

8

Transelec  
Group



Transec S.A. is owned by a consortium or holding comprised of the company China Southern Power Grid International (CSGI) and the Canadian funds Canadian Pension Plan Investment Board (CPP), British Columbia Investment Management Corp. (BCI), and Public Sector Pension Investment Board (PSP).

As the consortium structure shows, the final shareholders and Grupo Transec have a presence in Canada, China, Spain, Chile, and Peru. It is important to note that our relationship with some of the companies in this consortium is based on contracts

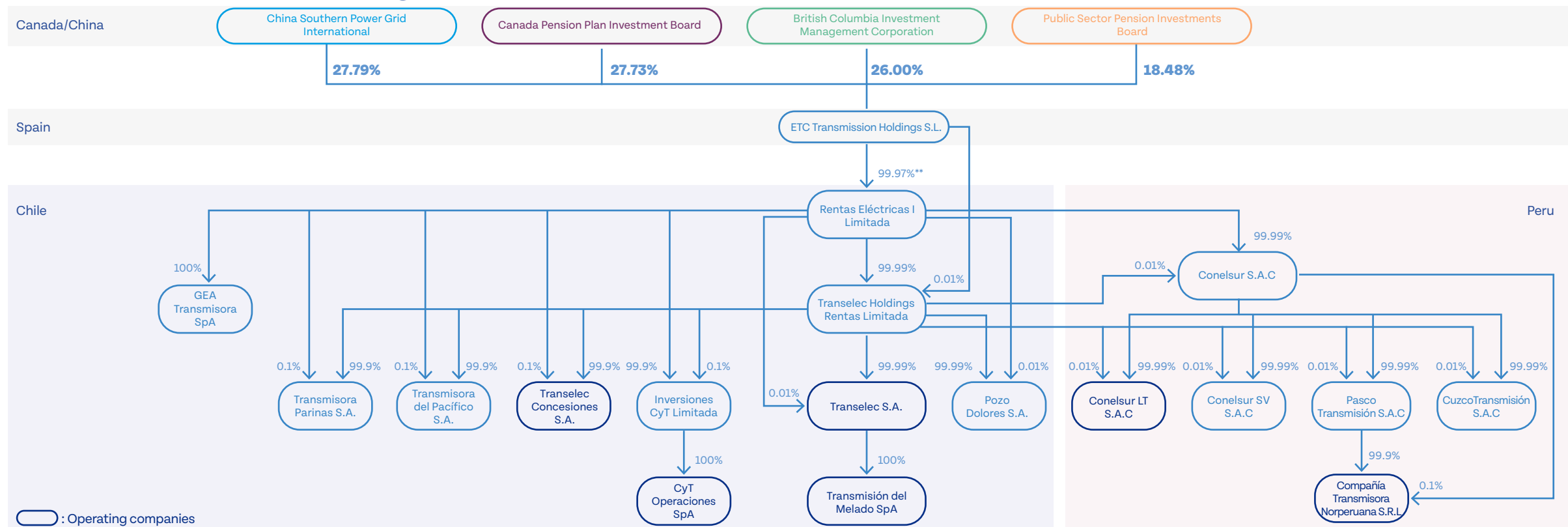
through which Transec S.A. offers its operations, maintenance, and administration services through its human capital. The above notwithstanding, from the financial perspective, the consortium companies with which these contracts are maintained are self-sufficient and fully independent from Transec S.A.

Our final shareholders define our participation in various projects through Transec S.A. or another Group company depending on their nature and conditions. The elements considered include their size, participation with other counterparts through

the consortium, the feasibility of financing it at the corporate level or through other project funding, and the country where they are located.

The Group operates 10,838 km of lines in Chile and 1,000 km of lines in Peru for a total of 23.215 MVA capacity of transformation

# Structure of the holding that Transec S.A. is part of



## Transelec S.A.'s Contribution to Grupo Global Projects

The provision of services in projects that involve other companies from the Group is important to the Company. On the one hand, our employees contribute their experience and dedication to their daily tasks. On the other, they are indispensable to the development of projects that are meant to have a high impact at the national level. In view of this, we wanted to share the major contribution that our employees made to high impact projects for Chile's development in the entire Transelec Group in our Annual Report for 2022.

