2021 Performance

March 2022

Index

1. Overview
2. Operational and Growth Accomplishment
3. Regulatory Update
4. Financial Update

Overview

Executive Summary

- Financial results reflect the strength of Transelec's revenue streams
  - Generated EBITDA of CLP 248 billion (~USD294 million) as of December 31st, 2021.
  - Maintains an EBITDA margin above 80% (81% in 2021).

- The Company has been recording a provision for lower revenues since 2020, corresponding to an estimation of the 2020-2023 regulated tariffs (currently being determined). The provisions have been adjusted for 2021 year-end, according to our best estimate on the experts panel opinion published in January 2022 (includes adjustments for 2020 and 2021 retroactively).

- The Company has a strong liquidity with its cash balances of CLP 235 million (~USD 278 million) in 2021 in addition to a USD 250 million undrawn revolving credit facility.

- In 2021, Transelec recorded a net income of CLP59 billion (~USD 70 million).

- Reaffirming the solid financial performance of the Company, in 2021, Moody's, S&P and Fitch reaffirmed our current international ratings as well as Fitch, Feller and Humphreys our local rating.
  - Feller improved Transelec´ s financial outlook from stable to positive.

- Transelec didn't face major effects in the company coming from the health crisis.

(USD figures have been translated with the FX of the end of December 2021 ($844.69), for referential purposes only)

Business Update

transelec
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- Our revenues are stabilized since the end of 2019. The regulator (CNE) through resolution 815, has determined to stabilize the transmission rates until the new tariff is in force. Therefore, we are collecting our regulated revenues, according to 2016-2019 tariff cycle, without its contractual indexation, which is accumulated until new tariffs (2020-2023 cycle) are enacted and reassessed jointly (expected to happen in 2022).

- Current ratings of the Company are the following:

International Rating

Moody's Investors Service	Fitch Ratings	Standard & Poor's
Baa1	BBB	BBB

Local Rating

Humphreys Clasificadora de Riesgo	Feller.Rate Clasificadora de Riesgo	Fitch Ratings
AA	AA-	AA-

- The Company commissioned USD105 million of new facilities in 2021.
  - Three expansions of the Dedicated system
  - Three upgrades and one expansion of the National system
  - Two expansions and one upgrade of the Zonal system

- In March 2021, 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 and paid in May.
  - The Company retained the remaining 70% of 2020 net income.
  - The Company has not distributed any interim dividend related to 2021 net income.

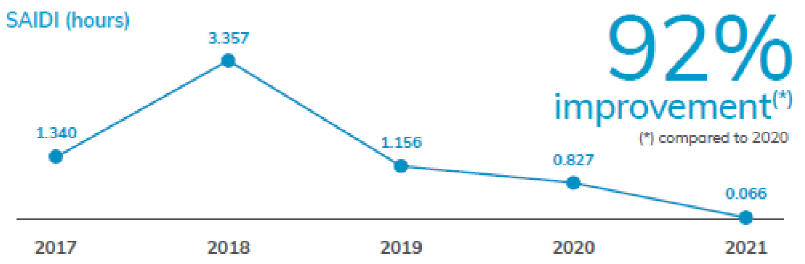
Operational & Growth Accomplishment

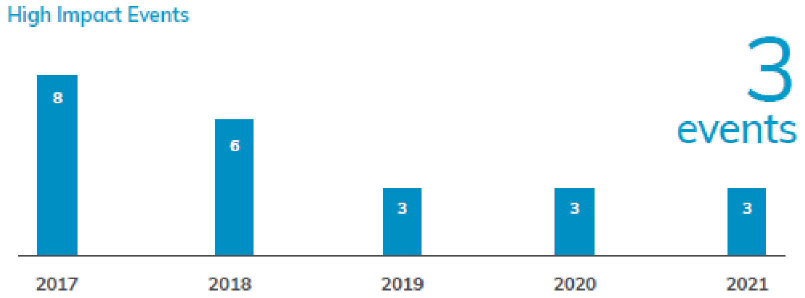
Strategic Assets and Operating Performance

- Chile's Transmission System is Critical National Infrastructure.
  - Transmission System accounts for less than 15% of the final customer average bill of energy.

