

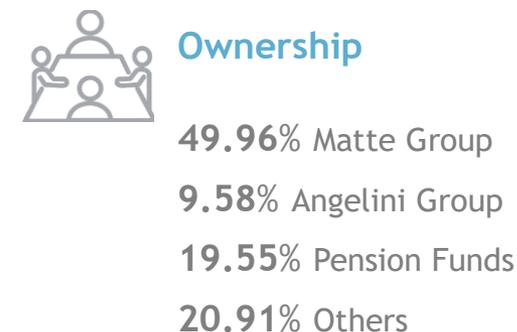


LARRAIN VIAL ANDEAN  
& SOUTHERN CONE  
CONFERENCE  
SEPTEMBER 2020

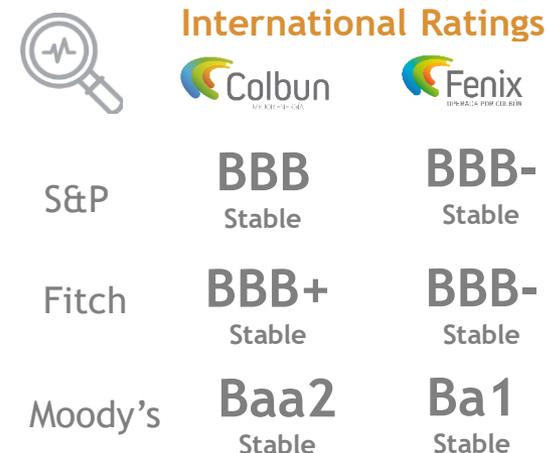
# Company & industry overview

## Leading position in Chile & Peru

### THE COMPANY



### KEY FINANCIALS



Note: All figures as of Jun20

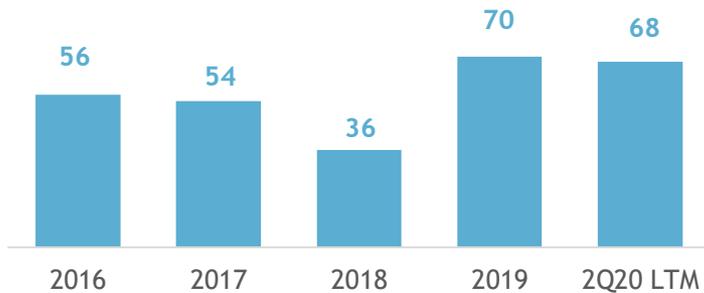
<sup>1</sup> In terms of generation in the SEN in Chile and in the SEIN in Peru

