

2Q20 EARNINGS REVIEW

JULY 2020

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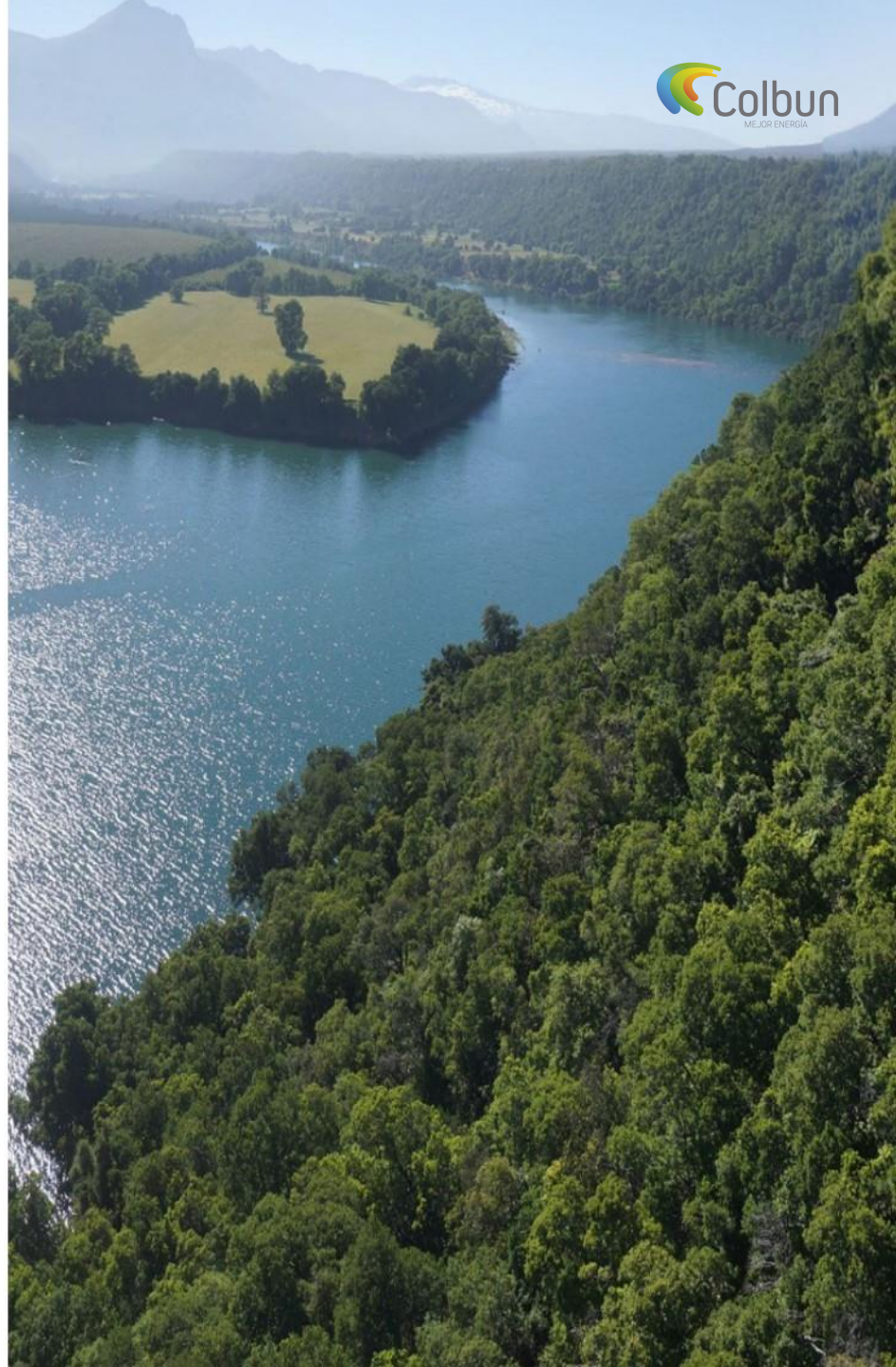
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AGENDA

