

1Q20 EARNINGS

REVIEW

MAY 2020

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- This presentation may contain forward-looking statements concerning Colbún's future performance and should be considered as good faith estimates by Colbún S.A.
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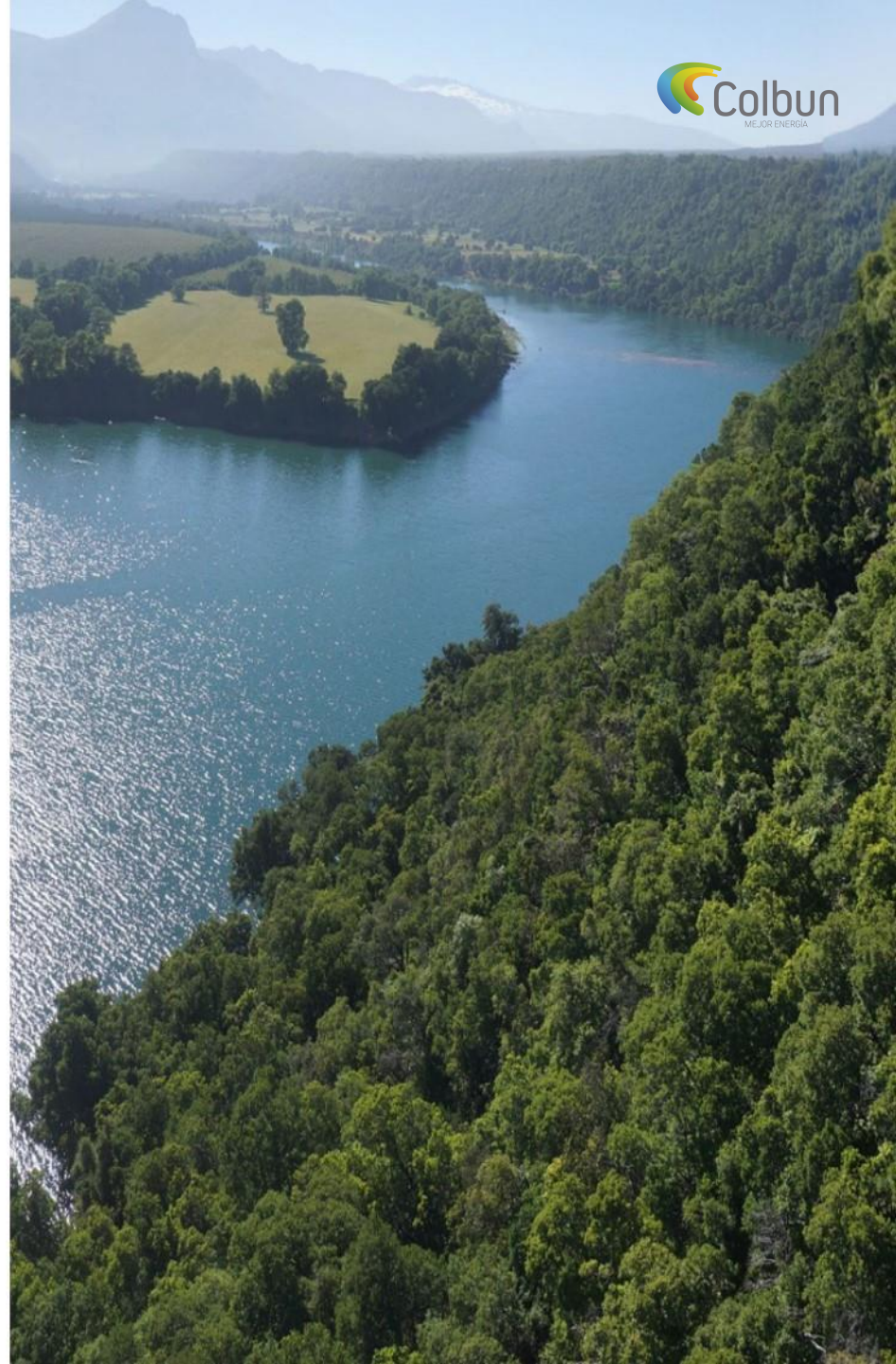
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AGENDA

HIGHLIGHTS OF THE QUARTER

FINANCIAL REVIEW

GROWTH OPPORTUNITIES



HIGHLIGHTS OF THE QUARTER

1Q20



1. COVID-19 PANDEMIC

- Colbún's power plants are operating normally and the Company has taken actions:
 1. To protect the health of workers, collaborators, suppliers and our surrounding communities
 2. To ensure the continuity and security of the energy supply

2. FINANCING ACTIVITIES

2.1. Liability Management

- Colbun issued a new bond series in the international market for US\$500 million, with a coupon rate of 3.15% and a 3.33% yield
- US\$343 million were used to partially refinance the US\$500 million bond of the same type that matured on 2024

2.2. Two new lines of local bonds

- For a combined amount of UF 7 million, with terms of 10 and 30 years.

