transelec

1H2026 Earnings

July 2026

Business Update

- Revenues returned to their long-term growth trend, exceeding CLP 500 billion LTM as of June 2026, leaving behind the impact of the extraordinary retroactive provisions recorded in the first half of 2025.
- In February 2026, Transelec was fined by the SEC with 80,000 UTM (approximately USD 6.4 million) due to the temporary unavailability of the SCADA system during the recovery process following the February 2025 blackout. The company has filed an appeal and, as of June 30, keeps recorded a partial provision associated with this fine.
- On April 14, 2026, the Director of the SII (Chilean Internal Revenue Service) partially upheld the Hierarchical Appeals filed by the Company, which allowed for a significant reduction in a tax contingency determined in 2025. Regarding the matters not upheld at this stage, Management maintains its technical position and will evaluate the appropriate claim actions before the competent authorities.
- On July 31, 2026, the Tariff Stabilization Law was published, with measures focused on Distribution, but also including changes in Transmission to provide a formal path to reorder the tariff calendar, regularize inventories and reduce revenue volatility, giving higher certainty to final consumers and to transmission companies.

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2025: A Year of Major Challenges, Emerging Stronger

1 Blackout

2 Database

1 Blackout: Recovery Completed

Although Transelec was not responsible for the failure that caused the February 2025 nationwide blackout, as a key participant in the power sector it actively contributed to the restoration of electricity supply and incorporated the lessons learned into its operations. The blackout became a catalyst for strengthening Transelec's operational-resilience framework. The resulting improvements reduce recurrence and recovery risks and reinforce its capacity to operate critical infrastructure under extreme system conditions.

Event

- On February 25, 2025, Chile experienced a nationwide outage following a failure in a third-party transmission infrastructure.
- The blackout did not originate in Transelec's assets. However, as with other transmission companies, Transelec faced limitations during the system recovery process associated with the temporary unavailability of its SCADA system.
- The SEC imposed an 80,000 UTM sanction to Transelec (approx US$6.4 million) related to the temporary unavailability of the SCADA system, which has been appealed.

Chapter Closed

- Corrective measures have been implemented following a company-wide operational-resilience review.
- The SEC sanction was formally appealed and remains partially provisioned as of June 30, with a manageable impact relative to liquidity.
- The event is operationally closed, with no ongoing impact on operations, asset availability or service reliability.

Implemented Measures

1. **Control-Center Continuity**
   Implemented a hot–hot control-center architecture to preserve supervisory and control capabilities under severe contingencies.
2. **Integrated Technical Backbone**
   Added SCADA, power-backup, telecommunications and satellite-channel redundancy across the control architecture.
3. **Crisis Governance and Response**
   Roles, responsibilities and designated spokespersons were clarified for different levels and types of contingency.
4. **Critical-Role Capabilities**
   Training, simulations and competencies for personnel in control, communications and field operations were strengthened.

2 Assets Database Inventory: Reinforced Process

Transelec identified and corrected historical inconsistencies in its assets database, engaged proactively with the authorities, completed the financial reimbursement determined by the authority and reinforced the governance framework for critical regulatory information.

Event

- Historical inconsistencies were identified in the 2020–2023 tariff asset database prepared under the 2016 transmission law framework.
- Transelec proactively informed the Ministry of Energy, CNE and CEN in 2024, and submitted corrected information.
- The identified impact (US$135 million determined by the authority) was recognized and fully paid.
- An independent technical audit of the corrected inventory was awarded to IM3.

Operational Response

- Corrected information was submitted, provisions of lower revenues were recognized, and the financial reimbursement was completed.
- The independent audit provides a defined path to validate the corrected inventory which will have to follow the guidelines established in the new Tariff stabilization law.
- Permanent governance and control enhancements materially reduce recurrence risk.

Implemented Measures

1. **Governance and Ownership**
   Established a dedicated Data Management function with clear accountability.
2. **Controls and Documentation**
   Enhanced data validation, exception controls and review trails.
3. **Systems and Traceability**
   Improved audit trails, version control and change-management protocols.
4. **Oversight and Assurance**
   Embedded data risks into ERM, reinforced the three-lines-of-defense model.

