

1Q2021 Results

May 2021



Executive Summary

- Transelec generates stable cash flows and maintains an EBITDA margin above 80% (in March 2021, 82% on a LTM basis).
- The Company registered a provision for lower revenues in 1Q21, as in 2020, corresponding to the best estimation we have for 2020-2023 regulated tariffs (currently being determined).
- The Company generated funds from operations (FFO) of CLP206 billion, (~USD 347 million) during the LTM ended March 31, 2021.
- By LTM March 2021, Transelec recorded a net income of CLP85 billion (~USD 117 million).
- Reaffirming the solid financial performance of the Company, in 1Q2021, Fitch reaffirmed our current international rating (BBB) and local rating (AA-).
- Transelec doesn't foresee major effects in the company coming from the health crisis.



9,857 Km

of transmission lines, part of the National Electric System of the country, from Arica to the island of Chiloé.



98%

of Chile's population is supplied of energy thanks to the electric infrastructure developed and operated by Transelec.

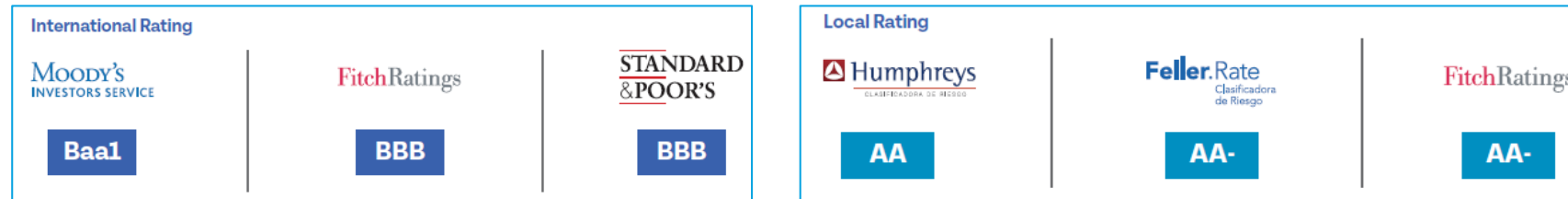


19,136 MVA

total transformation capacity distributed in 63 station.

Business Update

- According to the transmission law of 2016 as of January 2020, the rate of return on assets should fall from 10% before taxes to 7% after taxes, but because the tariff study to determine the remuneration of the transmission in the period 2020 – 2023 (valuation process) is delayed, the regulator (CNE) through resolution 815, has determined to stabilize the transmission rates until the study is complete (estimated within 2021), in order to advance the estimated reduction and not apply rises that are later reversed (not to increase final consumer bill in 2020-21, given social unrest).
- Current ratings of the Company are the following:



- The Company incorporated USD42 million of new facilities of the dedicated system during 1Q21.
 - While, it has commissioned USD117 million of projects in LTM ended March 31, 2021.
- In March, Board of Directors proposed a final 2020 dividend distribution amounting CLP 28.723 million corresponding to 30% of 2020 net income.
 - This dividend was later approved in the Shareholders meeting held in April.
 - The Company retained the remaining 70% of 2020 net income.

