

VI Challenge

Market Intelligence and Operational Risk Model



1. GENERAL BACKGROUND

Transelec, Tax Identification Number 76.555.400-4, with its registered office at Orinoco 90, Las Condes (hereinafter, "the Company"), is the leading electricity transmission company in Chile, managing more than 10,000 km of transmission lines and 82 substations from the Arica y Parinacota region to the Los Lagos region. Transelec Ventures is its open innovation branch, which runs programs aimed at connecting technology-based startups with various challenges in the company. This program is part of those initiatives, governed by these "Program Bases." Transelec has launched the fifth edition of the "Transelec Ventures Open Challenge," an initiative designed to support, validate, and accelerate process, technology, product, and other innovative and scalable startups. The program enables startups to connect directly with Transelec through a Venture Client model, allowing them to become strategic providers and scale commercially. All participants applying for the program acknowledge and accept these Bases in full and agree to comply with all its conditions.

2. GENERAL OBJECTIVES OF THE PROGRAM

This program aims to promote high-impact solutions in collaboration with entrepreneurs and innovative companies within the electricity transmission industry. The goal is to establish partnerships that allow Transelec and startups to operate as client-provider relationships or explore other collaborative options.

3. CHALLENGES AND FOCUS AREAS – SPECIFIC OBJECTIVE

The program seeks to collaborate with startups or companies capable of addressing the strategic verticals defined by Transelec, which will be published on the program's official website: (<https://www.transelec.cl/ventures/es/>).

4.ABOUT THE CHALLENGES

Open Innovation Challenge: Operational Risk Model

A) Challenge Context

Transelec aims to transition its traditional operational risk management model—based on static photos, fragmented models, and manual decisions—towards a dynamic, real-time approach.

This challenge arises because:

- The electricity grid is increasingly exposed to risks such as climatic events, wildfires, social disturbances, and new supply continuity restrictions.
- Fieldwork is becoming more complex, with growing social and community pressures limiting power outages and requiring operations at higher risk levels.
- Multiple risk models, simulators, and databases exist, but they lack integration, standardization, and consolidated visibility.
- Valuable information (e.g., lessons learned, root cause analyses, asset monitoring, maintenance) is not integrated into a system that enables agile decision-making.

This presents an opportunity to evolve from a reactive to a proactive, intelligent, and dynamic operational risk approach, integrating multiple internal and external factors to anticipate and prioritize risk management actions.

B) Challenge Objectives

The objective is to identify and implement technological solutions that enable Transelec to integrate, analyze, and visualize operational risk in real time. This requires considering both internal variables (asset health, maintenance, SCADA, protections) and external ones (weather, distributed generation, social events, consumption patterns) to enhance network operation decision-making.

The intelligence developed should allow Transelec to:

- Anticipate risk events.
- Prioritize maintenance and resource allocation
- Improve the management of high-impact incidents.
- Systematize lessons learned.
- Dynamically visualize network status.

C) Key Solution Areas

Potential solutions can focus on one or more of the following areas:

- 1. Integration of Internal Risk Models and Data**
 - Unify data from SCADA, asset monitoring, maintenance records, failure analyses, and more.
- 2. Incorporation of External Variables**
 - Integrate factors like weather, humidity, wildfires, temperature, distributed generation, social and seasonal events.
- 3. Dynamic Visualization and Risk Management:**
 - Develop real-time dashboards for risk monitoring, automated prioritization of actions, scenario simulations, and contingency planning.
- 4. Knowledge Management and Lessons Learned**
 - Implement smart search engines for past incidents, recommendation engines, and systematic documentation of lessons.

D) Mobilizing Questions

- How could we visualize operational risk in real time across the network, integrating multiple internal and external variables?
- How could we better anticipate and prioritize maintenance, work, or interventions based on dynamic risk?
- How could we automate alerts or action recommendations in response to critical changes in network conditions?
- How could we systematize and leverage lessons learned from past events to prevent them from recurring?
- How could we better manage high-impact events and prepare the organization for complex emergencies?
- How could we integrate climatic variables, PMGD, and other external sources into risk analysis and visualization models?