HIGHLIGHTS OF THE QUARTER

FINANCIAL REVIEW

GROWTH OPPORTUNITIES



HIGHLIGHTS OF THE QUARTER

2Q20

1. COVID-19 PANDEMIC

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

2. PROJECTS PIPELINE

- On June 2020, the Board approved the construction of two photovoltaic projects:
 - a. **Diego de Almagro Sur I and II (220 MW):**
 - The start of construction is scheduled for 3Q20 and commissioning for 1Q22
 - The investment approved for this project is US\$ 147 million
 - b. **Machicura (9MW):**
 - The start of construction is scheduled for 3Q20 and commissioning for 1Q21
 - The investment approved for this project is US\$ 7 million.



3. FENIX POWER GAS SUPPLY CONTRACT

- In June 2020 a modification to the gas supply contract with Pluspetrol was signed, which mainly introduced the following changes:
 - a. ToP (take or pay) clause was significantly reduced
 - b. The allotted maintenance period was increased
 - c. The contract was extended until December 2029
 - d. These changes were applied to the contract retroactively from Dec-19 onwards

Company highlights

2Q20 main consolidated figures

US\$ **155** mm
EBITDA

 Gx US\$123 mm / Tx US\$19 mm
 US\$14 mm

1.2x
Net Debt/
EBITDA LTM

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

US\$ **50** mm
Net Income

3.9%
Avg. Interest Rate¹

25
Power Plants
 24 /  1

US\$ **854** mm
Cash

BBB S&P/Fitch
Baa2 Moody's
Ratings

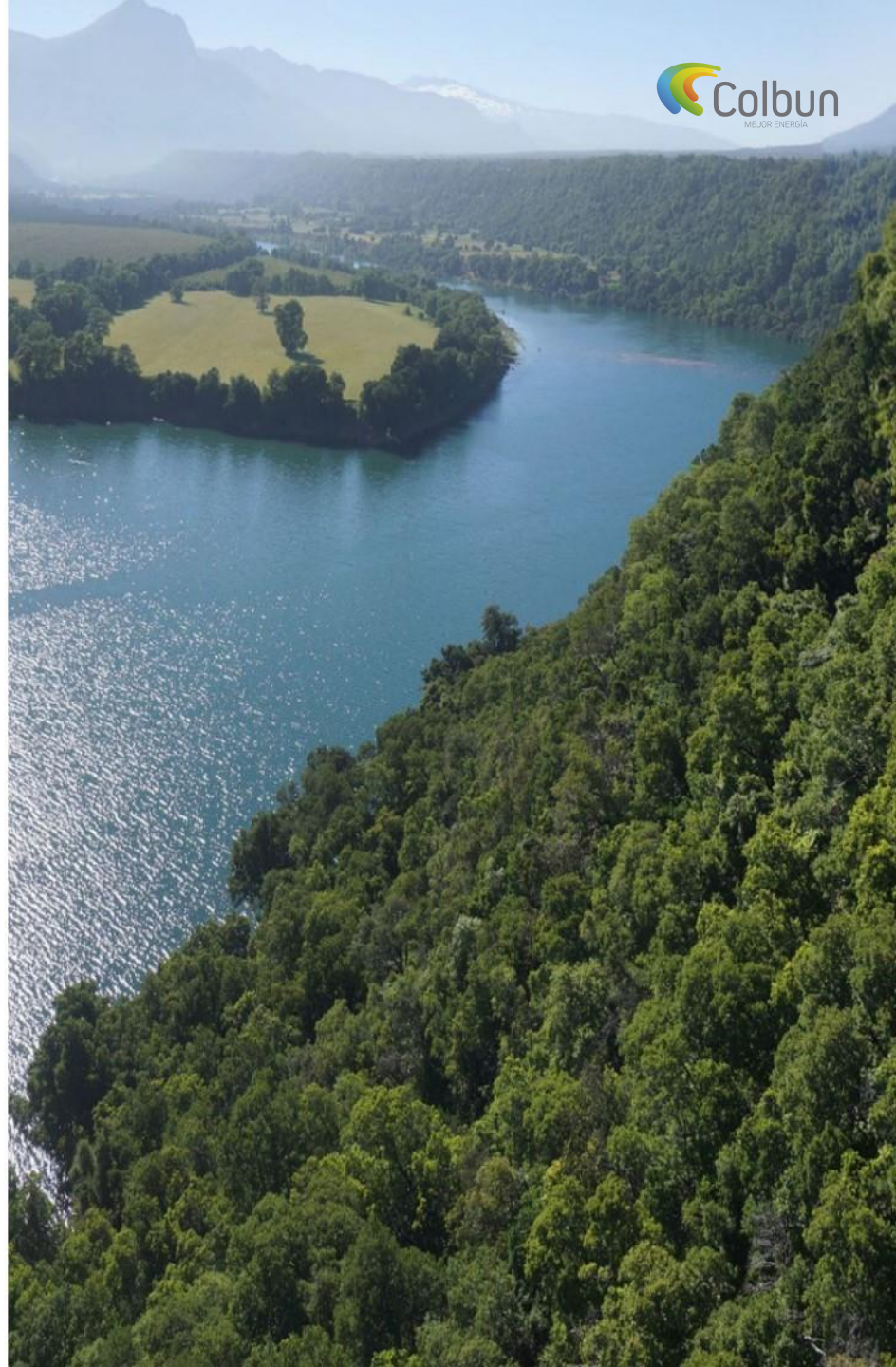
942 km Tx Lines
31 Substations

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Generation (GWh)	2Q19	2Q20	QoQ
