



EMPRESA DE LOS FERROCARRILES DEL ESTADO AND SUBSIDIARIES (No audited)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2022 and December 31, 2021



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EMPRESA DE LOS FERROCARRILES DEL ESTADO AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2022 (no audited) and December 2021 (In thousands of Chilean pesos - ThCLP\$)

Assets	Note	As of September 30 2022 (no Audited)	As of December 31 2021
	No.		
Assets		ThCLP\$	ThCLP\$
Current assets			
Cash and cash equivalents	6	460,241,619	536,822,148
Other financial assets	7	61,215,190	108,212,107
Other non-financial assets	8	2,789,487	433,407
Trade and other receivables	9	4,371,234	5,592,771
Accounts receivable from related parties, current	10	19,501,543	115,758,916
Inventories	11	620,512	411,774
Current tax assets	16	23,490,562	13,258,197
Total current assets		572,230,147	780,489,320
Non-current assets			
Trade and other non-current receivable	9	3,226	3,096
Accounts receivable from related parties, non-current	10	336,467,153	309,722,398
Equity-accounted investees	12	16,655,010	15,706,334
Intangible assets other than goodwill	13	3,060,302	2,824,077
Property, plant and equipment	14	1,706,033,187	1,610,578,775
Investment property	15	32,138,260	32,152,531
Total non-current assets		2,094,357,138	1,970,987,211
Total assets		2,666,587,285	2,751,476,531

The accompanying notes 1 to 35 are an integral part of these interim consolidated financial statements.

EMPRESA DE LOS FERROCARRILES DEL ESTADO AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2022 (no audited) and December 2021 (In thousands of Chilean pesos - ThCLP\$)

Liabilities	Note No.	As of september 30 2022 (no Audited)	As of December 31 2021
Liabilities and equity		ThCLP\$	ThCLP\$
Liabilities			
Current liabilities			
Other financial liabilities, current	17	46,343,864	41,235,972
Trade and other payables	18	47,077,151	111,614,091
Accounts payable to related entities		4,054,280	4,257,848
Provisions for employee benefits	19	5,799,545	6,565,800
Other non-financial liabilities, current	20	50,363,173	56,157,677
Total current liabilities		153,638,013	219,831,388
Non-current liabilities			
Other financial liabilities, non-current	17	2,725,320,258	2,454,231,979
Accounts non-current payable to related entities	10	6,600,000	6,600,000
Other provisions	34	3,272,930	3,183,369
Provisions for employee benefits	19	3,146,046	2,767,213
Other non-financial liabilities, non-current	20	515,969,654	586,669,053
Total non-current liabilities		3,254,308,888	3,053,451,614
Total liabilities		3,407,946,901	3,273,283,002
Equity			
Issued capital	21	410,777,044	410,777,044
Accumulated deficit		(2,292,774,632)	(2,072,308,966)
Other reserves		1,140,638,194	1,139,725,434
Equity attributable to owners of the Company		(741,359,394)	(521,806,488)
Non-controlling interests		(222)	17
Total equity	21	(741,359,616)	(521,806,471)
Total liabilities and equity		2,666,587,285	2,751,476,531

The accompanying notes 1 to 35 are an integral part of these interim consolidated financial statements.

EMPRESA DE LOS FERROCARRILES DEL ESTADO AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended september 30, 2022 and 2021

Statement of Comprehensive Income	Note No.	09.30.2022 (no Audited)	09.30.2021 (no Audited)	07.01.2022 09.30.2022 (no Audited)	07.01.2021 09.30.2021 (no Audited)
Statement of income		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Profit (loss)					
Revenue	22	71,005,068	62,054,524	25,358,846	21,532,205
Cost of sales	23	(66,838,753)	(56,917,344)	(23,679,369)	(19,502,863)
Gross margin		4,166,315	5,137,180	1,679,477	2,029,342
Financial assets measured at amortized cost					
Administrative expenses	24	(18,019,728)	(14,949,414)	(6,528,992)	(5,176,671)
Other income	26	59,494,918	44,048,274	20,950,365	28,796,278
Finance income	25	6,724,284	(358,876)	2,114,706	(510,000)
Finance cost	27	(69,072,957)	(50,119,282)	(24,221,973)	(16,325,674)
Share of profit (loss) of equity-accounted investees	12	1,745,650	654,275	504,429	411,260
Exchange rate variances	27	(29,892,751)	(5,108,761)	(3,908,619)	(234,022)
(Loss) gain on indexation units	27	(175,611,422)	(49,427,633)	(64,185,047)	(29,947,406)
Loss, before tax		(220,465,690)	(70,124,237)	(73,595,653)	(20,956,893)
Income tax expense	16	-	-	-	-
Loss from continuing operations		(220,465,690)	(70,124,237)	(73,595,653)	(20,956,893)
Net loss for the period		(220,465,690)	(70,124,237)	(73,595,653)	(20,956,893)
Comprehensive (loss) income attributable					
Comprehensive loss attributable to the parent		(220,465,665)	(70,124,235)	(73,595,655)	(20,956,891)
Comprehensive loss attributable to non-controlling interest		(25)	(2)	2	(2)
Comprehensive loss		(220,465,690)	(70,124,237)	(73,595,653)	(20,956,893)

The accompanying notes 1 to 35 are an integral part of these interim consolidated financial statements.

EMPRESA DE LOS FERROCARRILES DEL ESTADO AND SUBSIDIARIES
Interim Consolidated Statements of Changes in Net Equity
For the periods ended September 30, 2022 and 2021

For the period ended September 30, 2022

Statement of Changes in Equity	Note No.	Issued capital ThCLP\$	Cash flow hedging reserves ThCLP\$	Actuarial reserves ThCLP\$	Mark to market adjustment on investments at fair value through other comprehensive income ThCLP\$	Other reserves ThCLP\$	Retained earnings ThCLP\$	Equity attributable to owners of the Company ThCLP\$	Non-controlling interest ThCLP\$	Total ThCLP\$
Balance as of 01/01/2022	21	410,777,044	(444,219)	(4,830,904)	(558,182)	1,145,558,739	(2,072,308,966)	(521,806,488)	17	(521,806,471)
Changes in equity										
Other comprehensive income		-	523,480	389,280	-	-	-	912,760	-	912,760
Profit (loss) for the period		-	-	-	-	-	(220,465,666)	(220,465,666)	(25)	(220,465,691)
Increase (decrease) by other contributions from the owners		-	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes		-	-	-	-	-	-	-	(214)	(214)
Total of changes in equity		-	523,480	389,280	-	-	(220,465,666)	(219,552,906)	-	(219,553,145)
Final Balance at 09/30/2022		410,777,044	79,261	(4,441,624)	(558,182)	1,145,558,739	(2,292,774,632)	(741,359,394)	(222)	(741,359,616)

For the period ended September 30, 2021

Statement of Changes in Equity	Note No.	Issued capital ThCLP\$	Cash flow hedging reserves ThCLP\$	Actuarial reserves ThCLP\$	Mark to market adjustment on investments at fair value through other comprehensive income ThCLP\$	Other reserves ThCLP\$	Retained earnings ThCLP\$	Equity attributable to owners of the Company ThCLP\$	Non-controlling interest ThCLP\$	Total ThCLP\$
Balance as of 01/01/2021	21	410,777,044	(464,914)	(5,905,168)	98,525	1,132,493,718	(1,942,121,719)	(405,122,514)	17	(405,122,497)
Changes in equity										
Other comprehensive income		-	384,316	1,242,354	(116,269)	-	-	1,510,401	-	1,510,401
Profit (loss) for the period		-	-	-	-	-	(70,124,235)	(70,124,235)	(2)	(70,124,237)
Increase (decrease) by other contributions from the owners		-	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes		-	-	-	-	434,110	-	-	2	2
Total of changes in equity		-	384,316	1,242,354	(116,269)	434,110	(70,124,235)	(68,613,834)	-	(68,179,724)
Final Balance at 09/30/2021		410,777,044	(80,598)	(4,662,814)	(17,744)	1,132,927,828	(2,012,245,954)	(473,736,348)	17	(473,302,221)

The accompanying notes 1 to 35 are an integral part of these interim consolidated financial statements.

EMPRESA DE LOS FERROCARRILES DEL ESTADO AND SUBSIDIARIES
CASH FLOW INTERIM CONSOLIDATED STATEMENTS, DIRECT METHOD
For the periods ended September 30, 2022 and 2021

Consolidated Statements of Cash Flows, Direct Method	Note	01.01.2022 09.30.2022	01.01.2021 09.30.2021
	No.	ThCLPS	ThCLPS
Cash flows from operating activities			
Receipts cash flows from operating activities			
Cash receipts from sales of goods and services		61,005,068	40,941,826
Other receipts from operating activities		3,134,947	887,434
Payment categories			
Payments to suppliers for goods and services provided		(65,021,979)	(62,644,450)
Payments to and on behalf of employees		(26,171,472)	(28,578,212)
Net cash flows from (used in) operating activities		(27,053,436)	(49,393,402)
Cash flows from investing activities			
Amounts from sales property, plant and equipment		1,061,000	257,256
Purchases of property, plant and equipment		(179,576,489)	(115,939,787)
Purchases of intangible assets	13	(547,837)	(39,219)
Taxes refunded (27 BIS)		3,948,957	19,320,451
Dividends received (Ipesa)	12	1,158,214	699,108
Net decrease (increase) from investments in term deposit over 90 days		46,996,917	58,579,524
Net cash flows from (used in) investing activities		(126,959,238)	(37,122,667)
Cash flows from financing activities			
Amounts from government grants, classified as business activities		124,870,749	392,122,089
Proceeds from the issuance of bonds		(80,907,521)	(67,387,088)
Payment of loans		(4,490,386)	(4,963,679)
Net cash flows from (used in) financing activities		39,472,842	319,771,322
Net increase (decrease) in cash and cash equivalents before effect of changes in the exchange rate		(114,539,832)	233,255,253
Effects of the variation in the exchange rate on cash and cash equivalents		37,959,303	5,108,761
Effects of the variation in the exchange rate on cash and cash equivalents		37,959,303	5,108,761
Net increase (decrease) in cash and cash equivalents		(76,580,529)	238,364,014
Cash and cash equivalents at beginning of the period	6	536,822,148	273,636,776
Cash and cash equivalents at end of the period	6	460,241,619	512,000,790

The accompanying notes 1 to 35 are an integral part of these interim consolidated financial statements.

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1. Nature, activities, legal environment, and composition of the group

Empresa de los Ferrocarriles del Estado (hereinafter referred to as the “Company” or “EFE”) is a public sector entity not subject to International Public Sector Accounting Standards which is 100%-owned by the State of Chile. Nevertheless, EFE is an autonomous entity and has its own assets.

EFE is related to the Chilean State through the Ministry of Transport and Telecommunications and is ruled by Decree with Force of Law (or “DFL”) No. 1 of the year 1993 of the Ministry of Transport and Telecommunications. It is also registry in the Securities Registry of the Financial Market Commission (referred to as CMF) under number 253.

a) Company’s corporate purpose and home-office

EFE’s corporate purpose is to establish, develop, promote, maintain, and provide passenger and cargo transportation services by railroads or similar systems, as well as supplementary transportation services, regardless of the means used, including all related activities needed to properly fulfill its purpose. The company’s corporate purpose also includes commercial operation of its own assets.

The Company may fulfill this corporate purpose directly, or by entering contracts, by granting concessions or by the constitution of companies which must be governed by the same regulations as those applicable to publicly traded corporations.

EFE’s corporate headquarters are located at Morandé 115, sixth floor, Santiago, Chile.

b) Regulations applicable to the Company’s legal acts and contracts

All legal acts and contracts carried out by the Company in the pursuit of its lines of business are governed by the rules of Chilean private law provided, that they are compatible with the provisions of DFL No. 1 dated 1993 of the Ministry of Transport and Telecommunications.

c) Reporting to regulator

EFE is subjected to the financial and accounting standards which regulate publicly traded corporations. Its annual and half-yearly statements of financial position are subjected to audits, and reviews, respectively, by auditing firms with recognized prestige.

According to Article 10th of Law 20.285, EFE must provide to the Financial Market Commission the same information as that provided by publicly traded corporations operating under Law No18.046.

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As of September, 30 2022 (no audited) and December, 31 2021

d) Labor laws and regulations applicable to Company employees

Company workers are regulated by DFL No. 1, by the provisions of the Chilean Labor Code and by DFL No. 3 dated 1980 of the Ministry of Transport and Telecommunications. Accordingly, regulations for state workers or workers employed by State-owned companies are not applicable to EFE's workers. For all legal purposes, EFE's workers are considered private sector workers.

e) Description of Company assets

EFE has its own assets and are represented by the following:

1. Railroads, including their facilities and related property, transferred by the Chilean State to the Company.
2. The land occupied by the railways, and by their facilities and related property.
3. Buildings, facilities, artwork, and other constructions which are permanently assigned to the Company by the Chilean State.
4. Rolling stock, equipment, machinery, tools, spare parts, supplies, stocks, and fixtures.
5. Concessions and privileges for as long as they are in force.
6. Proceeds earned from the operations of its assets.
7. Income from the sale of its assets.
8. Annual funds allocated to the Company under the country's Budget enacted into law as well as funds assigned to the Company by other Laws and Decrees, and
9. In general, all the real estate and non-real estate properties and associated rights acquired by the Company under any title.

f) The Consolidated Group

EFE separates the operation of its real estate, cargo operators' services and passenger transportation services. Passenger transportation services are provided by three subsidiaries which are all publicly traded corporations. Aspects related to the development of railway infrastructure and service management to cargo operating companies are managed by the parent company. EFE has a significant majority interest in its subsidiaries; therefore, it exercises control over the following companies, which in accordance with current regulations, have been consolidated:

Taxpayer No	Company name	Country origin	Functional currency	CMF inscription No.	Percentage of ownership			
					09.30.2022			12.31.2021
					Direct %	Indirect %	Total %	Total %
96.766.340-9	EFE Valparaiso S.A.	Chile	CLP	587	99.9998	0.0002	99.9999	99.9999
96.756.310-2	EFE Sur S.A.	Chile	CLP	18	99.9999	0.0001	99.9999	99.9999
96.756.320-K	EFE Central S.A.	Chile	CLP	19	99.9999	0.0001	99.9999	99.9999
96.769.070-8	EFE Arica -La Paz S.A.	Chile	CLP	578	99.9995	0.0005	99.9999	99.9999
96.756.300-5	Servicio de Trenes Regionales Terra S.A.	Chile	CLP	274	99.9000	0.0999	99.9999	99.9999
96.756.330-7	Infraestructura y Tráfico Ferroviario S.A.	Chile	CLP	577	99.9000	0.0999	99.9999	99.9999

The financial information regarding these investments in Group Companies is presented in Note 3.2.

2. Basis of preparation and presentation of the consolidated financial statements

2.1 Reporting period

The consolidated financial statements (hereinafter “financial statements”) cover the following periods: Consolidated Statements of Financial Position as of September 30, 2022 (no audited) and December 31, 2021; Consolidated Statements of Changes in Equity for the nine-month periods ended September 30, 2022 and 2021 (no audited); Consolidated Statements of Comprehensive Income for the nine-month and three-month periods ended September 30, 2022 and 2021 (no audited); Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2022 and 2021 (no audited).

2.2 Basis of preparation

a) Statement of Compliance

These consolidated financial statements from Empresa de Ferrocarriles del Estado and subsidiaries as of September 30, 2022 (no audited), and December 31, 2021, have been prepared in accordance with the regulations and guidelines issued by the Financial Market Commission (CMF) which includes the application of International Financial Reporting Standards issued by the International Accounting Standards Board (hereinafter IASB), except for the application of the International Accounting Standard No. 36 - Impairment of assets:

- Instead, the Financial Market Commission on February 16, 2011, authorized EFE and its subsidiaries to apply the International Public Sector Accounting Standard (IPSAS) No. 21 Impairment of Non-Cash-Generating Assets. Note 3.10 provides details the application of the IPSAS No. 21.

These consolidated financial statements have been approved in the ordinary Board of Directors Meeting held on November, 17, 2022.

Going concern

As of September 30, 2022, EFE's Consolidated Statement of Financial Position records negative equity amounting to ThCLP\$ 741,359,616 (ThCLP\$ \$521,806,471 in 2021) and a loss for the periods amounting to ThCLP\$ 220,465,690 and ThCLP\$ 70,124,237 for 2022 and 2021, respectively. Notwithstanding, these consolidated financial statements have been prepared under the "going concern" principle since EFE is a State-owned company that gets funds from the Ministry of Transport and Telecommunications under the Country's Budget Law each year. The Budget Law for 2021 did not contemplate financial resources for EFE, these being contemplated through the authorization of the placement of an international bond. On the other hand, another relevant factor with respect to the going concern principle is the approval of funds for the Company's three-year development plan which includes investments of assets with up to 30-year useful lives in some cases, being the last plan triennial approved by the Ministry of transport in 2021 to 2023.

Finally, Management also notes that an important part of EFE's debt is State-guaranteed (note 35) and directly paid to creditors by the Chilean State through the Tesorería General de la República (General Treasury of the Republic).

b) Use of estimates and judgments

In preparing the consolidated financial statements, certain estimates made by management were used, to quantify some of the assets, liabilities, income, expenses, and commitments reported herein. These estimates mainly involve the following:

- The assessment of potential impairment losses (trade receivables and fixed assets)
- The parameters used in the actuarial calculation of the liabilities with the employees.
- The useful lives and residual values of property, plants and equipment and intangible assets.

Although these estimates were made based on the best information available at the date of issuance of these consolidated financial statements, it is possible that events that could take place in the future would require modifications (upwards or downwards) in future periods, which would be carried out prospectively, recognizing the effects of changes in estimates in the related future consolidated financial statements.

c) Classification of assets and liabilities

In the consolidated statements of financial position, balances are classified based on maturity, i.e., current balances mature in no more than twelve months and non-current balances in more than twelve months.

When the Company has any obligations that mature in less than twelve months but can be refinanced over the long term at the Company's discretion, through unconditionally available credit agreements with long-term maturities, such obligations are classified as non-current liabilities.

d) Functional and presentation currency

These consolidated financial statements and their explanatory notes are presented in Chilean pesos (CLP), which is the functional and presentation currency of the Company and its subsidiaries, which have been rounded up to thousands of Chilean pesos (ThCLP\$), except where otherwise indicated.

e) Fair value measurement

Some of the Group's accounting policies and disclosures require fair value measurement of both financial and non-financial assets and liabilities.

Management regularly reviews significant observable variables (as related to fair value measurement), as well as non-observable variables if necessary, and makes valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, management evaluates the evidence obtained from third parties to support the conclusion that those valuations meet IFRS requirements, including the level within the fair value hierarchy within which those valuations should be classified.