- Transelec's main objective is to deliver a superior quality service with high safety standards, which is the result of:
  - Compliance with highly demanding service quality and safety standards.
  - Transelec management's work to maintain and modernize its assets,
  - Adequate response capacity in the event of network incidents.

- Transelec is working in digital transformation as an essential pillar to achieve continuous innovation and improvements for the operation and for network maintenance. Transelec has determined five focal points for Operation and Maintenance:
  - Digital asset management;
  - Vegetation management;
  - Contamination and corrosion management;
  - Service quality;
  - TotEx (CapEx + OpEx) execution





TRANSELEC SAIDI: measures time a locality has remained without power supply.

HIE (High Impact Events) consider all power supply interruptions for end customers greater than 30 MWh.

Successful execution and commissioning of projects

- Transelec's growth strategy is designed to ensure that the Company remains a relevant player in Chile's transmission system, being profitable for our shareholders.
  - Most of projects are improving the transmission system, making it more robust and safer, to offer better supply quality in different regions of Chile.
  - Other projects are to ensure viability of integrating renewable energy into the grid, taking transmission lines closer to solar and wind energy towards a decarbonized power grid.
- Transelec has proved the efficiency of its pricing discipline and its prudent growth vision.
  - Guaranteeing an appropriate rate of return is key for Transelec when participating in bids for new transmission lines.
- In 2021, the Company commissioned USD105 million of projects, where we can mention the following projects:
  - Transmission Solutions for Transmisión Río Escondido and Atacama Solar.
- Transelec has a track record of delivering projects safely on time and on schedule. Last years, the effects of social unrest and the pandemic have been a challenge for the whole industry, but the Company has worked managing projects in order to control deviations.

Regulatory Update

New Tariff Cycle (2020-23): National & Zonal System Tariff Processes

- A new 2020-2023 tariff setting process for the National and Zonal Transmission Systems started in 2018.
  - For the first time and according to 2016 law, the rate of return was set for the 4 years period (2020-23) at 7% after tax
  - In 2018, Useful Life Report for 2020-2023, 2024-2027 & 2028-2031 tariff studies was approved.
  - The first power transmission facilities Qualification Process was approved in April 2019.

- Consultants responsible for tariff studies were:
  - National Transmission System: Consortium SYNEX - ESTUDIOS ENERGÉTICOS - ELEQUIPOS.
  - Zonal Transmission System: SIGLA S.A.

- Overall, the process is delayed, and according to our internal estimations, the final decree should be published in the first semester of 2022, more than two years later than the date where the new tariffs should have been applied.

New Tariff Cycle (2020-23): Transelec prudent and preventive vision

- According to the law, Transmission Companies will continue receiving revenues according to previous tariff cycle until the new tariff decree is published.

- Nonetheless, the Company registered a provision of lower revenues during 2020 & 2021 to show in advance the potential decrease in tariff due mainly to a lower rate of return.

- Transelec has recorded the following provisions:
  - In 2020: CLP 57 billion (estimation of lower rate of return),
  - In 2021: CLP 89 billion (estimation of lower rate of return, and other effects after Expert Panel output, for 2020 and 2021).

- In March 2022, the Final Report was published with which the tariffs for the 2020-2023 period will be established. Based on this document, the decree to be published by the General Comptroller of the Republic will be drawn up.