Hydraulic	1,372	982	(28%)
Thermal	1,903	2,108	11%
Gas	1,199	1,425	19%
Diesel	13	31	144%
Coal	691	651	(6%)
VRE*	60	24	(59%)
Wind Farm**	57	21	(63%)
Solar	3	3	1%
Total Generation	3,334	3,114	(7%)

Sales Volume (GWh)	2Q19	2Q20	QoQ
Regulated Clients	1,111	765	(31%)
Unregulated Clients	1,592	1,743	9%
Total Commitments	2,703	2,508	(7%)
Sales to the Spot Market	566	511	(10%)
Total Energy Sales	3,269	3,019	(8%)

Spot Market (GWh)	2Q19	2Q20	QoQ
Net sales to the Spot Market	566	511	(10%)

MAIN VARIATIONS 2Q20 / 2Q19

- Total generation** decreased, mainly due to:
 - Lower hydro, coal and wind generation.
 - Partially offset by higher gas 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 511 GWh, compared with the net sales for 566 GWh in 2Q19, 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 and San Pedro, owned by Alba S.A.

Operating Income (Loss) (US\$ million)	2Q19	2Q20	QoQ
Revenues	329.6	271.9	(17%)
Raw Materials and Consumables Used	(172.5)	(129.4)	(25%)
Gross Profit	157.1	142.6	(9%)
Personnel and other operating expenses	(22.9)	(19.3)	(16%)
Depreciation and Amortization	(48.6)	(46.8)	(4%)
Operating Income (Loss)	85.5	76.5	(11%)

EBITDA (US\$ million)	2Q19	2Q20	QoQ
EBITDA	134.2	123.3	(8%)
EBITDA Margin (%)	41%	46%	

MAIN VARIATIONS 2Q20 / 2Q19

- 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 cost.
 - Lower transmission costs.
- EBITDA** totaled US\$123 million, 8% lower compared to 2Q19, mainly due to the lower operating income recorded during the period.