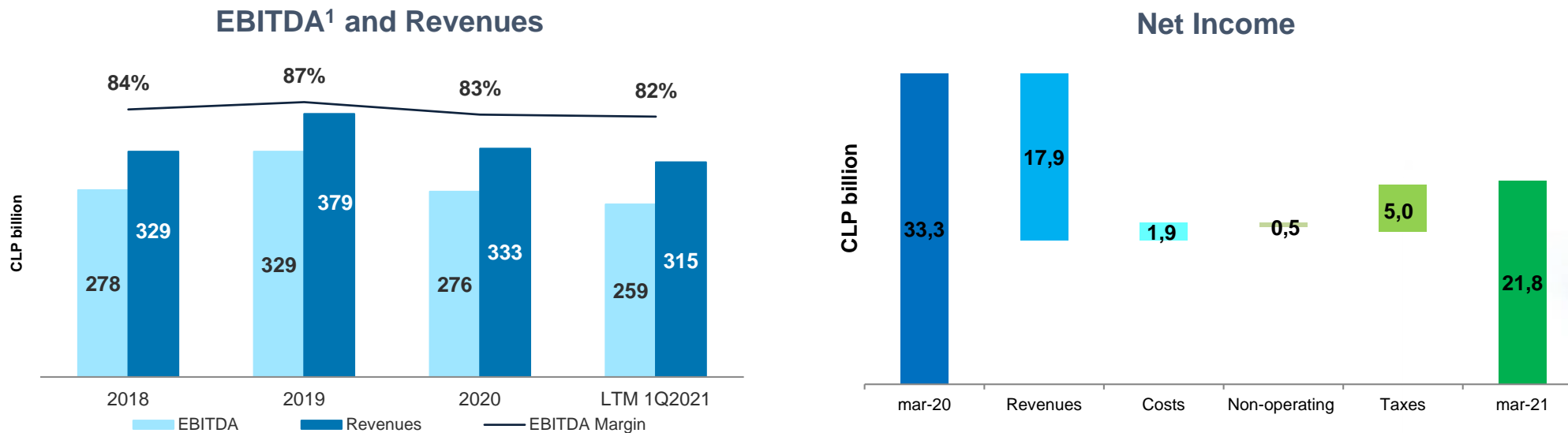
Financial Results

- In 1Q2021, revenues decreased 18% when compared with same period of previous year, reaching CLP 79 billion (~USD 109 million).
 - Given the delay in the 2020-2023 tariff study, revenues in 1Q2021 are recognized according to the decrees in force by the end of 2019, but the Company has also registered a provision of lower income as an estimation of the potential new tariff impact, considering the best information available (this provision was not registered in 1Q2020).
 - The decrease in revenues due to this provision is partially offset by commissioning of projects.
- EBITDA decreased 20% compared with March of last year. The decrease was mainly due to lower revenues. EBITDA margin reaches 85% in this period . This margin is returning to the long term average of ~80% for a 12 months period, considering the provision for lower revenues.
- Non-Operating Income increased 2%, reaching CLP -24 billion, mainly because of higher local CPI and lower financial income. Additionally, this increase is partially off-set by lower financial expenses.

CLP billion	mar-21	mar-20	Var.
Revenues	79	97	-18%
Ebitda	67	84	-20%
Operating Income	53	69	-23%
Non-Operating Income	-24	-23	2%
Tax	-8	-13	-39%
Net Income	22	33	-34%
Gross Debt	-1.557	-1.542	1%
Net Debt	-1.424	-1.436	-1%
FFO (LTM)	206	210	-2%