Financial Update

Financial Results

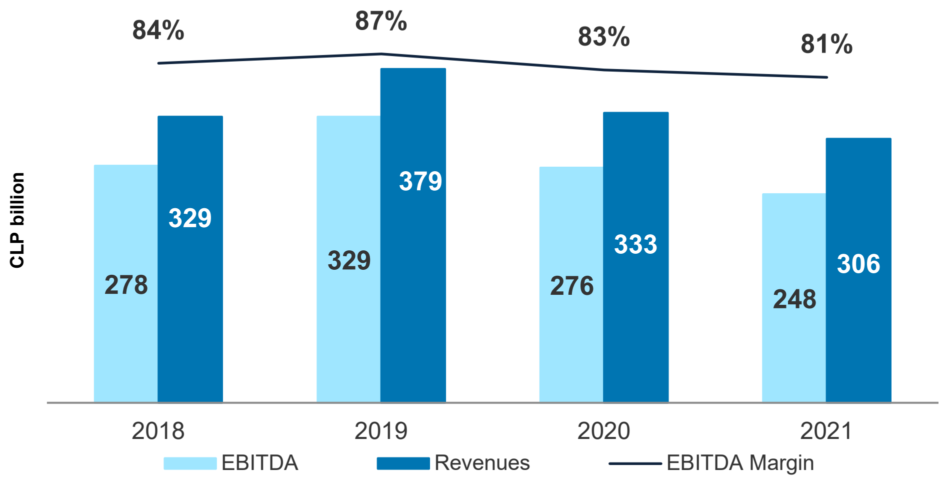
- As of December 31, 2021, revenues decreased 8% when compared with same period of previous year, reaching CLP 306 billion (~USD 362 million).
  - Given the delay in the 2020-2023 tariff study, revenues as of December 31, 2021, are recognized according to the decrees in force by the end of 2019, but the Company has also registered a provision of lower income as an estimation of the potential new tariff impact, considering the best information available.
  - The decrease in revenues is mainly due to higher provision for lower income, including effects from 2020, partially offset by indexation (CPI) and new revenues from new projects.
- EBITDA decreased 10% compared with last year. The decrease was mainly due to lower revenues. The EBITDA 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 31%, reaching CLP -110 billion, mainly because of higher local CPI.

CLP billion	dic-21	dic-20	Var.
Revenues	306	333	-8%
Ebitda	248	276	-10%
Operating Income	191	216	-11%
Non-Operating Income	-110	-84	31%
Tax	-22	-36	-37%
Net Income	59	96	-39%
Gross Debt	-1.731	-1.542	12%
Net Debt	-1.497	-1.436	4%
FFO (LTM)	218	210	4%

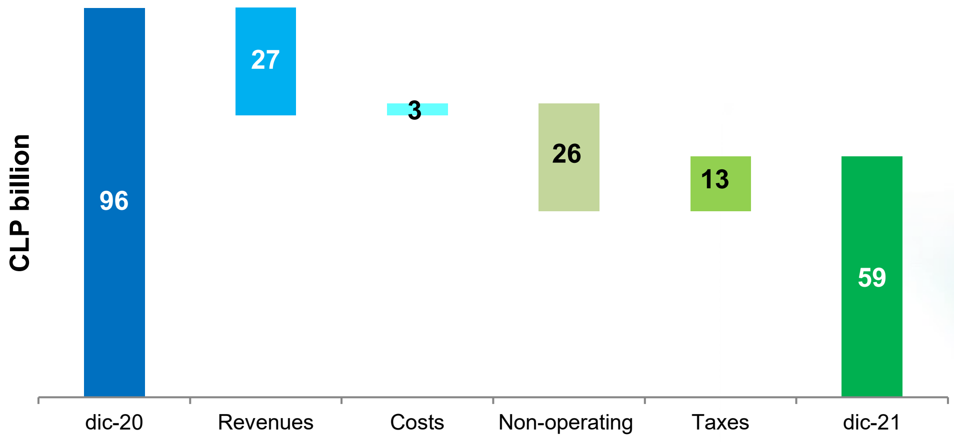
Revenue and Profitability

- Transelec's revenues and EBITDA :
  - New tariffs for 2020-2023 are expected for 2H2022, meanwhile Transelec has been receiving higher revenues than 2020-2023 tariffs expected.
  - Nevertheless, since 2Q2020 the Company registered a provision for lower revenues corresponding to 2020-2023 regulated tariffs.
  - Nonetheless, Ebitda margin continues above 80%.
- As of December 31, 2021, Transelec recorded a net income lower than in same period in 2020 mainly due to lower revenues and lower non-operating income (higher local inflation effect in our UF bonds).

