

CORPORATE PRESENTATION

FEBRUARY 2018



Fenix
OPERADA POR COLBUN

AGENDA

1.

Company Overview

2.

Market Overview

3.

Operations

4.

Financial Review



Company Overview

Fenix Power: most efficient CCGT in Perú ¹

1 KEY OPERATING HIGHLIGHTS.



Most efficient CCGT in Perú ¹

Based on fuel consumption



557 MW

Gross effective capacity



64 Kms south of Lima

Largest city and capital of Peru



4.1 TWh

Annual gross generation



3 TWh / year

Long-term contracts (~75% capacity)

2 THE COMPANY.

OWNERSHIP

- 51% Colbún
- 36% ADIA
- 13% Sigma

KEY FINANCIALS



LTM EBITDA
US\$ **54** mm



Cash
US\$ **53** mm

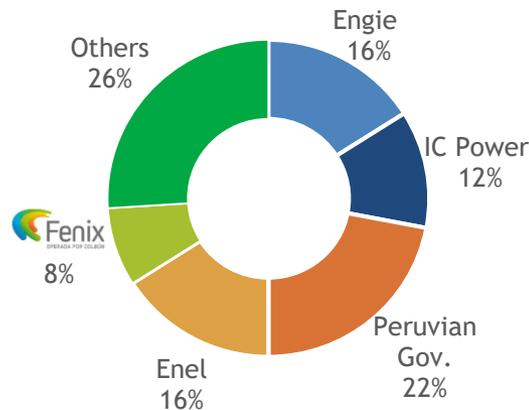
International
Ratings



Baa3 Stable
Moody's

BBB- stable
S&P/Fitch

MARKET SHARE¹



Company Overview

Highly experienced shareholders



- **Chilean** power generation company
- 2nd largest player in the SIC (Chile's main grid), with **23% of market share** in terms of generation
- **3.282 MW** of installed capacity, 49% hydro and 51% thermal
- **Matte Group** as Controlling shareholder

MAIN FIGURES

- Mkt. Cap: **US\$4.0 bn**
- Total assets: **US\$6.9 bn**



- One of the largest investment funds managers in Peru
- Mainly dedicated to investments in infrastructure projects
- Total AUM: **US\$640 Mn**
- **Key investors: 3 private pension funds, a state pension fund and COFIDE**

- **Established by the Government of the Emirate of Abu Dhabi (Aa2/AA/AA)**
- One of the largest global sovereign wealth funds
- **Globally diversified investment portfolio**
- Relevant experience as a partner and financial investor

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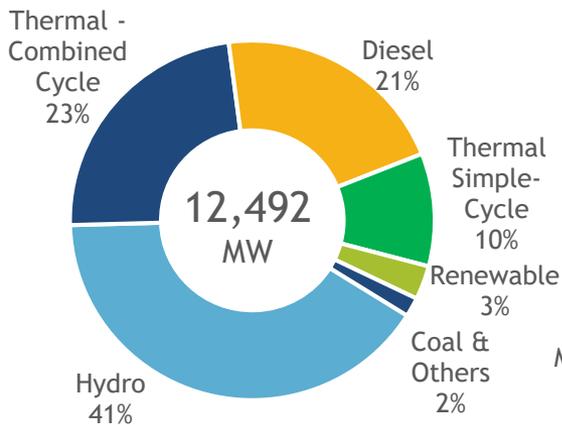
Financial Review



