

3Q2022 Results

November 2022















Executive Summary

- Transelec has stable, predictable and mainly regulated revenues and a prudent costs control that allow to maintain an important EBITDA margin (79% on a LTM basis in September).
- 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 calculated according to our best estimate on the experts panel opinion published in January 2022.
- In September 2022, the Company has a strong liquidity considering its cash balances of CLP 341 million (~USD 355 million) along with a USD 250 million undrawn revolving credit facility.
- By LTM September 2022, Transelec recorded a net income of CLP39 billion (~USD 41 million).

Business Update

- The 2020-2023 Tariff Study, that mainly regulates transmission tariff for the system is in its final stage. Final decree is still pending to be published, but it will have a retroactive effect starting in Jan 2020. Given the new tariff has not been set yet, previous tariff study continues to be valid as transitory, until new tariff is enacted.
 - Since 2020, the company started to provision an amount of lower revenues related to an estimation of the 2020-2023 tariffs
 - In Jan 2022 the Expert Panel published its Opinion. The company updated the provision estimate for 2021 year-end, including effects from 2020 and 2021.
 - In March 2022 CNE published the Final Technical Report (this result is not considered in our provision estimation).
- The regulator (CNE) through resolution 815, by the end of 2019, 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.
- Current ratings of the Company are the following:

International Rating		
 MOODY'S INVESTORS SERVICE	 FitchRatings	 STANDARD & POOR'S
 Baa1	 BBB	 BBB

Local Rating		
 Humphreys CLASIFICADORA DE RIESGO	 Feller.Rate Clasificadora de Riesgo	 FitchRatings
 AA	 AA-	 AA-

- The Company commissioned two new National upgrade, two Zonal expansions and a Dedicated project amounting a total of USD58 million in 2022, until September.
- In April 2022, the Shareholders meeting approved a final 2021 dividend distribution amounting CLP 17.404 million corresponding to 30% of 2021 net income, paid in May.
 - The Company retained the remaining 70% of 2021 net income.
 - The Company has not distributed any interim dividend during 2022.

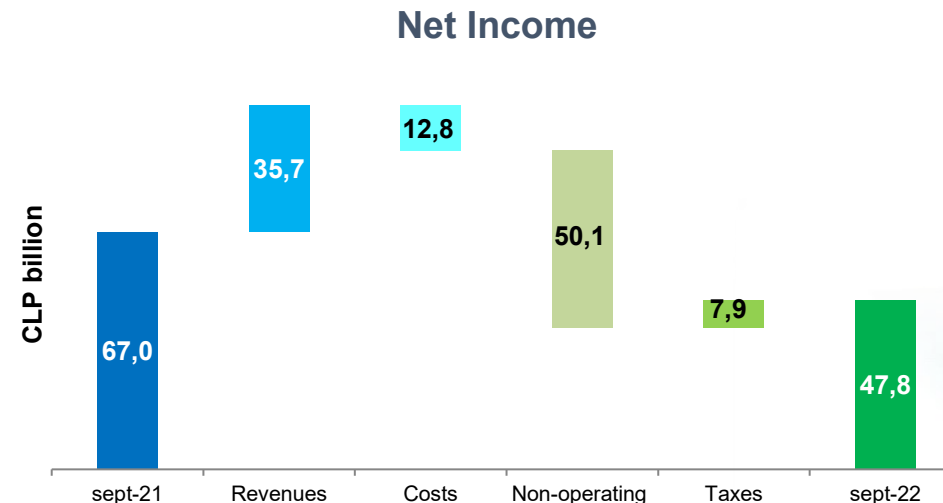
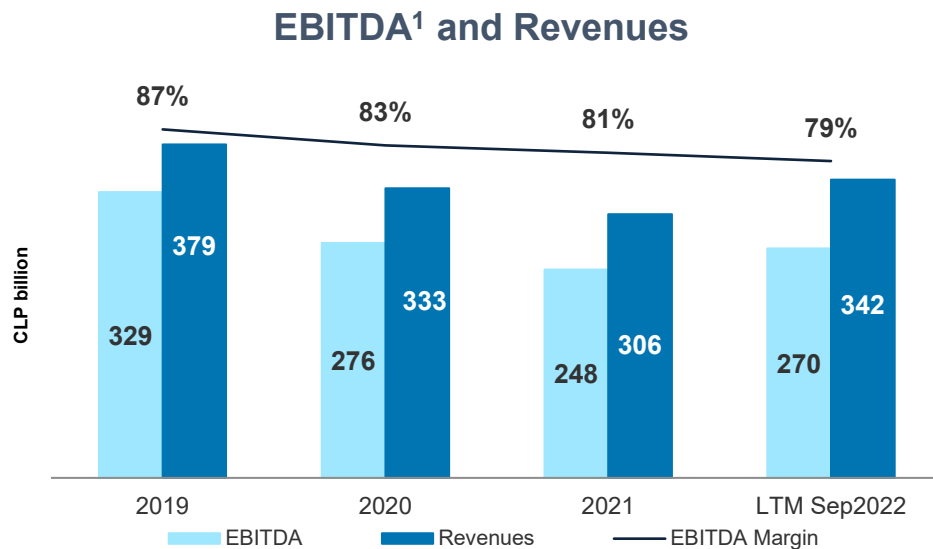
Financial Results