Tx Business in Chile: Operating Income analysis

Operating Income (Loss) (US\$ million)	2Q19	2Q20	QoQ
Revenues	21.1	21.3	1%
Raw Materials and Consumables Used	(2.5)	(2.7)	6%
Gross Profit	18.5	18.7	1%
Personnel and other operating expenses	(0.2)	(0.2)	3%
Depreciation and Amortization	(3.6)	(2.7)	(24%)
Operating Income (Loss)	14.7	15.7	7%

EBITDA (US\$ million)	2Q19	2Q20	QoQ
EBITDA	18.4	18.5	1%
EBITDA Margin (%)	87%	87%	-

MAIN VARIATIONS 2Q20 / 2Q19

- **Revenues** amounted US\$21 million, in line compared to the revenues recorded in 2Q19.
- **EBITDA** totaled US\$18 million, in line with the EBITDA recorded in 2Q19.

Generation (GWh)	2Q19	2Q20	QoQ
Thermal - Gas	937	513	(45%)
Total Generation	937	513	(45%)

Sales Volume (GWh)	2Q19	2Q20	QoQ
Customers under contract	706	504	(29%)
Sales to the Spot Market	277	124	(55%)
Total Energy Sales	983	628	(36%)

Spot Market (GWh)	2Q19	2Q20	QoQ
Sales	277	124	(55%)
Purchases	68	129	(55%)
Spot Market Balance	209	(5)	-

MAIN VARIATIONS 2Q20 / 2Q19

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

- **Physical sales** decreased, explained by:
 - Lower sales to customers under contract
 - Lower sales in the spot market.

- **Spot market balance** recorded net purchases of 5 GWh, compared to the net sales of 209 GWh during 2Q19, due to the lower generation of the quarter.

Operating Income (Loss) (US\$ million)	2Q19	2Q20	QoQ
Revenues	41.3	34.8	(16%)
Raw Materials and Consumables Used	(20.6)	(19.8)	(4%)
Gross Profit	20.7	15.0	(28%)
Personnel and other operating expenses	(2.2)	(1.6)	(27%)
Depreciation and Amortization	(11.4)	(11.5)	1%
Operating Income (Loss)	7.1	2.0	(71%)

EBITDA (US\$ million)	2Q19	2Q20	QoQ
EBITDA	18.5	13.5	(27%)
EBITDA Margin (%)	45%	39%	-

MAIN VARIATIONS 2Q20 / 2Q19

- **Revenues** decreased, mainly due to:
 - Lower sales to clients under contract.
 - Lower sales in the spot market.

- **Raw Materials and Consumables Used** decreased, mainly explained due to:
 - Lower gas consumption.
 - Partially offset by higher spot market purchases registered during the quarter.

- **EBITDA** totaled US\$14 million, 27% lower compared to 1Q19 mainly due to the lower operating income during the quarter.

Non-Operating Income (Loss) (US\$ million)	2Q19	2Q20	QoQ
Financial Income	4.9	3.0	(39%)
Financial Expenses	(22.7)	(22.7)	(0%)
Exchange Rate Differences	0.9	4.9	-
Profit (Loss) of Companies Accounted for Using the Equity Method	2.7	2.1	(21%)
Other Profits (Losses)	(10.8)	(9.4)	(12%)
Non-Operating Income (Loss)	(25.1)	(22.4)	(12%)

Net Income (US\$ million)	2Q19	2Q20	QoQ
Profit (Loss) Before Taxes	81.3	72.1	(11%)
Income Tax Expense	(19.0)	(22.5)	18%
Net Income	62.2	49.7	(20%)