# Company & industry overview

## Leading position in Chile & Peru

### FENIX POWER

#### 1. EBITDA\* (US\$ million)



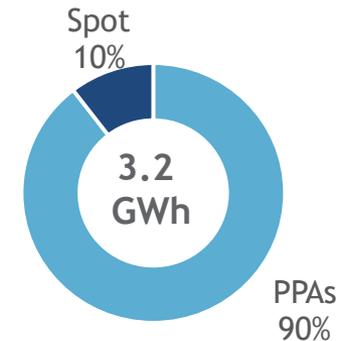
#### 2. INTERNATIONAL RATINGS

**BBB-** Stable  
Fitch

**BBB-** Stable  
S&P

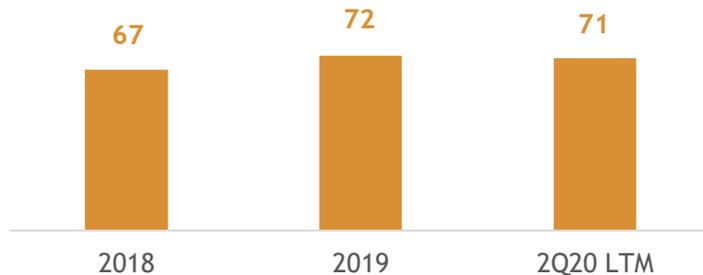
**Ba1** Stable  
Moody's

#### 3. LTM ENERGY SALES (GWh)

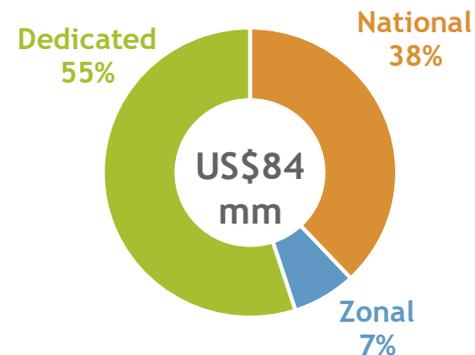


### COLBUN TX

#### 1. EBITDA (US\$ million)



#### 2. LTM REVENUES BREAKDOWN (US\$ million)



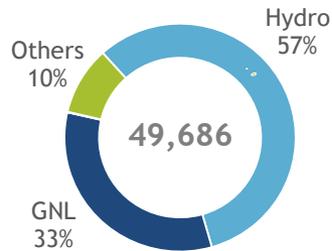
Note: All figures as of Jun20

\*Adoption of the accounting standards IFRS16 since 2019: includes financial leases since that date

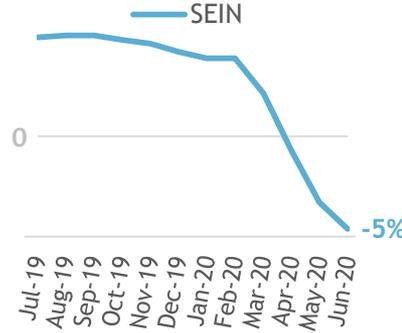
# 1. Cost efficient & diversified asset base

## Attractive markets

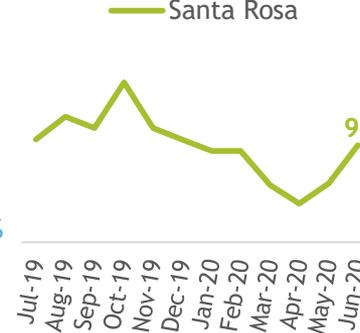
**LTM GENERATION**  
GWh



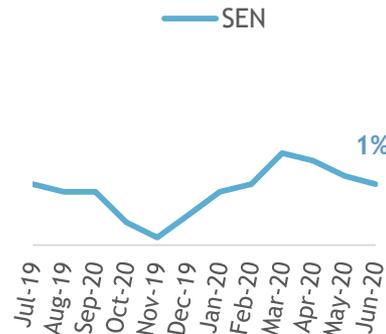
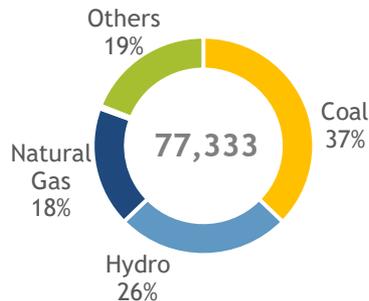
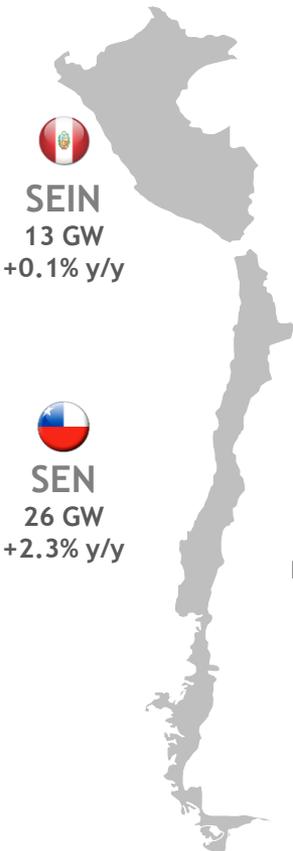
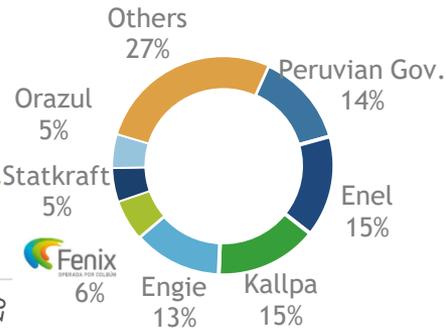
**DEMAND GROWTH**  
12 month average %