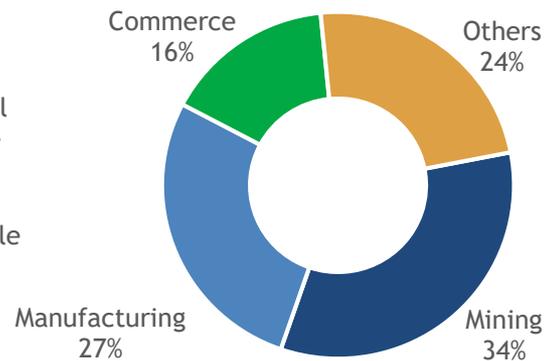
Market overview

Power industry dynamics in Peru

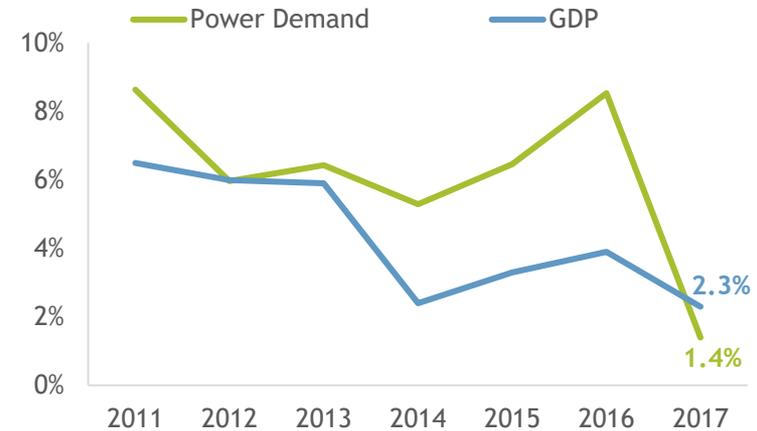
1 INSTALLED CAPACITY BY TECHNOLOGY. (%)



2 LARGE CUSTOMERS BREAKDOWN. (%)



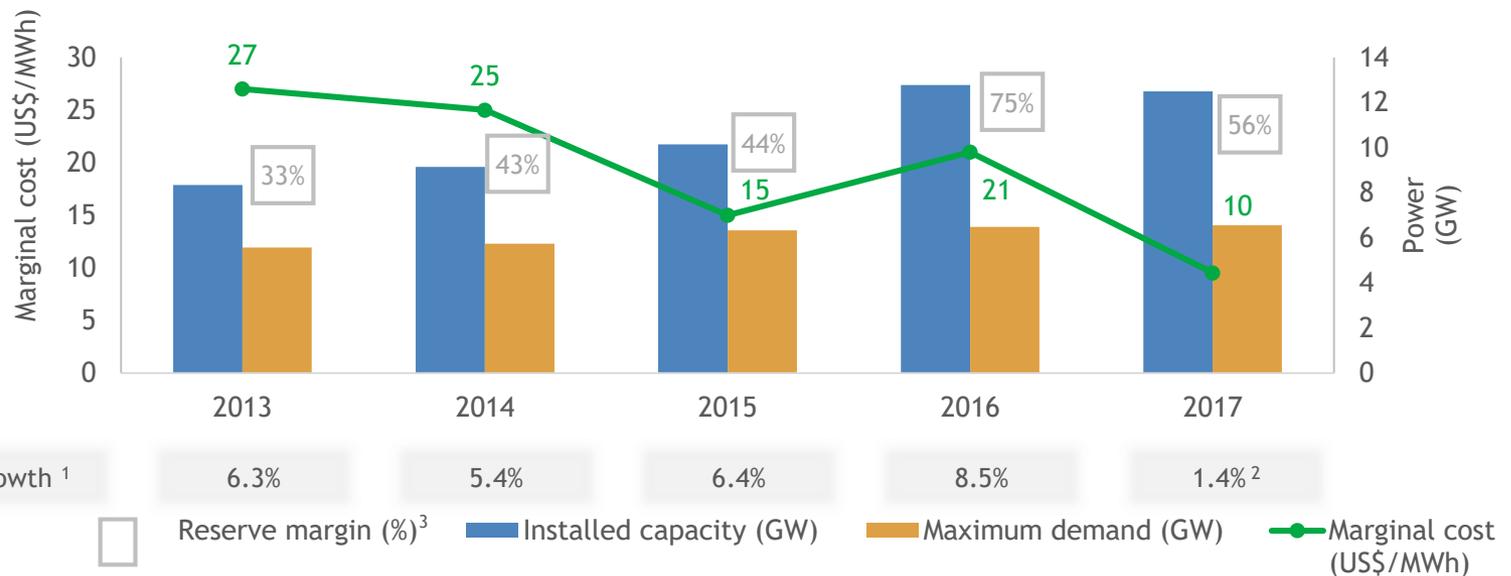
3 SEIN DEMAND GROWTH & GDP. (%)



Market overview

Marginal costs & demand in Peru

- Currently in a situation of **oversupply and low prices**.
 - Spot prices affected by take or pay scheme of gas contracts and by price declaration strategies.