Fair values are classified at diverse levels in the hierarchy of fair value that is based on variables used in valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for assets or liabilities that are not based on observable market data (significant unobservable input). See table in note thirty.

3. Significant accounting policies

The accounting policies described below have been consistently applied to all the periods presented in these consolidated financial statements and by the subsidiaries include in the annual and quarterly consolidated.

3.1 Investment in related entities and non-controlling associates

These are entities over which the Company has significant influence but has no control. Investments in associates are accounted for using the equity method and are initially recognized at cost.

The Company's share in the losses or profit after the acquisition of its associates is recognized in profit or loss. If such associate adopts certain accounting policies that imply to temporarily recognize effects in other comprehensive income, the EFE also recognizes its corresponding share in such accounts.

3.2 Basis and method of consolidation

The consolidation with the controlled subsidiaries has been carried out by applying the "full consolidation" method which includes in the consolidated financial statements all the assets, liabilities, income, expenses, and cash flows once the intercompany eliminations for certain transactions and unrealized profits or losses have been made.

EFE applies the policy consisting of considering transactions with non-controlling interests as items to be separately presented. Non-controlling interests represent a part of the profit or loss and net assets of certain subsidiaries, which the parent company does not control and are presented in the consolidated statements of income and equity, separated from the owner's equity.

As of September 30, 2022 and December 31, 2021, there are no changes in the perimeter of consolidation

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As of September, 30 2022 (no audited) and December, 31 2021

The summary of the financial information for subsidiaries of EFE considering the Interim Statement of Financial Position As of September 30, 2022 and December 31, 2021 and the Interim Statements of Comprehensive Income for periods ended September 30, 2022 and 2021 is as follows:

(1) Information of the Interim Statement of Financial Position:

		As of September 30, 2022					
Company name	% Ownership	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Equity
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
EFE Valparaiso S.A.	99.9999562	12,921,511	95,269,020	108,190,531	28,116,449	49,544,450	30,529,632
EFE Sur S.A.	99.9997305	23,195,194	95,855,642	119,050,836	6,648,938	146,724,292	(34,322,394)
EFE Central S.A.	99.9999271	39,584,768	77,722,791	117,307,558	57,289,227	73,422,981	(13,404,649)
EFE Arica- La Paz S.A.	99.9000000	1,899,529	57,616	1,957,145	1,847,085	-	110,060
Servicio de Trenes Regionales Terra S.A.	99.9997832	-	13	13	300	8,511,836	(8,512,124)
Infraestructura y Tráfico Ferroviario S.A.	99.9000000	196	110	306	300	101,705	(101,699)

		As of December 31, 2021					
Company name	% Ownership	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Equity
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
EFE Valparaiso S.A.	99.9994795	9,329,883	96,115,921	105,445,804	16,264,206	55,409,807	33,771,791
EFE Sur S.A.	99.9999562	17,033,561	105,706,824	122,740,385	5,517,182	141,736,785	(24,513,582)
EFE Central S.A.	99.9997305	3,311,494	52,438,045	55,749,539	25,708,084	46,283,032	(16,241,577)
EFE Arica- La Paz S.A.	99.9999271	109,207	67,907	177,114	67,054	-	110,060
Servicio de Trenes Regionales Terra S.A.	99.9000000	-	18	18	-	8,504,443	(8,504,425)
Infraestructura y Tráfico Ferroviario S.A.	99.9000000	196	110	306	-	97,819	(97,513)

(2) Information of the Interim Statements of Comprehensive Income:

Company name	For the period ended September 30, 2022		For the period ended September 30, 2021		07.01.2022 al 09.30.2022 (no Audited)		07.01.2021 al 09.30.2021 (no Audited)	
	Revenue	Net income (loss)	Revenue	Net income (loss)	Revenue	Net income (loss)	Revenue	Net income (loss)
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
EFE Valparaiso S.A.	14,560,423	(3,242,159)	7,960,482	(8,848,252)	5,039,503	(1,161,316)	3,469,065	(2,139,269)
EFE Sur S.A.	7,530,476	(9,808,813)	5,240,166	(5,331,162)	2,665,523	(3,546,095)	1,939,116	(1,670,792)
EFE Central S.A.	27,665,207	2,836,925	17,992,512	(4,902,509)	9,911,372	1,571,602	7,700,438	(294,132)
Servicio de Trenes Regionales Terra S.A.	-	(7,698)	-	(4,969)	-	(2,554)	-	-
EFE Arica- La Paz S.A.	386,756	-	222,675	-	131,131	-	123,131	-
Infraestructura y Tráfico Ferroviario S.A.	-	(4,186)	-	(4,080)	-	(1,391)	-	(1,456)

3.3 Transactions in currencies other than the Chilean peso

a) Transactions and balances in foreign currency and indexation units (UF)

Transactions in foreign currency are translated into the functional currency by using the exchange rates prevailing at the dates of the transactions. Losses and gains resulting from the settlement of these transactions and of the translation at the closing exchange rates of the monetary assets and liabilities denominated in foreign currency, are recognized in the statement of income. The transactions stated in UF are translated to the UF value at the end of each accounting period.

b) Basis of translation

Assets and liabilities in US dollar (USD), Euros (€) and Unidad de Fomento (UF, an inflation-linked unit of account used in Chile) have been translated into Chilean pesos considering the exchange rates as of the closing date of each period, according to the following:

Date	USD	UF	EURO (€)
September 30, 2022	960.24	34,258.23	945.21
September 30, 2021	811.90	3 0.088,37	932.24
December 31, 2021	844.69	30,991.74	964.44

3.4 Financial instruments

The Ministry of Finance authorized in Circular Letter No. 36 dated 2006 that certain public sector entities not subject to International Public Sector Accounting Standards (including EFE) to participate in the capital markets, either through investments in time deposits, repurchase agreements and mutual fund units. It also authorized companies to carry out operations in the derivatives market, such as futures, forwards, options, and swaps, so that the Company and subsidiaries can hedge the risks of underlying assets, liabilities or cash flows. However, and since EFE presents an operational deficit and as it also has a significant portion of its debt guaranteed by the Chilean State, the Dirección de Presupuesto (Budget and Treasury Department) (DIPRES, acronym in Spanish) does not authorize the Company to enter into forward exchange contracts to hedge itself against exchange rate fluctuations related to existing financial debt denominated in a foreign currency as the State covers these payments and therefore directly bears those costs and risks.

3.4.1 Financial assets other than derivatives

The Company classifies its financial assets in accordance with IFRS 9, in the following valuation categories: at amortized cost, at fair value through profit or loss, at fair value in other comprehensive income (equity). Management determines the classification of its financial assets at initial recognition.

The Company classifies its financial assets into three categories, excluding investments accounted for using the equity method and those held for sale:

Financial assets at amortized cost

A financial asset must be measured at amortized cost, if the following two conditions are met:

- a) The financial asset is held within a business model whose purpose is to hold the financial asset/s to obtain contractual cash flows and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

With respect to the requirements of “IFRS 7 Financial Instruments: Disclosures,” Management considers that the carrying value of the assets measured at amortized cost, is a reasonable approximation of fair value. Therefore, as indicated in IFRS 7, disclosure of the fair values of such assets is not required.

Financial assets at fair value through other comprehensive income

A financial asset should be measured at fair through other comprehensive income, if the following two conditions are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset should be measured at fair value through profit or loss, unless measured at amortized cost or at fair value through other comprehensive income.

When a derivative financial instrument is not designated as a hedging instrument, all changes in fair value are recognized immediately in profit or loss.

Trade and other accounts receivable and due from related companies

Trade accounts receivable are recognized initially at fair value (nominal amount that includes an implicit interest) and subsequently at amortized costs by the effective interest method, less the provision for impairment. The provision is established for expected credit losses over the life of the asset, at each balance sheet date, applying the simplified approach for trade accounts receivable.

The Company is using the simplified method, which incorporates historical collection information for each tranche/stratification of its accounts receivable for the last three years (using a matrix where the provision is stratified by maturity or default per days) and additionally includes the expected losses projected by the statistical calculation of "forward looking" information, which takes into account the most relevant changes in macroeconomic factors that may affect the collectability and the estimation is based therefore on the likelihood of each one of these scenarios.

Trade receivables are presented net of the provision for uncollectable trade accounts receivables and the associated loss is recognized through other comprehensive income.

Definition of non-compliance

The company is exposed to the possibility of economic loss derived from the breach of the obligations assumed by the counterparties of the rental contracts. Non-payment on the dates indicated in said contracts has been established as non-compliance.

Definition of input data and estimation assumptions:

The Company will use as input data the payment dates stipulated in the rental contracts. A credit risk estimate will be made based on the historical behavior of the lessees and the economic information that affects the industry.

3.4.2 Cash and cash equivalents

The consolidated statement of financial position records cash on hand and bank checking accounts, time deposits and other short-term, highly liquid investments that are readily convertible to cash and have an insignificant risk of change in value. Investments included in this item mature in a maximum period of 90 days. The financial resources transferred to EFE by the State are controlled in specified funds, so they can be exclusively allocated for the purposes they were received.

3.4.3 Derivative instruments and cash flow hedging operations

The derivatives mainly correspond to operations contracted by the related company Inmobiliaria Paseo Estación S.A. to hedge against fluctuations in the exchange rate. These hedging instruments are recorded at fair value under the item “Other financial assets” or “Other financial liabilities,” as applicable. The changes in fair value are recorded in other comprehensive income under “Cash Flow Hedges.”

Exchange differences associated with financial liabilities settled directly by the State are recorded directly in the period’s profit or loss.

3.5 Inventories

Inventories are valued at the lower of acquisition cost and net realizable value. The cost method used is the weighted average cost which includes disbursements incurred during the acquisition and transfer.

No impairment charges have been recorded for this group of assets.

3.6 Assets held for sale

The land for railways that is expected to be sold in a term equal to or less than twelve months is valued at the lower of cost and net realizable value. The net realizable value is the estimated selling price of an asset in an ordinary course of business less the estimated cost to complete its production and those costs necessary to carry out the sale.

3.7 Property, plant, and equipment

a) Initial recognition

The Company uses the cost model for property, plant, and equipment. After being recognized as an asset, the components of property, plant and equipment are accounted for at cost less accumulated depreciation, in accordance, with IAS 16.

The cost of assets includes the following:

- Financial expenses accrued during the construction period that are directly assigned to the acquisition, construction, or production of assets.
- Employee expenses related to construction in progress.
- Temporary maintenance services costs which are unavoidable during the construction period are capitalized when the costs are incurred and are essential to put the assets in operating condition.
- Temporary service interruption costs.

The works in progress are transferred to working assets once the test period when they become available for use has been completed, which is the starting point for their depreciation.

b) Subsequent costs

- Expansion, modernization, and improvement costs that represent an increase in productivity, capacity or efficiency or an extension of useful life are capitalized as a cost increase to the related assets.
- Replacement or renovations of components that increase the asset's useful life, or its economic capacity, are recorded as an increase in value for the respective assets, and the replaced or overhauled components are derecognized.
- Railroad rehabilitation and preservation costs, which are incurred to maintain the standard of service, are capitalized when the activities carried out increase the asset's useful life.
- Major rolling stock maintenance expenses, including, among other items, inspection and replacement of parts and pieces, are capitalized as an asset separate from the main asset, as far as they meet the conditions established for recognition in IAS 16. the cost of the replaced parts is recognized separately from the main asset.
- Repair, conservation, and maintenance expenses are charged to profit or loss of the period in which they are incurred. It is worth mentioning that some of EFE's property, plants and equipment items require periodic checks. In this regard, replaced items are recognized separately from the rest of the asset and at a disaggregation level that allows their amortization in a period between the current replacement and the next scheduled check.

c) Depreciation

- Property, plant and equipment, net where appropriate of their residual value, are depreciated by distributing on a straight-line basis the cost of their various elements over the years of estimated useful life which is the period over which the Company expects to use them. Depreciation methods, useful lives and residual values are reviewed in each period and adjusted if necessary. Land has an indefinite useful life, so it is not depreciated.

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Below are the main years of useful life used for the depreciation:

	Estimated useful life years range
Land	Indefinite
Communications	30
Buildings and constructions	2-60
Bulldozer and rolling stock (1)	5-30
Railroad infrastructure	30-100
Catenary lines	20-36
Machinery and tools	10-20
Sign posts	7-30
Substations	2-50
Railroad tracks	7-50
Furniture and fixture	5-6

(1) Considering rolling stock in use, a useful life and straight-line amortization is applied. Major maintenance is capitalized as a separate component and amortized over a period that extends to the next major maintenance.

- Gains or losses arising on the disposal or removal of Property, plant and equipment assets are recognized as profit or loss for the period and are calculated as the difference between the selling price and the net book value of the asset.

3.8 Investment properties

Investment properties include land and buildings kept with the purpose to obtain capital gains or rental incomes. The cost model was used in the initial and subsequent measurements.

During the transition year to IFRS (2009), the Company revalued its investment properties and considered this amount as deemed cost by using the exemption as established in IFRS 1 “First-time adoption.” Any gain or loss from the sale of an investment property is recognized in profit or loss.

3.9 Intangible assets

These mainly correspond to computer licenses and are valued according to the cost model. After the initial recognition, the intangible assets are accounted for at cost less accumulated amortization and impairment losses, if any. This group of assets is amortized on a straight-line basis over the estimated useful life of 5 years. Amortization methods, useful lives and residual values are reviewed in each fiscal period and adjusted if necessary.

3.10 Impairment of non-financial assets

Under IAS 36 “Impairment of assets,” a Company calculates as impairment of its assets the difference between the recoverable value and the book value, if the book value is higher. To establish the recoverable value, the greater of fair value and value in use is used.

IAS 36 does not provide valuation criteria for cash flows received by public entities, since such standard only corresponds to companies whose main purpose is to obtain economic benefits, and not to provide public services under a criterion of social profitability. Therefore, it is not possible for EFE to apply the impairment standards considering criteria established in IAS 36.

As per Letter 4887 dated on 02/16/2011, SVS authorized Empresa de los Ferrocarriles del Estado and subsidiaries to apply exceptionally the International Public Sector Accounting Standard (IPSAS) 21 which replaces the International Accounting Standard IAS 36, to determine the impairment of its assets.

This standard defines the value in use of a non-cash-generating asset as the present value of an asset keeping its potential service. The present value of an asset keeping its potential service is determined using the depreciated replacement cost approach or the refurbishing cost approach. As a result of IFRS adoption during 2010, the main assets of the Company and its subsidiaries have been recorded at depreciated replacement cost which, in turn, has not resulted in an impaired value for its fixed assets.

However, under specific circumstances in which certain assets lose their service potential, the loss of value should be directly recognized in profit or loss.

a) Impairment of financial assets

Regarding impairment of financial assets, IFRS 9 requires the use of a model of expected credit losses versus the model of incurred credit losses under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses on each reporting date to reflect changes in credit risk since initial recognition. In other words, it is not necessary for an impairment event to occur for credit losses to be recognized.

IFRS 9 also establishes a simplified approach to measuring the provision (for certain financial assets described below) at an amount equal to the expected credit losses, over the life of the asset for trade accounts receivable, contract assets and accounts receivable for lease under certain circumstances.

3.11 Leases

- **The Company as lessee**

In accordance with IFRS 16 and as of the start date of the lease, the lessee must recognize a right of use asset and a lease liability. The Standard defines the start date of a lease as the date on which the lessor makes the underlying asset available for use to the lessee. Subsequently, the valuation of the right to use asset will be based on the cost model or on the revaluation model under IAS 16, thus recognizing amortization and impairment through profit and loss. EFE has classified in this category truck rentals used by the company in its daily operations.

- **The Company as lessor - operating lease**

The lessor will recognize the operating lease payments as income, either through straight-line recognition or through a different systematic method, if the latter represents better the underlying asset consumption model.

- **The Company as lessor - finance lease**

In accordance with IFRS 16 and as of the start date of the lease, the lessor must recognize finance leases in the statement of financial position and present them as receivables for an amount equivalent to the net investment in the lease. Subsequently, the lessor must recognize financial income throughout the lease period based on a model that reflects a constant periodic return on the lessor's net investment in the lease. In this category are the Xtrapolis trains which are leased to EFE Central.

3.12 Financial liabilities other than derivatives

Financial liabilities are classified either as "financial liabilities at fair value through profit and loss" or as "other financial liabilities."

- a) **Financial liabilities at fair value through profit or loss (FVTPL):**

Financial liabilities are classified at fair value through profit or loss when these are held for trading or are designated at fair value through profit or loss.

IFRS 9 preserves the existing requirements of IAS 39 for the classification of financial liabilities. However, under IAS 39 all changes in the fair value of liabilities designated as FVTPL are recognized in profit or loss, whereas under IFRS 9 these changes in fair value are presented as follows:

- i) the amount of the change in fair value that is attributable to changes in the liability's credit risk is presented in the other comprehensive income; and
- ii) the remaining amount of the change in fair value is presented in profit or loss.

b) Other financial liabilities:

Other financial liabilities are initially valued at the amount of cash received, net of transaction costs. These mainly correspond to loans contracted with national and international banks and the debt for bonds, which in most cases have a State guarantee. They are subsequently measured at amortized cost using the effective interest rate method.

Effective interest rate corresponds to the method of calculating the amortized cost of a financial asset or liability and of allocating the interest income (expenses) over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows receivable or payable (including all fees on points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial instrument. All the Company's long-term bank liabilities and financial liabilities are accounted for under this method.

Regarding the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that any change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless recognizing such changes in other comprehensive income would create or enlarge a measurement mismatch. Changes in fair value attributable to the credit risk of a financial liability are not subsequently classified to profit or loss. Under IAS 39, the total amount of the change in fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

Loans for investment purposes whose payment will be covered by financial transfers from the Ministry of Transport and Telecommunications are accounted for as indicated in the preceding paragraphs. Nevertheless, an equivalent asset reflecting the right to receive those funds the following year, according to each State's Annual Budget Law, has been recognized. Loans obtained under a Ministry of Transport and Telecommunications guarantee generate neither interest nor indexation to EFE.

The Company applies since the 2012 fiscal year the income method indicated in IAS 20, recognizing the existence of an explicit credit hedge covered with State grants included in the Annual National Budget Law, compensating the effects from the exchange rate related to these debts.

3.13 Provisions

The obligations as of the date of these consolidated financial statements, arisen as a consequence of past events, which could generate for the Company probable cash outflows that can be determined likely, are recorded as provisions in the statement of financial position at the most probable estimated current value of the amount that the Company would have to disburse to pay off the obligation.

The criteria used by EFE to establish provisions are as follows:

- (a) The Company has a present obligation, whether legal or implicit, as a result of past events.
- (b) It is probable that an outflow of resources, including economic benefits, will be necessary to settle the obligation; and
- (c) A reliable estimate can be made of the amount of the obligation.