3. DIVIDEND DISTRIBUTION

- The Annual Shareholders Meeting agreed to distribute a total dividend of US\$253.0 million, which consists of:
 1. A final dividend of US\$110.6 million, which added to the US\$92.4 million paid in December 2019 would amount to 100% of 2019's distributable net profit
 2. An additional from accumulated profits for US\$50 million



4. FENIX POWER PLAN AVAILABILITY

- Lower availability due to the repairment of the GT12 gas turbine and a preventive maintenance to the GT11 gas turbine
- Since March 17, the plant is 100% available, but has not been dispatched

Company highlights

1Q20 main consolidated figures

US\$ **172** mm
EBITDA

 Gx US\$134 mm / Tx US\$18 mm
 US\$20 mm

1.2x
Net Debt/
EBITDA LTM

3,811 MW
Inst. Capacity
 3,244 MW /  567 MW

US\$ **41** mm
Net Income

3.9%
Avg. Interest Rate¹

25
Power Plants
 24 /  1

US\$ **980** mm
Cash

BBB S&P/Fitch
Baa2 Moody's
Ratings

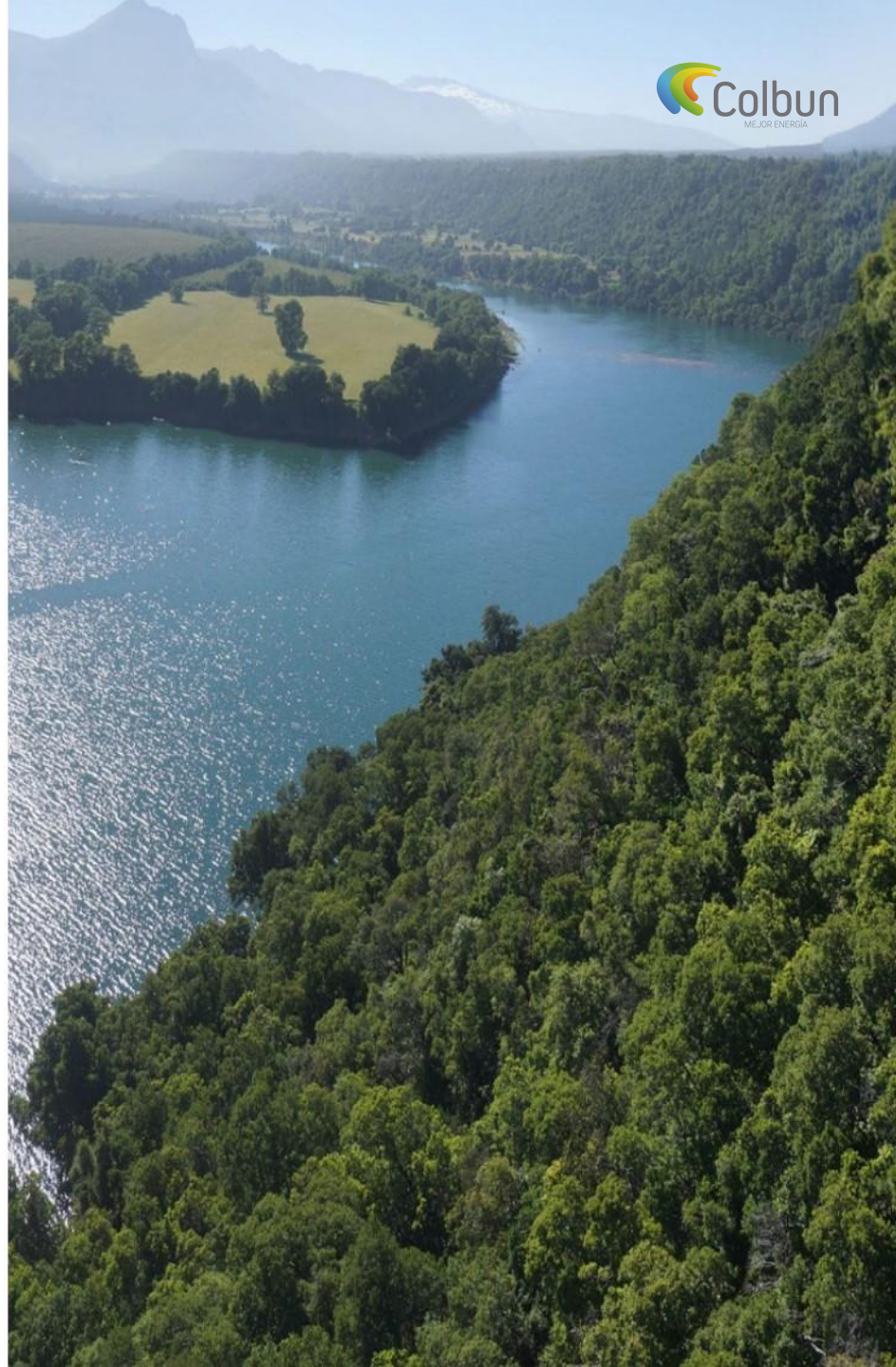
942 km Tx Lines
31 Substations

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GROWTH OPPORTUNITIES



Generation (GWh)	1Q19	1Q20	QoQ
Hydraulic	1,194	1,120	(6%)
Thermal	2,114	1,838	(13%)
Gas	1,363	1,190	(13%)
Diesel	52	31	(39%)
Coal	699	617	(12%)
VRE*	27	26	(1%)
Wind Farm**	20	20	(2%)
Solar	6	7	3%
Total Generation	3,334	2,984	(10%)

Sales Volume (GWh)	1Q19	1Q20	QoQ
Regulated Clients	1,086	788	(27%)
Unregulated Clients	1,492	1,684	13%
Total Commitments	2,579	2,472	(4%)
Sales to the Spot Market	695	422	(39%)
Total Energy Sales	3,274	2,894	(12%)

Spot Market (GWh)	1Q19	1Q20	QoQ