Source: COES

¹ In GWh. ² According to the latest monthly report of COES - December 2017. ³ Considers firm capacity, according to Coes methodology.

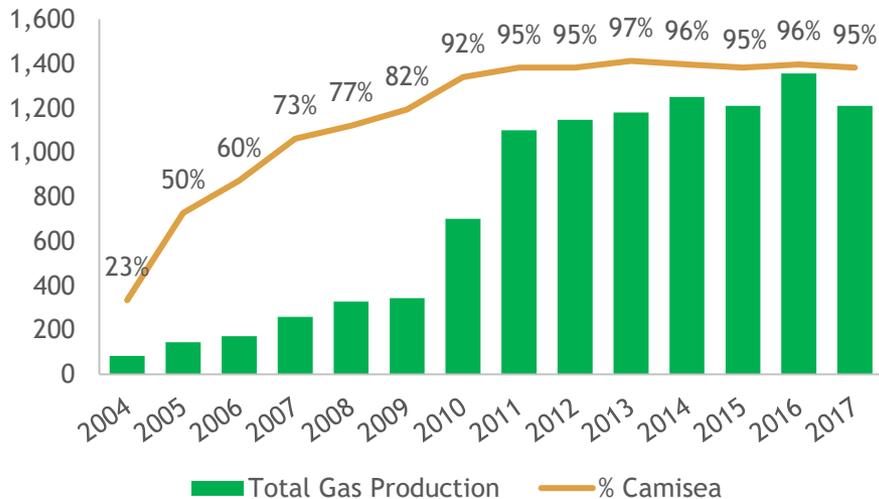
Market Overview

Positive gas industry trends in Peru

1 GAS RESERVES.

- Current proven reserves of 15 trillion cubic feet (“TCF”)
- Expected possible gas potential of 27 TCF
- Camisea represents ~95.0% of total natural gas reserves in Peru

2 GAS PRODUCTION. (MMCFD)



3 REGULATED GAS SUPPLY TARIFFS: OVERVIEW

- **Camisea Consortium** is a joint venture of six companies that produce and process natural gas at the Malvinas and Pisco facilities



4 REGULATED GAS SUPPLY TARIFFS: OVERVIEW

$$\text{Final price} = \text{Well Price} + \text{Transport. Fee} + \text{Single Dist. Fee}$$

- Well gas price applied to electricity generation and adjusted through O&G indexes
- **Regulated** gas distribution and transportation segments
 - Rates adjusted every two and four years for transport and distribution, respectively
- PPAs energy contracts **indexed to variations** in natural gas prices

AGENDA

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3. **Commercial Strategy**

4. Financial Review



Commercial Strategy

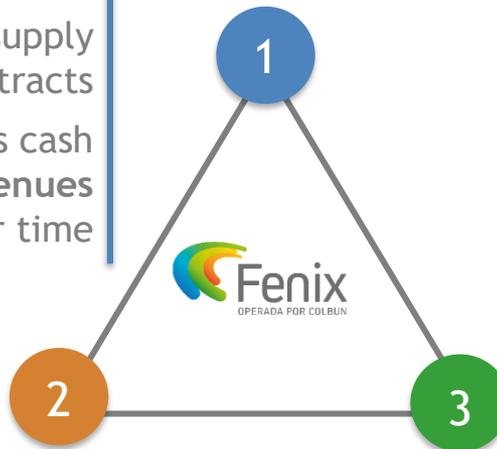
Commercial policy

Contracting a relevant portion of capacity

- Fenix maintains **long-term** power supply contracts
- Significant base of PPAs that reduces cash flow volatility, ensuring **stable revenues** over time

Solid customers base

- **Creditworthy counterparties**
- Most of Fenix PPAs are signed with the main distribution companies of Peru

