transelec

2024 Earnings

March 2025

Transelec at a Glance

2024

10,082 Km
of transmission lines

21,257 MVA
of transformation capacity

79*
substations

1,671 MW
of new connected renewable energies

366,180
million Chilean pesos EBITDA

US$4,665
millions total investment value of transmission assets

82%
EBITDA margin

BBB y Baa1
International risk classification

588
Collaborators

4**
accidents with lost time

39,928
hours of training

5,278,574**
Man-Hours Without Accidents

80
Initiatives with communities during 2024

over 150
micro companies from 20 communities benefited from the Growing Together with Energy program.

MM $1,209
investment in social programs

1,023 ton
recycled waste

* We have modified our definition of substation. A Transelec substation will be considered to be any substation that is so recognized by the authority through infotechnics, and that also complies with a) being part of Regulated Works awarded by Transelec, b) having been acquired, either by purchase or from the owner company, c) being part of dedicated projects built by Transelec, d) having an easement/lease contract for the land where the site is located.
**Include Contractors.

Key 2024 Projects

Transelec was awarded with two important projects that reflect its commitment to sustainability: our first installed capacity project for batteries with Copec and our first two regulated synchronous condenser projects. We also commissioned the New Jadresic substation, and acquired the company Ana María S.A., which owns transmission assets.

New Jadresic (Formerly Parinas) Substation

Inaugurated in August 2024, the new Jadresic substation in the Antofagasta Region increases the system's transmission capacity and facilitates the integration of renewable energies into the National Electric System. This infrastructure not only prevents energy loss but also allows for the connection of significant renewable projects like the Taltal wind park and Lalackama photovoltaic power station as well as the Lomas de Taltal (Engie) and Horizonte (Colbún) wind parks, the largest in Chile and Latin America.

In addition to the substation, we are making progress on the construction of the new Jadresic (formerly Parinas) - Monte Mina 2 x 500 kV line. It includes civil projects for the construction of the 220 kV Monte Mina substation and transmission line, which are located 180 km from Antofagasta. This project strengthens the transmission system and supports the country's energy transition.

Approximate investment: ~US$100 million.

Awarding of tender: february 2020

Execution time: 36 months

Contract duration: Perpetual.

BESS Project/Solar Farm Storage

Through its subsidiary GEA, Transelec is developing a large-scale battery energy storage system (BESS) to complement the "Solar Farm" wind park owned by COPEC in the Tarapacá Region. This project will store energy equivalent to the annual electricity consumption of over 60,000 homes, which can be injected into the National Electric System (SEN).

The system will have 105 MW of nominal injection power and 420 MWh of storage capacity, which will contribute to mitigating the high rate of renewable energy dumping. The project is expected to be commissioned during the first quarter of 2026, making the Solar Farm a renewable plant with storage capacity.

Transelec will be responsible for the construction, management, and operation of the storage system, ensuring its optimal performance and contribution to the national energy supply.

This initial storage contract marks a milestone in Transelec´s diversification strategy, complementing transmission services with water infrastructure.

Investment: ~US$ 100 million.

Awarding of tender: first semester of 2024.

Execution time: 20 months .

Contract duration: 20 years.

Synchronous Condensers

We have taken an important step in Chile's energy transition by being awarded the construction of the country's first two synchronous condensers. This equipment is key to improving the stability of voltage in the network and ensuring that the National Electric System operates safely when coal power plants are closed.

The condensers will be installed in the Ana María and Monte Mina substations in the Antofagasta Region and will play a key role in regulating energy fluctuations, especially as renewable energy sources replace thermoelectric plants, ensuring that major energy outages do not occur.

This project will be developed through GEA Transmisora SpA, a subsidiary of Transelec S.A.

Investment: ~US$ 300 million.

Awarding of tender: First semester of 2024.

Execution time: 45 months.

Contract duration: Perpetual.

Executive Summary

Transelec is the largest electrical transmission company in Chile and the main supplier of high voltage systems in the country with more than 10,000 kilometers of transmission lines.

- **In December 2024, the Company has a strong liquidity with its cash balances of CLP 353 million (~USD 354 million), in addition to a USD 250 million undrawn revolving credit facility allowing the company to comfortably meet:**
  - its obligations and daily operations
  - Its investments throughout the year,
  - while also ensuring a solid liquidity to cover the maturity of its international debt in January 2025.

- **Financial results reflect the strength of Transelec's revenue streams**
  - Generated EBITDA of CLP 366 billion (~USD367 million) as of December 31, 2024.
  - Maintains an EBITDA margin around 80%.