EBITDA[1] and Revenues



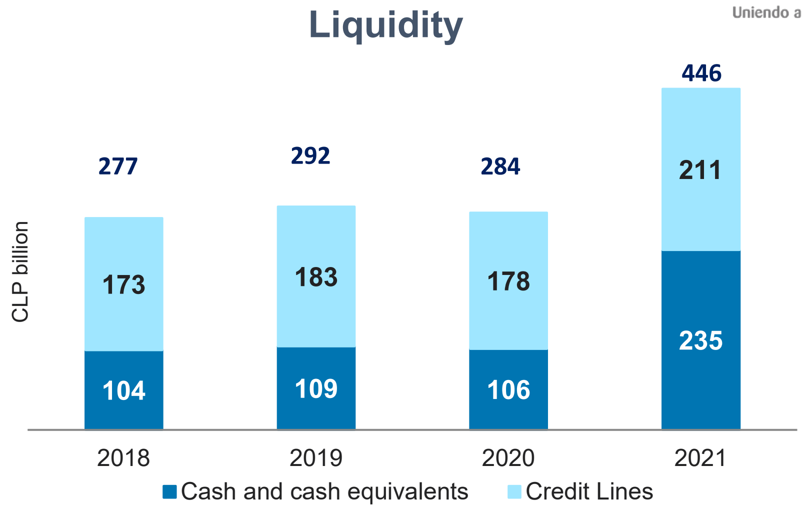
Net Income

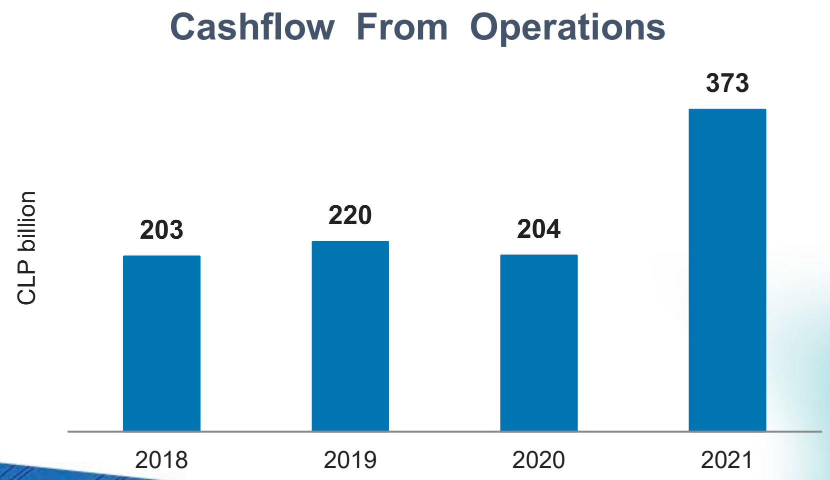


[1] EBITDA: Earnings before taxes, interest, depreciation, amortization, price-level restatement, net and foreign currency translation, net, plus income from leasing