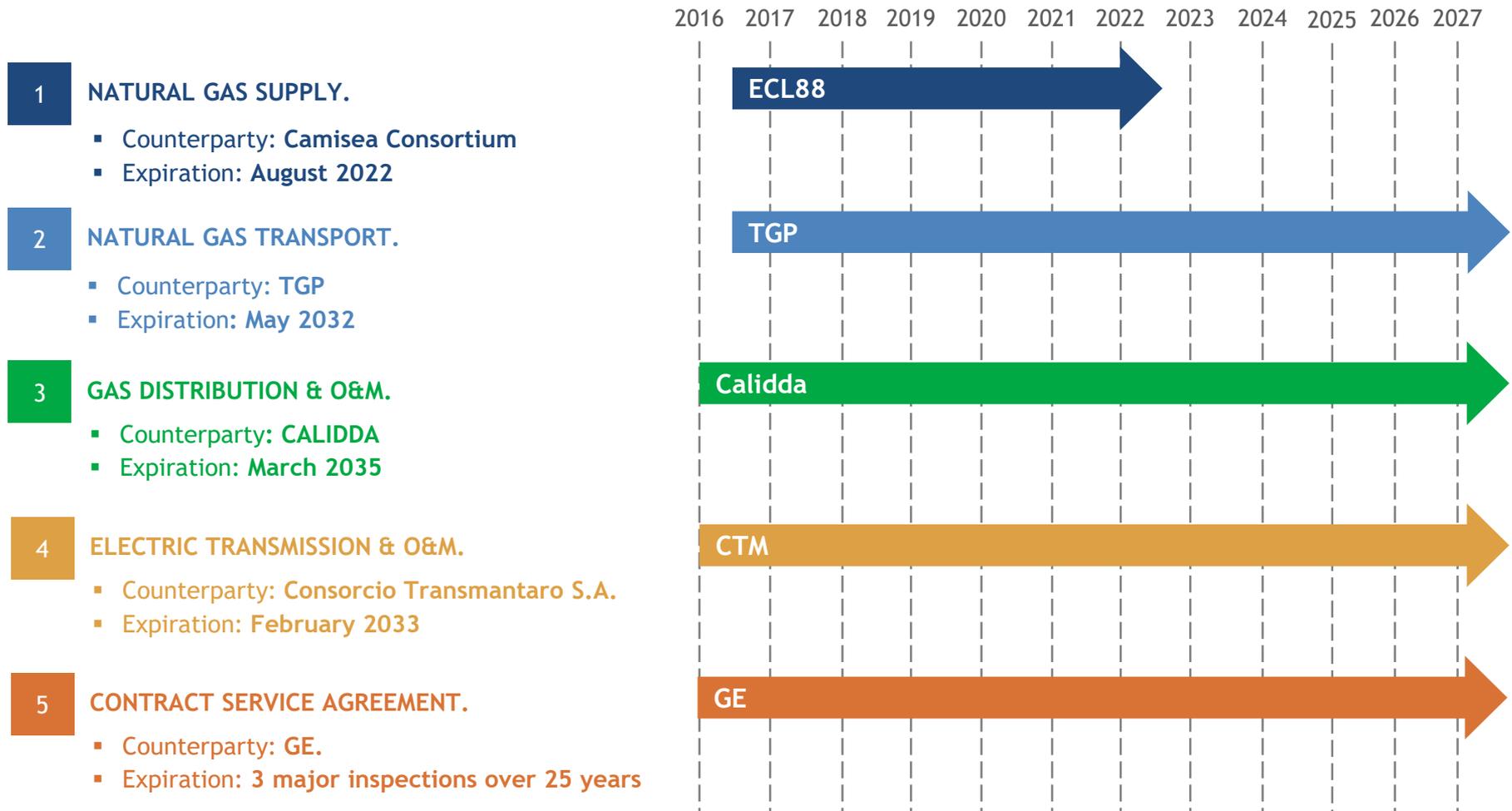


Indexation formulas

- **PPAs indexed to dollar**, in order to mitigate its foreign Exchange risk
- Additionally, the Company indexes the prices of its contracts to fuel prices, in order to reduce the volatility of its cash flows