2026 onwards: Stronger regulatory framework, stabilized metrics

Tariff Stabilization Law: Strengthening Cash Flow Certainty

The law was published on July 31, 2026. For transmission, it provides a formal path to reorder the tariff calendar, regularize inventories and reduce revenue volatility, giving higher certainty to final consumers and to transmission companies.
Sector-wide response to tariff backlog and pending true-ups. By-laws needed to implement the law remain pending

Inventory reporting
- New Art. 72°-9 LGSE enables voluntary reporting of material discrepancies
- Companies may submit regularization plans for authority approval
- Approved corrections avoid exclusion of facilities from tariff-setting

Decree 7T / tariff calendar
- Exceptional extension of Decree 7T through Dec-2028
- Additional time to complete VATT 2029–2032
- Preliminary technical report due by Sep-30-2027
- 20-year remuneration for expansion works is maintained

Classification & valuation basis
- CNE may extend current facility classification through 2032
- 2024–2027 valuation studies serve as basis for 2029–2032
- Current asset Inventories must be regularized by Dec-2026
- Facility records must be updated/completed by Mar-2027

Law relevance
- Higher certainty to final consumers and to transmission companies
- Restors and reinforces cash flow certainty, which had been subject to increased uncertainty due to structural delays in the four-year tariff-setting processes, requiring companies to recognize retroactive provisions and subsequent true-ups
- Reduces tariff timing and regulatory risk
- Improves visibility of recurring revenues, EBITDA and cash flows

Results - Highlights

ITEMS	June 2026 MCL$	June 2025 MCL$	Variation 2026/2025 MCL$	Variation 2026/2025 %
Revenues	**245,358**	**177,327**	**68,031**	**38.4%**
Operation Costs and Exper	**-81,159**	**-70,514**	**-10,645**	**-15.1%**
Operating Income	**164,199**	**106,813**	**57,386**	**53.7%**
Financial Income	6,428	6,949	-521	-7.5%
Financial Costs	-39,504	-37,470	-2,034	-5.4%
Foreign exchange difference	897	669	228	34.2%
Gain (loss) for indexed asset	-35,589	-28,251	-7,338	-26.0%
Other gains (losses)	940	91	849	931.1%
Non-Operating Income	**-66,829**	**-58,012**	**-8,817**	**-15.2%**
Income before Taxes	**97,370**	**48,801**	**48,569**	**99.5%**
Income Tax	-38,411	-13,899	-24,512	-176.3%
Net Income	**58,960**	**34,902**	**24,058**	**68.9%**
EBITDA[1]	**207,729**	**145,215**	**62,514**	**43.0%**
EBITDA Margin[2]	**84.7%**	**81.9%**	**2.8%**	

- **EBITDA: MCL$207,729 in June 2026, with 84.7% margin.**
  - Revenues: MCL$245,358. Revenues no longer include regulatory provisions with retroactive effects related to transmission asset valuation.
  - Operating Costs and Expenses: MCL$81,159, higher than June 2025, mainly due to higher maintenance costs.

International credit rating

Moody's Investors Service: Baa1
FitchRatings: BBB
Standard & Poor's: BBB-

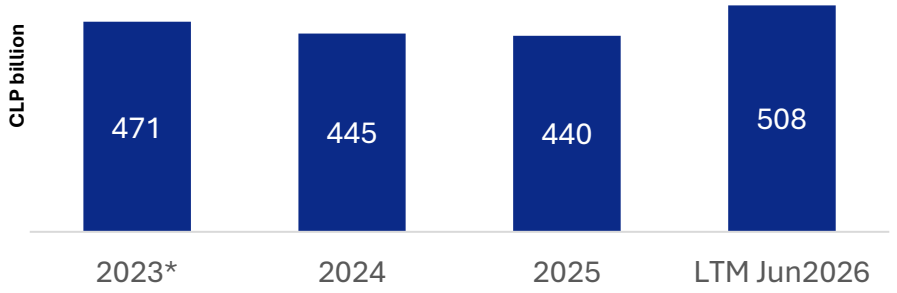
Local credit rating

Feller Rate Clasificadora de Riesgo: AA
Humphreys Clasificadora de Riesgo: AA
FitchRatings: AA