- **In 2024, Transelec recorded a net income of CLP132 billion (~USD 133 million).**

(USD figures have been translated with the FX of the end of December 2024 ($996.46), for referential purposes only).

Business Update

- During 2024, the Company incorporated the equivalent of ~US$70 million of facilities, which corresponds to three upgrades in the Zonal and National systems, two projects in the Dedicated system and three acquisitions.
- In June 2024, the Company distributed as dividend 30% of 2023 Net Income.
- On September 5th, the Company successfully issued bonds in the local market.
  - Series Y, for UF 1.5 million, 4-year bullet, was placed at a rate of 2.99% (UF)
  - Series AB, for UF 3.5 million, 21-year bullet, was placed at a rate of 3.20% (UF)
- During 2024, all ratings of the Company were reaffirmed.

Subsequent Events

- On January 14th, 2025, the Company paid of 2025 Senior Notes maturing for a total of US$375 million.
- On February 25, 2025, a power supply interruption occurred affecting the national territory from Arica to Chiloé. It is within the authority of the regulatory bodies to investigate the causes and responsibilities of the mentioned event, and thus, both the Superintendency of Electricity and Fuels and the National Electric Coordinator will conduct audits of various participants in the electricity industry (including Transelec) as part of the assessment of the incident's root causes.

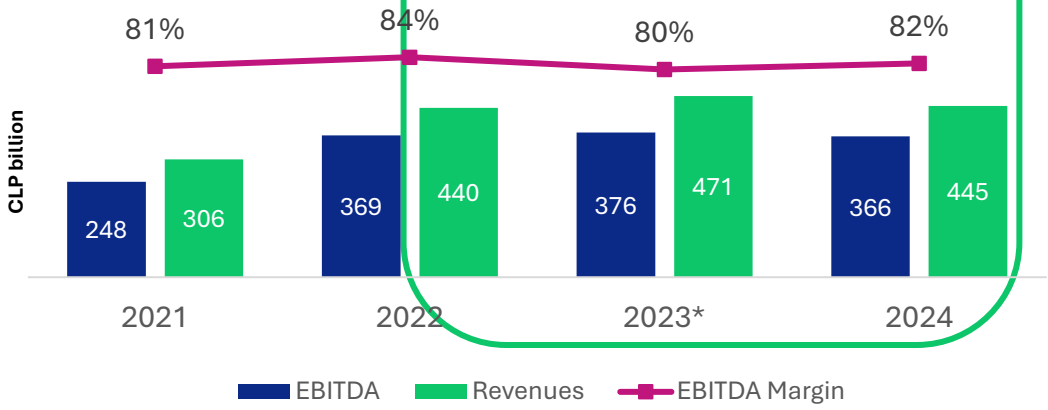
Revenue and Profitability

- **The low risk profile stands out, derived from the generation of stable and predictable cash flow, where 100% of the transmission revenues is not exposed to volume risk.**

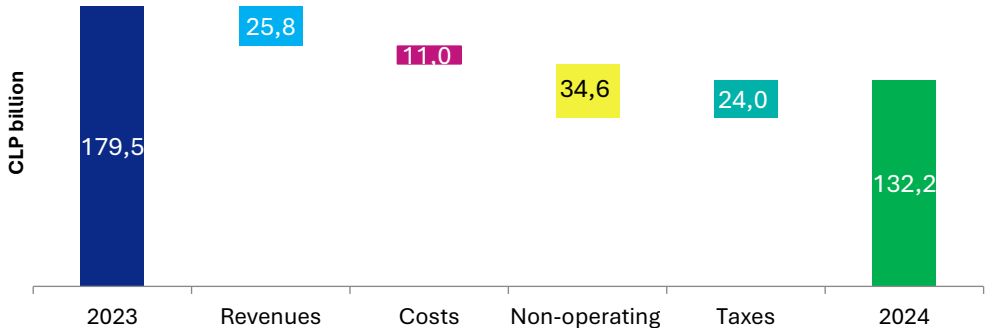
- **Transelec's revenues and EBITDA :**
  - Revenues in 2024 decreased 5.5% compared to 2023, a year in which a higher income was recorded due to a one-time effect (non-cash) lease contract of a commissioned dedicated project. In 2024, revenues were positively benefited from macroeconomic variables, the valuation of assets not included in the 2020-2023 tariff process, and commissioning of new projects, and negatively affected by contract renegotiations with Enel and other operational provisions.
  - EBITDA margin remains above 80%.