- As of September 30, 2022, revenues increased 15% when compared with same period of previous year, reaching CLP 281 billion (~USD 293 million).
 - Given the delay in the 2020-2023 tariff study, revenues as of September 30, 2022, 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 estimation on the experts panel opinion.
 - The increase in revenues is mainly due to macroeconomic effects (mainly associated with the exchange rate) and new revenues from facilities commissioned in the last 12 months, partially offset by the provision for lower revenues mentioned above.
- EBITDA increased 11% compared with the same period of last year. The increase was mainly due to higher revenues. The EBITDA margin is ~79% for a 12 months period, considering the provision for lower revenues (including the additional provision accounted in 4Q2021 with effects from 2020 and 2021).
- Non-Operating Income increased 71%, reaching CLP -121 billion, mainly because of higher local CPI effect in our UF bonds.

CLP billion	sept-22	sept-21	Var.
Revenues	281	246	15%
Ebitda	228	206	11%
Operating Income	186	164	14%
Non-Operating Income	-121	-71	71%
Tax	-18	-26	-31%
Net Income	48	67	-29%
Gross Debt	-1.936	-1.669	16%
Net Debt	-1.595	-1.486	7%
FFO (LTM)	243	230	6%

Revenue and Profitability

- Transelec's revenues and EBITDA :
 - New tariffs for 2020-2023 are expected to be effective in 2023, meanwhile Transelec has been receiving higher revenues than 2020-2023 expected tariffs.
 - Nevertheless, since 2020 the Company registered a provision for lower revenues (adjusted in 4Q2021).
 - Nonetheless, Ebitda margin continues around 80%.
- As of September 30, 2022, Transelec recorded a net income lower than in same period in 2021 mainly due to higher non-operating income (higher local inflation effect in our UF bonds), partially compensated by higher revenues.

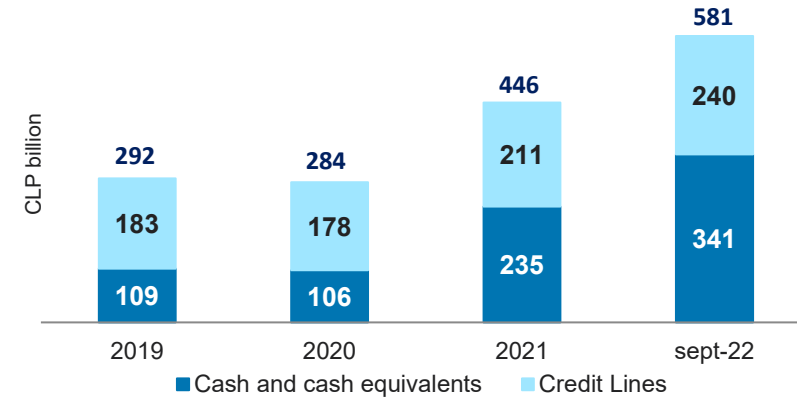


¹ EBITDA: Earnings before taxes, interest, depreciation, amortization, price-level restatement, net and foreign currency translation, net, plus income from leasing

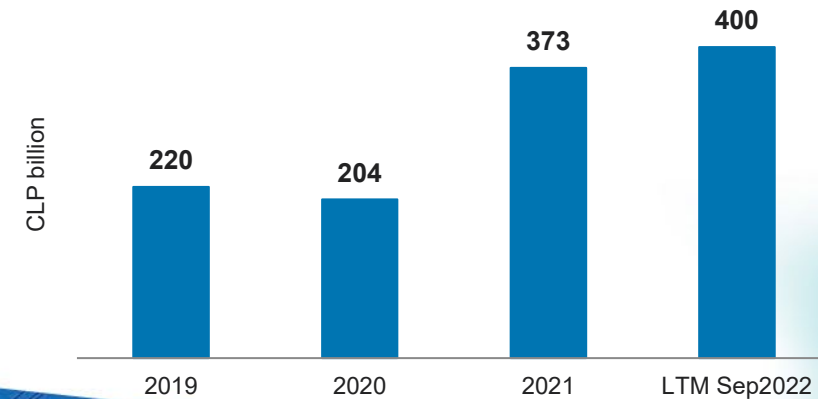
Solid Liquidity Position

- In September 2022, Transelec's liquidity reached CLP581 billion (USD605 million).
 - The revolving credit facility (RCF) is totally available for USD 250 million and matures in 2024.
 - Furthermore, the Company's bonds have a 6-months DSRA.
- By the end of September 2022, the Company has an important level of cash on hands.
 - Own cash generation
 - Deferred dividends
 - Higher cash received when compared with estimated 2020-2023 tariffs (amount to be settled when the new tariff is in force)