Provisions are calculated considering the best available information at the issuance date of the financial statements, on the consequences of the event involved and they are reassessed at each subsequent accounting closing, including the use of, if necessary, the opinion of independent experts, such as legal advisers and consultants.

3.14 Employee benefits

- **Employee vacations**

EFE recognizes the expense for personnel vacations in accordance with the accrual method. Such benefit applies to all personnel, and it is recorded according to the pending vacation situation of each worker and respective salaries. Employee vacations are recorded at nominal value.

- **Severance package**

EFE accounts for liabilities for future severance indemnities for its workers based on the provisions of such staff's collective bargaining agreement and individual contracts. If this benefit is agreed upon, the obligation is recorded under IAS 19 as a defined benefit plan according to an actuarial calculation. Defined benefit plans establish the benefit amount an employee will receive at the estimated time of retirement, which usually depends on one or more factors, such as: age, staff turnover, service years and level of compensation, among others.

The liability recognized in the statement of financial position is the present value of the defined benefit obligation plus or minus adjustments for actuarial gains or losses and past service costs. The present value of the defined benefit obligation is determined by discounting the estimated cash outflows using the average market

interest rates for BCP instruments (Chilean Central Bank Bonds in Chilean pesos) for the same currency in which the benefits and under the terms of the severance indemnity until its expiration will be paid. Changes in such provisions arising from actuarial gains/losses are recognized in other comprehensive income; other variations are recognized in profit and loss as of the period in which they are incurred.

- **Other employee benefits**

The Company provides its workers a paid sick leave benefit, which covers amounts more than permitted sick leave. These values are recognized in profit or loss as incurred.

3.15 Income tax

On July 14, 2016, Circular 49 of the SII was promulgated, which among other aspects, defines the tax regime that by default applies to companies that do not have owners who must pay final taxes (Complementary Global) is say the general tax regime.

EFE will only have to pay 25% first category tax (IDPC) for the own income, since the income of its subsidiaries will have the tax paid at the level of the generation. Its subsidiaries must pay taxes with the partial use of credit system, that is, the Semi Integrated, defined in Letter B) of art. 14 of the Income Law, given that for them EFE is a legal person, and the subsidiaries are Anonymous Societies.

Deferred taxes

Deferred tax is measured using the tax rates expected to be applied to temporary differences in the period in which they are reversed.

Parent Company and its subsidiaries have not recorded deferred taxes as they consist of non-recoverable tax loss carryforwards.

Tax loss

The tax loss as of December 31, 2021, of EFE, amounts to ThCh\$934,930,037.

3.16 Revenue recognition

The Company and its subsidiaries recognize revenue from the following main sources:

- Passenger transportation service
- Cargo transportation service
- Advertising space leasing, commercial premises, and rental housing.
- Public roads crossing and parallelism
- Real estate selling
- Other income

The Company and its subsidiaries analyze and take into consideration all the facts and relevant circumstances when applying each step of the model established by IFRS 15 to the contracts with your clients:

- i. Contract ID,
- ii. Identify performance obligations,
- iii. Determine the price of transactions,
- iv. Assign the price, and
- v. Recognize income

The Company recognizes income when the objectives have been satisfactorily met pre-established steps and it is probable that the future economic benefits flow to the Company.

Passenger transportation service: Passenger transportation service revenue is recognized at fair value and is recorded daily based on use (number of trips) when a user passes the transportation card through the turnstile. This number is multiplied by the technical fare.

Cargo transportation service: The freight transport service is mainly carried out by the FEPASA and TRANSAP carrier companies. Access contracts regulate the rights and obligations between EFE and both companies. The carriers are the ones who maintain the direct relationship with the load-generating clients of the various sectors or economic areas. Revenues are recognized over time to the extent that the performance obligation is satisfied.

Advertising space leasing, commercial premises, and rental housing. Revenue from operating leases is recognized monthly on an accrual basis.

Public roads crossing and electric lines running parallel to the rails: Revenue from public roads crossing and electric lines running parallel to the rails are recognized monthly on an accrual basis.

Sales of goods: Income from the sale of goods is recognized at the fair value of the consideration, net of estimated reimbursements or provisions, where applicable. Revenue is recognized when the performance obligation is satisfied which is generally when the control of the good is transferred to the buyer. Additionally, where applicable, any associated costs and returns of goods would be able to be reliably estimated and recorded. The company would not be involved in the subsequent management of the goods sold.

3.17 Distribution of profits

The distribution of the Company's profits is regulated in Article No. 31 of Empresa de Ferrocarriles del Estado's Organic Law (DFL No. 1 dated 1993), which indicates that annual profits obtained by the Company must be transferred to the State's general income, unless the Company's Board of Directors agrees to withhold all or part of the profit as a capital reserve, as long as not less than five of its seven members approve this decision.

The agreement is subject to the prior and written authorization of the Ministry of Finance. On the other hand, the same Law indicates that the Company is subject to the regulations that affect publicly traded corporations, in which case the profits to be distributed will be calculated after absorbing accumulated losses from previous periods.

3.18 Transfers of funds by the Chilean State

- **Application of IAS 20**

To account for official grants, IAS 20 establishes two methods: the "asset" method, in which grants will not be recognized in the period's profit and loss and the income method, which recognizes grants in profit and loss of one or more periods. EFE has adopted the income method, which is applied based in the State's Budget Law.

Compensation for infrastructure maintenance expenses transferred by the State is recorded and recognized only up to the amount provided by the State during the fiscal year.

Regarding the contributions destined to the payment of amortizations of financial liabilities, these are imputed as other contributions of the owners in the equity of EFE, since correspond to the extinction of historical financial liabilities, whose effects are forming part of EFE's Equity.

- **Funds from the State's annual budget law**

These are contributions from the State in order to execute the Triennial Investment Plan approved by the Ministry of Transport and Telecommunications for EFE. In addition, special contributions are received to finance other operations that may or may not be initially contemplated in the State's Annual Budget Law that approves the transfer of resources from the State to the Company and contributions for infrastructure maintenance. These contributions are initially recognized as a financial asset at fair value and a credit to deferred income.

The deferred income is amortized with effect in profit and loss or carried out to equity on a systematic basis to offset the depreciation expense of the assets which is generated, where applicable. The income is not presented net of expenses, but rather in a separate item of operational or non-operational income, depending on the nature of the contribution by the State.

On the other hand, Article 4 from Law 19.170 states that EFE receives resources to settle the disbursements related to employee benefits of former Company's employees, which are presented net in profit or loss, since this legal obligation is assumed by the Chilean State and is undertaken by transferring to EFE the resources necessary to fulfill this obligation up to its termination, a situation that occurs when the beneficiary dies.

- **State subsidy to companies that provide passenger transportation services**

Under Law 20.378 dated 2009, the State provides a monthly subsidy to public passenger transport service companies that grant a free or reduced fare to students. To receive this subsidy, the companies involved must enter into an agreement. The subsidy is intended to make up for these student fare reductions and is reimbursed monthly as long as the effective, correct, and adequate provision of transportation services is maintained. The subsidy is recognized as operating income on the accrual basis.

An agreement with the Ministry of Transport and Telecommunications was signed on May 20, 2010 whereby the Company agrees to lower the transport fares charged to user of the Biotren service and Victoria-Temuco service. The reductions in revenue resulting from the fare decrease is reimbursed by the Ministry of Transport and Telecommunications. This benefit started in May 2010 for Biotren and in September 2012 for the Victoria-Temuco service.

An agreement with the Ministry of Transport and Telecommunications was signed on May 6, 2001 whereby the latter agreed to subsidize the Corto Laja service in order to improve the locals' access to more developed locations by using the service. This subsidy started in August 2011. Furthermore, there is also a subsidy for the Talca-Constitución leg which was updated in May 2016.

- **Transfers of funds from Transantiago “Espejo” (Mirror) law**

EFE’s companies group entered into agreements with the Ministry of Transport and Telecommunications to finance investments with resources from this Law as follows:

- (a) Purchase of four new trains for Trenes Metropolitanos amounting to UF 493,684.
- (b) Merval agreement to purchase eight trains amounting to UF 919,544.958.
- (c) Expansion to Coronel for an amount of UF 1,753,990. Agreement signed on November 22, 2013. Works finished in 2016.
- (d) Basic and detail engineering, as well as trains Alameda Malloco for an amount of UF2,510,457.
- (e) Regional Contribution Fund Agreement for Metro de Valparaíso amounting to MCLP\$ 4,463 (May 2017).

In addition, there is a subsidy to the Victoria-Temuco services, in line with the funds of the Transantiago “Espejo” Law, which are recognized through the income method established in IAS 20.

3.19 Policies for the determination of the net distributable income

By means of a letter dated December 6, 2010, the Company informed the CMF that has adopted the policy to separately controls the adjustments coming from the first-time application of IFRS from the rest of retained earnings, not considering these amounts when net distributable profits are generated in a period, after deducting accumulated losses. Consequently, no adjustments will be applied to the item “Profit (loss) attributable to owners of the Company” for unrealized variations in the fair value of assets and liabilities.

The previous decision was made by the Empresa de los Ferrocarriles del Estado Board during its eighth extraordinary meeting held on November 26, 2010.

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4. New accounting pronouncements

(a) Current accounting pronouncements

The following accounting pronouncements are mandatory from the periods started on January 1, 2022:

IFRS 3; Reference to the Conceptual Framework; January 1, 2022
IAS 16: Property, plant and equipment: collections before intended use; January 1, 2022
IAS 37: Onerous contracts – cost of fulfilling a contract; January 1, 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41; Annual Improvements to the 2018-2020 Standards; January 1, 2022

(b) Accounting pronouncements issued not yet in force

The following accounting pronouncements issued are applicable to the annual periods that begin after January 1, 2021 and have not been applied in the preparation of these statements consolidated financial statements. The Group plans to adopt the accounting pronouncements that correspond in their respective application dates and not in advance.

<i>New IFRS</i>	<i>Mandatory for</i>
<i>IFRS 17 Insurance Contracts</i>	<i>Annual periods beginning on or after January 1, 2023. This date includes the exemption of the insurance companies for the application of IFRS 9 to allow them to apply IFRS 9 and IFRS 17 at the same time. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date.</i>
<i>Amendments to IFRS</i>	
<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i>	<i>Annual periods beginning on or after January 1, 2023. Early adoption is permitted.</i>
<i>Definition of accounting estimate (Amendments to IAS 8)</i>	<i>Annual periods beginning on or after January 1, 2023. Early adoption is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period where the company applies the modifications.</i>
<i>Accounting Policy Disclosures (Amendments to IAS 1 and Practice Statement 2 Making Judgments Related to Materiality)</i>	<i>Annual periods beginning on or after January 1, 2023. Early adoption is permitted.</i>
<i>Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12).</i>	<i>Annual periods beginning on or after January 1, 2023. Early adoption is permitted.</i>
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	<i>Effective date deferred indefinitely.</i>

These accounting pronouncements issued but not yet effective are not expected to have a significant impact on the Group's consolidated financial statements.

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4.1 Reclassifications

As of the period ended December 31, 2021, the have made minor reclassifications to facilitate comparison with the periods ended September 30, 2022. These reclassifications do not change the result or equity of the previous period.

	Previously informed 12.31.2021 M\$	Reclassifications M\$	Final 12.31.2021 M\$
Other non-financial assets	520,750	87,343	433,407
Trade and other receivables	5,508,524	(84,247)	5,592,771
Trade and other non-current receivable	-	(3,096)	3,096
Trade and other payables	117,542,086	5,927,995	111,614,091
Accounts payable to related entities	-	(4,257,848)	4,257,848
Accounts non-current payable to related entities	-	(6,600,000)	6,600,000
Provisions for employee benefits	3,521,967	(3,043,833)	6,565,800
Other non-financial liabilities, current	64,267,602	8,109,925	56,157,677
Other non-financial liabilities, non-current	586,532,814	(136,239)	586,669,053

5. Segment information

EFE discloses segment information in accordance with the provisions of IFRS 8, which establishes reporting standards regarding operating segments and related disclosures. An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

EFE manages and measures operations performance by operating segment, which is consistent with the current corporate organization. Accordingly, segments are Railroad infrastructure and real estate (EFE), passenger transportation services (EFE Valparaíso, EFE Central and EFE Sur).

The information presented below is based on the companies' financial information in the consolidation process, which represent the different segments of railway activity, operating in various geographical areas of the country. The summarized assets and liabilities of the subsidiaries that operate passenger services (EFE Valparaíso, EFE Central and EFE Sur) are stated in note 3.2.

This business model shows how EFE streamlines processes, both as a company as well as the provision of services and commercial/administrative management. Such allows the update for the operational use of railroad infrastructure and technology and promotes the transport services development considering a positive social return.

a) EFE services:

EFE Services refer mainly to the provision of railroad infrastructure for companies - cargo operations to third parties and passenger transportation services to EFE subsidiaries.

b) Passenger transportation services EFE Valparaíso:

EFE Valparaíso S.A. is the main rail transport in the V Region which operates in Valparaíso, Viña del Mar, Quilpué, Villa Alemana and Limache. Merval provides an efficient, safe, and environmentally sustainable public passenger transportation service. Such services transported 14,65 million and 7,13 million passengers, during nine-month periods 2022 and 2021, respectively.

c) Passenger transportation services EFE Central:

EFE Central S.A. is the Company that serves the suburban transport market through “Metrotren” and “Terrasur” from Santiago to Chillán and intermediate stations. In addition, it provides passenger transportation services from Talca to Constitución (Buscarril). EFE Central offers state-of-the-art, high quality, safe and integrated urban and suburban passenger transportation services along with the transportation service in the Metropolitan Region and surrounding areas. Such services transported 18,54 million and 11,3 million passengers, during nine-month periods 2022 and 2021, respectively.

d) Passenger transportation services EFE Sur:

EFE Sur S.A. provides services in the VIII and IX regions and connects Lomas Coloradas, Talcahuano, Hualqui and other cities with the city of Concepción. Managed the passenger rail transport in the Biobío and Araucanía Region. The Company’s services are known as “Fesur,” “Victoria Temuco” and “Corto Laja.” Fesur’s mission is to provide an outstanding passenger transportation service railroad user, considering their safety and comfort. Such services transported 7,33 million and 2,5 million passengers, during nine-month periods 2022 and 2021, respectively.

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(1) The real estate segment is included in this column, which is seen in its entirety with other activities.

For the period ended September 30, 2022	Segment infrastructure railway and cargo (1) ThCLPS	Passenger services segment			Totals ThCLPS
		EFE SUR	EFE CENTRAL	EFE VALPARAISO	
		VIII Region y IX Region ThCLPS	Santiago Chillán ThCLPS	V Region ThCLPS	
1. Revenue from ordinary activities from external customers	21,248,964	7,530,476	27,665,205	14,560,423	71,005,068
2. Income from ordinary activities between segments					
3. Significant items of operating costs	(17,838,101)	(9,918,842)	(24,467,783)	(14,614,027)	(66,838,753)
a. Employee expenses	(5,112,122)	(4,222,330)	(7,966,848)	(3,606,024)	(20,907,324)
b. Energy and fuels	(292,774)	(901,229)	(2,095,571)	(1,265,512)	(4,555,086)
c. Rolling stock and maintenance	(77,000)	(95,564)	(4,397,549)	(1,852,967)	(6,423,079)
d. Infrastructure maintenance	(10,484,103)	(16,476)	(807,215)	(390,973)	(11,698,768)
e. Security guard service and crosswalk guard	(1,640,600)	(1,660,682)	(2,220,469)	(260,846)	(5,782,598)
f. Depreciation and amortization	(7,886,337)	(1,455,993)	(1,168,676)	(2,388,338)	(12,899,345)
g. Other operating expenses	7,654,836	(1,566,568)	(5,811,454)	(4,849,367)	(4,572,552)
4. Administrative expenses	(14,052,391)	(1,185,982)	(1,127,259)	(1,654,096)	(18,019,728)
5. Other income (losses)	59,533,834	(11,360)	10,088	(37,644)	59,494,918
6. Gain (losses) on financial Assets	6,257,902				6,257,902
7. Financial profit or loss, net segment	(68,704,384)	(56,081)	735,852	(581,961)	(68,606,574)
a. Financial income	(711,677)	279,882	737,562	160,616	466,383
b. Financial expenses	(67,992,707)	(335,963)	(1,709)	(742,577)	(69,072,957)
8. Exchange rate difference	(29,893,101)	389	(39)	-	(29,892,751)
9. Indexation unit	(168,550,017)	(6,167,413)	20,861	(914,853)	(175,611,422)
10. Interest ownership of the entity in the results of associates	1,745,650	-	-	-	1,745,650
a. Interest Ownership Investment in associates	1,745,650	-	-	-	1,745,650
Net loss	(210,251,644)	(9,808,812)	2,836,925	(3,242,159)	(220,465,690)

For the period ended September 30, 2021	Segment infrastructure railway and cargo (1) ThCLPS	Passenger services segment			Totals ThCLPS
		EFE SUR	EFE CENTRAL	EFE VALPARAISO	
		VIII Region y IX Region ThCLPS	Santiago Chillán ThCLPS	V Region ThCLPS	
1. Revenue from ordinary activities from external customers	30,861,364	5,240,166	17,992,512	7,960,482	62,054,524
2. Income from ordinary activities between segments					-
3. Significant items of operating costs	(10,338,254)	(9,397,974)	(22,458,396)	(14,722,720)	(56,917,344)
a. Employee expenses	(3,927,480)	(3,425,725)	(6,258,340)	(3,541,622)	(17,153,167)
b. Energy and fuels	(39,027)	(600,877)	(1,835,631)	(970,669)	(3,446,204)
c. Rolling stock and infrastructure maintenance	(12,286,516)	(1,064,122)	(4,682,872)	(1,888,092)	(19,921,602)
d. Other operating expenses	5,914,769	(4,307,250)	(9,681,553)	(8,322,337)	(16,396,371)
4. Administrative expenses	(11,961,089)	(991,119)	(448,334)	(1,548,872)	(14,949,414)
5. Other income (losses)	44,371,249	(161,984)	13,999	(174,990)	44,048,274
6. Gain (losses) on financial Assets	(189,653)	-	-	-	(189,653)
7. Financial profit or loss, net segment	(50,149,090)	(20,197)	(2,290)	(116,928)	(50,288,505)
a. Financial income	(173,789)		-	4,566	(169,223)
b. Financial expenses	(49,975,301)	(20,197)	(2,290)	(121,494)	(50,119,282)
8. Exchange rate difference	(5,108,118)	-		(643)	(5,108,761)
9. Indexation unit	(49,182,998)	(54)		(244,581)	(49,427,633)
10. Interest ownership of the entity in the results of associates	654,275	-	-	-	654,275
a. Interest Ownership Investment in associates	654,275	-	-	-	654,275
11. Income tax expense	-	-	-	-	-
Net loss	(51,042,314)	(5,331,162)	(4,902,509)	(8,848,252)	(70,124,237)

