Tear Sheet:

Celeo Redes Operacion Chile S.A.

July 8, 2026

This report does not constitute a rating action.

What's new: Celeo Redes Operación Chile S.A. (CROCH) has not yet defined the capital structure for the construction of a second circuit (CHATE 2C) for Charrúa Transmisora de Energía S.A. (CHATE). However, the company has secured a $25 million working capital loan from Scotiabank Chile on June 26, 2026, which is permitted under its existing debt documentation, to start the construction of the $106 million CHATE 2C project. The latter, once operational, will contribute annual remuneration (VATT) of $10.8 million. These initial activities include the engineering project, the purchase of initial equipment, and the process of obtaining necessary permits.

The working capital loan features a three-year term with a bullet repayment and carries a floating interest rate tied to the six-month SOFR plus a spread of 1.65%. While the loan does not pledge the assets as guarantee, we deem the facility will rank pari passu to the existing senior secured debt in the order of payment, as it is not a subordinated loan. The company will disburse the debt by March 2027 to meet the initial investment requirements of CHATE 2C. Elecnor Chile (not rated) won the engineering, procurement, and construction (EPC) contract for the CHATE 2C project through a competitive bidding process, acting under a turnkey, fixed-price contract.

Why it matters: We are now incorporating the interest payments of the working capital loan into our analysis through June 2029. This inclusion is neutral to our assessment, given the cushion provided by CROCH's debt service coverage ratios (DSCR) in the short term, with our estimates projecting a minimum DSCR of 1.19x in 2039, including a 15% haircut applied on the reset following the first 20-year fixed-rate period. Considering the servicing costs of the new debt, we expect DSCRs to remain solid for the rating, ranging between 1.30x and 1.35x during 2026-2029.

We still don’t assign construction risk to CROCH because CHATE 2C's full financing structure remains undefined. We expect the project to finalize these arrangements within the next 36 months, prior to the maturity of the working capital loan, and to repay the latter using proceeds from new debt or a combination of debt and equity, and which would be subject to a rating affirmation. Furthermore, we consider the initial works to be relatively simple, as they primarily involve engineering projects and equipment procurement. We will assign construction risk once the project defines its project-level arrangements and funding conditions.

Outlook

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The stable outlook reflects our view that CROCH's DSCR will remain around 1.30x in the next 12-24 months considering the new working capital debt to finance initial construction works of CHATE 2C, with a minimum DSCR of 1.19x in 2039. We expect the project to continue generating stable cash flow thanks to its perpetual asset granting fixed prices for most of its assets, the availability levels above the minimum regulatory requirement, and the rate reset after the first period of 20 years.

Downside scenario

A downgrade in the next two years is possible if the project's revenue is lower than we expect, for instance, because of a substantial drop in inflation (either Chilean or U.S. inflation), or higher-than-projected costs or income taxes resulting in a minimum DSCR below 1.175x while the project's downside resilience diminishes. We could also lower our rating if regulatory changes alter the project's cash flow stability, which could weaken DSCRs and our assessment of the regulatory framework.

Upside scenario

Although it's unlikely in the next 12 to 24 months, we could upgrade CROCH if its resilience to the downside case scenario increases while it maintains a minimum DSCR above 1.30x.

Project Summary

Project profile

Project rating	BBB/Stable/--
Outstanding debt (as of year)	$508.5 million (as of March 31, 2026)
Debt maturity	June 22, 2047
Year of issuance	2017
Project status	Operating
Type	Transmission line
Location	Chile
OPBA	3
Minimum DSCR (year)	1.19x (2039)
Median DSCR	1.25x

Our operations phase business assessment (OPBA) ranges from 1 to 12, with 1 indicating the lowest risk. DSCR--Debt service coverage ratio.

Project Description

CROCH operates two trunk transmission lines in Chile's power grid. The assets benefit from perpetual concessions granted by the Ministry of Energy where revenue isn't subject to demand risk and isn't based on the utilization rate of the lines. The project's assets consist of Alto Jahuel Transmisora de Energía S.A. (AJTE) and CHATE.

- AJTE is a 256-kilometer, 500-kilovolt transmission line that consists of two circuits. AJTE circuit 1 is entitled to receive fixed availability payments until 2035, and AJTE circuit 2 receives the same type of payments with reviews every four years, currently representing about 20% of

total revenues. AJTE circuit 1 has been operating since September 2015, and AJTE circuit 2 since January 2016.

- CHATE is a single 198-kilometer circuit that began commercial operations in December 2017 and is entitled to receive fixed availability payments until 2037.

CROCH is starting the construction of CHATE 2C, with expected commercial operations date in May 2030. A decree released in May 2025 confirmed the project's VATT of $10.8 million, which will be fixed and adjusted for inflation for 20 years and reviewed every four years thereafter.

Environmental, Social, And Governance

Environmental, social, and governance aspects are neutral considerations in our credit analysis of CROCH.

Rating Component Scores

Senior debt issue rating

Operations phase (senior debt)

Asset class operating stability	3
Operations phase business assessment	3
Preliminary operations phase SACP	bbb-
Downside resiliency assessment and impact	Moderate (Neutral)
Median DSCR impact	Neutral
Debt structure impact	Neutral
Liquidity impact	Neutral
Refinancing impact	N/A
Future value modifier impact	Positive (+1 notch)
Holistic analysis impact	Neutral
Structural protection impact	Neutral
Counterparty assessment impact	No impact at this stage
Operations phase SACP	bbb
Parent linkage and external influences (senior debt)	
Parent linkage	Delinked
Project SACP	bbb
Extraordinary government support	Neutral
Sovereign rating limits	A/Stable/--
Full credit guarantees	N/A

DSCR--Debt service coverage ratio. ICR--Issuer credit rating

Related Criteria

- Criteria | Infrastructure | General: General Project Finance Rating Methodology, Dec. 14, 2022

- Criteria | Infrastructure | General: Sector-Specific Project Finance Rating Methodology, Dec. 14, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of July 08, 2026)*

Celeo Redes Operacion Chile S.A.	
Senior Secured	BBB/Stable
US$379 mil 5.20% nts ser A due 06/22/2047	
Foreign Currency	BBB/Stable

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country.

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