

2023 Performance

April 2024



We connect the energies of the future, illuminating paths towards efficiency and sustainability: We are Transelec

Financial Management



International bond refinancing with a successful local bond issuance



Local risk rating upgraded to AA by Fitch Ratings



First tax strategy analysis



US\$4,656
million investment in Chilean transmission assets

Environmental Management



Sustainability Strategy Design



268 MW
of renewable energy connected for the first time



Innovation to reduce water consumption in operations



"HuellaChile" certification

Social Management



Ch\$630
million invested in employee training



Over
Ch\$1
billion invested in social investment programs



0
work-related ill health and fatalities



95%
customer satisfaction rate



0
legal actions for unfair competition, antitrust or free



0
business continuity incidents due to cyber-attacks



Implementation of ISO 55000 Asset Management System



Award for "Open Innovation" in the C³ Creativity and Innovation Ranking

2023

Executive Summary

- Financial results reflect the strength of Transelec's revenue streams
 - Generated EBITDA (adjusted)¹ of CLP 376 billion (~USD429 million) as of December 31st, 2023.
 - Maintains an EBITDA margin around 80% (80% in 2023).
- On April 19, 2023, Transelec S.A. issued local corporate bonds Series “V” and Series “X” for a total of UF 7,000,000. Series “X” matures on March 1, 2034, bullet with a 3.2% coupon rate and Series “V” matures on March 1, 2048, bullet and a 3.3% coupon rate.
 - On April 26, 2023, the Company made the pre-payment of the Senior Bond issued in 2013 for US\$300 million maturing on July 26, 2023.
- Due to the prepayment of the Senior Bond in April, the company had to adjust its hedge:
 - During April, the Company settled two Cross Currency Swaps (CCS) held with Banco Santander and Goldman Sachs for a total notional amount of US\$300 million,
 - In June, a partial unwind of a Goldman Sachs CCS, leaving the notional at MUS\$23.5.The monetizing of the market value of said instruments generated a gain of CLP70 billion.
- The Company has a strong liquidity with its cash balances of CLP 178 million (~USD 203 million) in 2023 in addition to a USD 250 million undrawn revolving credit facility.
- In 2023, Transelec recorded a net income of CLP179 billion (~USD 205 million)

+ 10.000 kms.
of transmission lines

+ 20.000 MVA
of transformation capacity

+80
substations

(USD figures have been translated with the FX of the end of December 2023 (\$877.12), for referential purposes only)

(1) Ebitda for 2023 is CLP 398 billion, but for comparison purposes we are showing an Adjusted EBITDA for 2023 of CLP 376 billion, which does not include a one-time effect on revenues from Quebrada Blanca 2 leasing accounting recognition.

Business Update

- 2020-2023 tariffs have been published in Supreme Decree 7T (DS7T) on February 16. The application of the DS7T considers the Company's revenues retroactively since January 1, 2020.
 - During 2023 the Company is recording income in accordance with the DS7T (as well as in year-end 2022 Financial Statements)
 - Until the issuance of September 2022 FFSS, the Company recognized and received revenues according to the previous tariff studies (DS23T and DS6T), so a provision of lower income was included according to the information available at that time of what would be the final tariffs for the 2020-2023 period.
- Since DS7T is published, the Coordinator determined the tariff reassessments that the companies had to pay or receive.
 - Transelec has paid the reassessment in June.
- On April 28, 2023, the Ordinary Shareholder's Meeting agreed to distribute a definitive dividend for the results of the 2022 period for an amount of MCh\$32,337, which was paid in May 2023.
- On July 10, 2023, the Extraordinary Shareholder's Meeting agreed to distribute retained earnings for an amount of MCh\$201,630, which was paid in August 2023.
- The Company commissioned three National upgrade, two National expansion, three Zonal upgrades, one Zonal expansion, a Dedicated project and acquired two zonal assets amounting a total of USD418 million in 2023.
 - The Dedicated project is the transmission line for Quebrada Blanca 2 project, a sizable long-term contract, that is accounted as a leasing, including a one-time accounting effect in revenues during the first quarter of 2023.
- The Company was recognized for its strong and predictable cash flows, getting an upgrade in its local rating from Fitch.