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		EFE SUR	EFE CENTRAL	EFE VALPARAISO	
		VIII Región y IX Región ThCLP\$	Santiago Chillán ThCLP\$	V Región ThCLP\$	
Assets					
Current assets					
Cash and cash equivalents	457,211,649	505,035	182,789	2,342,145	460,241,619
Other financial assets	52,037,371	7,834,351	-	1,343,468	61,215,190
Other no financial assets	2,357,631	-	-	431,856	2,789,487
Trade and other receivables	2,835,063	125,742	982,012	428,417	4,371,234
Accounts receivable from related parties, current	(4,631,305)	14,622,585	1,524,736	7,985,526	19,501,543
Inventories	-	107,480	147,933	365,099	620,512
Current tax assets	23,465,562	-	-	25,000	23,490,562
Total current assets	533,275,971	23,195,194	2,837,471	12,921,511	572,230,147
Non-current assets					
Other no financial assets, no current	-	3,226	-	-	3,226
Accounts receivable from related parties, non-current	266,483,844	38,285,503	10,970,461	20,727,345	336,467,153
Equity-accounted investees	16,655,010	-	-	-	16,655,010
Intangible assets other than goodwill	2,858,913	124,529	2,699	74,161	3,060,302
Property, plant and equipment	1,533,797,097	57,442,384	41,451,974	73,341,733	1,706,033,187
Investment property	31,012,478	-	-	1,125,782	32,138,260
Total non-current assets	1,850,807,343	95,855,642	52,425,134	95,269,020	2,094,357,139
Total assets	2,384,083,314	119,050,836	55,262,605	108,190,531	2,666,587,285
Liabilities and equity					
Liabilities					
Current liabilities					
Other financial liabilities, current	46,343,864	-	-	-	46,343,864
Trade and other payables	42,599,622	671,574	1,866,330	1,939,628	47,077,153
Accounts payable from related parties, current	(32,262,050)	5,277,364	16,264,755	14,774,210	4,054,280
Provisions for employee benefits	3,528,617	595,653	1,011,595	663,680	5,799,545
Other no financial liabilities, current	45,242,374	104,347	1,399,250	3,617,202	50,363,173
Total current liabilities	105,452,427	6,648,938	20,541,930	20,994,720	153,638,015
Non-current liabilities					
Other financial liabilities, no current	2,725,320,258	-	-	-	2,725,320,258
Accounts payable from related parties, non-current	(190,150,958)	146,653,907	11,926,395	38,170,657	6,600,000
Other provisions	3,272,930	-	-	-	3,272,930
Provisions for employee benefits	3,146,046	-	-	-	3,146,046
Other no financial liabilities, non-current	461,204,816	70,385	36,198,930	18,495,522	515,969,654
Total non-current liabilities	3,002,793,093	146,724,292	48,125,325	56,666,179	3,254,308,889
Total liabilities	3,108,245,520	153,373,230	68,667,254	77,660,899	3,407,946,903
Equity					
Issued capital	250,771,826	28,080,005	25,773,900	106,151,314	410,777,044
Accumulated deficit	(2,116,832,553)	(62,727,089)	(36,786,302)	(76,428,691)	(2,292,774,634)
Other reserves	1,141,898,743	324,689	(2,392,247)	807,009	1,140,638,194
Total Equity	(724,161,984)	(34,322,394)	(13,404,649)	30,529,632	(741,359,396)
Non-controlling interests	(222)	-	-	-	(222)
Total Liabilities	2,384,083,314	119,050,836	55,262,605	108,190,531	2,666,587,285

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		EFE SUR	EFE CENTRAL	EFE VALPARAISO	
		VIII Región y IX Región ThCLP\$	Santiago Chillán ThCLP\$	V Región ThCLP\$	
Assets					
Current assets					
Cash and cash equivalents	530,456,294	5,076,115	979,830	309,909	536,822,148
Other financial assets	101,701,389	3,069,631	-	3,441,087	108,212,107
Other no financial assets	501,477	4,310	-	14,963	520,750
Trade and other receivables	4,328,617	137,836	906,282	135,789	5,508,524
Accounts receivable from related parties, current	100,611,504	8,711,239	1,345,569	5,090,604	115,758,916
Inventories	-	19,430	79,813	312,531	411,774
Current tax assets	13,218,197	15,000	-	25,000	13,258,197
Current assets	750,817,478	17,033,561	3,311,494	9,329,883	780,492,416
Total current assets	750,817,478	17,033,561	3,311,494	9,329,883	780,492,416
Non-current assets					
Accounts receivable from related parties, non-current	246,875,956	35,436,231	8,652,292	18,757,919	309,722,398
Equity-accounted investees	15,706,334	-	-	-	15,706,334
Intangible assets other than goodwill	2,567,888	133,515	25,002	97,672	2,824,077
Property, plant and equipment	1,420,562,919	70,137,078	43,760,751	76,118,027	1,610,578,775
Investment property	31,010,228	-	-	1,142,303	32,152,531
Total non-current assets	1,716,723,325	105,706,824	52,438,045	96,115,921	1,970,984,115
Total assets	1,716,723,325	105,706,824	52,438,045	96,115,921	1,970,984,115
Liabilities and equity					
Liabilities					
Current liabilities					
Other financial liabilities, current	41,235,972	-	-	-	41,235,972
Trade and other payables	110,034,366	1,111,615	1,814,526	4,581,579	117,542,086
Accounts payable from related parties, current	(34,241,816)	3,787,811	21,974,438	8,479,567	-
Provisions for employee benefits	1,641,153	455,649	864,674	560,491	3,521,967
Other no financial liabilities, current	60,408,480	162,107	1,054,446	2,642,569	64,267,602
Total current liabilities	179,078,155	5,517,182	25,708,084	16,264,206	226,567,627
Non-current liabilities					
Other financial liabilities, no current	2,454,231,979	-	-	-	2,454,231,979
Accounts payable from related parties, non-current	(222,236,289)	140,677,160	46,283,032	35,276,097	-
Other provisions	3,183,369	-	-	-	3,183,369
Provisions for employee benefits	2,767,213	-	-	-	2,767,213
Other no financial liabilities, non-current	565,339,479	1,059,625	-	20,133,710	586,532,814
Total non-current liabilities	2,803,285,751	141,736,785	46,283,032	55,409,807	3,046,715,375
Total liabilities	2,982,363,906	147,253,967	71,991,116	71,674,013	3,273,283,002
Equity					
Issued capital	250,797,262	28,080,005	25,773,900	106,125,877	410,777,044
Accumulated deficit	(1,903,902,685)	(52,918,276)	(42,301,474)	(73,186,531)	(2,072,308,966)
Share premium	(25,590)	-	154	25,436	-
Other reserves	1,138,307,893	324,689	285,843	807,009	1,139,725,434
Equity attributable to owners of the Company	(420,573,765)	(15,571,759)	(12,322,447)	43,345,457	(405,122,514)
Non-controlling interests					
Non-controlling interests	17	-	-	-	17
Total equity	(514,823,103)	(24,513,582)	(16,241,577)	33,771,791	(521,806,471)
Total liabilities and equity	2,467,540,803	122,740,385	55,749,539	105,445,804	2,751,476,531

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				EFE	
		EFE SUR	EFE CENTRAL	VALPARAISO	
		VIII Región y IX Región ThCLP\$	Santiago Chillán ThCLP\$	V Región ThCLP\$	
Cash flows from operating activities					
Receipts cash flows from operating activities					
Cash receipts from sales of goods and services	23,294,788	4,176,161	23,452,344	10,081,775	61,005,068
Other receipts from operating activities		66,140		3,068,807	3,134,947
Payment categories					
Payments to suppliers for goods and services provided	(49,683,461)	(1,708,342)	(4,766,278)	(8,863,898)	(65,021,979)
Payments to and on behalf of employees	(10,206,064)	(4,486,802)	(7,865,420)	(3,613,186)	(26,171,472)
Others	366,501	(366,501)			-
Net cash flows from (used in) operating activities	(36,228,236)	(2,319,344)	10,820,646	673,498	(27,053,436)
Cash flows from investing activities					
Amounts from sales property, plant and equipment	1,061,000				1,061,000
Purchases of property, plant and equipment	(179,520,057)	(53,745)	(2,687)		(179,576,489)
Purchases of intangible assets	(547,837)				(547,837)
Dividends received (Ipesa)	1,158,214				1,158,214
Taxes refunded (27 BIS)	3,948,957				3,948,957
Net decrease (increase) from investments in term deposit over	49,335,174	(4,378,658)		2,040,401	46,996,917
Net cash flows from (used in) investing activities	(124,564,549)	(4,432,403)	(2,687)	2,040,401	(126,959,238)
Cash flows from financing activities					
Payments of loans	(4,490,386)				(4,490,386)
Payments interest of bonds	(80,907,521)				(80,907,521)
Amounts from government grants, classified as business activities	124,870,749				124,870,749
Related parties, cash proceeds from (used)	10,129,233	2,180,667	(11,615,000)	(694,900)	-
Net cash flows from (used in) investing activities	49,602,075	2,180,667	(11,615,000)	(694,900)	39,472,842
Effects of the variation in the exchange rate on cash and cash equivalents					
	37,959,303				37,959,303
Net increase (decrease) in cash and cash equivalents	(73,231,407)	(4,571,080)	(797,041)	2,018,999	(76,580,529)
Cash and cash equivalents at beginning of the period	530,456,294	5,076,115	979,830	309,909	536,822,148
Cash and cash equivalents at end of the period	457,224,887	505,035	182,789	2,328,908	460,241,619

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		EFE SUR	EFE CENTRAL	EFE VALPARAISO	
		VIII Región y IX Región	Santiago Chillán	V Región	
		ThCLPS	ThCLPS	ThCLPS	
Cash flows from operating activities					
Receipts cash flows from operating activities					
Cash receipts from sales of goods and services	19,454,160	1,278,700	14,773,517	5,435,449	40,941,826
Other receipts from operating activities	-	54,766		832,668	887,434
Payment categories					
Payments to suppliers for goods and services provided	(50,433,488)	(1,431,636)	(4,077,052)	(6,702,274)	(62,644,450)
Payments to and on behalf of employees	(15,377,877)	(3,533,677)	(6,511,985)	(3,154,673)	(28,578,212)
Others	307,318	(124,243)	(183,075)		-
Net cash flows from (used in) operating activities	(46,049,887)	(3,756,090)	4,001,405	(3,588,830)	(49,393,402)
Cash flows from investing activities					
Amounts from sales property, plant and equipment	257,256				257,256
Purchases of property, plant and equipment	(115,028,953)	(127,346)		(783,488)	(115,939,787)
Purchases of intangible assets	(39,219)				(39,219)
Dividends received (Ipesa)	699,108				699,108
Taxes refunded (27 BIS)	19,320,451				19,320,451
Net decrease (increase) from investments in term deposit over 90 days	57,277,663	1,300,955		906	58,579,524
Net cash flows from (used in) investing activities	(37,513,694)	1,173,609	-	(782,582)	(37,122,667)
Cash flows from financing activities					
Payments of loans	(4,963,679)				(4,963,679)
Payments interest of bonds	(67,387,088)				(67,387,088)
Amounts from government grants, classified as business activities	392,122,089				392,122,089
Related parties, cash proceeds from (used)	(4,155,519)	3,599,984	(3,892,909)	4,448,444	-
Net cash flows from (used in) investing activities	315,615,803	3,599,984	(3,892,909)	4,448,444	319,771,322
Effects of the variation in the exchange rate on cash and cash equivalents	5,108,761				5,108,761
Net increase (decrease) in cash and cash equivalents	237,160,983	1,017,503	108,496	77,032	238,364,014
Cash and cash equivalents at beginning of the period	270,035,921	2,585,451	797,301	218,103	273,636,776
Cash and cash equivalents at end of the period	507,196,904	3,602,954	905,797	295,135	512,000,790

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6. Cash and cash equivalents

The company's three-year development planning determines the company's investments and financing required to execute those investments. Annually, the "Budget Law" contemplates the State cash resources that will transfer to EFE in order to develop its three-year planning. Such other financing sources, such as debt issuance and contributions received in subsidiaries, through the Transantiago Mirror Law, and supplements for certain specific projects. Almost all of the cash, cash equivalents and other current financial assets correspond to resources for use on the items described above.

The Ministry of Finance restricts financial instrument types in which EFE can invest such as time deposits, mutual funds, and covenants.

Cash and cash equivalents balance as of the end of each period is as follows:

Cash and cash equivalents	09.30.2022 ThCLP\$	12.31.2021 ThCLP\$
Cash and banks (a)	1,021,637	2,801,987
Time deposits (b)	459,219,982	534,020,161
Totals	460,241,619	536,822,148

a) Cash and banks: This balance corresponds to cash on hand and bank current accounts.

b) Time deposits: This balance corresponds to financial instruments issued by banks

Time deposits are measured at fair value with change in profit or loss for the period since they are recorded at their market price on each closing date and the difference with the acquisition price is recorded in income for the period.

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As of September 30, 2022, the detail is as follows

Days to maturity	Denominated currency	Instrument	Capital local currency ThCLP\$	Indexation- units adjustments and interest ThCLP\$	Balance as September 30, 2022 ThCLP\$
0 - 30	\$	Time deposit	52,630,171	2,821	52,632,992
	\$	Central Bank Discountable Promissory Note	9,973,989	1,196	9,975,185
	UF	Bank bond	661,907	-	661,907
	USD	Time deposit	145,763,417	13,485,678	159,249,094
	USD	Certificate of Deposit in American Dollars	48,245,873	-	48,245,873
Subtotal			257,275,357	13,489,695	270,765,051
30 - 60	\$	Time deposit	169,169	2,231	171,399
	USD	Time deposit	19,610,078	7,161,806	26,771,885
	USD	Certificate of Deposit in American Dollars	24,080,435	0	24,080,435
Subtotal			43,859,682	7,164,037	51,023,719
60 - 90	\$	Central Bank Discountable Promissory Note	5,255,401	(18,819)	5,236,582
	USD	Time deposit	66,263,663	33,948,889	100,212,553
	USD	Certificate of Deposit in American Dollars	24,059,882	-	24,059,882
Subtotal			95,578,946	33,930,070	129,509,017
Reserve fund	UF				7,922,195
Totals			396,713,985	54,583,802	459,219,982

As of December 31, 2021, the detail is as follows:

Days to maturity	Denominated currency	Instrument	Capital local currency ThCLP\$	Indexation- units adjustments and interest ThCLP\$	Balance as December 31, 2021 ThCLP\$
0 - 30	\$	Time deposit	43,483,154	123,217	43,606,371
		CBDPN (1)	54,560,055	54,884	54,614,939
	EUR	Time deposit	155,750,180	4,398,496	160,148,676
Subtotal			253,793,389	4,576,597	258,369,986
30 - 60	\$	Time deposit	11,458,354	6,613	11,464,967
	USD	Time deposit	182,660,422	3,907,601	186,568,023
		CBDPN (1)	147,161	10,222	157,383
	UF	Bank bond			
Subtotal			194,265,937	3,924,436	198,190,373
60 - 90	\$	Time deposit	191,378	699	192,077
	UF	Time deposit	66,999,218	3,115,111	70,114,329
Subtotal			67,190,596	3,115,810	70,306,406
Reserve fund	\$		7,153,436		7,153,396
Totals			522,403,358	11,616,843	534,020,161

7. Other financial assets, current

This corresponds to term deposits with maturities greater than 90 days. As of September 30, 2022 and December 31, 2021, these assets amount to ThCLP\$61,215,190 and ThCLP\$108,212,107, respectively. These deposits are used for the acquisition of infrastructure, maintenance and currently for the payment of debt.

The following table shows the term deposits details over 90 days in force As of September 30, 2022 and December 31, 2021:

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As of September 30, 2022

Days to maturity	Currency	Instrument	Capital local currency ThCLP\$	Indexation-units adjustments and interest ThCLP\$	Balance as September 30, 2022 ThCLP\$
>90	\$	General treasury bond in clp	575,948	(28,388)	547,559
		Time deposit	430,116	4,733	434,849
	UF	Bank bond	22,752,254	(332,975)	22,419,279
		Time deposit UF	38,539,637	(731,962)	37,807,675
	USD	Portfolio shares	5,828		5,828
Totals			62,303,783	(1,088,592)	61,215,190

As of December 31, 2021:

Days to maturity	Currency	Instrument	Capital local currency	Indexation-units adjustments and interest	Balance as December 31, 2021
			ThCLP\$	ThCLP\$	ThCLP\$
>90	\$	General treasury bond in clp	347,914	(32,233)	315,681
		Time deposit	2,089,731	3,053	2,092,784
		BTP(1)	262,285	(13,314)	248,971
	UF	Bank bond	8,181,963	49,352	8,231,315
		General treasury bond in uf	409,218	(22,865)	386,353
	USD	Time deposit	95,376,087	1,555,088	96,931,175
		Portfolio shares			5,828
Totals			106.667,198	1.539,081	108.212,107

8. Other non-financial assets, current

The composition of the item As of September 30, 2022 and as of December 31, 2021 is as follows:

Concepts	09.30.2022 ThCLP\$	12.31.2021 ThCLP\$
Advance payments and expenses (1)	2,779,516	347,156
Accounts receivable- reimbursements for insurance claims	-	76,280
Others	9,971	9,971
Totals	2,789,487	433,407

(1) Corresponds to civil liability insurance, railroad infrastructure, rolling stock and other.