Commercial Strategy

Operational long-term contracts



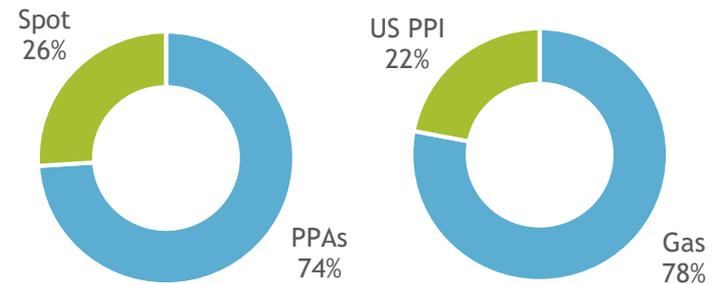
Commercial Strategy

Stable cash flow profile supported by long-term PPAs

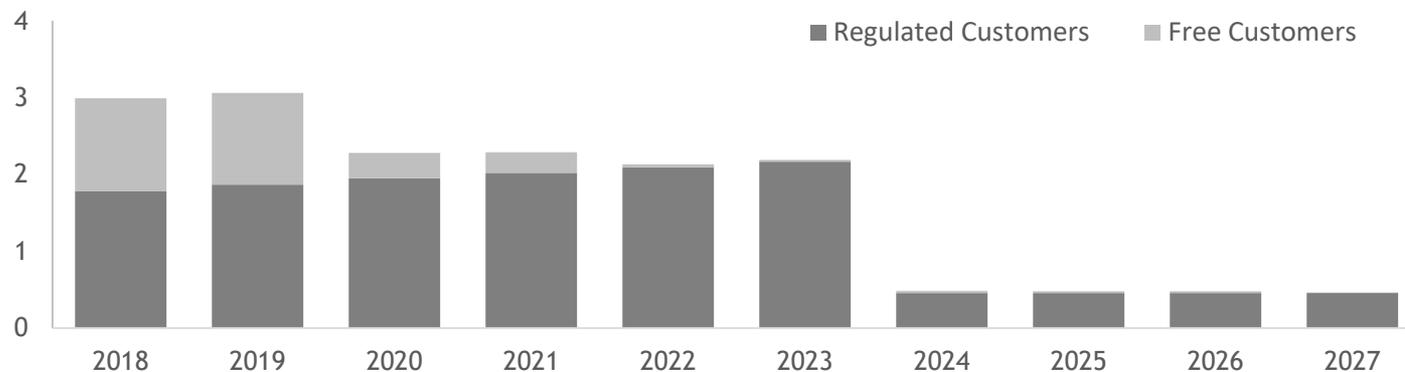
1 PPA PROFILE.

- Average life of long-term PPAs of 7 years.
- US\$ FX adjusted and US\$ denominated capacity payments.
- ~75% contracted through 2023.
- Strong AAA locally-rated off takers.

2 ENERGY SALES & INDEXATION. (%)



3 PPA PORTFOLIO. (TWh)



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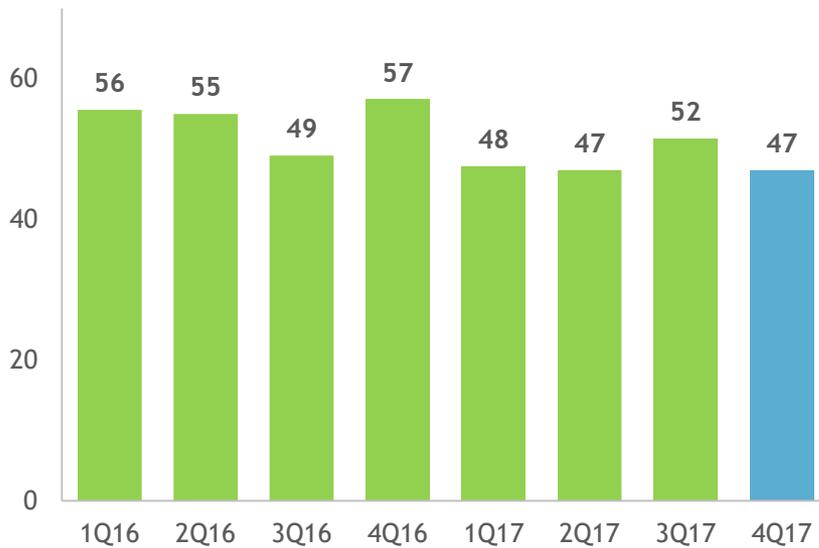
Financial Review