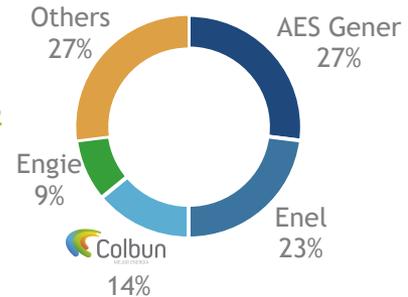
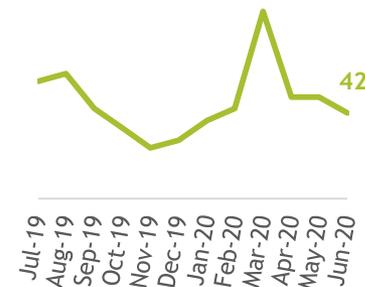
**MARGINAL COST**  
US\$/MWh



**MARKET SHARE<sup>1</sup>**  
%



**MARGINAL COST**  
US\$/MWh



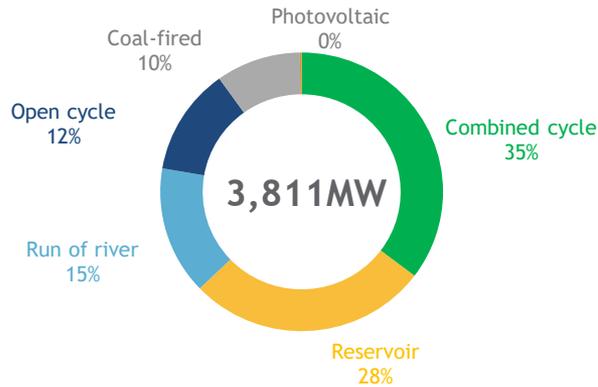
Note: All figures as of Jun20

<sup>1</sup> Based on generation

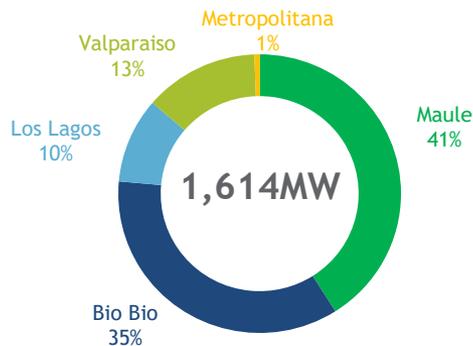
# 1. Cost efficient & diversified asset base

## Geographical and technological diversification

### 1. DIVERSIFIED GENERATION ASSETS



### 2. DIVERSIFIED HYDROLOGICAL BASINS IN CHILE



### 3. DECARBONIZATION PROCESS: LOW IMPACT FOR COLBÚN

- Colbún has only 1 coal-fired power plant of the 28 presented in the system when the agreement was signed.
- Santa Maria is one of the newest and most efficient of the system.
- It's emissions are significantly below the norm:

	2019	Norm Limit
PM (mg/Nm <sup>3</sup> )	8	50
Nox (mg/Nm <sup>3</sup> )	310	500
SO <sub>2</sub> mg/Nm <sup>3</sup> )	188	400

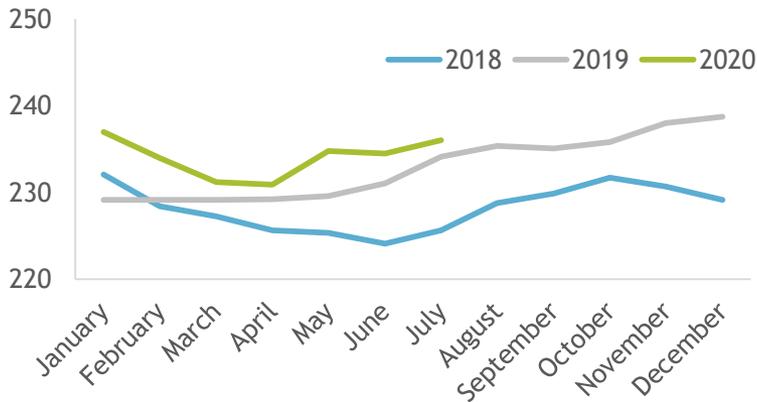
# 1. Cost efficient & diversified asset base