We have maintained stable revenues, exceeding $400 billion over the past three years, demonstrating the strength of our cash flows and the long-term nature of our business, ensuring sustainable economic value creation

EBITDA[1] & Revenues



Net Income

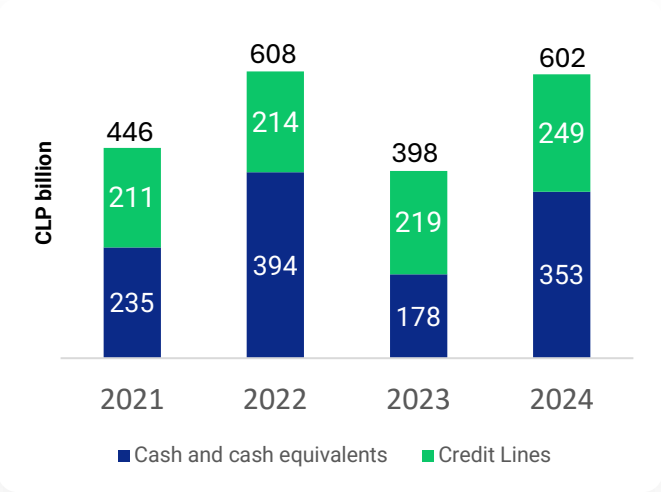


[1] EBITDA: Revenues – costs– adm.expenses + depreciation, amortization+ other income+ income from leasing
* Ebitda for 2023 is CLP 398 billion, but for comparison purposes we are showing in the graph an Adjusted EBITDA for 2023 of CLP 376 billion, which does not include a one-time effect on revenues from Quebrada Blanca 2 leasing accounting recognition.

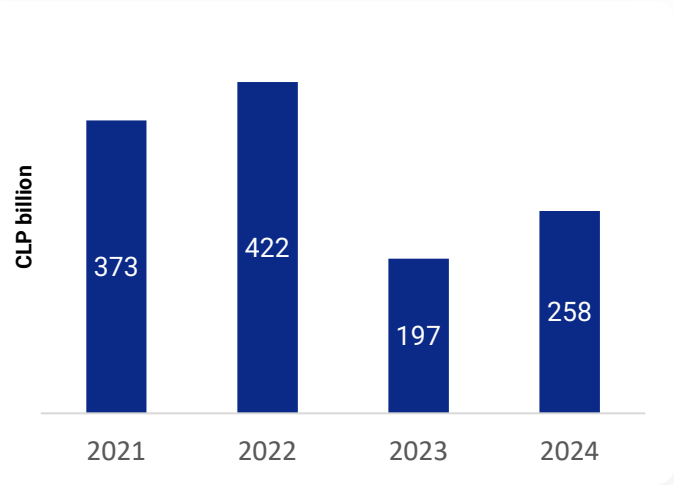
Solid Liquidity Position

- **In December 2024, Transelec's liquidity reached CLP602billion (USD604 million).**
  - This cash is expected to be used for project development and the 2025 bond refinancing in January 2025.
  - The revolving credit facility (RCF) is totally available for USD 250 million. It has been renegotiated in Feb2024 and matures in 2027.
  - Furthermore, the Company's bonds have a 6-months DSRA.
- **In 2024, cash in hands increased mainly due to the successful local bonds' issuance (UF5 million).**