Revenue and Profitability

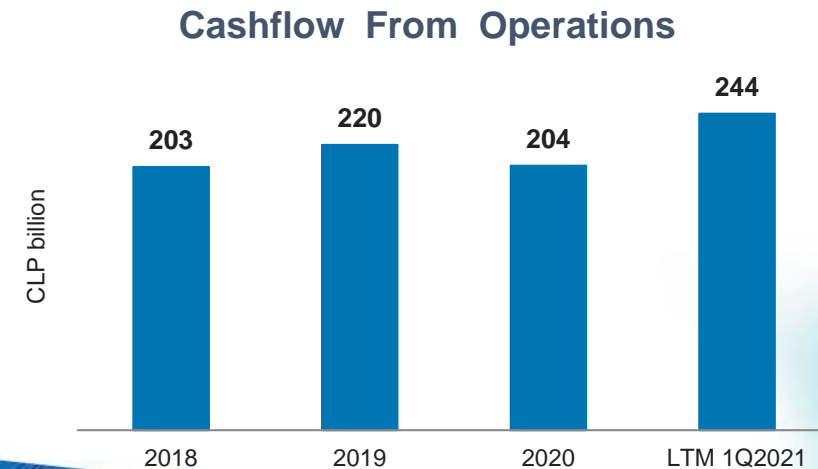
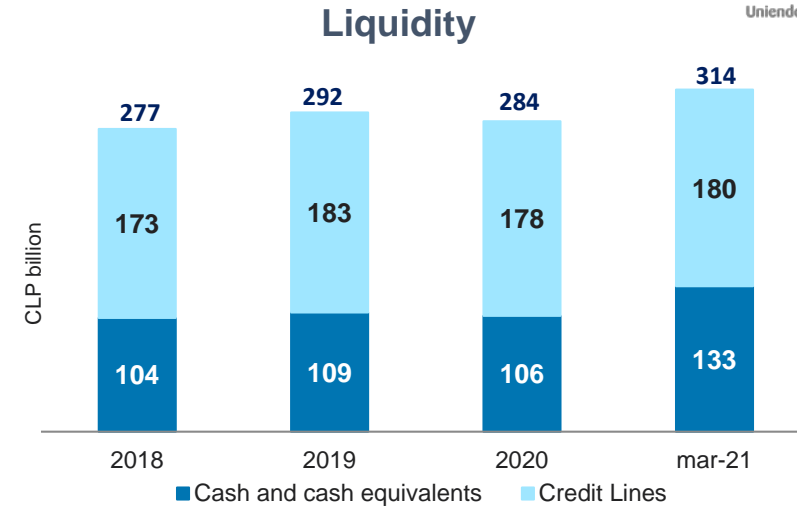
- Transelec's revenues and EBITDA decreased from 2019 due to:
 - Given the delay in the 2020-2023 tariff process, in 1Q21 and 2020, the Company still recognized revenues according to decrees in force by the end of 2019.
 - Once the new 2020-2023 tariff is recognized, revenues and Ebitda will decrease according to the parameters set in the tariff study (mainly due to the decrease in rate of return).
 - Nevertheless, since 2Q2020 the Company registered a provision for lower revenues related to our best estimate of the new tariffs.
- In 1Q2021, Transelec recorded a net income lower than in 1Q2020 mainly due to lower revenues.



¹ EBITDA: Earnings before taxes, interest, depreciation, amortization, price-level restatement, net and foreign currency translation, net, plus income from leasing

Solid Liquidity Position

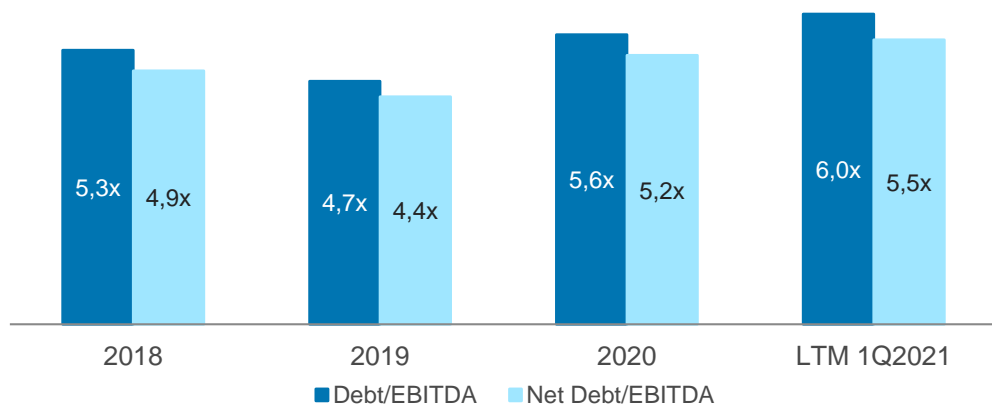
- In March 2021, Transelec's liquidity reached CLP314 billion (USD435 million).
 - The revolving credit facility (RCF) is totally available for USD 250 million.
 - Furthermore, the Company's bonds have a 6-month DSRA.
- In LTM Mar2021, cash flows increased mainly due to higher revenues collection.
- By the end of March 2021, the Company has an important level of cash on hands.
 - Own cash generation
 - Deferred dividends