E) Key Objectives of the Challenge

- Develop or test a functional technological solution that enables dynamic visualization and management of operational risk.
- Reduce exposure to unforeseen critical events.
- Prioritize interventions and resource allocation based on actual risk rather than just planned actions.
- Integrate and automate internal and external variables in risk analysis.
- Systematize organizational learning from past event management.
- Facilitate agile, secure, and data-driven decision-making.

Pilot Evaluation KPIs

- 1. Dynamic Risk Visibility in the Network**
 - KPI: Availability of a dashboard or tool that visualizes risk levels in real time by assets, zones, or processes.
 - Pilot Goal: Operational visualization of at least one zone or network segment.
- 2. Integration of External Variables in Risk Analysis**
 - KPI: Number of external variables automatically incorporated into the analysis (e.g., weather, PMGD, social events, demand).
 - Pilot Goal: At least three external variables integrated.
- 3. Automated Prioritization of Maintenance or Actions**
 - KPI: Automatic generation of alerts or recommendations for prioritizing interventions based on risk levels.
 - Pilot Goal: At least 70% of generated alerts should be deemed useful by users.
- 4. Reduction in Risk Identification and Analysis Time**
 - KPI: Average time from risk detection to its visualization and analysis availability for teams.
 - Pilot Goal: At least a 30% reduction compared to the current process.
- 5. Quality and Accuracy of Generated Alerts**
 - KPI: Percentage of correct alerts versus false alarms, validated by the technical team.
 - Pilot Goal: At least 80% effectiveness.

6. Systematization of Lessons Learned and Historical Cases

- KPI: Number of documented events or cases in the tool with recommendations or learnings.
- Pilot Goal: At least ten systematically documented historical cases.

7. Tool Adoption and Usage by Teams

- KPI: Number of users who use the tool at least once per week.
- Pilot Goal: Minimum of five active users from the operations or management area.

Milestone of Success

The selected startup or solution must deliver a functional MVP that enables dynamic visualization, analysis, and prioritization of operational risk in a pilot area of Transelec's network.

This solution must:

- Integrate external variables into risk analysis.
- Reduce the time required for risk assessment.
- Generate automated alerts that are useful and validated by operational users.

Open Innovation Challenge: Market Intelligence

A) Challenge Context

Transelec, Chile's leading electricity transmission company, is diversifying into new verticals—hydric infrastructure, battery energy storage, and specialized services for industrial clients. This shift is part of a broader strategy focused on placing customers at the center of commercial development.

Traditionally operating in a regulated transmission market, Transelec now faces the challenge of adapting to more competitive and dynamic markets with constant regulatory changes. To succeed, the company must move from a reactive approach to a proactive, anticipatory strategy—actively guiding current and future customers through expansion, energy transition, and operational transformation. Transelec aims to establish itself as a strategic partner providing infrastructure solutions across multiple domains.

However, a key challenge remains: Transelec currently lacks a systematic tool or methodology for gathering market intelligence, which limits its ability to anticipate opportunities.

This initiative seeks to develop market intelligence capabilities that enable differentiated value propositions, early opportunity detection, and more informed, dynamic commercial decision-making.

B) Challenge Objectives

The goal of this challenge is to identify and implement technological solutions that allow Transelec to capture, organize, process, and visualize strategic commercial data—both structured and unstructured—from multiple external and internal sources.

This intelligence should support Transelec in:

- Early detection of business opportunities.
- Understanding industry trends and strategic moves by key players.
- Anticipating regulatory and territorial changes.
- Improving efficiency and effectiveness in commercial proposals.
- Guiding geographic and sector expansion with reliable, timely information.

At the core of this challenge is the extraction and analysis of unstructured data, particularly from public sources such as financial reports, regulatory approvals, tenders, and digital content (social media, news, etc.).

Solutions must prioritize usability, seamless integration, robustness, and commercial relevance to ensure real adoption by business teams.