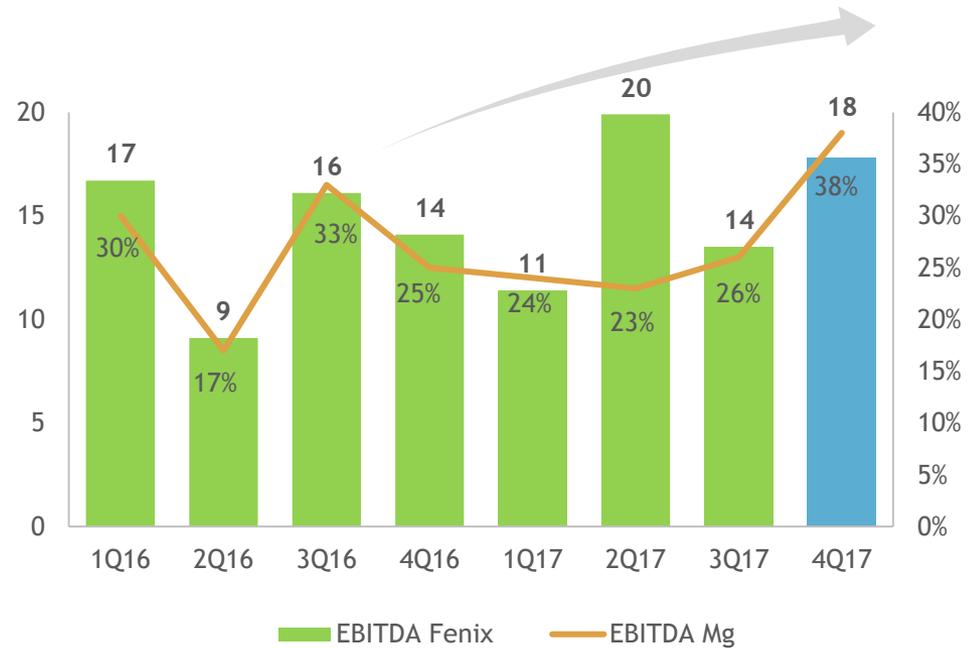
Financial Review

Financial results

1 OPERATING REVENUES. (US\$ million)



2 EBITDA & EBITDA MG. (US\$ million & %)



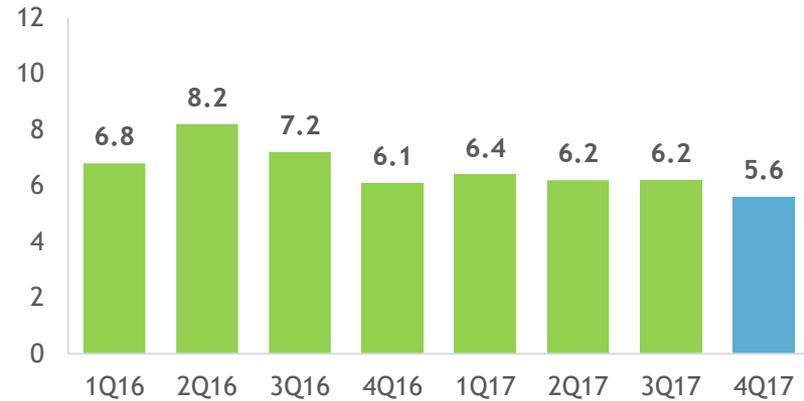
Financial Review

Financial results

1 GROSS DEBT/EBITDA LTM. (X)



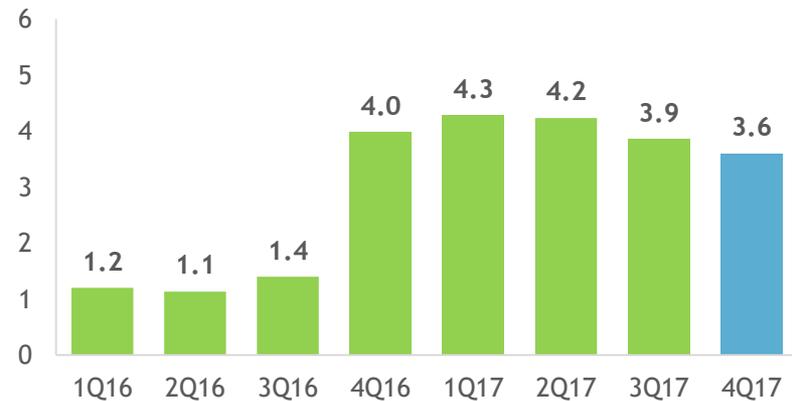
2 NET DEBT/EBITDA LTM. (X)