International rating

MOODY'S
INVESTORS SERVICE

Baa1

Ratified in
december 2023

STANDARD
&**POOR'S**

BBB

Ratified in
december 2023

FitchRatings

BBB

Ratified in
december 2023

Local Rating

FellerRate
Clasificadora
de Riesgo

AA

Ratified in
december 2023

Humphreys
RATING

AA

Ratified in
december 2023

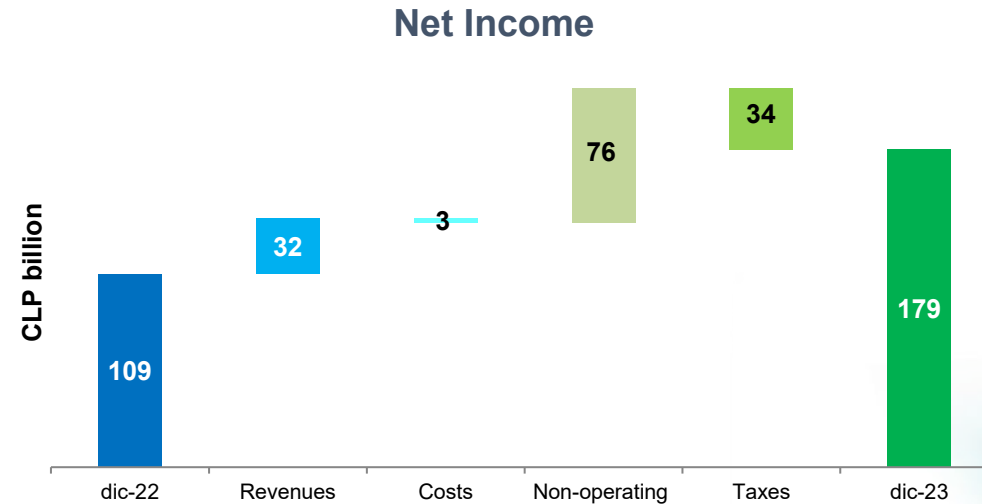
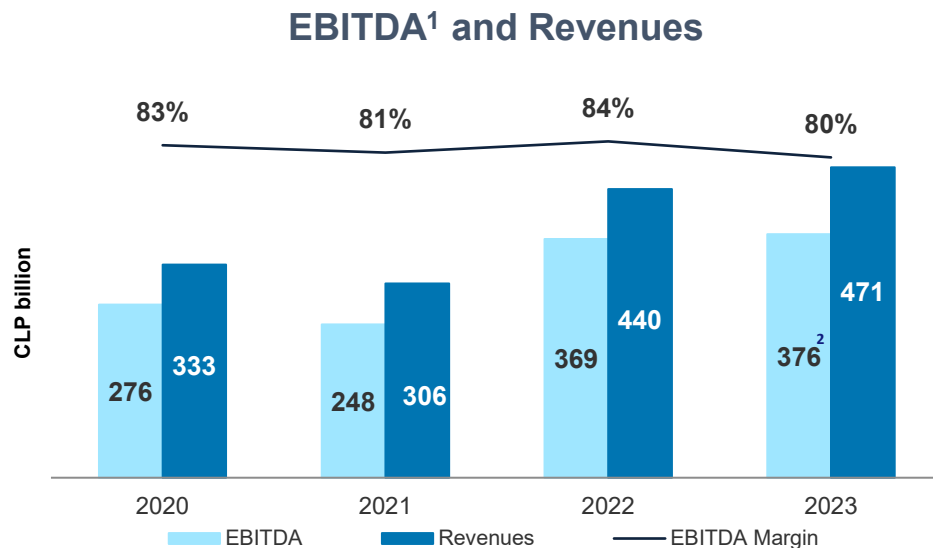
FitchRatings