C) Key Solution Areas

Potential solutions may focus on one or more of the following areas:

1. Public Information Capture and Analysis

- Automatic data extraction from complex, extensive documents (PDFs, public platforms, etc.).
- Semantic analysis to detect opportunity patterns (e.g., persistence in projects, repeated rejections, status changes).
- Web scraping and structured access to multiple external sources.

2. Strategic Profiling of Key Player

- Identification and characterization of companies and individuals using digital footprints or public databases.
- Evaluation of early signals related to investment or divestment intentions.
- Detection of strategic moves and negotiation readiness.

3. Intelligent Processing and Visualization

- Use of advanced AI techniques such as RPA, OCR, scraping, NLP, and generative AI.
- Custom dashboards with filtering options by geography, sector, business stage, or entity type.
- User-friendly tools that integrate multiple sources and help prioritize opportunities.

4. Scalability and Adaptability

- Solutions should be adaptable across various industries (electricity, hydric infrastructure, telecommunications, etc.).
- Regional scalability across markets (Chile, Peru, Colombia, etc.).
- Alignment with different internal profiles, including commercial, planning, and data intelligence teams.

D) Mobilizing Questions

- How could we identify early-stage business opportunities for our existing and potential clients?
- How could we capture and structure diverse information sources (regulatory, public, digital) to improve commercial decision-making?
- How could we anticipate key strategic moves of potential customers, such as expansions, investments, or divestments?
- How could we detect regulatory or territorial changes that could enable new business opportunities?
- How could we transform large volumes of unstructured data into actionable insights that drive innovative value propositions?
- How could we extract patterns from public documents (approvals, rejections, project persistence) to uncover decision-making trends?
- How could we profile companies and individuals based on their public footprint to anticipate strategic behaviors?
- How could we integrate and visualize all this information in a clear, accessible, and actionable format for commercial teams?

E) Key Challenge Objectives

- Develop or test a functional technological solution that can scale as a market intelligence tool within Transelec.
- Significantly reduce manual data gathering efforts.
- Detect real business opportunities faster and more effectively.
- Implement a solution usable by multiple internal teams with minimal support.
- Enhance Transelec's strategic anticipation capabilities in response to competitor and market dynamics.

F) Pilot Evaluation KPIs

- 1. Speed of Opportunity Detection**
 - KPI: Average time to identify a business opportunity from a public source to its availability in the tool.
 - Pilot Goal: At least 30% reduction in detection time compared to current processes.
- 2. Relevance and Quality of Detected Opportunities**
 - KPI: Percentage of detected opportunities classified as relevant by the commercial team.
 - Pilot Goal: At least 70% validation rate from internal users.
- 3. Coverage of Unstructured Sources**
 - KPI: Number of new external sources automatically processed (PDFs, portals, reports, etc.).
 - Pilot Goal: At least 5 new sources integrated.
- 4. Automation vs. Manual Processes**
 - KPI: Percentage of processes performed automatically (scraping, analysis, visualization).
 - Pilot Goal: At least 50% of the workflow must be automated.
- 5. Usability and Internal Adoption**
 - KPI: Number of commercial or intelligence team members using the tool at least once per week.
 - Pilot Goal: Minimum 3 active users within business and intelligence teams.
- 6. Flexibility for Data Visualization**
 - KPI: Number of customizable filters available (geography, sector, entity type, etc.).
 - Pilot Goal: At least three segmentation dimensions enabled.

Success Milestone

The startup must deliver a functional MVP capable of capturing, processing, and visualizing strategic business information through an operational dashboard. This tool must enable Transelec to detect relevant business opportunities during the pilot period while achieving a verified reduction in analysis time.

5.ABOUT THE PARTICIPANTS

The Transelec Ventures Open Challenge is open to startups and companies that develop innovative solutions related to the transmission industry and the specific challenges outlined on the program's website. The application process is open to both Chilean and international startups.

Participation Requirements

To participate, startups and companies (hereinafter, "Participants") must:

- Be legally incorporated as a company, either nationally or internationally.
- Have a technically and commercially validated solution (MVP, pilot projects, sales, or existing clients).
- Demonstrate a Technology Readiness Level (TRL) of at least 4, ensuring a viable technological maturity.
- Show growth potential and scalability.
- Have a committed team capable of executing the project effectively.
- Provide an implementation plan that includes technology expansion and adaptation.