Liquidity



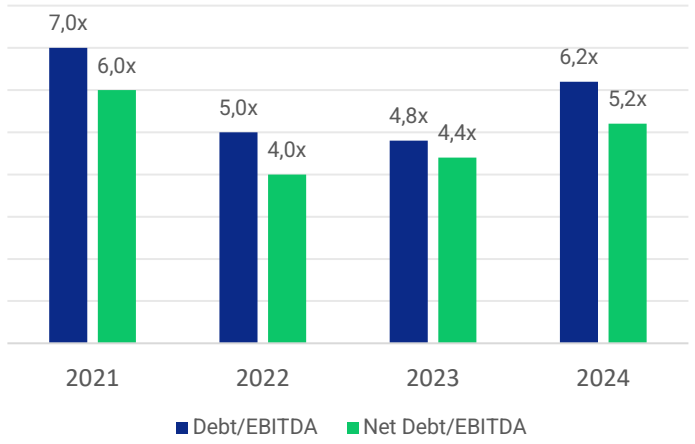
Cashflow From Operations



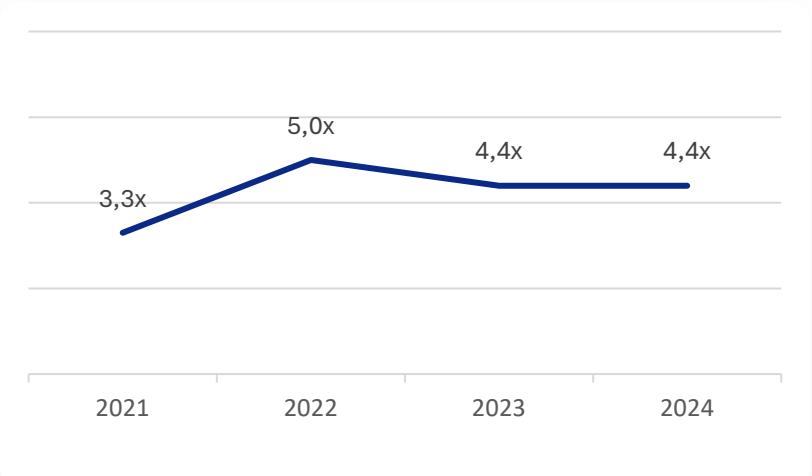
Strong Coverage Ratios

- Transelec' s strong coverage metrics are supported by low cost of debt and growing cash flows.
- Net Debt to EBITDA ratio is in 5.2x. This ratio has been affected by the additional debt issued in September 2024, while bond maturity is in January 2025.
- Interest Expense coverage has remained above 3.0x (4.4x in 2024).

Leverage



Interest Coverage*

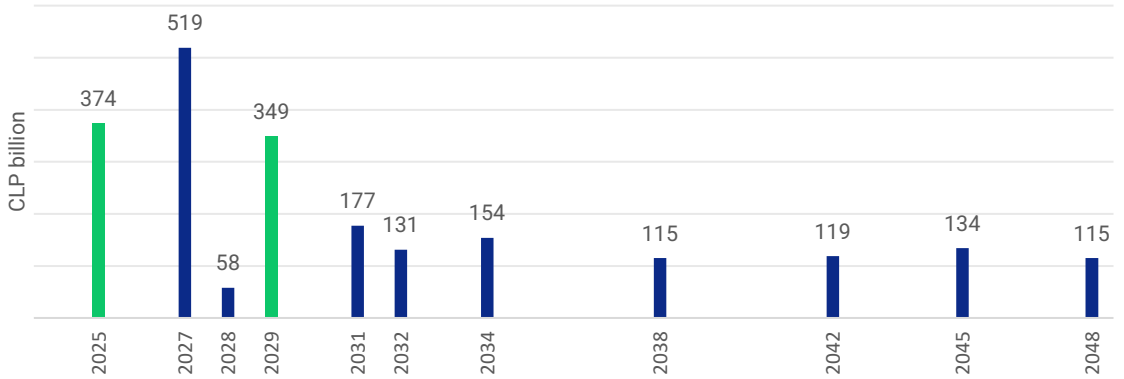


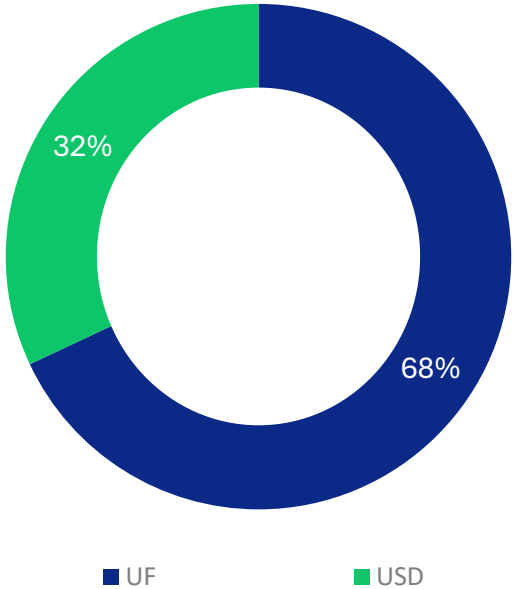
- EBITDA/Interest Paid

Public Debt Profile

On September 5th, Transelec carried out a successful issuance of bonds in the local market.

- **BNTRA-Y, for UF 1.5m, 4-year bullet, was placed at a rate of UF + 2.99% with a total demand of 3.0x, and**
- **BNTRA-AB, for UF 3.5m, 21-year bullet, was placed at a rate of UF + 3.20% with a total demand of 1.9x.**





Transelec maintains a very manageable public debt maturity profile.