Liquidity



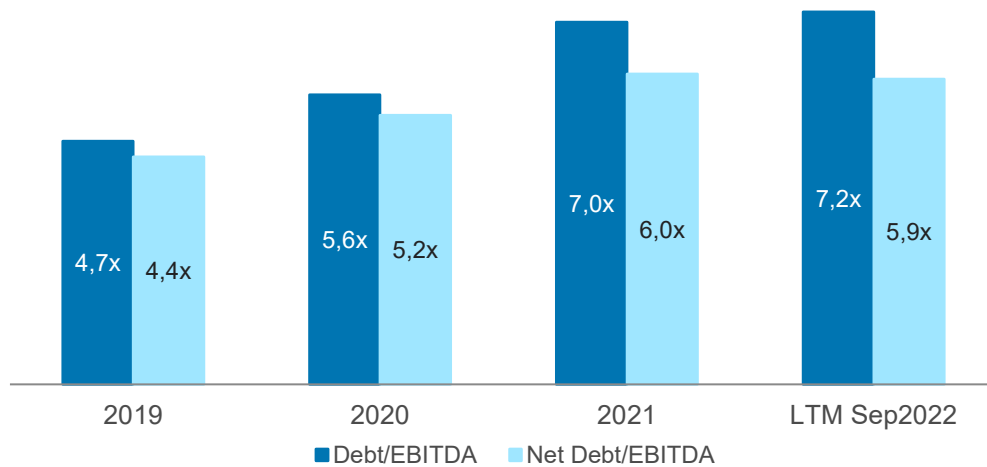
Cashflow From Operations



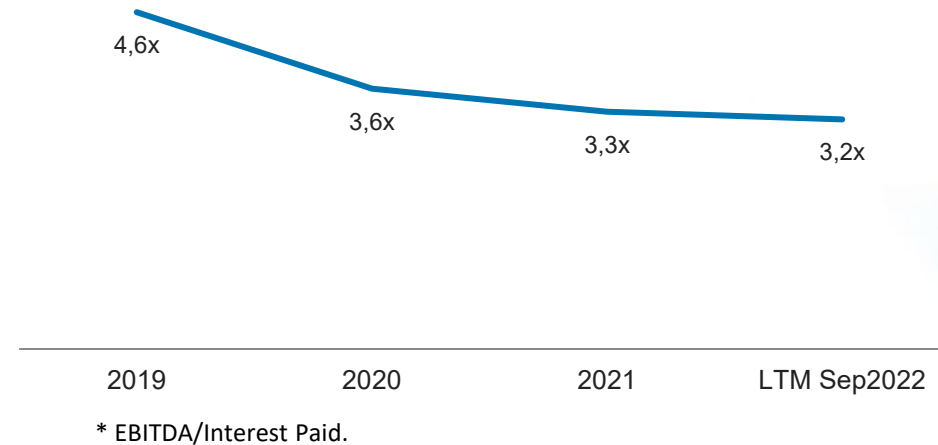
Strong Coverage Ratios

- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows.
- Net Debt to EBITDA ratio is in 5.9x. We have seen some increases due to the additional provisions in 4Q2021.
- Interest Expense coverage has remained above 3.0x (3.2x in LTM September 2022).

Leverage



Interest Coverage*

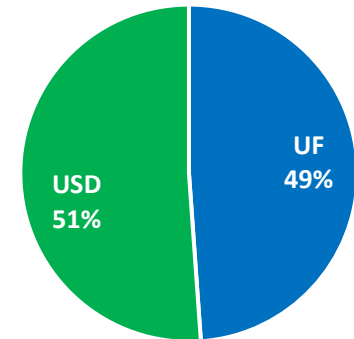


* EBITDA/Interest Paid.