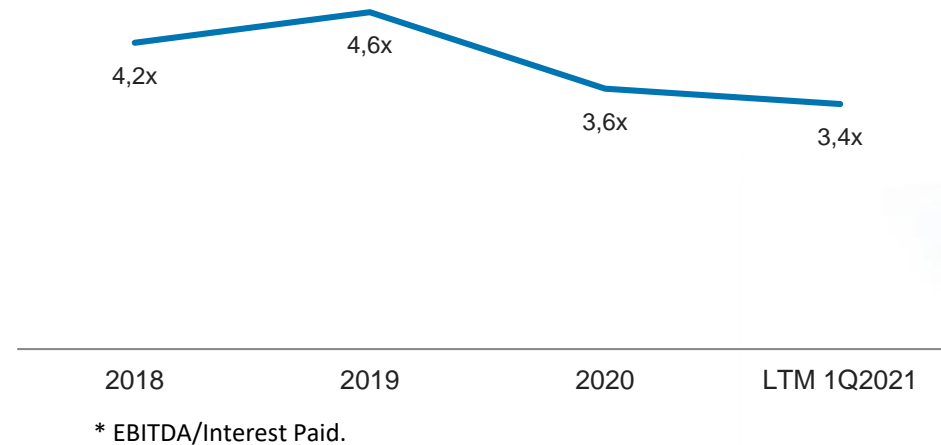
Strong Coverage Ratios

- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows.
- Debt to EBITDA ratio is currently below the expected target of 6.5x.
 - Nevertheless, this ratio increased in LTM March 2021, due to the provisions for lower revenues that the Company decided to register since 2020.
- Interest Expense coverage has remained above 3.0x, decreasing in LTM March 2021 due to the lower revenues provision.

Leverage



Interest Coverage*

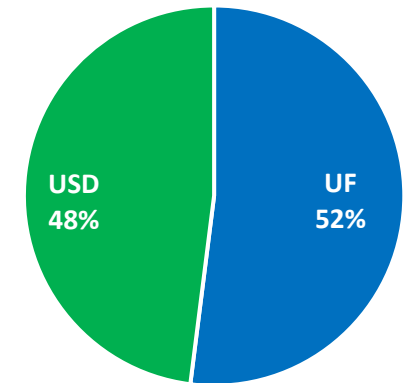


* EBITDA/Interest Paid.