3 LIABILITIES / EQUITY. (X)



4 INTEREST COVERAGE. (x)

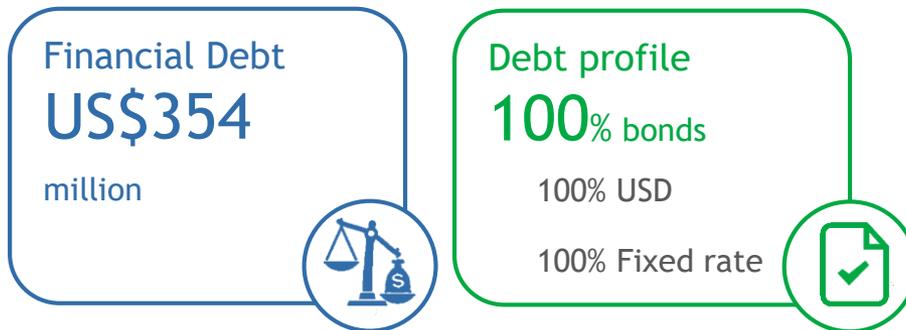


Note: as of Dec17

Financial Review

Debt profile

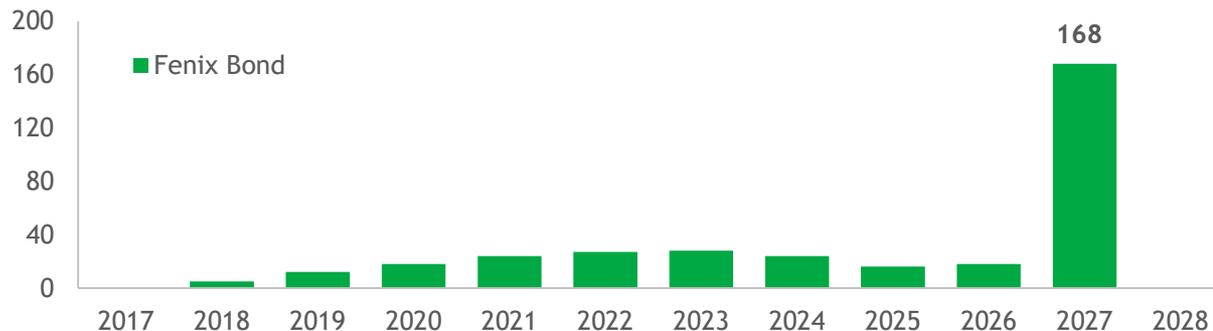
1 DEBT PROFILE.



2 FENIX BOND ISSUANCE.

- Amount: US\$340 mm
- Term: 10 years
- Coupon: 4.317%
- Date of issuance: 09-20-2017
- Format: 144A/Reg S
- Ratings (Moody's/S&P/Fitch): Baa3 / BBB- / BBB-
- Repayment profile: Amortizing, Bullet 44%
- Use of proceeds: Bank debt prepayment
- Oversubscription: 4 x

3 AMORTIZATION STRUCTURE. (US\$ million)



KEY TAKEAWAYS

- 1**

Attractive Macroeconomic Fundamentals

- Leading investment grade (A3 / BBB+ / BBB+) economy in Latin America with GDP growth rate above regional peers
- 2**

Robust Power Industry Dynamics

- Underpenetrated energy market with strong upside potential
- 3**

Most Efficient CCGT Plant in Peru

- State-of-the-art combined-cycle dual-fueled power plant with 565 MW of effective capacity
 - Strategically located asset, close to demand hubs and to the SEIN substation (Chilca)
 - Highly efficient plant with low and flexible variable costs
- 4**

Highly-Experienced Management & Shareholders

- Strong sponsorship from highly experienced shareholders, including a key power generation player in Chile and leading asset managers (Peru and internationally)
- 5**

Stable Revenues from Long-Term PPA & Operational Contracts

- Attractive long-term PPA contracts with creditworthy counterparties providing stable cash flow generation; weighted average remaining life of our long-term PPAs is 7.2 years