AA

Upgraded in
december 2023

Revenue and Profitability

- Transelec's revenues and EBITDA :
 - In 2023, Quebrada Blanca 2 transmission project was commissioned and registered as a financial lease generating a one-time non-cash effect in revenues. Nonetheless, this project will generate revenues for the following 25 years.
 - In 2023, the Company is registering new tariffs for 2020-2023 according to DS7T.
 - Nevertheless, since 2020 until 2022 the Company registered a provision for lower revenues (adjusted in 4Q2022).
 - Nonetheless, Ebitda margin continues around 80%.
- As of December 31, 2023, Transelec recorded a net income higher than in 2022 mainly due to higher revenues and lower Loss by indexed units, partially compensated by higher taxes.



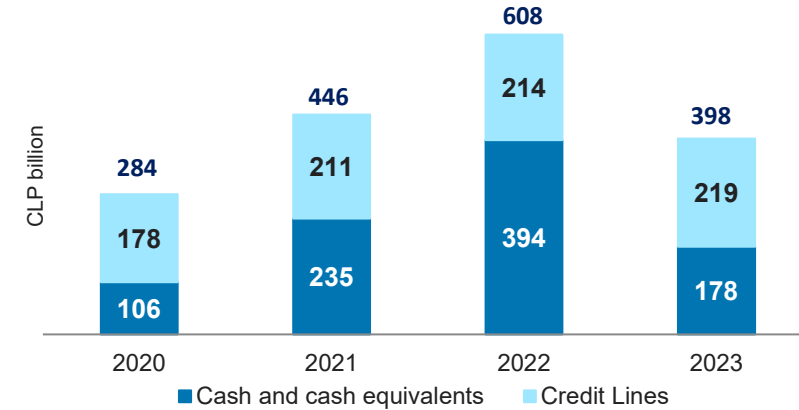
¹ EBITDA: Revenues – costs– adm.expenses + depreciation, amortization+ other income+ income from leasing

² Ebitda for 2023 is CLP 398 billion, but for comparison purposes we are showing in the graph an Adjusted EBITDA for 2023 of CLP 376 billion, which does not include a one-time effect on revenues from Quebrada Blanca 2 leasing accounting recognition.

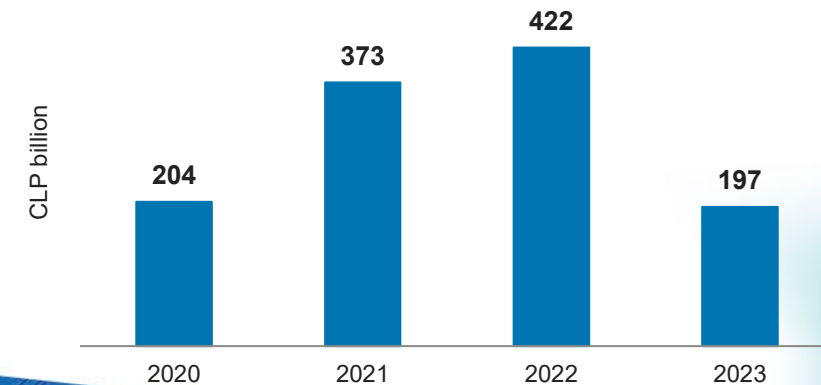
Solid Liquidity Position

- In 2023, Transelec's liquidity reached CLP398billion (USD453 million).
 - The revolving credit facility (RCF) is totally available for USD 250 million. It has been recently renegotiated (Feb2024) and matures in 2027.
 - Furthermore, the Company's bonds have a 6-months DSRA.
- In 2023, cash in hands decreased mainly due to:
 - Higher cash received in the 2020-2022 period, when compared with 2020-2023 tariffs (DS7T). The Company paid a cash settlement in June 2023 for USD134 million for the tariff reassessment.
 - The Company distributed retained earnings for an amount of MCh\$201,630, in August 2023.
- Nonetheless, by the end of December 2023, the Company has an important level of cash on hands.
 - Own cash generation
 - CCS settlement gain (2Q2023)
 - New projects commissioned
 - Revenues indexation