Application and Program Structure

The program will be conducted remotely during the application, selection, and validation phases. If a startup advances to the pilot phase, Transelec will assess individual cases and determine specific collaboration conditions, as the program accommodates companies from various countries.

(I) PARTICIPANT REQUIREMENTS

To be eligible for the Transelec Ventures Open Challenge, startups and companies (hereinafter, "Participants") must meet the following criteria:

- Be a legally incorporated entity, either at the national or international level.
- Demonstrate technical and commercial validation (MVP, pilot projects, sales, or existing clients).
- Have a Technology Readiness Level (TRL) of at least 4, indicating a mature technological solution.
- Exhibit strong growth potential and scalability within the industry.
- Have a committed team capable of executing the project effectively.
- Provide a clear implementation plan, including technology expansion and adaptation strategies.

6. ABOUT THE PROGRAM STAGES

(I) CALL FOR APPLICATIONS AND PROJECT SUBMISSION

The program will be launched through Transelec and Imagine's designated media channels, ensuring broad outreach through social networks, partner networks, and the startup ecosystem.

- Challenges & details: Published periodically on the official website: <https://www.transelec.cl/ventures/es/>.
- Application Period: May 5, 2025 – July 4, 2025 (subject to change with prior notice).
- Submission Platform: Applications must be submitted separately for each challenge via Imagine's platform.
- Inquiries: Participants can contact Hermógenes Guerrero, Project Coordinator, at hguerrero@grupo-imagine.com for any questions regarding the submission process.

(II) ELIGIBILITY REVIEW

After the application period closes, Transelec will begin the pre-selection process, ensuring compliance with all required fields in the application form.

- Incomplete applications will be automatically disqualified from the next selection phase.

(III) PRE-SELECTION AND VALIDATION PROCESS

The pre-selection process consists of two key phases:

PHASE 1: “PRE-SELECTION”

Once the eligibility process has been verified—and only for those Startups and Projects that have passed this stage—Imagine will carry out a Pre-Selection of the Startups and Projects deemed relevant and aligned with the challenge, at the sole discretion of the Transelec Ventures team, using the following criteria:

Criterion

Team: The adequacy of the team to execute the project will be assessed, considering the experience of its members and their support networks, if any.

Previous implementation: The Startup’s experience implementing the solution, sales level, KPIs, and metrics supporting implementation with other clients.

Solution feasibility: The technical feasibility and implementation time of the solution will be evaluated.

Solution impact: The relevance and impact of the solution in relation to the submitted challenge(s) will be measured.

The aforementioned Startups and Projects will then be evaluated in greater depth by the Company's team. At this stage, additional information will be requested from the Pre-Selected Participants in the form of a video answering a set of questions. These videos will be reviewed by the Transelec Ventures team to select the solutions that will move on to the validation stage.

Imagine recommends that the Company follow the criteria and weightings indicated above. However, the Company may modify them and define the selected startups based on internal criteria:

Additional Evaluation Criteria:

- Track record: Consider the team's experience in executing the project, including previous success stories.
- Opportunity cost: Evaluate the solution's impact in terms of KPIs relative to the effort required to implement it (time, resources, etc.).
- Technical feasibility: Consider the technologies, architectures, structures, and internal processes related to the proposed solution (integrations, internal developments, etc.).
- Scalability potential: Evaluate the ease or complexity of increasing the scope and volume of the piloted solution.

PHASE 2: "VALIDATION"

The estimated duration of this phase is five (5) weeks, counted from the end date of the Selection phase. Additionally, an NDA will be signed to ensure the confidentiality of the Participants.

During this phase, the Program includes one-on-one sessions and in-depth meetings between Participants and representatives from both the Company and Imagine. Participants may receive strategic support in the development of their Projects, expert advice from professionals in the relevant industries and problem areas, and assistance in structuring pilot proposals or proof-of-concept plans.

This stage concludes with a committee session in which it will be decided which proposals will move forward to the pilot phase, where the selected Startups will begin working directly with the Transelec team to implement their solutions.