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9. Trade and other receivables, current

The composition of the item As of September 30, 2022 and as of December 31, 2021 is as follows:

Concepts	Indexation unit	09.30.2022			12.31.2021		
		Gross value ThCLP\$	Impairment of value ThCLP\$	Net value ThCLP\$	Gross value ThCLP\$	Impairment of value ThCLP\$	Net value ThCLP\$
Ferrocarril del Pacifico S.A.	Chilean peso	1,550,095	-	1,550,095	1,063,646	-	1,063,646
Expropiaciones por cobrar (1)	Chilean peso	28,441	-	28,441	168,674	-	168,674
Varios deudores	Chilean peso	310,541	-	310,541	81,802	-	81,802
Recaudación Alameda Nos	Chilean peso	638,047	-	638,047	600,885	-	600,885
Subsidios de salud por cobrar	Chilean peso	158,654	-	158,654	125,358	-	125,358
Telefonica Chile S.A.	Chilean peso	-	-	-	191,371	-	191,371
Transap S.A.	Chilean peso	206,289	-	206,289	178,332	-	178,332
Sistemas SEC	Chilean peso	-	-	-	729,045	-	729,045
Clear Channel Chile Publicidad Ltda.	Chilean peso	10,772	-	10,772	59,040	-	59,040
Claro Chile S.A.	Chilean peso	111,642	-	111,642	214,612	-	214,612
Municipalidad de Villarica	Chilean peso	61,077	-	61,077	61,077	-	61,077
Municipalidad de graneros	Chilean peso	115,377	-	115,377	66,901	-	66,901
Cooperativa Camp. y Cultural Melima	Chilean peso	55,843	-	55,843	52,626	-	52,626
Asoc Chilena Cons. Pat. Ferroviario	Chilean peso	44,125	-	44,125	44,125	-	44,125
Recaudación alameda Rancagua	Chilean peso	57,179	-	57,179	85,438	-	85,438
Comsa Proyecto Zona Norte S.A.	Chilean peso	-	-	-	16,803	-	16,803
Comsa Proyecto Zona Norte S.A.	Chilean peso	-	-	-	16,803	-	16,803
Comercializadora Rosales y Haase LT	Chilean peso	53,972	-	53,972	52,411	-	52,411
Entel Pcs Telecomunicaciones S.A.	Chilean peso	17,250	-	17,250	34,945	-	34,945
Entel	Chilean peso	34,693	-	34,693	4,236	-	4,236
Jorge del Rio Varela	Chilean peso	-	-	-	53,266	-	53,266
Wom S.A.	Chilean peso	7,237	-	7,237	14,166	-	14,166
Transportes Ferropak Limitada	Chilean peso	37,546	-	37,546	37,546	-	37,546
Estaciona Limitada	Chilean peso	-	-	-	11,848	-	11,848
Codelco	Chilean peso	6,403	-	6,403	2,390	-	2,390
Deudores principalmente arriendos propiedades	Chilean peso	2,039,254	(1,173,203)	866,051	2,971,528	(1,329,300)	1,642,228
Totales		5,544,437	(1,173,203)	4,371,234	6,922,071	(1,329,300)	5,592,771

(1) This amount is made up of the following expropriations: Lots 1 to 7 of Estación Negrete, Belt via Angol, Barón Viña sector, FV Chillán and the Los Ríos Region land.

Approvals from the Ministries of Finance and Transport and Telecommunications are required prior to the write-off of the impairment provisions. EFE does not grant credit to its clients, so that there are no guarantees for this item, except for guarantees for leases. Credit risk is described in note thirty.

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The detail of accounts receivable maturity As of September 30, 2022 and as of December 31, 2021 is as follows:

As of September 30, 2022:

Days past due	NOT SECURITIZED PORTFOLIO				SECURITIZED PORTFOLIO				Totals
	No renegotiated portfolio N° of clients	No renegotiated portfolio ThCLP\$	Renegotiated portfolio N° of clients	Renegotiated portfolio ThCLP\$	No renegotiated portfolio N° of clients	No renegotiated portfolio ThCLP\$	Renegotiated portfolio N° of clients	Renegotiated portfolio ThCLP\$	
Al día	770	117,437	-	-	-	-	-	-	117,437
1 -30	477	238,476	-	-	-	-	-	-	238,476
31-60	350	3,178,355	-	-	-	-	-	-	3,178,355
61-90	383	821,210	-	-	-	-	-	-	821,210
91-120	307	58,177	-	-	-	-	-	-	58,177
121-150	428	29,785	-	-	-	-	-	-	29,785
151-180	396	53,222	-	-	-	-	-	-	53,222
181-210	208	73,499	-	-	-	-	-	-	73,499
211-250	175	24,700	-	-	-	-	-	-	24,700
> 250	8,689	949,576	-	-	-	-	-	-	949,576
Totals	12,183	5,544,437			-	-	-	-	5,544,437

	NOT SECURITIZED PORTFOLIO		SECURITIZED PORTFOLIO	
	N° of clients	ThCLP\$	N° of clients	ThCLP\$
Protested documents	6	2,040		
Amounts in judicial collection	261	1,120,056	-	-

Impairment of value		Write-off of accounts receivable	Recovery of accounts receivable
NOT SECURITIZED PORTFOLIO	SECURITIZED PORTFOLIO		
1,173,203			

As of December 31, 2021:

Days past due	NOT SECURITIZED PORTFOLIO				SECURITIZED PORTFOLIO				Totals
	No renegotiated portfolio N° of clients	No renegotiated portfolio ThCLP\$	Renegotiated portfolio N° of clients	Renegotiated portfolio ThCLP\$	No renegotiated portfolio N° of clients	No renegotiated portfolio ThCLP\$	Renegotiated portfolio N° of clients	Renegotiated portfolio ThCLP\$	
Al día			-	-	-	-	-	-	-
1 -30	773	3,863,592	-	-	-	-	-	-	3,863,592
31-60	460	52,852	-	-	-	-	-	-	52,852
61-90	357	57,771	-	-	-	-	-	-	57,771
91-120	373	29,296	-	-	-	-	-	-	29,296
121-150	396	47,656	-	-	-	-	-	-	47,656
151-180	370	41,485	-	-	-	-	-	-	41,485
181-210	195	55,370	-	-	-	-	-	-	55,370
211-250	332	3,096	-	-	-	-	-	-	3,096
> 250	628	2,770,953	-	-	-	-	-	-	2,770,953
Totals	3,884	6,922,071			-	-	-	-	6,922,071

	NOT SECURITIZED PORTFOLIO		SECURITIZED PORTFOLIO		Impairment of value		Write-off of accounts receivable	Recovery of accounts receivable
	N° of clients	ThCLP\$	N° of clients	ThCLP\$	NOT SECURITIZED PORTFOLIO	SECURITIZED PORTFOLIO		
Amounts in judicial collection	267	900,127	-	-	1,329,300			

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The detail of provisioned amounts As of September 30, 2022 and as of December 31, 2021 is as follows:

	Impairment ThCLP\$		Impairment ThCLP\$
Balance as of 12.31.2021	(1,329,300)	Balance as of 12.31.2020	(1,082,098)
Annual variation	156,097	Annual variation	(247,202)
Balance as of 09.30.2022	(1,173,203)	Balance as of 12.31.2021	(1,329,300)

10. Balances and transactions with related parties

- a) The following items correspond to accounts receivable from related parties As of September 30, 2022 and as of December 31, 2021:

Current:

Company	Country of Taxpayer origin	Nature of the relationship	Origin of the transaction	Currency	09.30.2022 ThCLP\$	12.31.2021 ThCLP\$
State of Chile	Chile	Owner (1)	Transfers	Chilean peso	8,079,107	110,523,517
Ministry of Transport (EFE Valparaíso)	Chile	Com. Of the Statement (3)	Fee for students	Chilean peso	3,322,246	964,395
Ministry of Transport	Chile	Com. Of the Statement (3)	EFE Central allowance	Chilean peso	731,555	-
Ministry of Transport (EFE Sur)	Chile	Com. Of the Statement (2)	Colonel allowance	Chilean peso	4,040,567	2,408,955
Ministry of Transport (EFE Valparaíso)	Chile	Com. Of the Statement (2)	8 Automobiles	Chilean peso	2,173,318	1,291,859
Ministry of Transport (EFE Central)	Chile	Com. Of the Statement (2)	4 Automobiles	Chilean peso	1,154,750	570,190
Totals current					19,501,543	115,758,916

Non-current:

Company	Country of Taxpayer origin	Nature of the relationship	Origin of the transaction	Currency	09.30.2022 ThCLP\$	12.31.2021 ThCLP\$
State of Chile	Chile	Owner (1)	Transfers	Chilean peso	32,418,635	54,844,974
Ministry of Transport (EFE Sur)	Chile	Com. Of the Statement (2)	Colonel allowance	Chilean peso	38,285,503	34,635,016
State of Chile	Chile	Owner (4)	Future compensation rights	Chilean peso	234,137,641	191,802,120
Ministry of Transport (EFE Valparaíso)	Chile	Com. Of the Statement (2)	8 Automobiles	Chilean peso	20,654,913	18,685,486
Ministry of Transport (EFE Central)	Chile	Com. Of the Statement (2)	4 Automobiles	Chilean peso	10,970,461	9,754,802
Totals non-current					336,467,153	309,722,398

Transfer 2022 - Budget Law	Budget Law 2022		Balance September 30, 2022 ThCLP\$	Balance December 31, 2021 ThCLP\$
	Committed 2021 ThCLP\$	Received 2022 ThCLP\$		
Infrastructure Maintenance	22,332,692	18,650,000	3,682,692	22,332,692
Rehabilitation and maintenance of Arica - La Paz railway	522,000	261,000	261,000	522,000
Debt Service (amortizations)	5,098,539	4,490,386	608,153	5,098,539
Debt Interest	82,570,286	79,043,024	3,527,262	82,570,286
Totals current	110,523,517	102,444,410	8,079,107	110,523,517
Investments Triennial Plans 2021-2023	36,852,678	18,426,339	18,426,339	36,852,678
Investments in existing Infrastructure	17,992,296	4,000,000	13,992,296	17,992,296
Totals non-current	54,844,974	22,426,339	32,418,635	54,844,974
Totals	165,368,491	124,870,749	40,497,742	165,368,491

- (1) Accounts receivable from the State of Chile represent the balances of the fiscal contributions committed by the State for the year 2022.

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(2) The accounts receivable from the Ministry of Transport represent the contributions of funds committed by that Ministry for a total of twenty annual installments covering the following projects:

- Railroad expansion Bío-Bío Coronel of UF 1,753,990.23
- Merval rolling stock and infrastructure purchase of UF 919,544.95
- Additional rolling stock purchase Rancagua Express of UF 493,684.28

(3) This balance includes the compensation made by the Ministry of Transport and Telecommunications for the public's reduced fares from EFE Valparaíso.

(4) For the years 2020 and 2021, the State of Chile, product of the Covid-19 pandemic, in the transitory, does not directly transfer subsidy resources, but authorized an indebtedness in the foreign market (International bond 2020 and 2021) to meet the cash needs. Since the debt of the Bond will be paid by the State of Chile, recognizes this non-current account receivable with a credit to Financial Expenses, Maintenance Infrastructure, and deferred income from the use of funds in property, plant, and equipment, in line with the application of IAS-20 (Government Aid).

b) The following items correspond to accounts payable to parties related to September 30, 2022 and December 31, 2021:

Accounts current payable to related entities	Country of origin	Nature or the relationship	Origin of the transaction	Currency	09.30.2022	12-31-2021
					M\$	M\$
Ministry of Transport	Chile	Com. Of the Statement	Funds to render (EFE Valparaíso - enerty projects)	CLP	2,747,923	2,747,923
Ministry of Transport	Chile	Com. Of the Statement	Funds to render (EFE SUR - Electromobility project)	CLP	1,100,000	1,242,059
Ministry of Transport	Chile	Com. Of the Statement	Funds to render (Valparaíso - cat walk project)	CLP	206,357	206,356
Ministry of Transport	Chile	Com. Of the Statement	Funds to render (Valparaíso EFE Central)	CLP	-	61,510
Accounts current payable to related entities, current					4,054,280	4,257,848
Ministry of Transport	Chile	Com. Of the Statement	Funds to render (EFE SUR - Electromobility project)	CLP	6,600,000	6,600,000
Accounts payable to related entities, non-current					6,600,000	6,600,000

c) The company's personnel are distributed as follows:

Staffing consolidated information	09.30.2022	09.30.2021
Managers and chief executives	68	70
Professionals and Technicians	940	865
Other	818	758
Totals	1,826	1,693

d) Board of Directors' remuneration

DFL No. 24 stating the Executives' remuneration establishes attendance fees for a monthly payment amounting to 6 UTM (Monthly Taxable Unit or Unidad Tributaria Mensual in Spanish) a monthly cap amounting to 12 UTM and a fixed monthly remuneration amounting to 7 UTM.

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Remunerations paid to the Board of Directors from Empresa de los Ferrocarriles del Estado during the periods ended September 30, 2022 and 2021 are as follows:

Remuneration paid to the Board of Directors		09.30.2022 ThCLP\$	06.30.2021 ThCLP\$
CEO, Vice chairman and Directors	Incorporation		
Eric Martín González- Presidente	26-05-2022	8,899	-
Rafael Epstein Numhauser	26-05-2022	3,739	-
Loreto Wahr Rivas	26-05-2022	4,449	-
Fidel Miranda Bravo	26-05-2022	4,449	-
Mabel Leva Henríquez	26-05-2022	4,449	-
Juan Antonio Carrasco Montagna	26-05-2022	4,449	-
Beatriz Bonifetti Miranda	26-05-2022	4,449	-
Juan Jiménez Vásquez (Representante de los trabajadores)	01-09-2022	775	-
Former Directors	Term		
Cristián Andrés Ureta Larraín - Vice chairman	15-07-2021	-	6,862
Joaquín Brahm Barril	23-09-2021	-	8,538
Pedro Pablo Errázuriz Domínguez - CEO	25-05-2022	10,538	17,708
Isabel Margarita Romero Muñoz	25-05-2022	5,268	8,854
Cristián Solís de Ovando Lavín - Vice chairman	25-05-2022	5,268	8,854
Adriana Brancoli Poblete	25-05-2022	5,268	8,854
María Eugenia Torres Henriquez	25-05-2022	4,615	8,854
Víctor Jorge Lobos del Fierro	25-05-2022	5,268	-
Luis Enrique Arqueros Wood	25-05-2022	5,268	-
María Eugenia Rebolledo Sandoval (Workers' representative)	01-09-2022	8,237	8,854

e) Senior Management remuneration

Remunerations paid by the Group to the Senior Management are as follows:

Senior Management remuneration consolidated information	09.30.2022 ThCLP\$	09.30.2021 ThCLP\$
Remuneration	1,954,650	1,874,861
Other benefits	419,368	31,817
Totals	2,374,018	1,906,678

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11. Inventories

The detail of this item As of September 30, 2022 and as of December 31, 2021 is as follows:

Inventories	09.30.2022	12.31.2021
	ThCLP\$	ThCLP\$
PVC Cards (Metroval Tren Central)	71,624	339,736
Spare parts for electromechanical equipment	547,617	70,974
Spare parts for Internal computing	1,271	1,064
Totals	620,512	411,774

Inventories correspond to the PVC contactless cards (Metroval and EFE Central) which are sold to the users of EFE Valparaíso and EFE Central. PVC contactless cards are a high turnover item which does not show wear and tear, except from those which could show technical problems that will be replaced by the provider. Spare parts considering computers and electromechanical equipment, especially the toll system (turnstiles), are also part of this item. There is no obsolescence of these inventories, nor provision for net realizable value.

12. Investment accounted for under the equity method

The detail of such companies, as well as the summary for their financial information for the periods ended September 30, 2022 and December 31, 2021, respectively, is as follows:

a) Inmobiliaria Paseo Estación S.A. - IPESA, (Taxpayer No. 96.547.010-7)

The corporate purpose of IPESA is to carry out activities related to marketing and industry, as well as other activities such as acquiring, disposing of, giving, and receiving in lease or sublease personal property to build on them and conducting real estate-type activity. It has equity participation in Plaza Estación S.A., Administradora de Comercio Ltda. and Terminal San Borja S.A.

EFE exerts significant influence on this company through its right to appoint a Director who is part of its Board and participates in the policy setting processes, including decisions on dividends and other distributions. There are significant transactions between EFE and IPESA.

As of September 30, 2022, and as of December 31, 2021, EFE's share in this related company corresponds to 17% of its equity; the remaining 83% belongs to Parque Arauco S.A.

As of the closing date of these consolidated financial statements, the recorded amount of this investment, accounted for under the equity method, amounts to ThCLP\$16,619,353 (ThCLP\$15,670,677 as of December 31, 2021). The Company's share of the period's profit amounted to ThCLP\$ 1,745,650 (ThCLP\$ 654,275 as of September 30, 2021).

Dividends received from this investment in 2022, amounts to ThCLP\$1,158,214 (ThCLP\$699,108 as of September 30, 2021).

b) Desarrollo Inmobiliario San Bernardo S.A. - DIBSA, (Taxpayer No. 96.794.010-0)

The corporate purpose of DIBSA is the commercial use of Maestranza Central San Bernardo for the development or construction of real estate projects, their administration, operation, or sale with an investment recorded amount of ThCLP\$ 35,657.

EFE's equity share in DIBSA corresponds to 35%. DIBSA is not currently operating.

c) Transporte Suburbano de Pasajeros S.A. – TRANSUB (Taxpayer No. 96.850.680-3)

The Company's purpose is to provide suburban passenger transportation services and the use of its goods in complementary activities or services. TRANSUB was incorporated in 1998 together with Metro S.A. and does not provide commercial activities since that date.

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EFE's share in this company equals 33.33% which has a negative equity amounting to ThCLP\$31,936 as of September 30, 2022 and as of December 31, 2021.