MAIN VARIATIONS 2Q20 / 2Q19

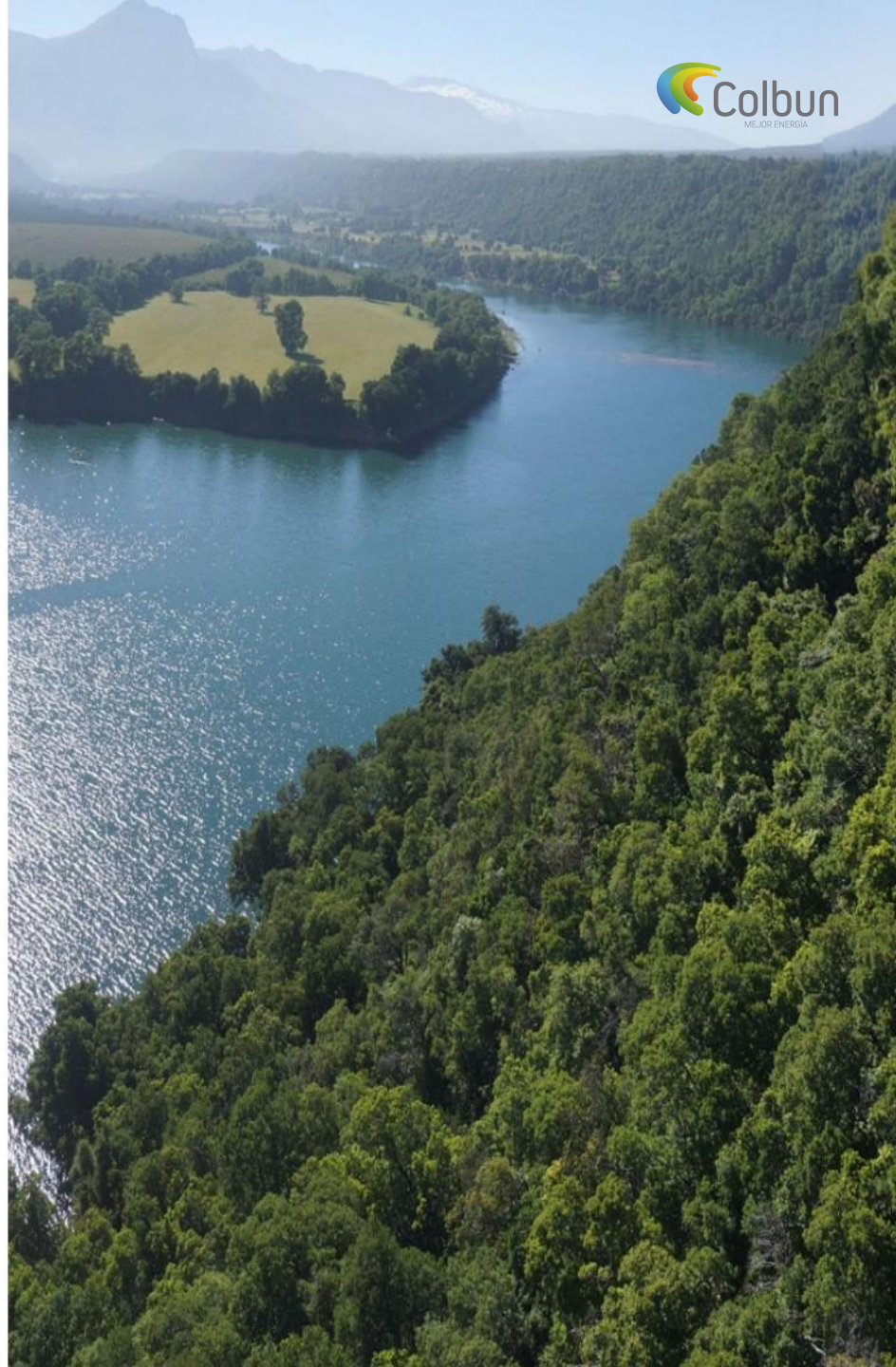
- **Non-operating income** recorded lower losses, mainly explained by:
 - Positive effect of the variation of the CLP/US\$ exchange rate.
- **Net income** totaled US\$50 million, 20% lower compared to 2Q19.

AGENDA

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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 (220 MW)
 - c. Inti Pacha photovoltaic project (486 MW)
 - d. Jardin Solar photovoltaic project (537 MW)
 - e. Machicura photovoltaic project (9 MW)
 - f. Los Junquillos wind farm (265 MW)
 - g. 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\$40 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