Solid Liquidity Position

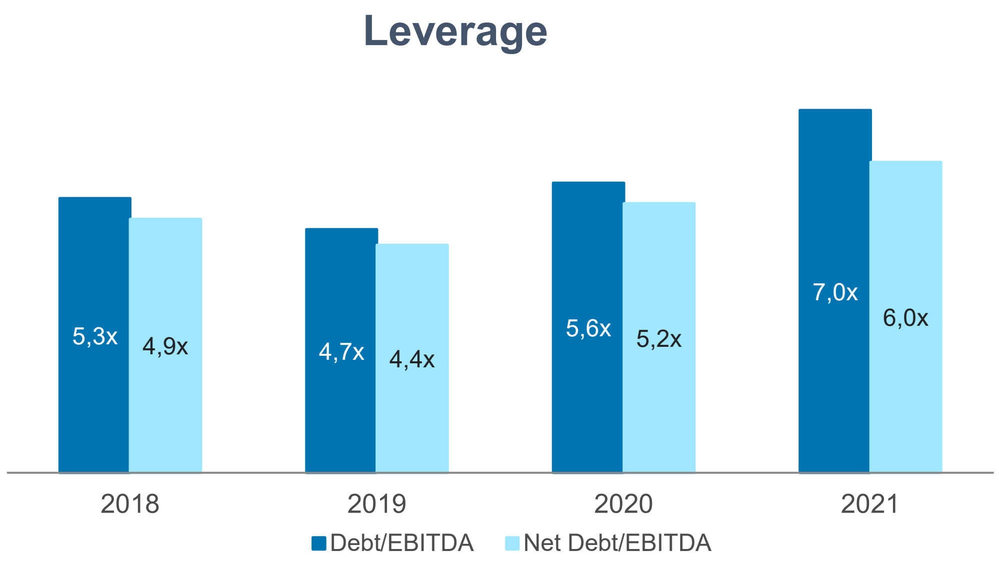
- In 2021, Transelec's liquidity reached CLP446 billion (USD528 million).
  - The revolving credit facility (RCF) is totally available for USD 250 million and has been recently renegotiated for 3 additional years.
  - Furthermore, the Company's bonds have a 6-months DSRA.
- In 2021, cash flows increased importantly mainly due to 2020 CET payment that had a negative effect in 2020 and a positive one when considering 2021, and partial recovery in 2H2020 and 1H2021.
- By the end of 2021, the Company has an important level of cash on hands.
  - Own cash generation
  - Deferred dividends
  - Higher revenues received than 2020-2023 tariffs expected

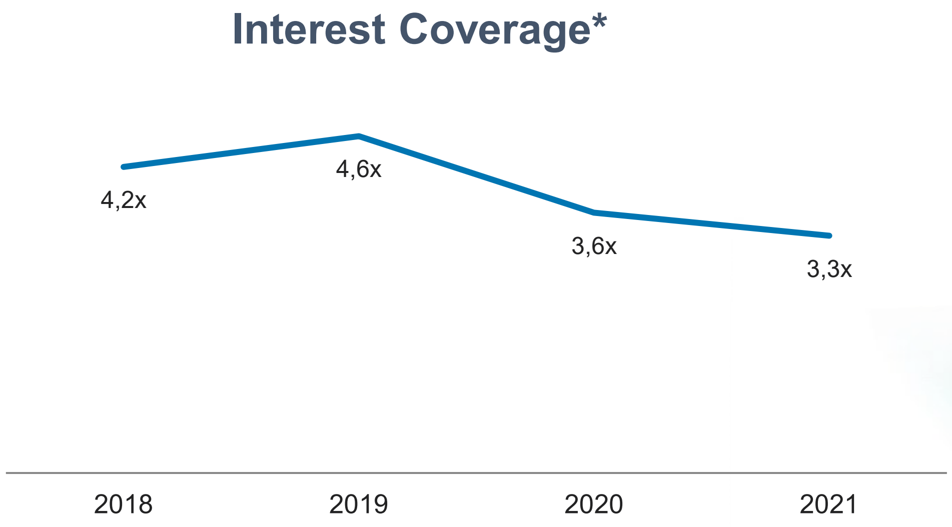




Strong Coverage Ratios

- Transelec' s strong coverage metrics are supported by low cost of debt and growing cash flows.
- Net Debt to EBITDA ratio is in 6.0x. This ratio increased in 2021, mainly due to the accounting provisions for lower revenues that the Company decided to register since 2020, including in 2021, not only the provision related to this year, but also a complementary provision of lower revenues from 2020.
- Interest Expense coverage has remained above 3.0x (3.3x in 2021).