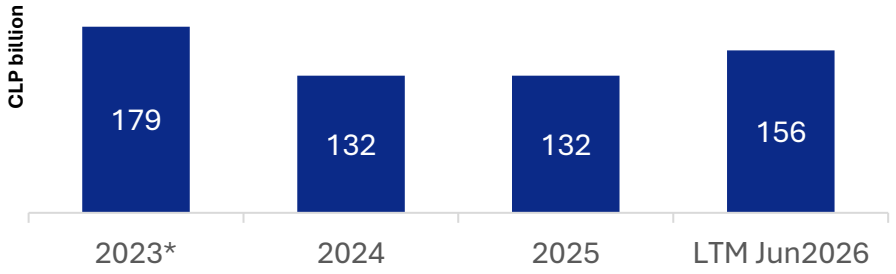
Revenue and Profitability

The company's low-risk profile is reinforced by its stable and predictable revenues, with 100% of transmission income shielded from volume risk, as they are based on installed capacity rather than consumption levels.

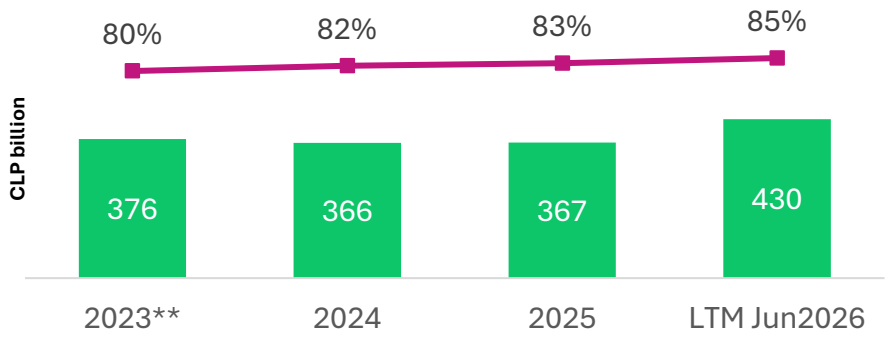
Revenues



Net Income



EBITDA[1] & EBITDA Margin



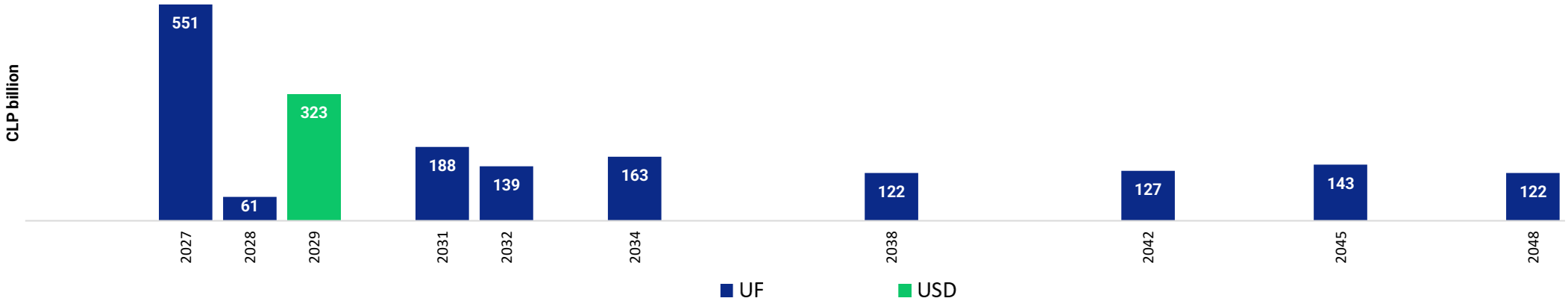
While the company's base revenue continues its long-term trend, specific provisions for lower revenues with retroactive effect impacted total income in 2024 and 2025. These provisions are non-recurring and no longer affect revenues from 2026 onward.

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

* 2023 revenues include US$ 27m additional revenue for a one-time effect due to leasing accounting, for comparison reasons this effect should be excluded
* *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.

