Consorcio Bank	2018	2035	132.680	(63.266)	US dollar
Swap	Raki SpA	Santander Bank	2015	2027	1.426.520	(497.594)	US dollar
Swap	Huajache SpA	Santander Bank	2015	2027	940.482	(327.631)	US dollar
<b>Saldo</b>					<b>4.126.460</b>	<b>(1.704.726)</b>	

#### 14. Lease liabilities

Details of current and non-current lease liabilities as of December 31<sup>st</sup>, 2021 and 2020 are shown below:

Financial institution	Land	Issue date	Maturity date	Payment periodicity	Current		Non-current		Currency	Interest rate
					31-12-2021	31-12-2020	31-12-2021	31-12-2020		
					US\$	US\$	US\$	US\$		
GR Boldo SPA	Francisco	January 2020	May 2046	Annual	17.734	21.481	458.350	524.491	UF	1%
GR Tiaca SPA	Don Eugenio	January 2020	May 2042	Annual	20.744	24.320	437.353	496.534	US dollar	1% + 2,1 CPI EEUU
GR Espino SpA	Homero	January 2020	November 2045	Annual	15.704	18.931	396.413	452.769	UF	1%
GR Pacific Pan de Azúcar SpA	El Olivo	January 2020	December 2044	Monthly	16.095	19.851	388.576	456.572	UF	1%
GR Huigán SpA	Alturas de Ovalle I	January 2020	April 2045	Monthly	13.759	17.015	337.676	397.019	UF	1%
GR Huigán SpA	Alturas de Ovalle II	January 2020	April 2041	Semiannual	22.067	26.468	433.067	500.648	UF	1%
GR Litre SpA	Mostazal	January 2020	February 2046	Annual	46.090	55.718	1.177.332	1.346.518	UF	1%
GR Laurel SpA	Luders	January 2020	February 2046	Annual	17.253	20.857	440.704	504.035	UF	1%
GR Coigüe SpA	San Pedro	January 2020	April 2041	Annual	15.152	18.197	300.297	333.425	UF	1%
GR Guayacán SpA	Cabisol	January 2020	December 2041	Annual	14.301	16.682	294.534	333.636	UF	1%
GR Lingue SpA	Panquehue	January 2020	December 2046	Annual	35.604	44.617	945.436	1.111.716	UF	1%
GR Tineo SpA	Chimbarongo	January 2020	October 2040	Monthly	19.017	22.686	365.843	427.267	UF	1%
<b>Balance</b>					<b>253.520</b>	<b>306.823</b>	<b>5.975.581</b>	<b>6.884.630</b>		

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- a) Movements in current and non-current lease liabilities as of December 31<sup>st</sup>, 2021 and 2020 are detailed below:

	<b>Current US\$</b>	<b>Non-current US\$</b>	<b>Total US\$</b>
Balance at January 1, 2021	306.823	6.884.630	7.191.453
Movement:			
Payment of dues	(302.314)	-	(302.314)
Revaluation of lease liabilities	(4.509)	(655.529)	(660.038)
Transfer of installments	253.520	(253.520)	-
<b>Total movement</b>	<b>(53.303)</b>	<b>(909.049)</b>	<b>(962.352)</b>
<b>Balance at December 31, 2021</b>	<b>253.520</b>	<b>5.975.581</b>	<b>6.229.101</b>

	<b>Current US\$</b>	<b>Non-current US\$</b>	<b>Total US\$</b>
Balance at January 1, 2020	306.823	7.210.867	7.517.690
Movement:			
Payment of dues	(306.207)	-	(306.207)
Revaluation of lease liabilities	(616)	(19.414)	(20.030)
Transfer of installments	306.823	(306.823)	-
<b>Total movement</b>	<b>-</b>	<b>(326.237)</b>	<b>(326.237)</b>
<b>Balance at December 31, 2020</b>	<b>306.823</b>	<b>6.884.630</b>	<b>7.191.453</b>

## **15. Taxes payable**

Details of taxes payable as of December 31<sup>st</sup>, 2021 and 2020 are shown below:

	<b>31-12-2021 US\$</b>	<b>31-12-2020 US\$</b>
Single tax Article 21	11.500	15.019
Withholding tax fees	-	170
Income tax provision	599	3.934
VAT payable (net)	164.533	179.501
<b>Total</b>	<b>176.632</b>	<b>198.624</b>

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**16. Trade and other accounts payable, current**

Trade and other current payables as of December 31<sup>st</sup>, 2021 and 2020 are as follows:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Suppliers	27.819	364.087
<b>Total</b>	<b>27.819</b>	<b>364.087</b>

**17. Other current liabilities**

Details of other current liabilities as of December 31<sup>st</sup>, 2021 and 2020 are as follows:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Provisions	212.402	306.405
Accounts payable Frontel, current	34.928	123.273
Social laws	4.376	5.069
<b>Total</b>	<b>251.706</b>	<b>434.747</b>

