



**Annual Green Bond Report of ISA INTERCHILE
June 2022**

1. Introduction

Interchile S.A. was formed by public deed under the laws of Chile, our activity is to design, build and operate electricity transmission systems that strengthen and optimize the transport of energy in Chile, to respond with quality and reliability to the energy needs of the country, enabling the energy transition and transporting clean energy to the national electricity matrix.

We are part of ISA, a multi-Latin company with more than 50 years of experience and leader in Latin America in electric power transport, road concessions, telecommunications and real-time management systems. ISA owns companies in several Latin American countries: Colombia, Brazil, Perú, Chile, Bolivia, Ecuador, Argentina, Panamá and Central America.

ISA is part of the Ecopetrol group.

2. Information of the green bond

Green Bond ISA INTERCHILE 2056	
Issuer	INTERCHILE S.A
Ratings	BBB+ (Fitch Ratings)
Format	144A/ Reg S
Type of debt	Green Bond
Size (USD)	USD 1.200 Million
Settlement	July 2021
Maturity	July 2056
Coupon	4,50%
Use of the proceeds	Finance and Refinance Green Proyects.
Listing	Singapore
Law	State of New York

The instrument listed on the Singapore Stock Exchange achieved:

- Long-term BBB+ rating by Fitch Ratings.
- Rating of Baa1 equivalent by Moody's.
- Certification of compliance with environmental, social and governance (ESG) criteria, evaluated by the specialized agency Sustainalytics.
- Double awards in the "Deal of the Year" (DOTY) awards, which seek to recognize the most outstanding agreements in the market. Those awards were in the Latin America Power and Overall Deal of the Year categories, being the highest prize awarded to any transaction closed during 2021 in the energy and infrastructure markets in Latin America.
- "ESG Deal of the Year" Award, presented by the prestigious finance magazine, Latin Finance.

The instrument listed on the Singapore Stock Exchange achieved:

- Second Party Opinion from Sustainalytics confirming that the Green Finance Framework is credible and impactful and aligns to the Green Bond and Green Loan Principles.
- Awarded the Latin America Power & Overall Deal of the Year awards by Proximo for the inaugural green bond issuance.
- Awarded the ESG Deal of the Year (2021) award by Latin Finance for the inaugural green bond issuance

3. Allocation of the use of funds

As of December 31st, 2021, all proceeds from the bond have been allocated to the following projects:

Interchile green bond		
Amount (MMUS\$)	Issuance Date	Rate
1.200	july-2021	4,5%

Project No.	Project	Amount (MMUS\$)	ESP Year	Type of Framework
P01	Cardones-Polpaico	1.066	2017-2019	Renewable Energy
P02	First circuit Encuentro - Lagunas	99	2017	Renewable Energy
P03	Second circuit Encuentro - Lagunas	19	2017	Renewable Energy
P04	Bank of autotransformers in S/E Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar	41	2017-2018	Energy Efficiency
P05	Expansion of bars S/E Nueva Cardones	3	2018	Energy Efficiency
P06	Expansion S/E Nueva Maitencillo and Nueva Pan de Azúcar	7	2021	Energy Efficiency
P07	New bank of autotransformers in S/E Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar	50	2020	Energy Efficiency
P08	Reactive compensation in 2x500 kV line in Nueva Pan de Azúcar and Polpaico substations	56	2021	Energy Efficiency
P09	Synchronized control, power switches for ATR 500/220 kV S/E Nueva Cardones, S/E Nueva Maitencillo and S/E Nueva Pan de Azúcar	1	2021	Energy Efficiency

3.1. Description of Main Projects

CARDONES-POLPAICO TRANSMISSION LINE (P01):

Currently our strategic infrastructure in Chile has two projects in operation, the Cardones – Polpaico 2x500 kV line and Encuentro - Lagunas 2x220 kV, through which we reached about 1,000 km of double circuit laying in the center - north of the country. Additionally, and associated with the Cardones-Polpaico project, the banks of autotransformers 1 and 2 have been put into operation in the Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar substations. And also the reactive compensation in the Line 2x500 KV Nueva Pan de Azúcar.

The operating startup of both lines have made possible the entrance of several renewable energy sources couldn't get into the system, due to the lack of transmission infrastructure, thus contributing to a cleaner, sustainable energy matrix with lower prices for people and companies.

TRANSMISSION LINE ENCUENTRO LAGUNAS (P02 –P03):

In June 2017 we started our operations in Chile with the start-up of the Encuentro Lagunas Transmission Line. A double circuit installation at 220 kV, which began operating in order to strengthen the electrical system of the Norte Grande and decongest the existing transmission lines in the area between the communes of Pozo Almonte and María Elena.

The Encuentro-Lagunas transmission line is an electric road that allows the delivery of energy between Tarapacá and Antofagasta regions.

It is a neuralgic point for the development of renewable sources where the Ana María photovoltaic solar project is currently under development which was interconnected in our line injecting renewable energy into the transmission system.

Benefits for Chile

Increased reliability in the northern part of the National Electric System (SEN).

Ensure continuity of supply in Arica, Iquique and northern Antofagasta.

EXTENSION OF THE NUEVA PAN DE AZÚCAR-POLPAICO (P06):

With the aim of delivering greater reliability to the system, along optimizing the distribution of reactive power flow and improving the voltage profile of the Nueva Pan de Azúcar – Polpaico section, of the Cardones – Polpaico line, we commissioned the last stage of the reactive compensation project of the "Nueva Pan de Azúcar – Polpaico 2×500 kV" section by energizing an innovative SVCPLUS in 500 kV in the substation located in the Coquimbo Región.

This project represented an investment of approximately US\$ 56 million and had the coordinated work of more than 45 companies and almost 1,000 professionals in its different phases, among which the Siemens Chile Consortium, Siemens Germany, H MV, leading companies of the site, and WSP as a technical site inspector.

EXPANSION OF CARDONES-POLPAICO SUBSTATIONS (P05):

Specifically, the expansion of Nueva Pan de Azúcar translates into the installation of central cut switches and GIS (Gas Insulated Substation) bar extensions, in a warehouse specially enabled to receive the connection of new electricity transmission projects within the framework of the Transmission Expansion Plan.

As a way to continue contributing to renewable sources continuing to increase their presence and continue to strengthen the National Electric System, in 2021 we concluded the expansion works in the Nueva Pan de Azúcar and Nueva Maitencillo Electric Substations, which will allow other transmission projects to be connected to the 220kV system.