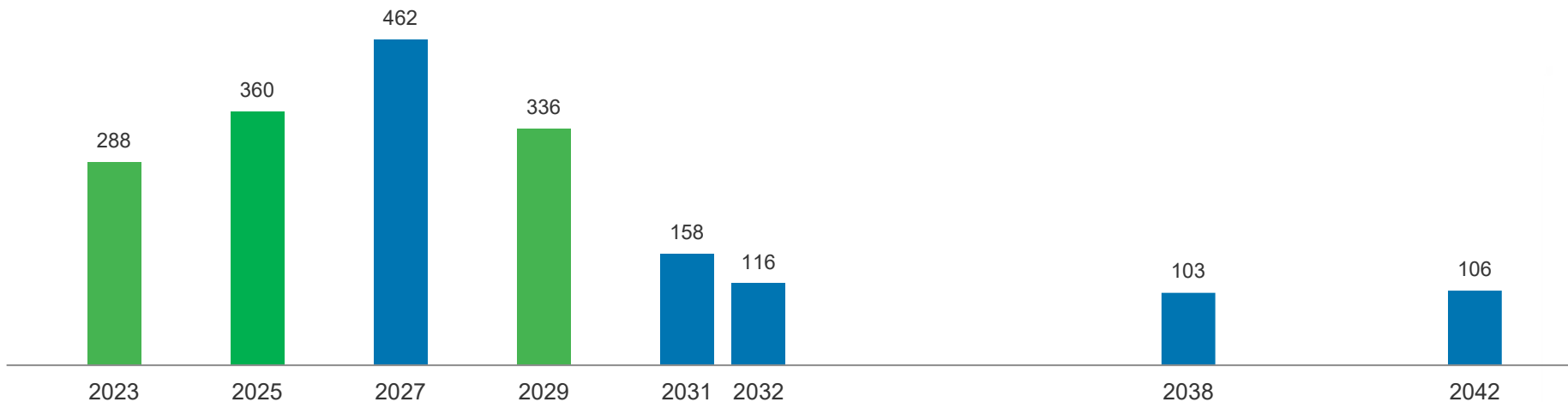
Public Debt Profile

- Transelec maintains a very manageable public debt maturity profile with a maturity in 2H2023. The Company is analyzing the best strategy for refinancing it, including different alternatives.
- 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



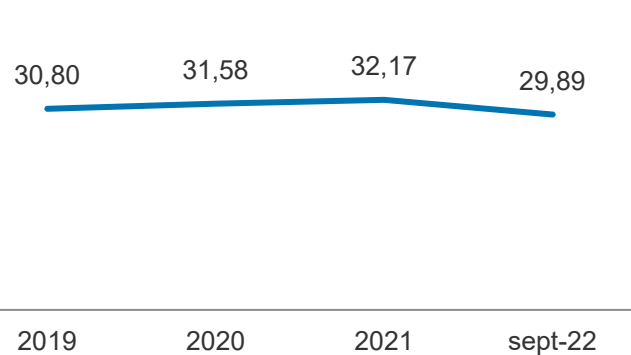
Public debt maturity profile (CLP billion)



Covenants

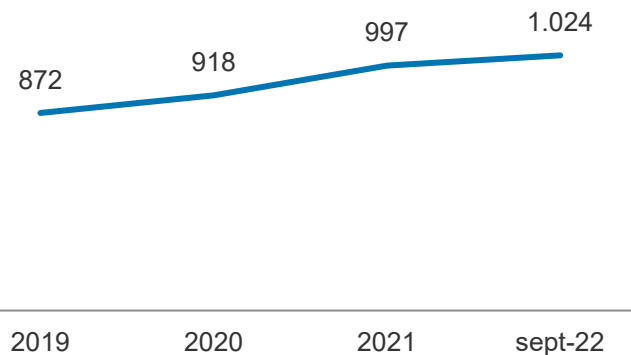
- As of September 30, 2022, the Company is in full compliance with all debt covenants present in our local bonds.

Minimum Equity > UF15 million ⁽¹⁾



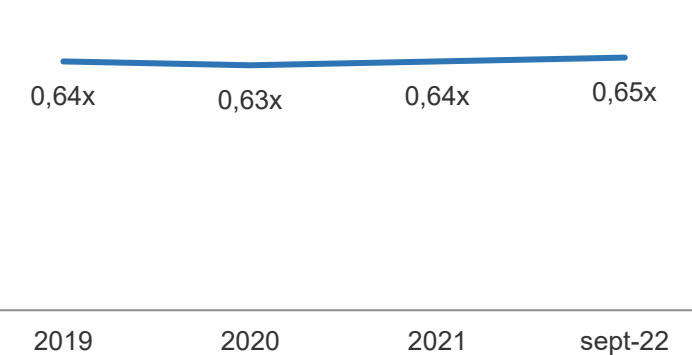
(1) Equity attributable to the owners + Accumulated amortization of goodwill

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)

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You can find additional information in our web page:

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