Sales	695	422	(39%)
Purchases	0	0	-
Spot Market Balance	695	422	(39%)

MAIN VARIATIONS 1Q20 / 1Q19

- **Total generation** decreased, mainly due to:
 - Lower gas, coal and hydro generation
- **Physical sales** decreased, mainly due to:
 - Lower sales to regulated clients and to the spot market
 - Partially offset by higher sales to unregulated clients
- **Spot market balance** registered net sales for 422 GWh, compared with the net sales for 695 GWh in 1Q19, as a result of the lower generation of the quarter.

(*): Variable renewable energy (VRE).

(**): Corresponds to the energy purchased from Punta Palmeras wind farm owned by Acciona.

Operating Income (Loss) (US\$ million)	1Q19	1Q20	QoQ
Revenues	328.8	289.8	(12%)
Raw Materials and Consumables Used	(177.8)	(136.5)	(23%)
Gross Profit	151.0	153.2	1%
Personnel and other operating expenses	(21.6)	(18.9)	(13%)
Depreciation and Amortization	(47.8)	(46.7)	(2%)
Operating Income (Loss)	81.5	87.7	8%

EBITDA (US\$ million)	1Q19	1Q20	QoQ
EBITDA	129.4	134.3	4%
EBITDA Margin (%)	39%	46%	

MAIN VARIATIONS 1Q20 / 1Q19

- Revenues** decreased, mainly due to:
 - Lower physical sales to regulated clients and to the spot market
 - Lower contract average price for both unregulated and regulated clients
- Raw Materials and Consumables Used** decreased, mainly explained by:
 - Lower gas consumption
 - Lower transmission costs
- EBITDA** totaled US\$134 million, 4% higher compared to 1Q19, mainly due to a decrease in the gas generation cost; and to lower expenses denominated in local currency.