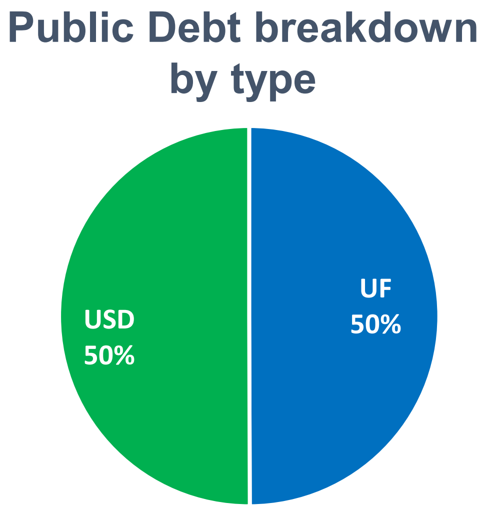


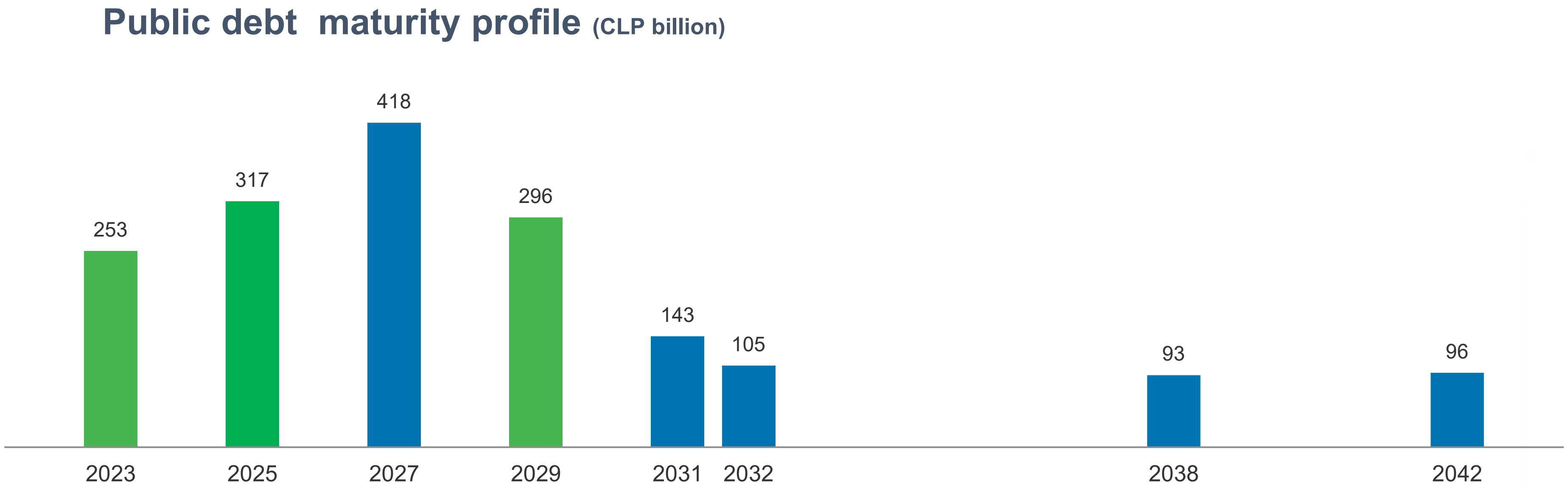


* EBITDA/Interest Paid.

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.