## Hydrological conditions

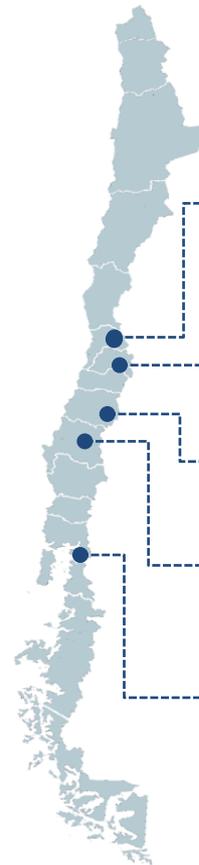
### 1. COLBÚN RESERVOIR LEVEL (m.a.s.l)



### 2. CHAPO RESERVOIR LEVEL (m.a.s.l)



### 3. CHANGE IN ACCUMULATED RAINFALLS (%)



	As of Jun20 compared to		As of Jul20 compared to	
	2019	Av. year	2019	Av. year
Los Quilos	323%	-26%	378%	-36%
Abanico	-16%	-8%	-1%	8%
Armerillo	47%	-12%	86%	-5%
Angostura	4%	-9%	32%	13%
Canutillar	7%	13%	-4%	11%

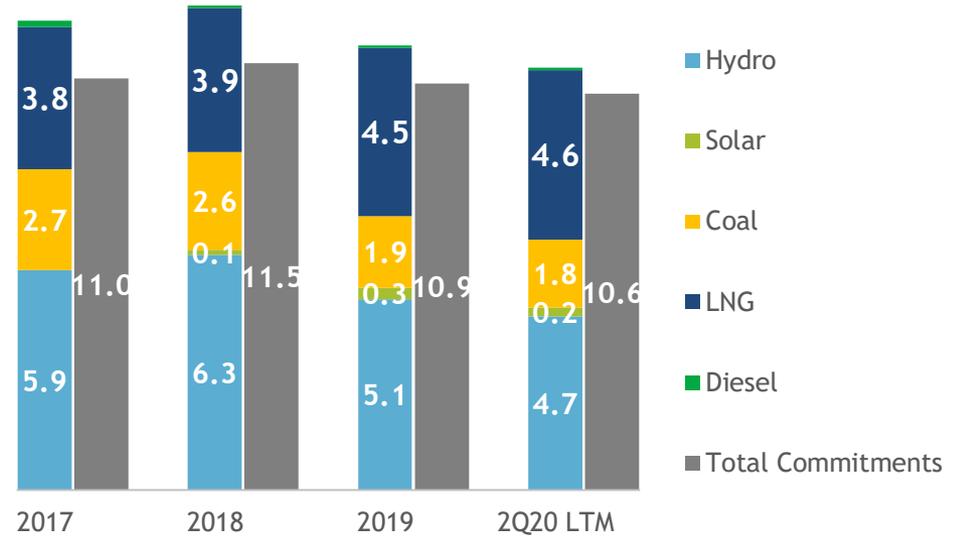
# 1. Cost efficient & diversified asset base

## 100% of PPAs supplied with cost-efficient generation

### WHOLE-SALE COMMERCIAL STRATEGY

1. Optimize Contracting level
  - Renewable Capacity: hydro, solar, wind
  - Efficient thermal capacity: coal, CCGTs
2. Cost structure properly reflected in sale prices
3. Active risk management
  - LNG purchases
  - Commodity hedges
4. Unique portfolio of assets provide support our strategy
  - Hydroelectric power plants: Balanced cost structure and ancillary services supply (system balancing)
  - Gas-fired power plants: Coverage for years with dry hydrology, and for wind and solar intermittency