Notwithstanding the above, the continuity and implementation of the solutions will be solely and exclusively subject to the agreement reached between both parties, provided both are satisfied with it. Both the Startup or Company and the Company itself retain the right to unilaterally terminate the process if no agreement is reached.

(IV) ABOUT THE SELECTION PROCESS

After the Validation phase, the pre-selected Startups and Companies must present their solutions to a committee composed of the Transelec Ventures team and invited guests, who will ultimately decide which solutions will proceed to the Pilot phase.

The solutions presented to the committee must:

This Selection Committee will be held in a virtual (or in-person) format. Here, selected Participants will have the opportunity to present their solution to Transelec Ventures in a closed session, where the goal is to present the project and use the remaining time to raise questions, identify opportunities, and provide feedback regarding a possible implementation.

At the end of the session, the Transelec Ventures team will evaluate which of the proposals presented best fit the Company's needs and challenges, and will select those that will move forward to the Pilot phase.

- Must address a defined problem or opportunity in the industry, as outlined in the Program's challenges.
- Must have some level of technical-commercial validation to support the feasibility assessment of project implementation.

In addition to the above, the selection criteria that the Company will use to make the Final Selection of the Startups and Projects include:

- Degree of innovation in the value proposition.
- Fit with the Company's internal challenges and requirements.
- Quality, commitment, and potential of the entrepreneurial team.
- Development stage and current progress.
- Deal or proposed work/development plan submitted by the entrepreneur.

Transelec may, at its sole discretion, add other criteria it deems appropriate for the final selection. Details regarding dates, times, instructions, and the overall agenda will be provided in due course during the process.

(V) ABOUT THE PILOTING PROCESS

The piloting processes will be coordinated one-on-one between the Startups or Companies in the pilot phase and their respective counterparts from the Transelec team. The expected timeframe is three months, based on the budget approved by the committee, starting from the moment the solution test is launched within Transelec's facilities. However, Transelec reserves the right to extend the timeframe if deemed appropriate.

During the Validation phase, the success metrics and hypotheses for the pilot will be jointly defined by the Startup or Company and Transelec Ventures.

7. PROGRAM TIMELINE

STAGE	DATE
Call for applications	May 5
Application deadline	June 13 (extendable to June 20)
Notification of selected	July 7–9
Validation	July 14–31 (Demoday presentation)
Pilots	August 2025

8. MECHANISMS OF COLLABORATION AND PARTICIPATION WITH STARTUPS

Regarding mechanisms for participating in the value generated, as specified in these Guidelines, the Company will consider the Venture Client model as the primary mechanism to be evaluated individually with each startup selected for the Program. However, Transelec Ventures reserves full discretion to propose alternative forms of collaboration not contemplated in these Guidelines.

(I) VENTURE CLIENT (STRATEGIC CLIENT-SUPPLIER RELATIONSHIP)

This collaboration and participation mechanism will be formalized only if the Participant meets all internal protocols required to be recognized as a supplier of the Company. In cases where the Project involves validated technologies, services, or products, a pilot must first be conducted in order to later present an attractive business opportunity to the Company.

The collaboration and participation mechanism described above—along with its specific terms and conditions—will be defined individually with each Startup or Company whose Project is selected, whether during the Program or after the results of their pilots have been verified.

9. OBLIGATIONS AND WARRANTIES OF PARTICIPANTS

Participants in the Program agree and commit to the Company and to Imagine to fully comply with all stages of the process, acting as a reasonable person of sound judgment would. In particular, they commit to:

- Actively participate in all activities defined for the development of their Project as established in the Program.
- Lead the implementation and commercialization of the product if the Project is selected, collaborating with the Company throughout all related stages.
- Accept all terms and conditions outlined in this document.
- Safeguard and treat as confidential all information shared regarding the challenges, the call for proposals, and Transelec in general.
- Protect the brands and public image of both the Company and Imagine, as well as of any of their related or associated entities.

Through this document, the Participant declares and guarantees that the contents of their Project are of their own original creation and do not infringe upon any rights held by third parties, including but not limited to copyrights, trademarks, patents, trade secrets, privacy rights, or publicity rights.