During the period ended as of September 30, 2022, there were no changes in the ownership percentages in the entities accounted for under the equity method.

d) Summary of financial information for companies accounted for under the equity method:

09.30.2022	% of ownership	Assets current ThCLP\$	Assets non current ThCLP\$	Liabilities current ThCLP\$	Liabilities non current ThCLP\$	Equity ThCLP\$	Revenues ThCLP\$	Expenses revenue ThCLP\$	Income 03.31.2020 ThCLP\$	Investments ThCLP\$	Proportional value 09.30.2022 ThCLP\$
DIBSA	35.00	19,723	90,811	8,656	-	101,878	-	-	-	35,657	-
IPESA	17.00	18,256,786	107,523,698	9,310,630	18,708,957	97,760,897	11,472,340	(1,203,810)	10,268,530	16,619,353	1,745,650
TRANSUB	33.33	3,983	-	-	35,919	(31,936)	-	-	-	-	-
Totals										16,655,010	1,745,650

12.31.2021	% of ownership	Assets current ThCLP\$	Assets non current ThCLP\$	Liabilities current ThCLP\$	Liabilities non current ThCLP\$	Equity ThCLP\$	Revenues ThCLP\$	Expenses revenue ThCLP\$	Income 12.31.2019 ThCLP\$	Investments ThCLP\$	Proportional value 12.31.2021 ThCLP\$
DIBSA	35	19,723	90,811	8,656	-	101,878	-	-	-	35,657	-
IPESA	17	13,289,236	104,298,070	6,716,563	18,690,289	92,180,454	2,467,626	(663,156)	1,804,470	15,670,677	654,275
TRANSUB	33	3,983	-	-	35,919	(31,936)	-	-	-	-	-
Totals										15,706,334	654,275

13. Intangible assets other than goodwill

Computer licenses correspond to software licenses mainly for the SAP system and the long-haul ticketing system, for which a finite useful life has been defined. Therefore, Management's criterion is to amortize them using the straight-line method over 5 years. This criterion has also been adopted for brands.

a) Intangible assets As of September 30, 2022 and as of December 31, 2021 are as follows:

Concept	Balances as of September 30, 2022			Balances as of December 31, 2021		
	Historical cost ThCLP\$	Accumulated amortization ThCLP\$	Book value ThCLP\$	Historical Cost ThCLP\$	Accumulated amortization ThCLP\$	Book value ThCLP\$
Trademarks	205,153	(204,920)	233	205,153	(204,920)	233
Software licenses	7,705,187	(4,645,118)	3,060,069	7,157,350	(4,333,506)	2,823,844
Totals	7,910,340	(4,850,038)	3,060,302	7,362,503	(4,538,426)	2,824,077

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b) The movements as of September 30, 2022 and as of December 31, 2021 are as follows:

Movements	Trademarks ThCLP\$	Software licenses computational ThCLP\$	Book value ThCLP\$
Balances as of December 31, 2020	233	2,654,234	2,654,467
Additions	-	685,156	685,156
Amortization	-	(515,546)	(515,546)
Balances as of December 31, 2021	233	2,823,844	2,824,077
Additions	-	547,837	547,837
Amortization	-	(311,612)	(311,612)
Balances as of September 30, 2022	233	3,060,069	3,060,302

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14. Property, plant, and equipment

Property, plant, and equipment detail As of September 30, 2022 and December 31, 2021 is as follows:

a) Detail of property, plant, and equipment

Types of property, plant and equipment, net	Balance as of	
	09.30.2022 ThCLPS	12.31.2021 ThCLPS
Property, Plant and Equipment, Net	1,706,033,187	1,610,578,775
Work in progress	507,343,773	398,226,800
Land	112,637,507	110,798,523
Buildings	116,792,634	107,614,401
Civil works of railway infrastructure	674,895,831	685,984,121
Signal, electrical, substation and communications equipment	110,323,452	116,035,281
Rolling material	169,455,085	177,852,660
Machinery and tools	2,805,593	2,859,237
Materials and spare parts	6,589,426	6,750,732
Right of use assets	1,006,915	117,495
Others	4,182,971	4,339,525

Types of property, plant and equipment, gross	Balance as of	
	09.30.2022 ThCLPS	12.31.2021 ThCLPS
Property, plant and equipment, gross	2,122,970,702	1,996,188,430
Work in progress	507,343,773	398,226,800
Land	112,637,507	110,798,523
Buildings	145,257,801	133,829,574
Civil works of railway infrastructure	863,736,151	861,154,027
Signal, electrical, substation and communications equipment	202,302,480	202,034,468
Rolling material	268,915,380	268,920,005
Machinery and tools	4,754,772	4,695,805
Materials and spare parts	6,589,426	6,750,732
Right of use assets	2,468,401	1,004,546
Others	8,965,011	8,773,950

Types of property, plant and equipment, Accumulated depreciation	Balance as of	
	09.30.2022 ThCLPS	12.31.2021 ThCLPS
Total of property, plant and equipment, Accumulated depreciation	(416,937,515)	(385,609,655)
Buildings	(28,465,167)	(26,215,173)
Civil works of railway infrastructure	(188,840,320)	(175,169,906)
Signal, electrical, substation and communications equipment	(91,979,028)	(85,999,187)
Rolling material	(93,569,445)	(85,176,495)
Impairment of non-financial assets	(5,890,850)	(5,890,850)
Machinery and tools	(1,949,179)	(1,836,568)
Amortization for right of use assets	(1,461,486)	(887,051)
Others	(4,782,040)	(4,434,425)

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b) The movements considering Property, Plant and Equipment at net, gross and accumulated depreciation values are as follows:

The movements as of the periods ended September 30, 2022 and December 31, 2021, of the items that make up property, plant and equipment are as follows:

Movements of de period ended 09.30.2022		Work in progress	Land	Buildings	Civil Works of Railway Infrastructure	Signal equipment, electrical, SS.EE and communications	Rolling material	Machinery and tools	Materials and spare parts	Right of use assets	Others	Property, Plant and Equipment, Net
		ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS
Balance net as of January 1, 2022		398,226,800	110,798,523	107,614,401	685,984,121	116,035,281	177,852,660	2,859,237	6,750,732	117,495	4,339,525	1,610,578,775
Movements	Purchases	124,505,709	275,862	574,304	26,992	65,814	39,900	58,067	613,140	1,463,855	187,531	127,811,174
	Transfers	(15,388,729)	1,719,196	10,855,320	2,555,132	213,662	40,989	900			3,530	-
	Disposals	(7)	(156,074)	(1,397)		(11,464)	(85,514)		(774,446)			(1,028,902)
	NIIF 16 Amortization									(574,435)		(574,435)
	Depreciation expense			(2,250,036)	(13,670,414)	(5,979,937)	(8,469,912)	(112,611)			(347,615)	(30,830,525)
	Accumulated Depreciation (disposals)			42		96	76,962					77,100
	Impairment of non-financial assets											-
Total movements		109,116,973	1,838,984	9,178,233	(11,088,290)	(5,711,829)	(8,397,575)	(53,644)	(161,306)	889,420	(156,554)	95,454,412
Balance net as of September 30, 2022		507,343,773	112,637,507	116,792,634	674,895,831	110,323,452	169,455,085	2,805,593	6,589,426	1,006,915	4,182,971	1,706,033,187

Movements of de period ended 12.31.2022		Work in progress	Land	Buildings	Civil Works of Railway Infrastructure	Signal equipment, electrical, SS.EE and communications	Rolling material	Machinery and tools	Materials and spare parts	Right of use assets	Others	Property, Plant and Equipment, Net
		ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS
Balance net as of January 1, 2020		208,129,550	110,582,527	107,106,448	661,420,404	123,508,453	135,321,982	2,367,741	5,829,815	373,616	4,113,854	1,358,754,390
Movements	Purchases	195,029,724	241,037	331,895		98,626	1,306	85,174	1,268,142	224,357	504,608	197,784,869
	Transfers	(97,546,226)		4,553,181	23,055,062	8,324,155	60,923,685	480,511			209,632	-
	Disposals	(934,801)	(24,367)		(1,833,514)	(739,706)	(3,026)	(4,070)	(1,142,246)		(376,633)	(5,058,363)
	NIIF 16 Amortization									(452,103)		(452,103)
	Depreciation expense			(3,000,534)	(18,054,701)	(7,998,201)	(7,032,604)	(152,672)			(403,341)	(36,642,053)
	Accumulated Depreciation (disposals)				166,959	160,597					2,328	329,884
	Impairment of non-financial assets						(3,603,600)					(3,603,600)
Total movements		96,548,697	216,670	1,884,542	3,333,806	(154,529)	50,285,761	408,943	125,896	(227,746)	(63,406)	152,358,634
Balance net as of December 31, 2021		398,226,800	110,798,523	107,614,401	685,984,121	116,035,281	177,852,660	2,859,237	6,750,732	117,495	4,339,525	1,610,578,775

EFE neither has plans nor obligations to dismantle assets; therefore, no provisions established for this item have been recorded.

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- c) The Company does not have fully depreciated motor vehicles that are still in use.
- d) As of September 30, 2022 the main works in progress carried out by the Company are as follows:

Works in progress	09.30.2022 ThCLP\$	12.31.2021 ThCLP\$	Projected end date
Santiago to Melipilla train project	98,019,567	58,065,628	2026
Acquisition of new trains	64,554,211	41,960,740	2023
Construction of Vehicular and Pedestrian Crossings	46,571,680	47,580,844	2022-2023
Rehabilitation of roads	44,632,988	48,877,754	2022-2023
Acquisition of Track Diverters	42,576,291	39,389,183	2023
Construction of new BioBio bridge	37,061,654	8,212,073	2025
Reconstruction and Rehabilitation of Bridges	33,082,159	31,071,050	2022-2024
Rehabilitation of Railway Crossings	27,364,524	27,880,430	2022
Major maintenance of roads	24,981,481	9,841,152	2022
Rehabilitation Electrification Systems, Signaling and Communications	23,573,575	15,251,113	2022-2023
Construction of New Roads Quillota Barrancas, San Antonio and Access to Ports	12,328,617	10,806,271	2024
Remodeling Stations and Platforms	10,062,092	9,188,860	2022-2023
Santiago Batuco Project	9,382,309	9,155,037	2026
Acquisition concrete sleepers and rails	9,004,634	8,952,839	2022-2023
Rehabilitation of the Lo Espejo Substation	8,928,136	8,167,438	2022-2023
Land Alameda Melipilla Passenger Service Modal Exchange Center	7,410,621	7,064,347	2026
Others	7,809,233	16,762,041	2022-2023
Totals	507,343,773	398,226,801	

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15. Investment properties

EFE classifies in this item a group of land properties (173 properties in different regions). There is no intention to sell such properties in the medium term. Such properties, basically land, are recorded at cost and kept obtaining capital gains. The fair value of these assets cannot be disclosed since there is no similar active market that allows assigning a value, this due to the specificity of the assets of the company (branches, roads and properties that are related to the railway line).

The movements as of the periods ended September 30, 2022 and December 31, 2021 are as follows:

Investment properties, net		Land	Buildings	Totals
		ThCLP\$	ThCLP\$	ThCLP\$
Balance net as of January 1, 2021		31,857,363	295,168	32,152,531
Movements	Purchases			
	Disposals			
	Depreciation expense		(14,271)	(14,271)
	Accumulated Depreciation (disposals)			
	Total movements		(14,271)	(14,271)
Balance net as of September 30, 2022		31,857,363	280,897	32,138,260

Investment properties, net		Land	Buildings	Totals
		ThCLP\$	ThCLP\$	ThCLP\$
Balance net as of January 1, 2020		31,857,363	323,506	32,180,869
Movements	Purchases			
	Disposals		(6,310)	(6,310)
	Depreciation expense		(22,028)	(22,028)
	Accumulated Depreciation (disposals)			
	Total movements		(28,338)	(28,338)
Balance net as of December 31, 2021		31,857,363	295,168	32,152,531

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16. Income taxes

Taxes Assets	09.30.2022 ThCLP\$	12.31.2021 ThCLP\$
Taxes to recover	23,463,736	12,582,444
Current tax assets	26,826	675,753
Total taxes assets	23,490,562	13,258,197

- General information**

In the normal course of its operations, EFE is regulated and supervised by the SII (Chilean Internal Revenue Service) As a result, differences may arise concerning the application of criteria in determining taxes.

As of September 30, 2022 and December 31, 2021, no calculation of provision for income tax was recorded for first category.

- VAT 27 Bis**

The taxes to be recovered classified in this item correspond to the value of the Tax on Recoverable Added Value for purchases of fixed assets, by virtue of article 27 bis of the Law of VAT.

For the period	09.30.2022 ThCLP\$	For the period	12.31.2021 ThCLP\$
November 2021	883,058	August 2021	1,343,810
December 2021	2,889,018	September 2021	508,350
January 2022	5,075,037	October 2021	2,318,656
February 2022	1,498,331	November 2021	944,538
March 2022	1,194,402	December 2021	3,004,032
April 2022	1,218,309	Provisioned VAT, trains and others	4,463,058
May 2022	3,236,313		12,582,444
June 2022	1,409,331		
July 2022	3,292,273		
August 2022	1,356,651		
September 2022	1,411,013		
	23,463,736		

- Current tax assets**

EFE records ThCh\$26,826 as of September 30, 2022 and ThCh\$675,753 as of December 31, 2021, respectively in assets for current taxes for Credit for Expenses of Training, Provisional Monthly Payments and for absorbed profits.

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17. Other current and non-current financial liabilities

As of September 30, 2022, and December 31, 2021, bank loans and bonds have been included as below at the effective rate method:

As of September 30, 2022		Maturity		Total current ThCLP\$	Maturity			Total Non-current ThCLP\$
Nature	Currency	Until 90 days ThCLP\$	90 days to 1 year ThCLP\$		1 to 3 years ThCLP\$	3 to 5 years ThCLP\$	More than 5 years ThCLP\$	
Bank debt	UF	-	3,353,161	3,353,161	6,706,322	6,706,322	60,293,432	73,706,076
Bonds	UF	1,298,634	12,231,906	13,530,540	34,981,623	26,290,385	1,657,812,951	1,719,084,959
Bonds	USD	-	29,460,163	29,460,163	58,920,326	58,920,326	814,688,570	932,529,223
Totals		1,298,634	45,045,230	46,343,864	100,608,271	91,917,033	2,532,794,953	2,725,320,258

As of December 31, 2021		Maturity		Total current ThCLP\$	Maturity			Total Non-current ThCLP\$
Nature	Currency	Until 90 days ThCLP\$	90 days to 1 year ThCLP\$		1 to 3 years ThCLP\$	3 to 5 years ThCLP\$	More than 5 years ThCLP\$	
Bank debt	UF	-	3,221,206	3,221,206	6,442,412	6,442,412	51,330,601	64,215,425
Bonds	UF	1,323,534	10,776,143	12,099,677	35,639,136	31,932,779	1,494,873,989	1,562,445,904
Bonds	USD	12,957,545	12,957,545	25,915,089	51,830,178	51,830,178	723,910,293	827,570,650
Totals		14,281,079	26,954,894	41,235,972	93,911,726	90,205,369	2,270,114,883	2,454,231,979

Detail about the placement of the latest local bonds issued:

Series	Amount UF	Amount USD	Date of placement	Term years	Nominal rate	Placement rate
V	7,800,000	-	06.12.2012	21	3.70%	3.69%
X	1,895,000	-	09.04.2013	26	3.70%	3.54%
Z	2,900,000	-	20.12.2013	29.5	3.60%	3.23%
AB	3,000,000	-	24.06.2015	29.5	3.60%	3.19%
AC (1)	2,850,000	-	04.01.2017	29.5	3.00%	2.15%
AD (2)	3,600,000	-	10.04.2019	30	2.65%	1.90%
AF (3)	3,870,000	-	10.06.2020	30	1.50%	1.02%
Internacional (4)	-	500,000,000	11.08.2020	30	3.07%	3.08%
Internacional (5)	-	500,000,000	07.09.2021	40	3.83%	3.84%

- (1) On January 19, 2017, by auction on the Santiago stock exchange, all the Empresa de los Ferrocarriles del Estado Series AC Bonds, registered on January 4, 2017 in the Financial Market Commission registry under the number 852, amounting to UF 2,850,000 were placed at a final rate of 2.16% per year. The aforementioned Series AC Bond issue includes a Chilean State guarantee. The funds raised with the bonds will be used to finance the Rancagua Express project.
- (2) On April 10, 2019, by auction on the Santiago stock exchange, all the Empresa de los Ferrocarriles del Estado Series AD Bonds, amounting to UF 3,600,000 were placed at a final rate of 1.9% per year. The aforementioned Series AD Bond issue includes a Chilean State guarantee.

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- (3) On September 10, 2020, by auction on the Santiago stock exchange, all the Empresa de los Ferrocarriles del Estado Series AF Bonds, amounting to UF 3,870,000, were placed at a final rate of 1.02% per year. The aforementioned Series AF Bond issue includes a Chilean State guarantee.
- (4) On August 10, 2020, The Company successfully placed bonds to be issued in the international market, for a total amount of US \$ 500,000,000 with a 30-year term and with an annual interest rate of 3.068%.
- (5) On September 7, 2021, The Company successfully placed bonds to be issued in the international market, for a total amount of US \$ 500,000,000 with a 40-year term and with an annual interest rate of 3.83%.

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Other current and non-current financial liabilities are as follows:

a) The long-term bank borrowings and their short-term portion As of September 30, 2022 and December 31, 2021 are as follows:

As of September 30, 2022						Current			Non-current			
						Maturity		Total	Maturity			Total
Tax payer ID CREDITOR	Bank or Financial Entity	Currency	Principal balance in Denominated Currency	Rate		until 90 days ThCLP\$	90 days to 1 year ThCLP\$	Current ThCLP\$	1 to 3 years ThCLP\$	3 to 5 years ThCLP\$	More than 5 years ThCLP\$	Non-current ThCLP\$
UF Fixed Rate Credits	BCO CHILE SINDICADO	UF	2,034,396			-	3,353,161	3,353,161	6,706,322	6,706,322	60,293,432	73,706,076
			1,117,556	4.8016%	4.50%	-	1,841,995	1,841,995	3,683,990	3,683,990	33,121,041	40,489,021
			916,839	4.7387%	4.50%	-	1,511,166	1,511,166	3,022,332	3,022,332	27,172,392	33,217,056
			Total bank credit		-	3,353,161	3,353,161	6,706,322	6,706,322	60,293,432	73,706,076	

As of December 31, 2021						Current			Non-current			
						Maturity		Total Current ThCLP\$	Maturity			Total Non-current ThCLP\$
Tax payer ID CREDITOR	Bank or Financial Entity	Currency	Principal balance in Denominated Currency	Rate		until 90 days ThCLP\$	90 days to 1 year ThCLP\$		1 to 3 years ThCLP\$	3 to 5 years ThCLP\$	More than 5 years ThCLP\$	
				Effective	Stated							
UF Fixed Rate			2,309,723			-	3,221,206	3,221,206	6,442,412	6,442,412	51,330,601	64,215,425
Credits	BCO CHILE SINDICADO	UF	1,268,802	4.8016%	4.50%	-	1,769,508	1,769,508	3,539,016	3,539,016	28,197,481	35,275,513
		UF	1,040,921	4.7387%	4.50%	-	1,451,698	1,451,698	2,903,396	2,903,396	23,133,120	28,939,912
				Total bank credit		-	3,221,206	3,221,206	6,442,412	6,442,412	51,330,601	64,215,425

There are no covenants associated with the obligations maintained in each banking institution.