### GENERATION & PPAs LEVEL (TWh)



### GUIDELINES FOR THE FUTURE

1. Secure future cashflows with new PPAs
2. Incorporate competitive renewable projects, lowering the average supply cost structure
3. Back-up contracts with efficient combined cycles
4. Additional products and services to customers



**Maximizing long-term profitability by achieving a competitive supply cost structure**

**Combining our efficient base-load capacity with the development of our pipeline of wind and solar projects**

# 1. Cost efficient & diversified asset base

## Secured long-term regasification capacity & LNG supply

### LONG-TERM STRATEGY:

Leveraging our efficient natural gas power facilities and diversifying our supply sources; contributing to a competitive, flexible, secure and sustainable power supply

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### 1. REGASIFICATION CAPACITY AND SUPPLY CONTRACT WITH ENAP

- Effective from 2018 onwards, for 13 years
- Competitive LNG supply with ENAP and international suppliers
- Capacity for up to two combined-cycle units per year

### 2. LNG SPOT CONTRACTS

- Spot contracts with local providers upon short-term requirements
- Currently, we have signed contracts up to two combined-cycles until October

### 3. GAS FROM ARGENTINA

- Colbún has signed both firm and interruptible contracts to opportunistically take advantage of competitive prices.

# 1. Cost efficient & diversified asset base

## Recent developments in Chile's regulatory framework

### LATEST CHANGES

#### 1. Price stabilization mechanism for regulated clients tariffs

- Tariffs will be stabilized until Jan21, and adjusted by local CPI until 2026
- Generators will accumulate collectable accounts for the difference between the contracts' prices and the stabilized price
- The fund is denominated in US\$ and is capped at US\$1,350 million
- The stabilization fund must be completely (re)paid by December 2027

#### 2. Essential services payments delay

- Beneficiaries: 60% most vulnerable families, elderly people, people covered by the employment protection bill or those using unemployment insurance
- The bill establishes that those beneficiaries can postpone their payment for basic services 30 days before the bill enactment and 90 days after.
- Afterwards, the payment deferrals must be paid in 12 equal monthly installments
- The law establishes that cooperatives in the distribution business can also benefit from this law and postpone their payments to generation companies

### BILLS UNDER DISCUSSION

#### 1. New distribution law

- Update the regulation to better address technological advances
- Increase competitiveness and investments

#### 2. Flexibility law

- To address the consequences arising from the increasing incorporation of variable renewable energy

# 1. Cost efficient & diversified asset base

## Addressing COVID19 at Colbún

### CURRENT STATUS

- Two priorities: **protect the health** of all our stakeholders and to **ensure the security of the energy supply**
- Home office model** for 98% of the headquarters workers
- For positions with critical functions, the work is maintained on-site, but with the **necessary safeguards**
- Currently, **our power plants are operating normally.**
- We expect to start the construction of Diego de Almagro and Machicura in 3T20, as originally projected
- Regarding the system's power demand, as of July it has recorded a **decrease of 3%** compared to 2019

Energy demand growth(%)



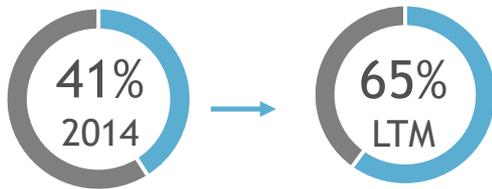
### COMMUNITY SUPPORT

- The payment period for supplier invoices was reduced **from 15 days to 7 days**
- The confection of **more than 40,000** face shields has been commissioned
- Entrepreneurship Centers spaces have been made **available to Health Services**
- Different communication channels have been activated to **contribute to the dissemination** of protection and self-care messages
- Contribution of basic food baskets for **vulnerable families**, personal protection elements and sanitation of streets and public spaces
- Contribution of **more than 700,000 personal protection elements** to *Hogar de Cristo*