The Participant also agrees to comply with Chilean law and, therefore, declares that they understand and accept that they may not submit, within the pre-selection process or any subsequent stage, any content that is illegal, violates public order, morality, or good customs, or that may infringe upon existing contractual obligations. Additionally, content that may be considered harmful, abusive, offensive, defamatory, vulgar, invasive of privacy, racist, xenophobic, discriminatory, or otherwise objectionable is strictly prohibited.

Likewise, the Participant agrees to take all necessary measures to ensure that the contents of their Project do not contain viruses or any files or programs designed to interrupt, destroy, or limit the functionality of any software, hardware, or telecommunications equipment.

The Participant understands and accepts that they submit their Project or business proposal under their sole and exclusive responsibility and at their own risk. Consequently, in the event of any dispute (including those regarding authorship or ownership of the submitted work) between Participants, or between a Participant and a third party, the Company and Imagine shall be fully exempt from any liability for claims, demands, or damages of any kind related in any way to such disputes.

Furthermore, the Participant agrees to hold harmless the Company and Imagine against any claims from third parties related to the idea or innovation they have submitted.

10. OBLIGATIONS OF THE COMPANY AND IMAGINE

The Company and Imagine commit to:

- Preservar la confidencialidad de los Proyectos presentados por los Participants and to comply at all times with the agreements established between both parties (Participants and the Company). This confidentiality obligation shall not apply to the communication of information that must be disclosed for the proper promotion of the Project, or any other information that needs to be shared to facilitate value creation for the benefit of the Project and the Company.
- Confirm to the Participants that all materials requested by both organizations have been received, including those related to registration and data protection.

- Inform the Participants of the results obtained by their Project.
- Notify Participants, through the designated communication channels, of any changes to the program guidelines, activities, or schedule.

11. INTELLECTUAL PROPERTY, CONFIDENTIALITY, AND NON-EXISTENCE OF PARTNERSHIP

(I) INTELLECTUAL PROPERTY

The Participant shall retain ownership of the intellectual property rights over the existing solutions they present and offer during the Program.

In the event of co-creation, adaptation, ideation, or new development efforts, it must be discussed on a case-by-case basis whether Transelec Ventures has an interest in participating in the intellectual property ownership of what has been developed. Any such participation must be agreed upon with the Startup or Company.

(II) CONFIDENTIALITY

The Participant, the Company, and Imagine mutually agree to maintain confidentiality and secrecy regarding all data and information provided to them in relation to the Program or developed during its execution. Additionally, the Participant agrees not to disclose any agreements entered into with the Company, Imagine, or any related entity concerning the Project.

Notwithstanding the above, the Participant hereby expressly authorizes the Company to publish information related to any agreement that may eventually be established with the Company, Imagine, or any of their affiliates, for the purpose of providing appropriate and timely publicity for the Project.

The obligations outlined in sections (I) and (II) shall remain in effect from the acceptance of these Guidelines until the end of the Participant's involvement in the Program.

However, for those Participants who reach a commercial agreement with the Company, the obligation of confidentiality shall remain in effect for a period of two years following the end of said commercial relationship.

(III) NON-EXISTENCE OF PARTNERSHIP

Except as expressly regulated in these Guidelines, neither the Company nor Imagine assume any obligation toward the Participants or the Projects regarding any potential agreements to be entered into with the Company or its affiliates. Furthermore, the Participant acknowledges and accepts that these Guidelines do not constitute any form of partnership between the Participants and the Company, its affiliates, or Imagine.

12. ACCEPTANCE OF THE GUIDELINES

Participation in this Program requires full knowledge and acceptance of these Guidelines. For all applicable purposes, the mere act of participating in the Program shall be understood as unconditional acceptance of the Guidelines and their terms.

Participating Startups agree to provide timely and appropriate collaboration with the Company and Imagine in order to support the promotion of the Project through the communication channels determined. As such, it will be a condition for applying and participating in the Program that the Startup engages in the activities, promotions, events, programs, or outreach initiatives organized by Imagine.