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b) The long-term bonds and their short-term portion As of September 30, 2022 and December 31, 2021 are as follows:

September 30, 2022

Class	Currency	Type of Amortization	Effective rate	Nominal rate	Face value	Maturity	Current			Non current			
							Maturity		Total Current to 03-31-2022 ThCLP\$	Maturity			Total non Current 03-31-2022 ThCLP\$
							Until 90 days ThCLP\$	90 days to 1 year ThCLP\$		1 to 3 years ThCLP\$	3 to 5 years ThCLP\$	5 years and more ThCLP\$	
Series G bond	UF	Biannual	6.37%	6.50%	1,280,000	2025	357,077	2,037,384	2,394,461	4,781,204	886,202	307,371	5,974,777
Series H bond	UF	To maturity	6.44%	6.50%	660,000	2027	-	2,338,870	2,338,870	4,674,593	4,669,935	1,166,685	10,511,213
Series I bond	UF	To maturity	7.26%	6.80%	350,000	2028	-	1,216,592	1,216,592	2,222,318	2,676,923	1,237,852	6,137,093
Series J bond	UF	To maturity	6.53%	6.00%	340,000	2029	-	688,688	688,688	1,535,162	4,663,764	4,705,011	10,903,937
Series K bond	UF	To maturity	5.94%	6.40%	720,000	2030	-	73,275	73,275	3,108,277	42,037	22,201,186	25,351,500
Series L bond	UF	To maturity	5.52%	5.50%	765,000	2031	-	1,422,123	1,422,123	4,266,368	1,422,123	19,769,254	25,457,745
Series M bond	UF	To maturity	5.29%	6.00%	815,000	2030	-	120,411	120,411	3,301,652	70,851	25,985,860	29,358,363
Series N bond	UF	To maturity	5.05%	5.70%	2,000,000	2033	-	262,081	262,081	564,551	623,034	70,865,074	72,052,659
Series O bond	UF	To maturity	5.03%	5.70%	1,860,000	2033	-	247,225	247,225	532,386	587,298	66,394,666	67,514,350
Series P bond	UF	To maturity	4.54%	5.70%	2,400,000	2033	-	571,063	571,063	1,221,075	1,334,455	88,391,430	90,946,960
Series Q bond	UF	To maturity	4.81%	5.70%	2,750,000	2034	-	482,102	482,102	1,034,879	1,136,818	101,384,832	103,556,529
Series R bond	UF	To maturity	3.74%	5.20%	3,500,000	2034	941,557	163,500	1,105,057	2,335,546	2,513,368	132,261,058	137,109,972
Series S bond	UF	To maturity	3.10%	4.00%	2,600,000	2035	-	544,336	544,336	1,139,760	1,211,438	96,096,988	98,448,186
Series T bond	UF	To maturity	3.90%	4.40%	2,400,000	2036	-	247,214	247,214	523,696	565,294	85,957,590	87,046,580
Series V bond	UF	To maturity	3.69%	3.70%	7,800,000	2037	-	17,699	17,699	37,388	40,197	271,543,746	271,621,331
Series X bond	UF	To maturity	3.58%	3.70%	1,895,000	2039	-	44,647	44,647	94,141	100,995	65,850,767	66,045,903
Series Z bond	UF	To maturity	3.19%	3.60%	2,900,000	2043	-	209,796	209,796	439,909	468,461	105,948,327	106,856,697
Series AB bond	UF	To maturity	2.98%	3.00%	3,000,000	2044	-	12,552	12,552	26,237	27,822	104,111,948	104,166,007
Series AC bond	UF	To maturity	2.15%	2.95%	2,850,000	2046	-	461,339	461,339	952,698	994,173	110,607,023	112,553,894
Series AD bond	UF	To maturity	1.91%	2.65%	3,600,000	2048	-	558,133	558,133	1,148,395	1,192,606	139,185,541	141,526,542
Series AF bond	UF	To maturity	1.02%	1.50%	3,870,000	2045	-	512,876	512,876	1,041,388	1,062,591	143,840,742	145,944,721
Intenational Bond	USD	To maturity	3.08%	3.07%	#####	2050	-	14,730,082	14,730,082	29,460,163	29,460,163	407,582,599	466,502,925
Intenational Bond	USD	To maturity	3.84%	3.83%	#####	2061	-	14,730,082	14,730,082	29,460,163	29,460,163	407,105,971	466,026,297
Totals							1,298,634	41,692,069	42,990,703	93,901,949	85,210,711	2,472,501,521	2,651,614,182

December 31, 2021

Class	Currency	Type of Amortization	Effective rate	Nominal rate	Face value	Maturity	Current			Non current			
							Maturity		Total Current to 12-31-2021 ThCLP\$	Maturity			Total non Current 12-31-2021 ThCLP\$
							Until 90 days ThCLP\$	90 days to 1 year ThCLP\$		1 to 3 years ThCLP\$	3 to 5 years ThCLP\$	5 years and more ThCLP\$	
Series G bond	UF	Biannual	6.37%	6.50%	1,280,000	2025	-	2,202,022	2,202,022	4,397,380	2,195,071	1,096,563	7,689,014
Series H bond	UF	To maturity	6.44%	6.50%	660,000	2027	398,242	1,685,308	2,083,550	4,164,384	4,160,362	2,078,509	10,403,255
Series I bond	UF	To maturity	7.26%	6.80%	350,000	2028	925,292	154,595	1,079,887	1,891,206	2,456,557	1,648,894	5,996,657
Series J bond	UF	To maturity	6.53%	6.00%	340,000	2029	-	623,022	623,022	1,869,067	1,651,144	6,471,778	9,991,989
Series K bond	UF	To maturity	5.94%	6.40%	720,000	2030	-	63,479	63,479	4,217,859	51,833	19,065,274	23,334,966
Series L bond	UF	To maturity	5.52%	5.50%	765,000	2031	-	1,286,525	1,286,525	3,859,574	1,286,525	17,558,257	22,704,356
Series M bond	UF	To maturity	5.29%	6.00%	815,000	2030	-	104,800	104,800	4,375,463	191,262	22,447,113	27,013,838
Series N bond	UF	To maturity	5.05%	5.70%	2,000,000	2033	-	228,488	228,488	492,188	543,174	65,195,274	66,230,636
Series O bond	UF	To maturity	5.03%	5.70%	1,860,000	2033	-	215,569	215,569	464,217	512,097	61,081,065	62,057,379
Series P bond	UF	To maturity	4.54%	5.70%	2,400,000	2033	-	499,694	499,694	1,068,471	1,167,681	81,479,732	83,715,884
Series Q bond	UF	To maturity	4.81%	5.70%	2,750,000	2034	-	421,036	421,036	903,795	992,822	90,910,217	92,806,834
Series R bond	UF	To maturity	3.74%	5.20%	3,500,000	2034	-	972,557	972,557	2,055,507	2,212,008	121,920,985	126,188,500
Series S bond	UF	To maturity	3.10%	4.00%	2,600,000	2035	-	481,299	481,299	1,007,770	1,071,148	86,552,130	88,631,048
Series T bond	UF	To maturity	3.90%	4.40%	2,400,000	2036	-	217,323	217,323	460,375	496,944	78,771,223	79,728,542
Series V bond	UF	To maturity	3.69%	3.70%	7,800,000	2037	-	15,582	15,582	32,917	35,390	243,447,178	243,515,485
Series X bond	UF	To maturity	3.58%	3.70%	1,895,000	2039	-	39,339	39,339	1,159,576	9,567,349	49,589,508	60,316,433
Series Z bond	UF	To maturity	3.19%	3.60%	2,900,000	2043	-	185,369	185,369	388,690	413,917	95,203,417	96,006,024
Series AB bond	UF	To maturity	2.98%	3.00%	3,000,000	2044	-	11,108	11,108	23,219	24,621	93,503,280	93,551,120
Series AC bond	UF	To maturity	2.15%	2.95%	2,850,000	2046	-	410,735	410,735	848,196	885,121	99,756,408	101,489,725
Series AD bond	UF	To maturity	1.91%	2.65%	3,600,000	2048	-	497,813	497,813	1,024,283	1,063,717	127,057,419	129,145,419
Series AF bond	UF	To maturity	1.02%	1.50%	3,870,000	2045	-	460,480	460,480	934,999	954,036	130,039,765	131,928,800
Intenational Bond	USD	To maturity	3.08%	3.07%	#####	2050	6,478,772	6,478,772	12,957,545	25,915,089	25,915,089	361,755,792	413,585,970
Intenational Bond	USD	To maturity	3.84%	3.83%	#####	2061	6,478,772	6,478,772	12,957,545	25,915,089	25,915,089	362,154,502	413,984,680
Totals							14,281,079	23,733,688	38,014,766	87,469,314	83,762,957	2,218,784,282	2,390,016,554

The debtor Entity of all the series is Empresa de los Ferrocarriles del Estado, all the series are 100% Chilean state guaranteed, direct or indirect.

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- c) The following table details the changes in liabilities arising from EFE and subsidiaries' financing activities, including cash flows and non-cash flows changes As of September 30, 2022 and 2021. Liabilities arising from financing activities are those for which the cash flows were, or will be, classified in the statement of cash flows under cash flows from financing activities.

Liabilities arising from financing activities	Balance as of 01.01.2022 (1) ThCLP\$	Financing cash flows			Changes that do not represent cash flows			Balance as of 09.30.2022(1) ThCLP\$
		From ThCLP\$	Used ThCLP\$	Total ThCLP\$	Direct payments by the state ThCLP\$	Exchange rate difference ThCLP\$	Other changes (2) ThCLP\$	
Importes procedentes de subvenciones del gobierno		124,870,749	-	124,870,749				
Bank borrowings	67,436,631	-	-	-	-	7,107,736	2,514,871	77,059,238
Obligations with the public guaranteed Bonds UF	1,574,545,581	-	(56,388,187)	(56,388,187)		172,040,722	42,498,891	1,732,697,007
Obligations with the public guaranteed Bonds USD	853,485,739	-	(29,009,720)	(29,009,720)		115,099,184	22,332,676	961,907,879
Totals	2,495,467,951	124,870,749	(85,397,907)	39,472,842	-	294,247,642	67,346,438	2,771,664,124

Liabilities arising from financing activities	Balance as of 01.01.2021 (1) ThCLP\$	Financing cash flows			Changes that do not represent cash flows			Balance as of 09.30.2021 (1) ThCLP\$
		From ThCLP\$	Used ThCLP\$	Total ThCLP\$	Direct payments by the state ThCLP\$	Exchange rate difference ThCLP\$	Other changes (2) ThCLP\$	
Bank borrowings	67,169,597	-	-	-	-	1,477,623	1,543,983	70,191,203
Obligations with the interest Bonds	1,842,782,915	-	(33,591,042)	(33,591,042)	-	41,188,080	31,331,118	1,881,711,071
Obligations with the public guaranteed Bonds	2,503,257	-	(2,503,257)	(2,503,257)				
Totals	1,912,455,769	-	(36,094,299)	(36,094,299)	-	42,665,703	32,875,101	1,951,902,274

- (1) Balance corresponding to the current and non-current portion
(2) Corresponds to interest accrual

18. Trade and other accounts payable.

The detail of this item As of September 30, 2022 and December 31, 2021 is as follows:

Suppliers	09.30.2022 M\$	12.31.2021 M\$
Infrastructure Maintenance Services	45,700,004	55,536,647
Services and Other Purchases	1,377,147	2,572,012
Purchase of Products (Derailleurs)	-	53,505,432
Totals	47,077,151	111,614,091

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As of September 30, 2022

Suppliers without payment due								
Type of Suppliers	Amounts according to payment terms ThCLP\$						Totals ThCLP\$	Average payment periods (days)
	up to 30 days	31-60	61-90	91-120	121-365	366 -		
Products	45,681,894	15,013	3,097	-	-	-	45,700,004	34
Services	1,338,917	0	54	-	-	-	1,338,971	21
Others	-	-	-	-	-	-	-	-
Totals	47,020,811	15,013	3,151	-	-	-	47,038,975	28

Suppliers with term expired							
Type of Suppliers	Amounts according to days past due						Totals
	up to 30 days	31-60	61-90	91-120	121-180	181 -	
Products	-	-	-	-	-	-	-
Services	-	32,335	4,479	1,204	140	18	38,176
Others	-	-	-	-	-	-	-
Totals		32,335	4,479	1,204	7,090	18	38,176

Totals	47,077,151
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As of December 31, 2021

Suppliers without payment due								
Type of Suppliers	Amounts according to payment terms ThCLP\$						Totals ThCLP\$	Average payment periods (days)
	up to 30 days	31-60	61-90	91-120	121-365	366 -		
Products	110,495,139	5,651	-	-	-	-	110,500,790	20
Services	1,102,067	3,875	-	-	-	-	1,105,942	23
Others	-	-	-	-	-	-	-	21
Totals	111,597,206	15,546,908	32,696	563	7,090	3,791	111,606,732	21

Suppliers with term expired							
Type of Suppliers	Amounts according to days past due						Totals
	up to 30 days	31-60	61-90	91-120	121-180	181 -	
Services	-	6,128	727	504	-	-	7,359
Totals		6,128	727	504	7,090	-	7,359

Totals	111,614,091
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Purchases and services bills are paid within 30 days after completing all authorization and control procedures performed by contract administrators and internal payment control.

19. Employee benefits

- a) As of September 30, 2022, and as of December 31, 2021, EFE maintains a provision for employees accrued vacations under the item “Current provisions for employee benefits” amounting to ThCLP\$5,799,5452 and ThCLP\$6,565,800, respectively.
- b) As of September 30, 2022, and as of December 31, 2021, the severance indemnity provision is presented in “non-current provisions for employee benefits” amounting to ThCLP\$3,146,046 and ThCLP\$2,767,213, respectively.

Defined benefits for the personnel contractually agreed severance indemnity are valued based on the simplified actuarial value method and the total balance is recorded in the provisions for employee benefits.

Changes in actuarial value are recognized in equity. Actuarial parameters are as follows

- The discount rate used is determined with a vector which uses the rates for the 2, 5, 10 and 15-year BCP (Central Bank of Chile Bonds issued in Chilean pesos) as a reference, plus a spread of one percentage point.
- An increment table is used for the calculation of salary increases which is based on the quarterly projection of the inflation established by the Central Bank of Chile in the “Monetary Policy Report.”
- The staff turnover rates are determined using a table showing age and seniority in EFE and which is based on the Company’s historic data.
- To do this, the M-95 mortality table, issued by the Financial Market Commission according to Circular Letter No. 1476, dated 2000, is used.
- Other significant actuarial assumptions: retirement age by gender, 65 years for men and 60 years for women.

Parameters’ values determined according to the indicated criteria are as follows:

Hypotheses used in determining the provision

	September 2022	December 2021
Discount interest rate	6.87%	2.63%
M-95 mortality table (mortality margin on table)	100.00%	100.00%
Employee turnover rate	28.98%	15.57%
Salaries actual increase rate	2.00%	2.00%

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As of September 30, 2022, and as of December 31, 2021, the movements for the severance indemnity provision are as follows:

Severance provision	September 30, 2022 ThCLP\$	December 31, 2021 ThCLP\$
Present value of the obligations at the beginning of the year	2,767,213	3,364,193
Service cost for the current period (service cost)	1,127,958	1,041,319
Interest cost	141,390	188,058
Benefits paid in the current period	(501,235)	(1,355,343)
Actuarial loss	(389,280)	(1,074,264)
Cost of Past Service (Effect of Reversed Benefits)	0	603,250
Total obligation at the end of the period	3,146,046	2,767,213

A qualified external actuary developed the severance indemnity calculation model. Such model uses variables and market estimates according to the methodology established by IAS 19 for determining this provision.

20. Other current and non-current non-financial liabilities

The detail of this item as of September 30, 2022 and as of December 31, 2021 is as follows:

Company	Taxpayer No	Country origin	Nature of the relationship	Origin of the transaction	Currency	06.30.2022 ThCLP\$	12.31.2021 ThCLP\$
Inmobiliaria Paseo Estación S.A. (1)	96.547.010-7	Chile	Investee	Deferred lease	CLP\$	597,150	540,212
Deferred income leases, Crossing and electric lines running parallel to rails		Chile		Deferred lease	CLP	1,911,203	1,334,220
Anticipated Income from the Sale of Tickets and Cards		Chile		Passengers Serv	CLP	2,476,379	1,895,570
Deferred income for IAS 20 (4)		Chile		Investments	CLP	44,271,424	50,725,060
Other non-financial liabilities		Chile			CLP	1,107,017	1,662,615
Total non-financial liabilities, current						50,363,173	56,157,677
Inmobiliaria Paseo Estación S.A. (1)	96,547,010-7	Chile	Investee	Deferred lease	CLP	8,509,384	8,238,234
Deferred income leases, Crossing and electric lines running parallel to rails		Chile		Deferred lease	CLP	2,713,829	3,897,748
Deferred income for IAS 20 (4)		Chile		Investments with	CLP	443,119,579	506,234,579
Deferred income Ministry of Transport Fesub Coronel (5)		Chile		Investments with	CLP	33,927,430	34,907,078
Deferred income Ministry of Transport Merval Automotores (5)		Chile		Investments with	CLP	18,489,273	18,685,486
Deferred income Ministry of Transport Metropolitan Trains Motori		Chile		Investments with	CLP	8,955,454	9,208,902
Other non-financial liabilities		Chile		Investments with	CLP	254,705	5,497,026
Total non-financial liabilities, non current						515,969,654	586,669,053

- (1) This item includes, both in current and non-current liabilities, deferred revenues from lease of real estate property to the related entity Inmobiliaria Paseo Estación S.A. valid until December 31, 2037. Inmobiliaria Paseo Estación S.A. paid all lease rentals in advance. As of September 30, 2022, the monthly amortization in profit or loss is still pending of As of September 30, 2022, the monthly amortization in profit or loss is still pending of 186 equal and successive installments amounting to UF 1,452.57 each. As of September 30, 2022, a total of nine installments amounting to UF13,073.13 were recognized in the period's profit and loss.

- (2) The amounts included in this item correspond to transportation card loads that user did not make use of at the end of the year and leases collected in advance from contracts with cell phone companies.
- (3) This item recorded in 2014 the balance of a contribution amounting to ThCLP\$ 4,238,066 received from the Ministry of Transport and Telecommunications for the implementation of the investment projects called “Mejoramiento del Servicio Corto Laja, Estaciones y Baños” (Corto Laja Service Improvement, Stations and Bathrooms) and “Construcción de Obras para Aumento de Frecuencias del Servicio” (Construction works in order to increase the frequency of Servicio and the improvement of Paine, Buin, San Francisco de Mostazal and Rancagua stations. These contributions are fund, the use of which must be reported to the Ministry of Transport, and they decrease as the corresponding improvements are made and the reports indicating the use of the funds are submitted.
- (4) These amounts correspond to deferred income that is amortized and represents State transfers approved to be transferred to EFE during 2022, as well as the balances of transfers which were not amortized during 2021 and prior periods, mainly the ones allocated to finance investments in fixed assets.
- (5) These amounts correspond to deferred income that should be amortized and represent transfers from the Ministry of Transport for the extension of the Bio Tren to Coronel and the purchase of trains for EFE Valparaíso and EFE Central.
- (6) On April 28, 2020, by virtue of the “Agreement for the transfer of resources between the “Subsecretaria de Transportes y Ferrocarriles del Sur S.A. ” , the Undersecretary transferred to Fesur the total sum of \$ 7,700,000,000, the purpose of which is for this company to support the Project called “Red Regiones”, which aims to considerably improve transport existing public in the regions of the country, providing it with transport vehicles of high standard of service provision and low environmental impact.

21. Equity

The consolidated equity as of September 30, 2022 and as of December 31, 2020 amounts to ThCLP\$(668,033,349) and ThCLP\$ (521,806,471) respectively.

a) Capital

Since EFE is a public sector legal entity which is 100% State-owned, its equity is not represented by shares. The Company’s capital amounts to ThCLP\$410,777,044.

The management of capital (understood as net equity according to the IFRS’s Conceptual Framework, paragraph 102) seeks chiefly to ensure the establishment, maintenance and operation of passenger and cargo transportation services by railway or similar systems and supplementary transport services regardless of the means used, which includes all related activities necessary for the fulfillment of this purpose. (See note 1.a)

EFE's net assets, consisting mainly of land, railways, rolling stock and other resources described in detail in note "Description of Company assets" (see note 1.e), are annually modified by the operating results of the railway business. and until 2010 included the financial losses generated by the interest accrued on its level of debt. When the State pays the original debt principal originated in the historical deficit, the equity increases by such amount and the tendency here is to recover the Company's negative equity.