Liquidity



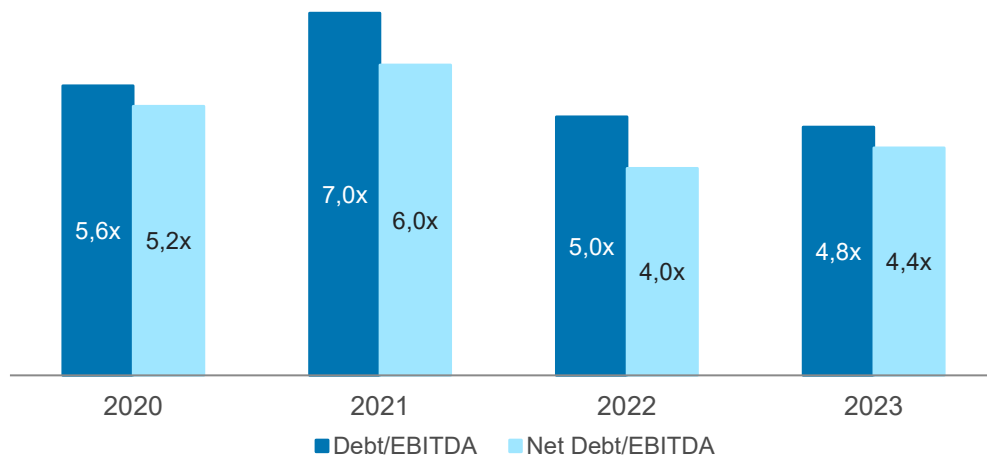
Cashflow From Operations



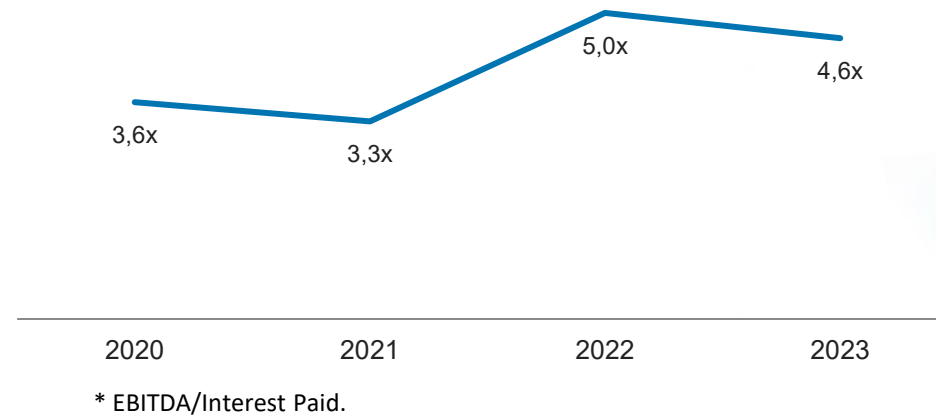
Strong Coverage Ratios

- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows.
- Net Debt to EBITDA ratio is in 4.4x. We have seen some decreases due to the adjustments to provisions in 4Q2022, impacting EBITDA positively (but not permanent effect) and the important levels of cash in hands kept in the company since 2020.
- Interest Expense coverage has remained above 3.0x (4.6x in 2023) affected by EBITDA as explained above.