Public Debt Profile: no maturity until Dec 2027

Projected public debt maturities



- Transelec's public debt maturity profile remains well within manageable levels.
- The Company has been able to obtain flexibility and a variety of sources for funding.
- Transelec balance sheet is fully hedged.
- No significant maturities prior to December 2027

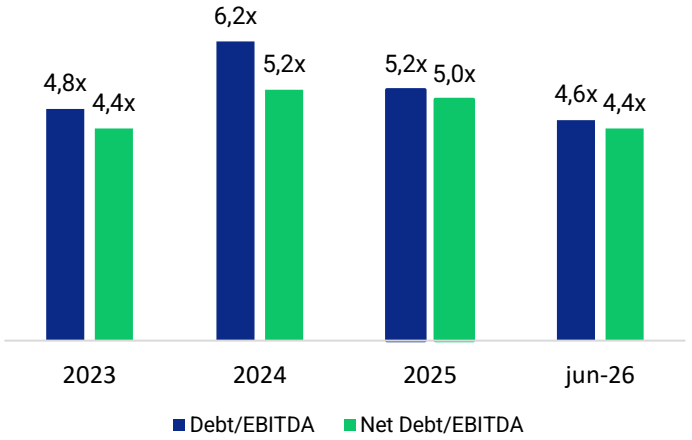
As of June 30, 2026, outstanding debt amounted to US$2,102 million

Strong Coverage Ratios

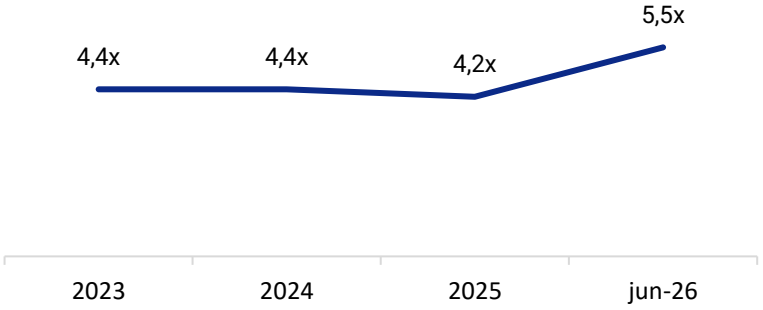
Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows, within a financial strategy focused on reducing risks, optimizing maturities, strengthening hedging, and maintaining adequate headroom with respect to financial covenants.

- Gross Debt to EBITDA ratio keeps improving considerably in June 2026 after 2024-25 provisions of lower revenues, due to database review, were left behind.