As mentioned in note Transfers from the State 3.18 (a), State transfers are recorded under the income method of IAS 20 and therefore these contributions offset losses recorded in the Statement of Comprehensive Income.

There are no financial covenants restrictions the maintenance of a certain capital structure.

Variations in the Company's net equity components are mainly due to the profit and loss for the year and the State's recognition to historical debts of EFE, all of which is classified in Other Reserves. These variations and contributions respectively, are presented in the "Consolidated Statements of Changes in Net Equity."

b) Cash flows hedging reserves

The cash flows hedging reserve amounts to ThCLP\$ 79,261 as of September 30, 2022. It comprises an initial balance amounting to ThCLP\$ (444,219) and a movement for the period amounting to ThCLP\$523,480; all these come from a derivative taken by Inmobiliaria Paseo Estación.

c) Increase from other contributions by the owners.

At the period ended September 30, 2022, no other contributions to equity have been made to the patrimony of EFE by the State.

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22. Revenue

The detail of this item for the periods ended September 30, 2022 and 2021 is as follows:

Concepts	09.30.2022 ThCLP\$ (no Audited)	09.30.2021 ThCLP\$ (no Audited)	07.01.2022 09.30.2022 ThCLP\$ (no Audited)	07.01.2021 09.30.2021 ThCLP\$ (no Audited)
Passengers	40,873,437	22,895,237	14,428,374	9,999,679
EFE VALPARAISO S.A.	12,181,954	6,259,294	4,154,379	2,790,370
EFE SUR S.A.	5,995,328	3,106,317	2,108,398	1,215,839
EFE CENTRAL S.A.	22,696,155	13,529,626	8,165,597	5,993,470
Operators	11,181,123	10,295,382	3,718,179	3,391,494
FEPASA (1)	7,595,016	7,170,008	2,512,932	2,358,702
TRANSAP	3,586,107	3,125,374	1,205,247	1,032,792
Real estate	8,950,126	7,209,784	3,457,595	2,581,664
Crossing and electric lines running parallel to the rails	3,890,690	3,349,877	1,575,221	1,217,438
Leases and other real estate	5,059,436	3,859,907	1,882,374	1,364,226
Sale of services and others	10,000,383	21,654,121	3,754,698	5,559,368
IAS 20 Adjustment compensation for maintenance expenses (2)	9,679,848	21,112,697	3,648,917	5,407,156
Other services sales	320,535	541,424	105,781	152,212
Totals	71,005,068	62,054,524	25,358,846	21,532,205

- (1) Due to the effects of the Covid 19 pandemic, the client Ferrocarril del Pacifico S.A. went on to represent 10% of total income from ordinary activities.
- (2) This item corresponds to the compensation of infrastructure maintenance costs transferred by the State through the Annual Budget Law.

Performance obligations and revenue recognition policies

In accordance with IFRS 15, revenue is measured based on the consideration specified in a contract with a client. The Company recognizes revenue when it transfers control of a product or service to a customer.

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23. Cost of sales

The detail of cost of sales for the periods ended September 30, 2022 and 2021 is as follows:

Concepts	09.30.2022 ThCLP\$ (no Audited)	09.30.2021 ThCLP\$ (no Audited)	07.01.2022 09.30.2022 ThCLP\$ (no Audited)	07.01.2021 09.30.2021 ThCLP\$ (no Audited)
Personnel costs	20,907,324	17,153,167	7,414,826	5,801,305
Energy and fuels	4,555,086	3,446,204	1,530,978	1,313,175
Rolling material maintenance	6,423,079	6,760,147	2,348,670	2,095,722
Infrastructure maintenance	5,585,020	6,332,557	2,075,252	2,260,660
Railway electrification systems maintenance	6,113,748	6,828,898	2,174,962	2,293,558
Security guard service and crosswalk guard	5,782,598	4,543,027	2,175,775	1,568,324
Third parties services	4,572,552	2,829,879	1,616,217	1,028,779
Subtotal	53,939,407	47,893,879	19,336,680	16,361,523
Depreciation (1)	12,899,345	9,023,465	4,342,689	3,141,340
Totals	66,838,752	56,917,344	23,679,369	19,502,863

The depreciation expense has been reduced by ThCLP\$17,985,255 and ThCLP\$17,866,258 as of September 30, 2022 and 2021, respectively, as amortization of the deferred income generated by the application of IAS 20.

24. Administrative expenses

The detail of administrative expenses for the periods ended September 30, 2022 and 2021 is as follows:

Concepts	09.30.2022 ThCLP\$ (no Audited)	09.30.2021 ThCLP\$ (no Audited)	07.01.2022 09.30.2022 ThCLP\$ (no Audited)	07.01.2021 09.30.2021 ThCLP\$ (no Audited)
Personal expenses	8,960,282	7,351,357	3,177,783	2,486,274
External consulting and services	1,045,685	734,889	250,702	280,071
Marketing	185,511	127,422	55,648	39,196
Utilities	1,212,083	1,025,981	462,097	383,241
Computing and communications	1,710,352	1,511,323	689,949	583,541
Freight and insurance	2,287,325	2,150,901	760,638	711,606
General expenses	1,220,089	864,527	460,513	289,469
Administrative services and taxes	444,259	394,245	164,764	128,513
Subtotal	17,065,586	14,160,645	6,022,094	4,901,911
Depreciation and amortization - administrative	954,141	788,769	506,898	274,760
Totals	18,019,727	14,949,414	6,528,992	5,176,671

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25. Financial income and financial cost

The details of finance income and costs for the periods ended September 30, 2022 and 2021 are as follows:

Finance Income (cost)	09.30.2022 ThCLP\$ (no Audited)	09.30.2021 ThCLP\$ (no Audited)	07.01.2022 09.30.2022 ThCLP\$ (no Audited)	07.01.2021 09.30.2021 ThCLP\$ (no Audited)
Interest earned on time deposits	6,257,902	(189,653)	2,004,623	(445,928)
Interest income and readjustments	466,383	(169,223)	110,084	(64,072)
Total financial income	6,724,285	(358,876)	2,114,707	(510,000)
Interest on bank loans and bonds	(69,072,957)	(50,119,282)	(24,221,973)	(16,325,674)
Total financial Cost	(69,072,957)	(50,119,282)	(24,221,973)	(16,325,674)

26. Other income

The detail of other income (losses) for the periods ended September 30, 2022 and 2021 is as follows:

Other income (losses)	09.30.2022 ThCLP\$ (no Audited)	09.30.2021 ThCLP\$ (no Audited)	07.01.2022 09.30.2022 ThCLP\$ (no Audited)	07.01.2021 09.30.2021 ThCLP\$ (no Audited)
Indemnization of Financial Expenses by application of IAS 20 (1)	64,831,567	49,733,789	22,601,489	34,099,070
VAT expense (2)	(5,080,516)	(4,149,144)	(1,604,802)	(3,693,647)
Other Income (Expenses)	(256,133)	(1,536,371)	(46,322)	(1,609,145)
Totales	59,494,918	44,048,274	20,950,365	28,796,278

- (1) Corresponds to the compensation of financial expenses transferred by the State through the Annual Budget Law. The differences with note twenty-eight correspond to exchange differences between the accrual and payment date. These differences have been reflected in note twenty-eight of exchange differences.
- (2) Corresponds to a valuation provision for the VAT tax credit. No recovery of this VAT tax credit is expected in the medium term.

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27. Foreign exchange gains (losses) and readjustment units

Exchange rate differences and profit or loss on inflation-indexation unit readjustment	09.30.2022 ThCLP\$ (no Audited)	09.30.2021 ThCLP\$ (no Audited)	07.01.2022 I 09.30.2022 ThCLP\$ (no Audited)	07.01.2021 09.30.2021 ThCLP\$ (no Audited)
(Loss) gain on exchange rate difference	(29,892,751)	(5,108,761)	(3,908,619)	(234,022)
Indexation unit readjustment loss	(175,611,422)	(49,427,633)	(64,185,046)	(29,947,406)
Totals	(205,504,173)	(54,536,394)	(68,093,665)	(30,181,428)

(1) This item is related to note twenty-six since the State directly covers such expenses. The offsetting of the above expenses is made according to the application of IAS 20.

28. Environment

EFE and its subsidiaries, as a leading company in passenger and the owner of the infrastructure for cargo transportation services, recognizes and assumes its environmental responsibility. The Company also coordinates its own economic and industrial activities having in mind the protection of the environment through a business strategy that incorporates the environmental variable in a preventive and comprehensive way into the Company's activities.

EFE complies with current legislation by minimizing the impact on the environment, effectively protecting the health of its workers, performing its tasks with safety and quality, and satisfying the requirements and needs of its customers and communities.

The Company is aware that this mission will be extremely hard to comply with if there is no support from its customers, suppliers, contractors, and subcontractors and, therefore, it has taken important measures to integrate them and encourage them to comply with environmental regulations and the commitments assumed by our Company.

Considering its commitment to protect the environment, EFE is working on a four-stage implementation of an Environmental Management System (EMS): Environment Management, Environment Training, Communication and Diffusion, and Auditing. In general terms, a series of projects and activities are contemplated within the framework of the four-stage EMS program.

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29. Financial risk management

EFE is a legal entity which is 100%-owned by the State of Chile. Nevertheless, EFE is an autonomous entity and has its own assets. Consequently, EFE is responsible for managing its own capital and creating financial strategies to fulfill its corporate purpose.

The railway system in Chile operates in an environment with intense competition from the road transportation industry for the transportation of both cargo and passengers. In addition, EFE has a railway infrastructure whose development and maintenance require expenses which exceed the railway service income and generate a financial deficit. This deficit could only be covered with direct borrowings in the domestic and international financial system, or, since 2011, with State transfers, which cover the operational infrastructure maintenance expenses that cannot be covered with internal resources, thus avoiding external financing to cover operational expenses. On the other hand, the investments that the Company needs to fulfill its corporate purpose are presented to the Ministry of Transport and Telecommunications to obtain the necessary financing from this agency or to obtain borrowings secured by the Chilean State.

The situation pushes Management to make a major effort in all areas, especially the effective handling of the Company's financial resources.

The Company's main financial instruments As of September 30, 2022 and December 31, 2021 are as follows:

	As of September 30, 2022 ThCLP\$	As of December 31, 2021 ThCLP\$	Level	Amortized cost / fair value
Current assets				
Cash and cash equivalents	460,241,619	536,822,148	Level 1	Fair value
Other financial assets	61,215,190	108,212,107	Level 1	Fair value
Trade and other receivables	4,371,234	5,508,524	Level 3	Amortized cost
Accounts receivable from related parties	19,501,543	115,758,916	Level 1	Amortized cost
Non-current assets				
Accounts receivable from related parties	336,467,153	309,722,398	Level 1	Amortized cost
Current liabilities				
Other financial liabilities	46,343,864	41,235,972	Level 3	Amortized cost
Trade and other payables	47,077,151	117,542,086	Level 1	Amortized cost
Non-current liabilities				
Other financial liabilities	2,725,320,258	2,454,231,979	Level 1	Amortized cost

(1) Market risk

This risk is related to the uncertainties associated with the exchange rate and interest rate, which affect the Company's assets and liabilities:

a) Exchange rate risk and indexation units

The Company carries out its operations in Chile, and therefore is not directly exposed to the exchange rate variation in activities related to its commercial operations of purchase or sale of assets and services. However, the Company maintains financial commitments denominated in USD and UF which are exposed to "currency accounting risks." Variations in the USD and the UF are directly covered by the Chilean State.

As of September 30, 2022, the Company's debts, and other liabilities (capital without interest) in UF amount to ThUF53,413, UF 2,249 million correspond to debts contracted in 2014 to finance the expansion project to Coronel, purchase of trains for its subsidiaries. These syndicated loans will be paid with funds from the Transantiago "Mirror" Law in full by the Ministry of Transport and Telecommunications. The indexation unit's readjustment results (only UF) recognized in the consolidated statements of income for the period ended September 30, 2022 amounts to a loss of CLP\$175,611 million. A 1% variation of the UF with respect to its value As of September 30, 2022, i.e., CLP\$ 342.5, with the net debt base in UF and other variables that could marginally affect the Company's cost and income structure being constant, would give rise to a profit or loss of approximately CLP\$ 17,561 billion, depending on the direction of that variation.

The company has debts and other liabilities in dollars for 1 billion dollars and Assets a portfolio of financial instruments in that currency for 398 million dollars and in accounts receivable from the state a balance of 244 million dollars, an exchange rate variation of \$1, with respect to its value As of September 30, 2022, would show a profit or loss of approximately CLP\$358 million, according to the sense of that variation

b) Interest rate risk

As of September 30, 2022, financial obligations with third parties, amount to 2,886 million dollars; 100% of these loans are at a fixed rate. EFE does not have interest rate swap agreements since the State fully covers loan payments.

(2) Liquidity or financing risk

There is no liquidity risk related to the ability to meet obligations in the short term, because these cash flow needs are covered by State contributions, defined in the Annual Budget Law.

EFE's portfolio of financial instruments and cash reaches September 30, 2022, to 521,4 million dollars which, added to the resources contemplated in the Budget Law pending transfer, would make it possible to cover, under the regime, both the investment commitments as the operation of the Company, and considers the timely and complete payment of the obligations with the workers and suppliers of EFE and its subsidiaries.

(3) Credit risk

The credit risk, described as the risk of economic loss that could cause a client or counterparty payment default in a financial instrument, occurs mainly in accounts receivable from trade clients and other accounts receivable. EFE named an area responsible for managing collection, which minimizes the write off risk of accounts receivable. It is EFE's policy to record expected credit losses in accordance with IFRS 9.

Below are the main financial assets presenting credit risks As of September 30, 2022 and December 31, 2021 are shown below:

Concept	As of September 30, 2022 ThCLP\$	As of December 31, 2021 ThCLP\$
Current assets		
Accounts receivable from cargo carrier clients	1,756,384	1,241,978
Other trade receivables (1)	1,524,595	2,482,163
Totals	3,280,979	3,724,141

(1) Balances provisioned on these assets for impairment amounts to ThCLP\$1,283,516 As of September 30, 2022 and December 31, 2021.

(4) Covid-19 risk

Due to the COVID-19 pandemic, our business, financial condition and results of operations have been affected during the periods 2020-2022, mainly in the years 2020 and 2021.

The incidence of the negative effects of the pandemic on the demand for services towards our mode of transport in future periods is uncertain, due to the difficulty of predicting changes in the matter that allow us to conclude about the future with a high degree of certainty. However, as the results of this period show, the level of passenger rail services has been recovering significantly, practically equaling the pre-pandemic historical periods and in some cases, such as the San Fernando-Central Station services and the Biotrén service. , have already exceeded those historical values.

During 2020, because of the Pandemic, the State of Chile saw the need to reschedule their cash flows for the contributions to EFE previously approved in the Law of Budgets. In this sense, the State approved an increase in debt for EFE by issuing of bonds, in such a way that EFE could use those resources and the State use those funds engaged in other priorities generated precisely because of the Pandemic. The 2020 Budget Law approved the concepts and flows to be delivered to EFE, however, during 2020 EFE received the contributions corresponding to the first three quarters and did not receive the flow of the last quarter.

30. Guarantees from third parties

The Company has guarantees from third parties mainly by contracts for the Provision of Railway Infrastructure (CPIF), Central and North areas.

31. Sanctions

During the periods ended September 30, 2022, the Commission for the Financial Market (CMF for its Spanish acronym) has not applied sanctions to Empresa de los Ferrocarriles del Estado nor, its subsidiaries Directors or Executives. Nor have any sanctions from other administrative authorities has been applied.

32. Limitations

There are neither management limitations nor restrictions on financial indicators arising from creditors' contracts and agreements with contractual requirements. The contract administrators also confirmed this.

33. Contingencies

Lawsuits

The Company made provisions amounting to ThCLP\$ 3,272,930 as of September 30, 2022 (ThCLP\$3,183,369 as of December 31, 2021) to deal with probable (which are estimable on a reliable basis) contingencies from certain lawsuits related to fines, accidents, and labor matters.

As of this date, there are two lawsuits of cargo carriers against EFE. According to the Company's external legal advisors, it is not possible to evaluate the probable adverse outcome for EFE and, consequently, it is not possible to foresee the actual contingency to which the company is exposed. Additionally, and based on the above, the company no accounting provisions have been made, in accordance with IAS 37.

34. Guarantees granted

1. Under Act No. 19.170 dated October 3, 1994, the President of the Republic granted a State guarantee for up to a maximum amount of UF 7,000,000 on which Bonds Series D, E, F, G, H, I, J, K, L and M were issued.
2. The State guarantee was granted in 2003 and Bonds Series "N" and "O" were issued for up to UF 3,860,000.
3. The State guarantee was authorized in 2004 for the issuance of up to a maximum amount of UF 5,150,000, for the placement of Series "P" Bonds for UF 2,400,000 as of March 23, 2004 and the Series "Q" Bonds for UF 2,750,000 on September 18, 2004.
4. The State guarantee was authorized in 2005 for up to an amount of UF 3,500,000, for the placement of Series "R" Bonds on April 8, 2005, as well as Series "S" Bonds for UF 2,600,000 in September 2005.
5. The State guarantee was authorized in 2006 for an amount of UF 2,400,000 for the placement of Series "T" Bond on May 10, 2006.
6. The State guarantee was authorized in 2012 for an amount of UF 7,800,000 for the placement of Series "V" Bond on December 6, 2012.
7. The State guarantee was authorized in 2013 for an amount of UF 1,850,000 for the placement of Series "X" Bond on April 9, 2013. The State guarantee was authorized for an amount of UF 2,900,000 for the placement of Series "Z" Bond on December 20, 2013.
8. The State guarantee was authorized in 2015 for an amount of UF 3,000,000 for the placement of Series "AB" Bond on September 24, 2015.
9. The State guarantee was authorized in 2016 for an amount of UF 2,850,000 for the placement of Series "AC" Bond on January 19, 2017.
10. The State guarantee was authorized in 2019 for an amount of UF 3,600,000 for the placement of Series "AD" Bond on April 10, 2019.
11. The State guarantee was authorized in 2020 for an amount of UF 3,600,000 for the placement of Series "AF" Bond on September 10, 2020.

35. Subsequent events

On October 25, 2022, the EFE Board of Directors appointed Mr. José Solorza Estévez as the new General Manager of the State Railway Company. The new Manager will assume the position on November 14, 2022.

Between October 1, 2022, and the date of issuance of these financial statements, there have been no other subsequent events occurred that could have a significant effect on the figures in them presented, nor in the economic and financial situation of the EFE.

Reinaldo Neira Molina
Chief Accountant

José Solorza Estévez
General Manager