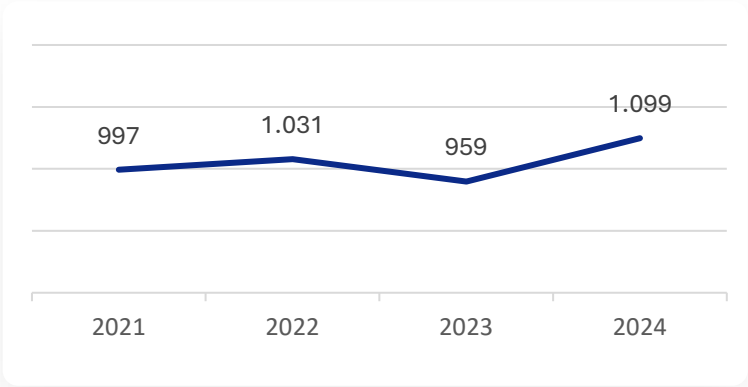
The Company has been able to obtain flexibility and a variety of sources for funding. **Senior Bond issued in 2014 for US$375 million has been paid at maturity in January 2025.**

All public debt has fixed rates.

Transelec balance sheet is fully hedged.

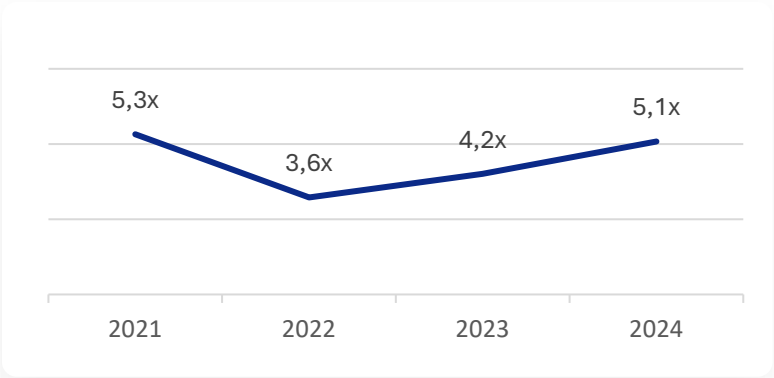
Full Compliance with Debt Covenants

Minimum Equity > CLP 350 billion (1)(2)



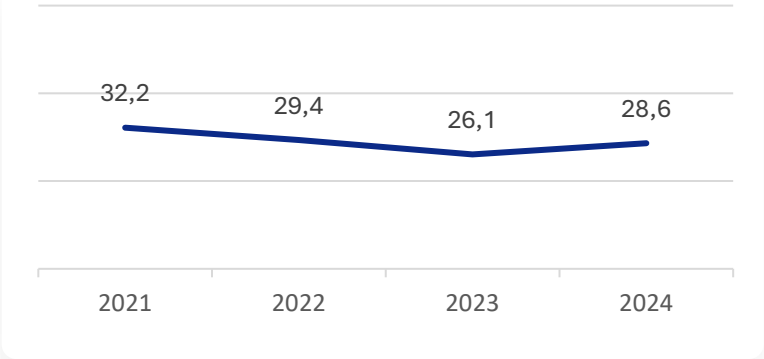
1) Equity attributable to the owners + Accumulated amortization of goodwill
2) This metric replaced 'UF' Minimum Equity in series Q, V & X bonds.

Net Debt / Ebitda < 7.0x (3)(4)



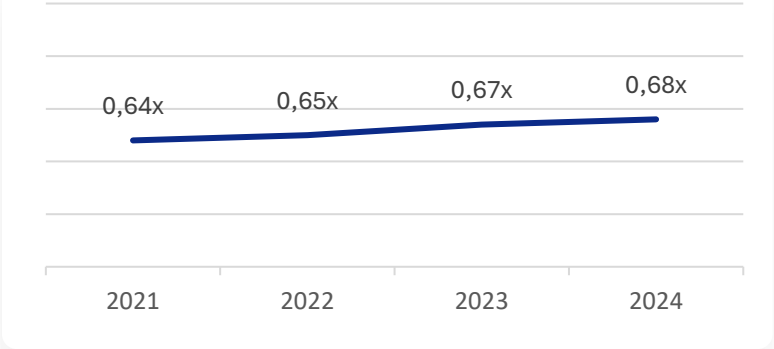
3) Total Other financial liabilities – Rights of use – (Cash & cash equivalent + Total Other financial assets – Total Finance leases receivable)
4) EBITDA: Revenues – costs – adm.expenses + depreciation, amortization+ other income+ income from leasing

Minimum Equity > UF15 million (5)



5) Equity attributable to the owners + Accumulated amortization of goodwill

Debt / Capital < 0.70x (6)



6) 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/investors/

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Thank you