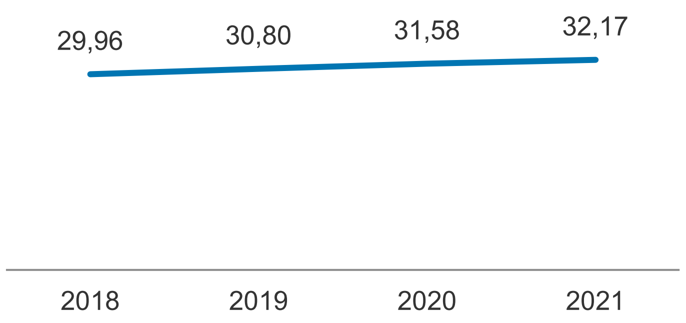




Covenants

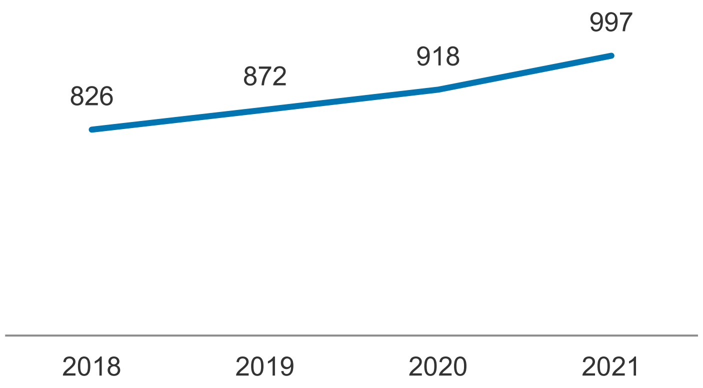
- As of December 31, 2021, the Company is in full compliance with all debt covenants (only present in our local bonds).

Minimum Equity > UF15 million (1)



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

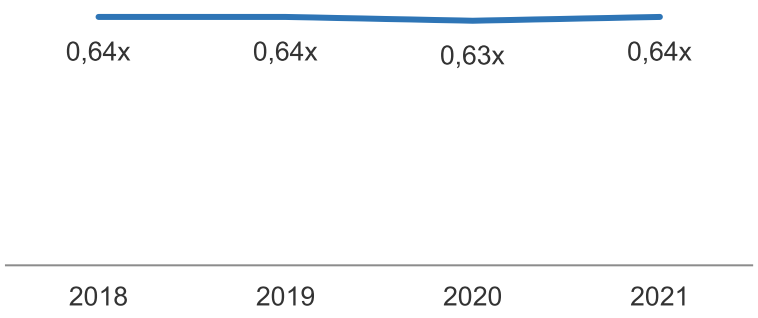
Minimum Equity > CLP 350 billion (2)(3)



(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)



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

Contact Information

For additional information, please contact:

Martha Peredo
Head of Investor Relations
mperedo@transelec.cl
56 2 24677237

Javier Sauvageot
Finance Manager & Treasurer
jsauvageot@transelec.cl
56 2 24677068

You can find additional information in our web page:
https://www.transelec.cl/home-en/

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Ebitda Uses (2021)

	MUSD
Revenues	362
Ebitda	294
Interests paid	-89
Capex	-150
Upgrade Projects	-50
Expansion Projects /Acquisitions	-100
Dividends	-34
	21

Expansion Plan (Decree n°229)

Projectos	VI	Sistema
Nueva S/E Seccionadora Nueva Lagunas y Nueva Línea 2x500 kV Nueva Lagunas – Kimal	194,5	Nacional
Nueva S/E Seccionadora Llepu y Nueva Línea 2x154 kV Llepu – Linares	26,6	Zonal
Nueva Línea 2x220 kV Don Goyo - La Ruca	21,9	Zonal
Nueva S/E Seccionadora Totihue y Nueva Línea 2x66 kV Totihue – Rosario	20,5	Zonal
Nueva S/E Seccionadora Buenavista	16,9	Zonal
Nueva S/E Seccionadora Buli	9,9	Zonal
Nueva S/E Coiquén y Nueva Línea 1x66 kV Coiquén - Hualte	8,6	Zonal
Nueva Línea 1x66 kV Santa Elisa - Quilmo II	5,2	Zonal
Expansions Total	**304,1**	