Tx Business in Chile: Operating Income analysis

Operating Income (Loss) (US\$ million)	1Q19	1Q20	QoQ
Revenues	22.0	22.7	3%
Raw Materials and Consumables Used	(2.4)	(4.1)	-
Gross Profit	19.6	18.6	(5%)
Personnel and other operating expenses	(0.1)	(0.2)	83%
Depreciation and Amortization	(3.6)	(2.7)	(25%)
Operating Income (Loss)	15.9	15.7	(2%)

EBITDA (US\$ million)	1Q19	1Q20	QoQ
EBITDA	19.5	18.4	(6%)
EBITDA Margin (%)	89%	81%	-

MAIN VARIATIONS 1Q20 / 1Q19

- **Revenues** increased, mainly due to:
 - Fee income reassessments for the years 2018 and 2019
- **EBITDA** totaled US\$18 million, 6% lower compared to 1Q19 mainly due to an increase in raw material costs explained by non-recurring expenses associated with maintenance services.

Generation (GWh)	1Q19	1Q20	QoQ
Thermal - Gas	932	343	(63%)
Total Generation	932	343	(63%)

Sales Volume (GWh)	1Q19	1Q20	QoQ
Customers under contract	753	625	(17%)
Sales to the Spot Market	189	-	-
Total Energy Sales	942	625	(34%)

Spot Market (GWh)	1Q19	1Q20	QoQ
Sales	189	-	-
Purchases	33	296	-
Spot Market Balance	156	(296)	-

MAIN VARIATIONS 1Q20 / 1Q19

- **Total generation** decreased, mainly due to:
 - Lower availability of the plant
 - Lower economic dispatch explained by the State of Emergency decreed since March 16.

- **Physical sales** decreased, explained by:
 - Lower sales in the spot market
 - Lower sales to customers under contract as a result of the State of Emergency

- **Spot market balance** recorded net purchases of 296 GWh, compared to the net sales of 156 GWh during 1Q19, due to the lower generation of the quarter.

Operating Income (Loss) (US\$ million)	1Q19	1Q20	QoQ
Revenues	42.0	37.7	(10%)
Raw Materials and Consumables Used	(23.5)	(16.0)	(32%)
Gross Profit	18.5	21.7	18%
Personnel and other operating expenses	(2.0)	(2.1)	11%
Depreciation and Amortization	(10.9)	(11.2)	3%
Operating Income (Loss)	5.6	8.4	50%

EBITDA (US\$ million)	1Q19	1Q20	QoQ
EBITDA	16.5	19.7	19%
EBITDA Margin (%)	39%	52%	-

MAIN VARIATIONS 1Q20 / 1Q19

- Revenues** decreased, mainly due to:
 - Lower sales in the spot market
 - Lower sales to unregulated clients
- Raw Materials and Consumables Used** decreased, mainly explained due to:
 - Lower gas consumption
 - Partially offset by higher spot market purchases register during the quarter
- EBITDA** totaled US\$20 million, 19% higher compared to 1Q19

Non-Operating Income (Loss) (US\$ million)	1Q19	1Q20	QoQ
Financial Income	6.4	5.0	(21%)
Financial Expenses	(22.9)	(22.5)	(2%)
Exchange Rate Differences	1.3	(4.8)	-
Profit (Loss) of Companies Accounted for Using the Equity Method	2.2	2.3	9%
Other Profits (Losses)	(4.5)	(29.4)	-
Non-Operating Income (Loss)	(17.5)	(49.4)	-

Net Income (US\$ million)	1Q19	1Q20	QoQ
Profit (Loss) Before Taxes	85.6	62.4	(27%)
Income Tax Expense	(20.0)	(21.9)	10%
Net Income	65.5	40.5	(38%)