## Kimal - Lo Aguirre Line Project as a Consortium

The Kimal - Lo Aguirre line is a project managed by the Chilean government through the National Electric Coordinator. The annual transmission value of the tender is US\$ 116.3 million.

It was awarded to the Yallique Consortium, which is comprised in equal parts of Transelec Holdings Rentas, ISA, and China Southern Power Grid International (CSGI). The consortium subsequently registered the company Conexión Kimal Lo Aguirre S.A. It will be responsible for building, operating, and maintaining a new 500 kV HVDC (High Voltage Direct Current) technology line. The Kimal - Lo Aguirre Line will be the first continuous current HVDC of its kind in Chile. This technology offers greater transmission capacity in a smaller easement strip, reducing the space required for its operations by approximately 50% in addition to requiring fewer intermediate substations.

Since it was awarded in December 2021, consortium teams and highly specialized consultants have worked to gather information to ensure that the project has the smallest possible impact on its surroundings and local communities.

Transelec will continue to contribute to decarbonizing Chile's energy matrix through this project. It will allow large amounts of renewable energy to be transported from the north of the country to its central and southern regions, significantly contributing to the energy transmission and delivering on the government's promise to achieve carbon neutrality by 2050.



**1,350 km** in transmission lines



**3,000 MW** to be transported



**5 regions of Chile, 28 municipalities,** connecting the Antofagasta Region to the Metropolitan Region



**2 converter substations** located in the Antofagasta Region and Metropolitan Region



**US \$1.5 billion** in investments



**The country's first project** using HVDC technology



**84 months** in construction time

## Codelco Desalination Plant Project

The project formed by the Marubeni Corporation (60% owner) and Transec Holdings Rentas (40% owner) consortium will be responsible for the desalinization plant, pipeline, and delivery systems for Codelco's northern district. The goal of building this plant is to meet the water resource needs of the mining operations Chiquicamata, Radomiro Tomic, and Ministro Hales, which are located in Calama (Antofagasta Region).

The plant will be located to the south of Tocopilla and will use inverse osmosis. It will have a capacity of 840 liters per second and its capacity could be more than doubled. The project will involve maritime projects and an impulsion system that will carry water from the ocean to the industrial water reservoirs at Codelco's operations, which sit 3,000 meters above sea level, using three pumping substations.

This project allows us to contribute to efforts to allow the mining industry to take a step towards sustainable production by reducing the amount of continental water used. The project will be executed using the BOOT model (Build, Own, Operate, and Transfer), which means that the consortium will build, own, and operate the plant and will then transfer it to Codelco. The desalination plant is expected to be operational in the coming years.

Grupo Transec decided to participate in this type of business for the first time. The business model is similar to that of electric transmission, and the counterparts are the prestigious firms Codelco (client) and Marubeni (partner). This type of business is aligned with our shareholders' goals of participating in projects with predictable, long-term operational flows.



**34 months** of construction time



**28 years** of useful life



**2,700 people** will be working at the peak of construction



**US\$ 2 billion** invested

## Presence in Peru

Grupo Transec has had a presence in Peru since 2016 through the company Conelsur SAC and its subsidiaries.

Conelsur LT SAC is the Group's main operations company in Peru. This company operates nearly one thousand kilometers of transmission lines with around 180 MVA of transmission capacity in 18 substations in six regions of that country.

Conelsur LT has developed two important projects in recent years:

- In the midst of its digital transformation, Conelsur LT invested nearly US\$ 7 million in Lima to implement a Transmission Operation Control Center. The goal is not only to supervise and operate the facilities in a centralized manner in real time, but also to connect to the National Interconnected System's Economic Operation Committee and the control center of its headquarters in Chile.
- The Company is currently finishing the construction of the Portillo substation. This project is a milestone for the Company, as it is the first time a construction project has been awarded for Conelsur LT.

## Other projects

Grupo Transec is currently operating and developing important transmission projects within Chile that also enjoy the support of Transec S.A. staff for building, maintenance, operations, and administration. The main projects are:

- Transec Concessions: A group of four operational regulated electric transmission projects in various regions of the country.
- CyT: A dedicated electric transmission line for the Caserones mining company.
- Transmisora del Pacífico: A regulated electric transmission line that is under construction and connects the continent to the island of Chiloé.