**18. Non-current trade and other payables, non-current**

Details of trade and other non-current accounts payable as of December 31<sup>st</sup>, 2021 and 2020 are as follows:

	<b>Country</b>	<b>Relationship</b>	<b>Currency</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
				<b>US\$</b>	<b>US\$</b>
Account payable IEH Holding UK (1)	England	Direct	US\$	8.923.468	7.223.790
Account payable IEH Holding UK (2)	England	Direct	US\$	4.915.899	5.333.518
Account payable Interenergy Group (3)	England	Direct	US\$	1.783.852	1.783.852
<b>Total</b>				<b>15.623.219</b>	<b>14.341.160</b>

- (1) The account payable to IEH Holding UK is originated by loans between related companies, which is subject to a quarterly interest rate of TAB 180 minus 0.25 points.
- (2) The account payable to IEH Holding UK arises from loans between related companies and bears interest at a monthly rate of 2.18%.
- (3) The accounts payable to Interenergy Group are originated by cash flow transactions in Chilean pesos of the current operation, not subject to readjustment clauses or interest.

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IEH Solar and IEH carried out transactions and maintained balances with related companies, as described below:

**Transactions**

	Company	Country	Transaction	Currency Type	2021 US\$	2020 US\$	2021 Effect on Results Charge /(Credit)	2020
-	Internergy Holding UK Limited (1)	England	Subordinated loan	US\$	-	-	-	-
-	Internergy Holding UK Limited (1)	England	Subordinated loan interest	US\$	170.703	36.295	170.703	36.295
-	Internergy Holding UK Limited (1)	England	Loan obtained	US\$	2.528.975	-	-	-
-	Internergy Holding UK Limited (1)	England	Loan payment obtained	US\$	(1.000.000)	-	-	-
-	Internergy Holding UK Limited (2)	England	Subordinated loan	US\$	(535.547)	392.709	(535.547)	392.709
-	Internergy Holding UK Limited (2)	England	Subordinated loan interest	US\$	117.928	105.789	117.928	105.789

**19. Other liabilities, non-current**

Details of other non-current provisions as of December 31<sup>st</sup>, 2021 and 2020 are as follows:

	31-12-2021 US\$	31-12-2020 US\$
Accounts payable Frontel, non-current	1.926.247	2.218.769
Taxes payable	16.804	16.804
Customer advances	847	5.768
Other accounts payable	115.000	115.000
Decommissioning provision	668.006	1.586.097
<b>Total</b>	<b>2.726.904</b>	<b>3.942.438</b>

IEH Solar has recorded non-current obligations for dismantling and retirement of its assets at the end of their lives. This provision has been determined based on a technical calculation of the future value, discounted at an annual interest rate of 7.52%, based on the dismantling of the following items:

- Disassembly and removal of photovoltaic panels, electrical installation, Stringbox and metallic support structures for photovoltaic panels, both in tracker and fixed structure.
- Removal of inverter and transformer cabins, as well as auxiliary elements, pyranometers, auxiliary panels, communication panels, anemometers, etc.
- Dismantling and dismantling of the perimeter security and surveillance system, demolition of the foundations of the surveillance posts.
- Removal of gravel and compaction elements from perimeter roads as well as from the interior of the photovoltaic plant.

This obligation is stated at present value.

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**20. Equity**

**a) Subscribed and paid-in capital and number of shares**

As of December 31<sup>st</sup>, 2021, the capital stock of IEH Solar Chile SpA amounts to US\$ 22.494.972, equivalent to 14.394.212 ordinary shares, with no par value.

As of December 31<sup>st</sup>, 2021, the capital stock of IEH Chile SpA amounts to US\$ 18.033.109, equivalent to 1.500 ordinary shares with no par value.

**b) Movements**

As of December 31<sup>st</sup>, 2021 and 2020 there are no changes in the capital stock of IEH Solar Chile SpA and IEH Chile SpA.

**c) Dividends**

As of December 31<sup>st</sup>, 2021 and 2020, IEH Solar and IEH have not provided for or distributed dividends charged to income for the year or retained earnings.

**21. Operating income**

IEH Solar and IEH revenues are derived from the sale of energy and power to the National Electric System (SEN), and from the sale of energy to the customer EKA Chile S.A, under the long-term energy sales contract, respectively.