## 2. Strong and competitive supply contracts High quality clients in Chile

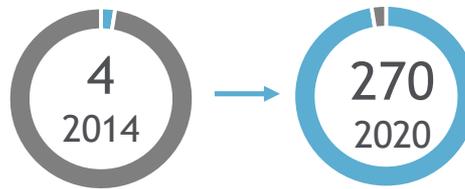
### CUSTOMER BASE PROFILE

Sales % to Unregulated Customers



■ Unregulated Customers

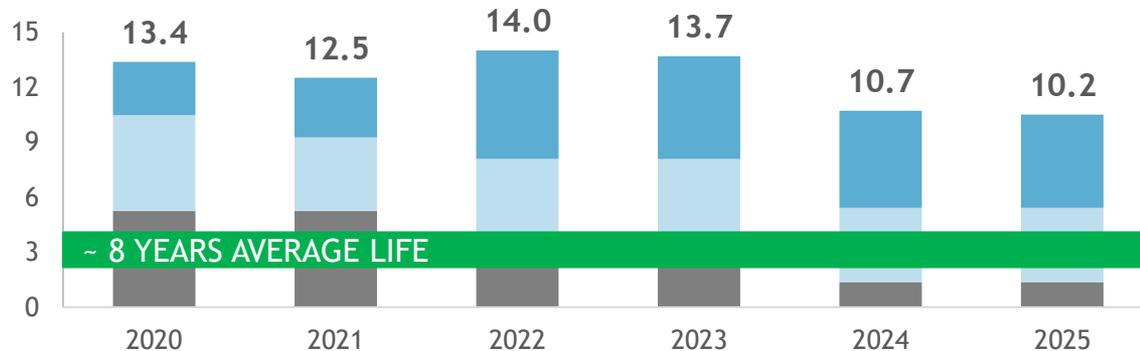
Number of Unregulated Customers



■ Regulated Customers

### PPAs IN CHILE: MAXIMUM CONTRACTED POWER SUPPLY (TWh)

■ Regulated Customers ■ Unregulated Customers before 2016 ■ Unregulated Customers after 2016