Leverage



Interest Coverage*

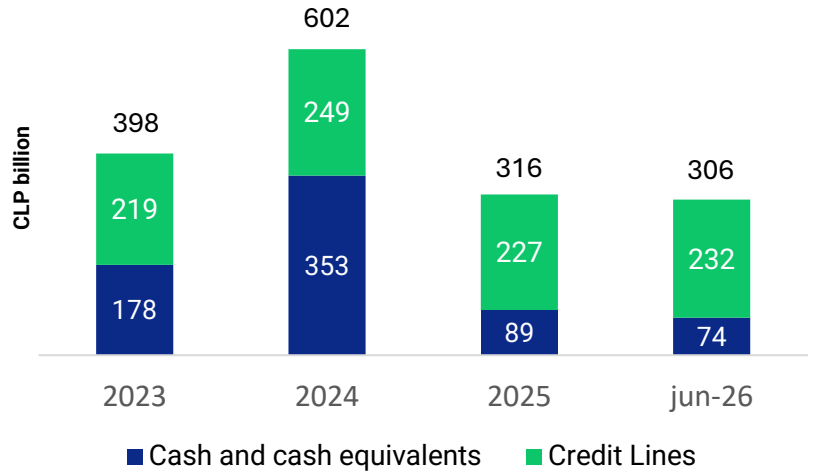


- EBITDA/Interest Paid

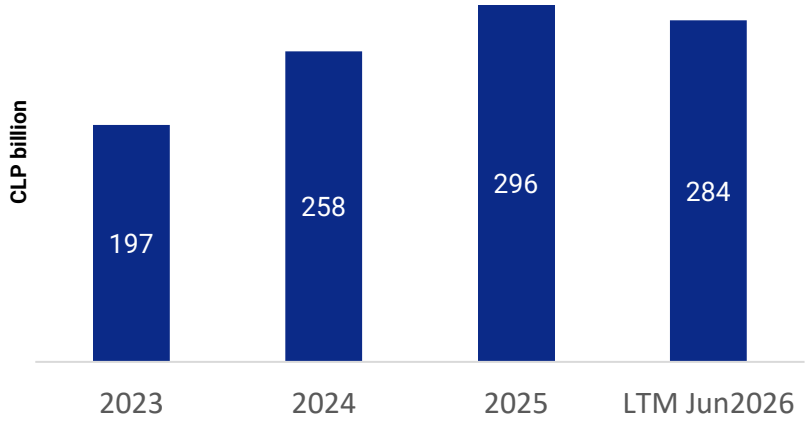
Solid Liquidity Position

- **In June 2026, Transelec's liquidity reached CLP306 billion (USD329 million).**
  - The revolving credit facility (RCF) is totally available for USD 250 million.
  - The Company bonds also maintain a six-month DSRA

Liquidity

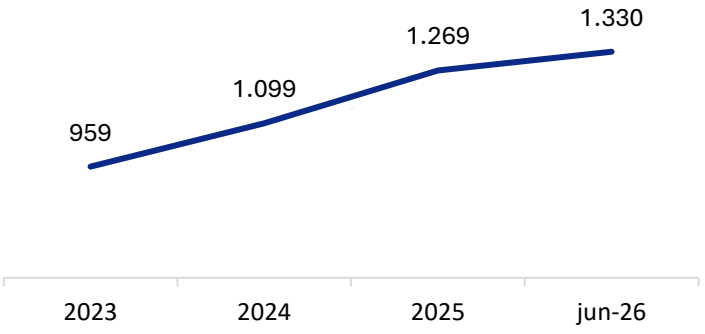


Cashflow From Operations



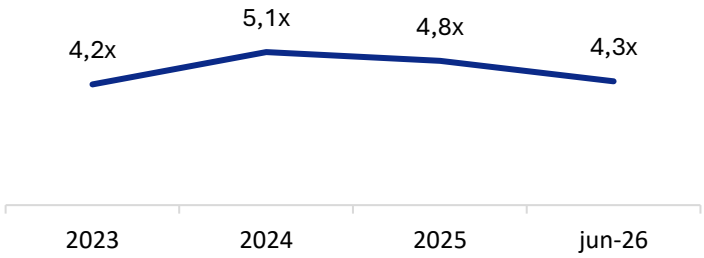
Full Compliance with Debt Covenants

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



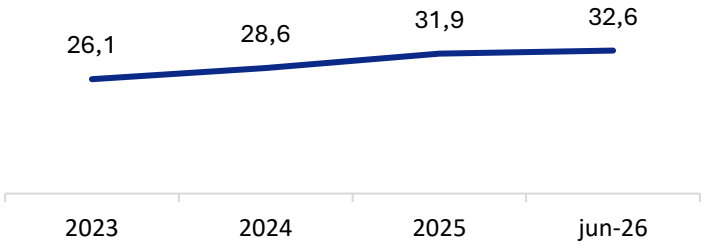
1) Equity attributable to the owners + Accumulated amortization of goodwill
2) This metric replaced 'UF' Minimum Equity in series Q, V & X bonds.

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



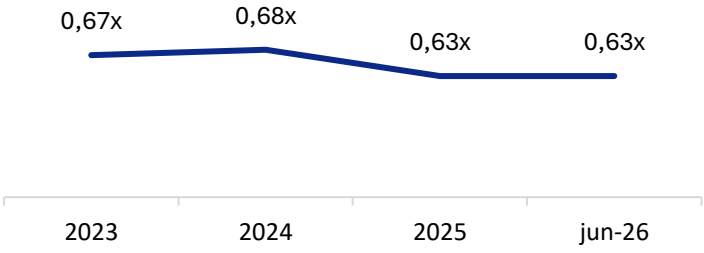
3) Total Other financial liabilities – Rights of use – (Cash & cash equivalent + Total Other financial assets – Total Finance leases receivable)
4) EBITDA: Revenues – costs – adm.expenses + depreciation, amortization+ other income+ income from leasing

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)

Contact Information

For additional information, please contact:

Martha Peredo

Head of Investor Relations

mperedo@transelec.cl

Javier Sauvageot

Finance Manager

jsauvageot@transelec.cl

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

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Thank you