The detail of other operating income as of December 31<sup>st</sup>, 2021 and 2020 is shown below:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Energy sales	9.931.623	10.053.151
Capacity sales	1.079.796	1.377.708
Other Income	820.060	858.677
<b>Total</b>	<b>11.831.479</b>	<b>12.289.536</b>



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**22. Costs and administrative expenses**

Details of administrative costs and expenses as of December 31<sup>st</sup>, 2021 and 2020 are presented below:

**a) Operating costs**

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Depreciation	4.408.266	4.406.211
Maintenance	1.845.613	1.829.050
Complementary services	760.668	491.817
Capacity purchase	199.889	243.963
Insurance	188.342	171.419
Amortization of rights of use	103.355	119.170
Energy purchase	16.672	69.647
Others	8.847	14.908
<b>Total</b>	<b>7.531.652</b>	<b>7.346.185</b>

**b) Administrative expenses**

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Fees	180.383	367.911
Amortizations	366.800	366.800
Legal fees	29.623	335.356
Labor	3.216	180.454
Other expenses	77.312	148.124
Patents	16.143	54.762
Leases	40.555	37.062
Penalties	-	2.573
<b>Total</b>	<b>714.032</b>	<b>1.493.042</b>

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**23. Financial expenses**

Details of financial income and expenses as of December 31<sup>st</sup>, 2021 and 2020 are presented below:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Interest paid	5.832.502	3.007.279
Accrued interest	17.598	547.690
Commissions	168.258	172.928
Financial expense for rights of use	50.806	53.754
Interest income	-	37.205
Others	1.113	-
<b>Total</b>	<b>6.070.277</b>	<b>3.818.856</b>

**24. Income taxes and deferred income taxes**

Income tax and deferred income tax are valued as described in Note 2 and have the following movement:

**a) Income tax recognized in results of operations for the year**

The effect on income tax results as of December 31<sup>st</sup>, 2021 and 2020 is detailed below:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Effect of deferred income tax for the period	1.403.875	178.294
Current income tax expense	(600)	-
<b>Total</b>	<b>1.403.275</b>	<b>178.294</b>

**b) Reconciliation of the accounting result with the tax result**

The following detail shows the reconciliation between the income tax recorded and the income tax that would result from applying the statutory rate for the periods ended December 31<sup>st</sup>, 2021 and 2020.

	<b>Rate</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>%</b>	<b>US\$</b>	<b>US\$</b>
Income (Loss) before taxes		(6.119.665)	(785.361)
Income tax profit (expense)	27%	1.652.309	212.047
Effective rate reconciliation:			
Permanent differences		(249.034)	(33.753)
<b>Effective rate Tax income (expense)</b>		<b>1.403.275</b>	<b>178.294</b>

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The tax rate used for the reconciliation of 2021 and 2020 corresponds to 27%, under the tax regulations in effect at the date of preparation of the financial statements.

**c) Deferred tax assets and liabilities**

Details of accumulated deferred tax assets and liabilities as of December 31<sup>st</sup>, 2021 and 2020 are as follows:

	<b>31-12-2021</b>	<b>31-12-2020</b>
	<b>US\$</b>	<b>US\$</b>
Deferred tax assets:		
Deferred tax hedging	-	1.114.145
Decommissioning provision	180.362	443.956
Right of use	(1.886.281)	(2.170.925)
Difference between financial and tax fixed	(6.805.104)	(2.858.143)
Tax losses	13.256.964	7.812.040
Leases	1.850.935	2.011.466
Other deferred	(403.992)	(449.385)
<b>Total deferred tax assets</b>	<b>6.192.884</b>	<b>5.903.154</b>
Deferred tax liabilities:		
Deferred tax goodwill	1.016.390	1.016.390
<b>Total deferred tax liabilities</b>	<b>1.016.390</b>	<b>1.016.390</b>
<b>Total deferred tax liabilities</b>	<b>5.176.494</b>	<b>4.886.764</b>

**25. Contingencies and commitments**

**Lawsuits and claims**

As of December 31<sup>st</sup>, 2021 and 2020 there are no lawsuits and claims to report.

**Warranties**

As of December 31<sup>st</sup>, 2021 IEH Solar and IEH have provided direct guarantees as part of their normal standby financing transactions, the main terms of the direct guarantees provided are detailed below:

<b>Financial institution</b>	<b>Letter of Credit Stand-by (SBLC)</b>	<b>US\$</b>	<b>Maturity date</b>
Banco Scotiabank	Debt Service Reserve Account	2.900.000	December 31, 2022
Banco Scotiabank	O&M Reserve Account	560.000	December 31, 2022
Banco Scotiabank	PPA Reserve Account	2.600.000	December 31, 2022
Banco Scotiabank	Wind Fractioning Reserve Account	633.000	December 31, 2022

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**26. Environment**

The main environmental expenses accrued as of December 31<sup>st</sup>, 2021 for IEH Solar and IEH correspond entirely to environmental consultancies associated with maintaining an appropriate relationship with the neighboring community.

**27. Subsequent events**

In the period from January 1<sup>st</sup>, 2022 to the date of issuance of these financial statements, no significant subsequent events have occurred that affect the interpretation of these financial statements.