### MAIN CONTRACTS SIGNED SINCE 2016



3.0 TWh/year, for 10 years starting January 2022



0.3 TWh/year, for 6 years starting July 2020



0.2 TWh/year, for 10 years starting January 2019



0.5 TWh/year, for 10.5 years starting July 2020



0.7 TWh/year, for 10 years starting January 2018

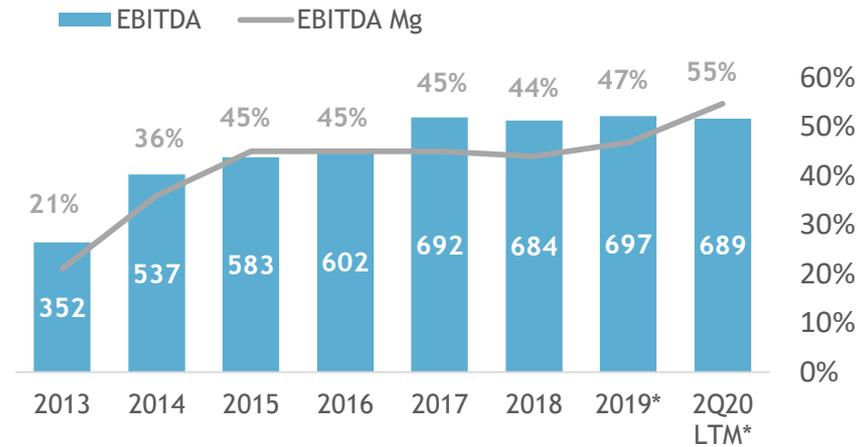


1.9 TWh/year with other unregulated customers, with a term from 4 to 6 years

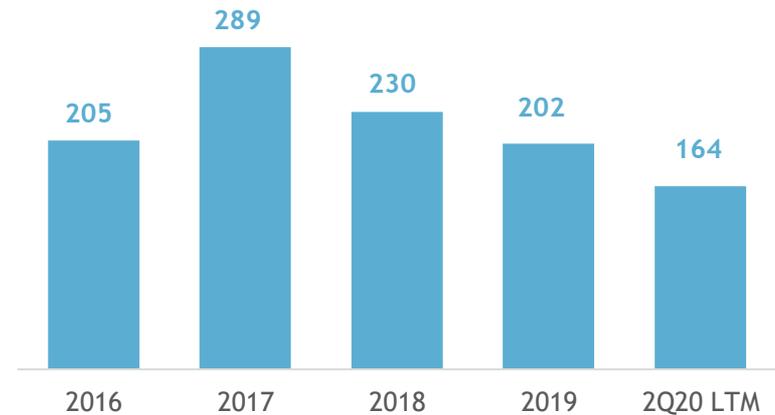
# 3. Prudent financial management

## Stable operational results & solid metrics

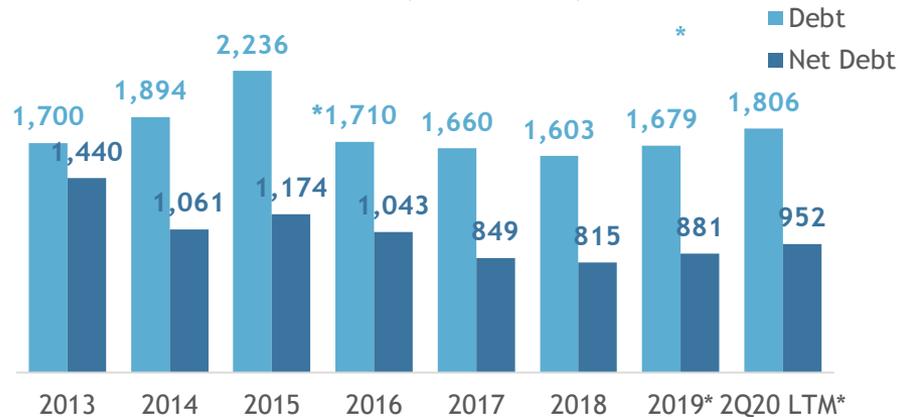
### 1. EBITDA & EBITDA MG. (US\$ million & %)



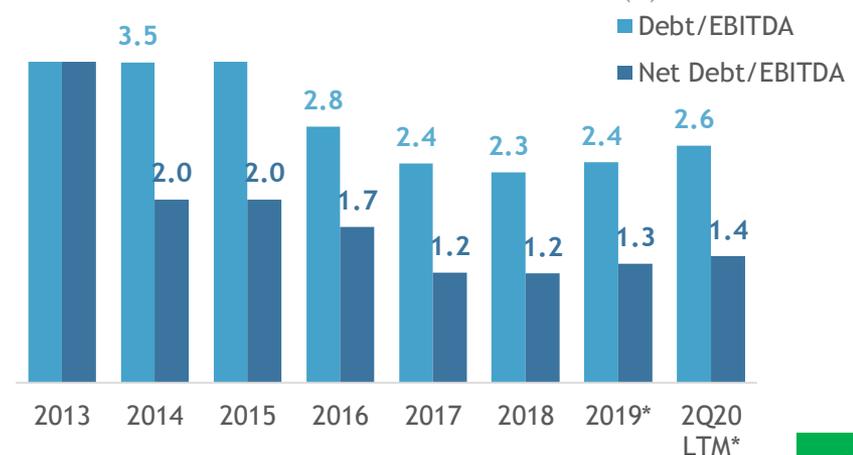
### 2. NET INCOME. (US\$ million)