MAIN VARIATIONS 1Q20 / 1Q19

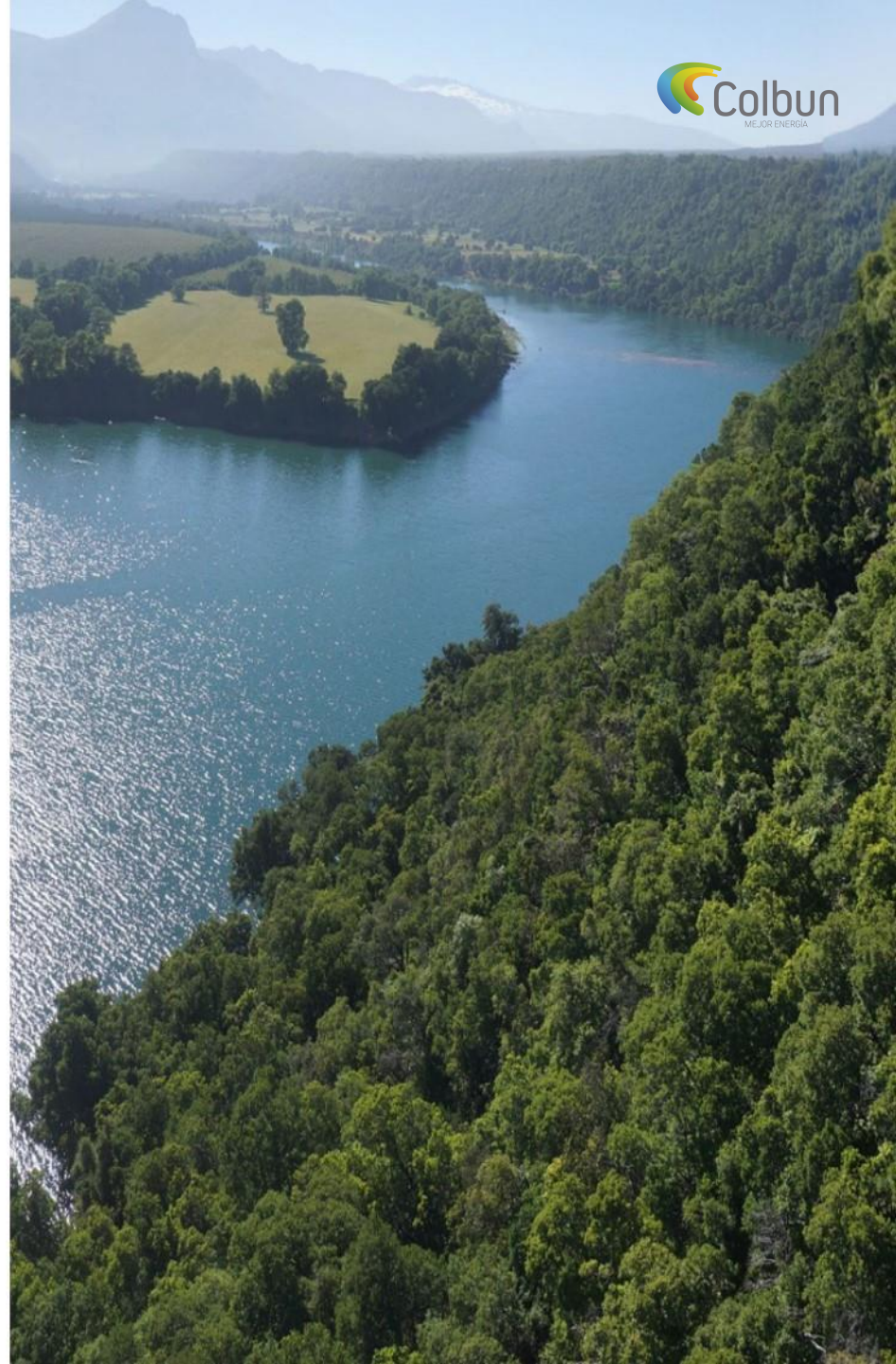
- **Non-operating income** recorded higher losses, mainly explained by:
 - Higher “Other losses” associated to the liability management carried out during the quarter
 - Negative effect of the variation of the exchange rate CLP/US\$
- **Net income** totaled US\$41 million, 38% lower compared to 1Q19

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GROWTH OPPORTUNITIES



Attractive portfolio of growth options

Expansion considerations

LOCAL EXPANSION

Generation Business

1. Pipeline of Renewable Projects
 - a. Horizonte wind farm (607 MW)
 - b. Diego de Almagro Sur I and II photovoltaic projects (200 MW)
 - c. Inti Pacha photovoltaic project (430 MW)
 - d. Jardin Solar photovoltaic project (450 MW)
 - e. Machicura photovoltaic project (10.5 MW)
 - f. Other wind and solar projects in early stages of development
2. M&A Opportunities
3. Purchase energy from third parties

Transmission Business

1. Expansion and enhancement of the Company's current transmission assets
2. Total awarded investment value: ~US\$50 million

INTERNATIONAL EXPANSION

1. Preference for assets in operation (brownfields)
2. Incorporate partners with local knowledge but maintain control
3. Investment amounts subject on maintain investment grade international ratings