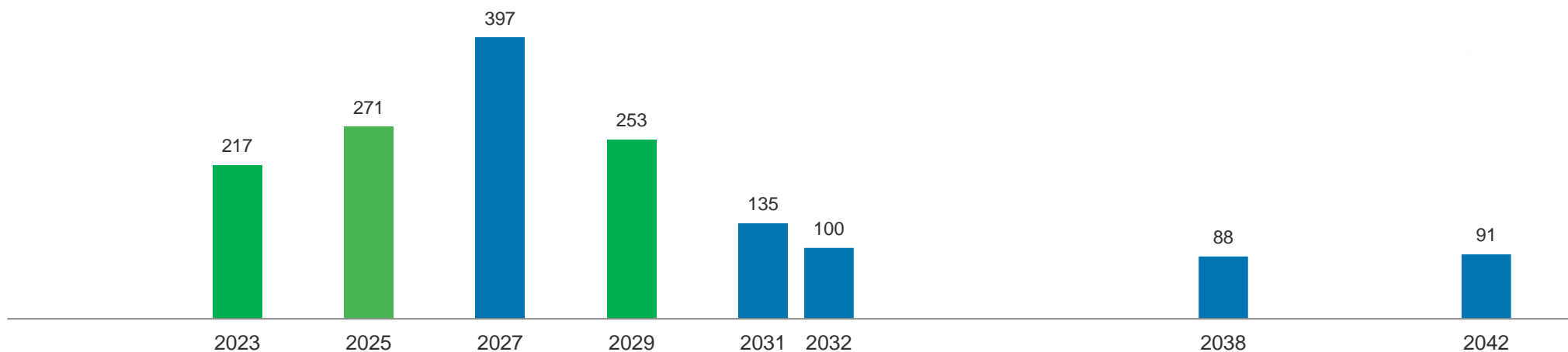
Public Debt Profile

- Transelec maintains a very manageable public debt maturity profile with no refinancing until 2023.
- The Company has been able to obtain flexibility and a variety of sources for funding.
- All public debt has fixed rates.
- Transelec balance sheet is fully hedged.

Public Debt breakdown by type



Public debt maturity profile (CLP billion)



Covenants

- As of March 31st, 2021, the Company is in full compliance with all debt covenants (only present in our local bonds).

Minimum Equity > UF15 million ⁽¹⁾



Year	Minimum Equity (UF15 million)
2018	29,96
2019	30,80
2020	31,58
mar-21	31,87

2018 2019 2020 mar-21

(1) Equity attributable to the owners + Accumulated amortization of goodwill

Minimum Equity > CLP 350 billion ⁽²⁾⁽³⁾




Year	Minimum Equity (CLP 350 billion)
2018	826
2019	872
2020	918
mar-21	937

2018 2019 2020 mar-21

(2) Equity attributable to the owners + Accumulated amortization of goodwill
 (3) This metric replaced 'UF' Minimum Equity in series Q bonds (last local issuance).

Debt / Capital < 0.7x ⁽⁴⁾



Year	Debt / Capital Ratio
2018	0,64x
2019	0,64x
2020	0,63x
mar-21	0,63x

2018 2019 2020 mar-21

(4) Total Debt / (Total Debt + Minority Interest + Shareholder's Equity + Accumulated amortization of goodwill)

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You can find additional information in our web page:

<https://www.transelec.cl/home-en/>



Ebitda Uses (LTM)

	MUSD
Revenues	437
Ebitda	359
Interests paid	-105
Capex	-150
Upgrade Projects	-50
Expansion Projects /Acquisitions	-100
Dividends	-62
	42

Expansion Plan 2021

National System

DS N° 231/2019				Active
Project	VI	Bid Submission Date	Bid Award Date	Update
HVDC Project Kimal - Lo Aguirre	1,480(*)	Q3-21	Q4-21	On August 4 th , the economic offer should be presented
1,480(*)				
DS N° 185/2020				Active
Project	VI	Bid Submission Date	Bid Award Date	Update
Reactive Power Compensation Equipment (NCER AT)	28	Q3-21	Q4-21	On July 5 th the binding offer should be presented
28				

Zonal System

DS N° 185/2020				Active
Project	VI	Bid Submission Date	Bid Award Date	Update
Mapocho New Substation and New 2x110 kV Mapocho - Vitacura line	58	Q3-21	Q4-21	On July 5 th 2021, the economic offer should be presented
Baja Cordillera New Substation	27	Q3-21	Q4-21	
La Ligua New Substation	21	Q3-21	Q4-21	
New Epuleufu Sectioning Substation	14	Q3-21	Q4-21	
New El Ruil Sectioning Substation	7	Q3-21	Q4-21	
New Los Poetas Sectioning Substation and y New 1x66 kV Algarrobo - Los Poetas line	6	Q3-21	Q4-21	
New 1x66 kV Angol - Epuleufu line	5	Q3-21	Q4-21	
New 1x110 kV Maitencillo - Vallenar line	5	Q3-21	Q4-21	
New 1x66 kV Portezuelo - Alcones line	3	Q3-21	Q4-21	
145				