Leverage



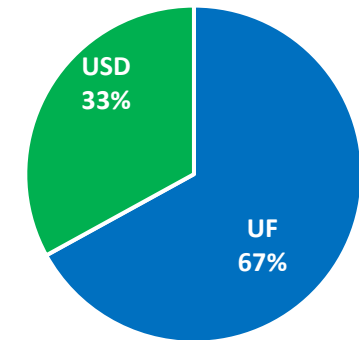
Interest Coverage*



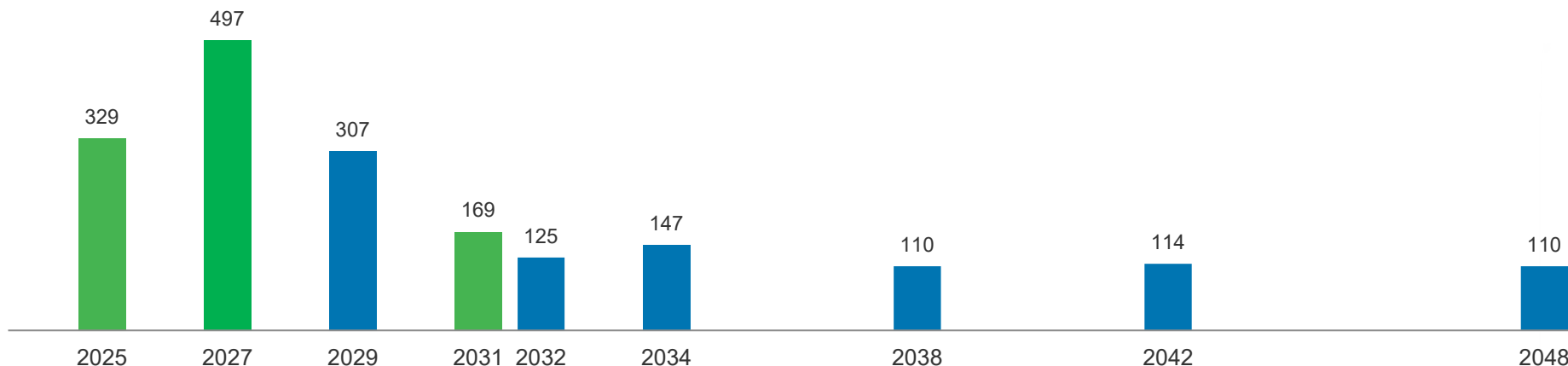
Public Debt Profile

- Transelec maintains a very manageable public debt maturity profile.
 - On April 19, 2023, Transelec S.A. issued local corporate bonds Series “V” and Series “X” for a total of UF 7,000,000, with attractive rates, extending its maturity profile.
 - On April 27, 2023, the Company made the pre-payment of the Senior Bond issued in 2013 for US\$300 million maturing on July 26, 2023.
- The Company has been able to obtain flexibility and a variety of sources for funding.
 - Next maturity is the Senior Bond issued in 2014 for US\$375 million.
- All public debt has fixed rates.
- Transelec balance sheet is fully hedged.

**Public Debt breakdown
by currency**



Public debt maturity profile (CLP billion)



Covenants

- As of December 31, 2023, the Company is in full compliance with all debt covenants present in our local bonds.

Minimum Equity > UF15 million ⁽¹⁾



2020 2021 2022 2023

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

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



2020 2021 2022 2023

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

(3) This metric replaced 'UF' Minimum Equity in series Q, V & X bonds.

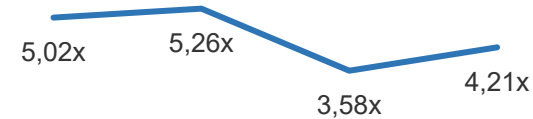
Debt / Capital < 0.70x ⁽⁴⁾



2020 2021 2022 2023

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

Net Debt / Ebitda < 7.0x ⁽⁵⁾⁽⁶⁾



2020 2021 2022 2023

(5) Total Other financial liabilities – Rights of use – (Cash & cash equivalent + Total Other financial assets – Total Finance leases receivable)

(6) EBITDA: Revenues – costs – adm.expenses + depreciation, amortization+ other income+ income from leasing

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You can find additional information in our web page:
<https://www.transelec.cl/investors/>



Ebitda Uses (2023)

	MUSD
Revenues	537
Ebitda	429
Interests paid	-99
Capex	-250
Upgrade Projects	-50
Expansion Projects /Acquisitions	-200
Dividends	-267
	-187