### 3. DEBT & NET DEBT. (US\$ million)



### 4. DEBT/EBITDA & NET DEBT/EBITDA. (x)

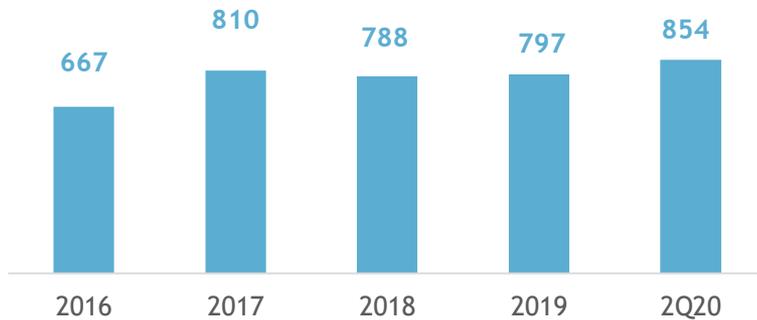


Note: All figures as of Jun20  
 \*\*Adoption of the accounting standards IFRS16

# 3. Prudent financial management

## Strong liquidity

### 1. CASH POSITION. (US\$ million)

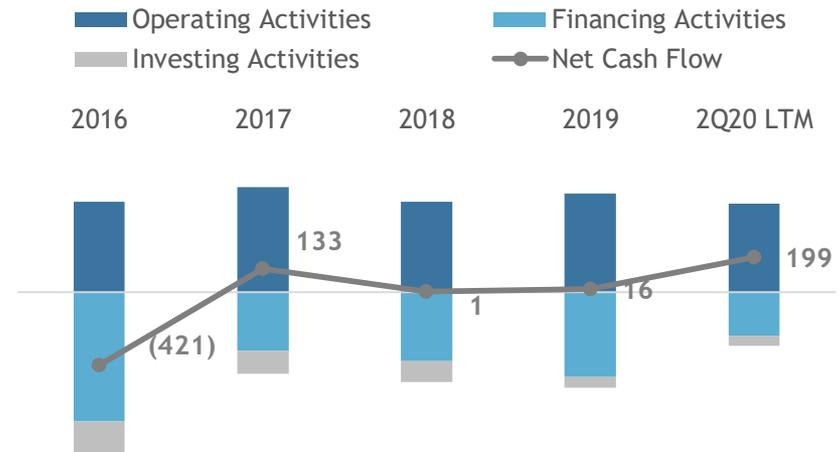


### 2. DIVIDEND DISTRIBUTION. (US\$ million & %)



The Dividend Policy approved by the 2020's Annual Shareholders Meeting is 50% of the net income.

### 3. CASH FLOW. (US\$ million)



# 3. Prudent financial management

## Long term debt profile

### 1. FINANCIAL DEBT PROFILE

US\$1,705(\*) mm

US\$1,391 million

US\$314 million

100% bonds

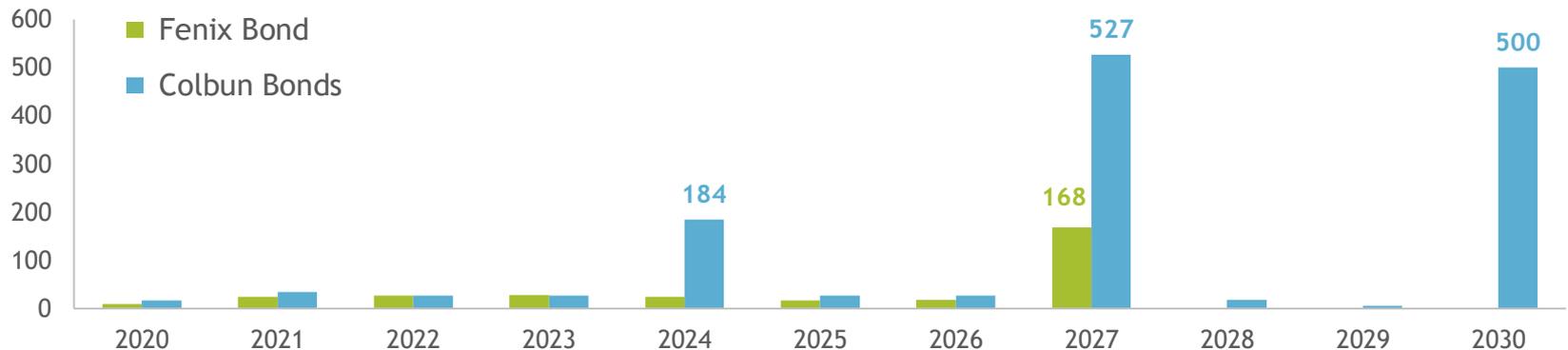
97% USD and 3% UF

100% Fixed rate

3.9% Interest Rate average

7.0 years average life

### 2. AMORTIZATION STRUCTURE (US\$ million)



Note: All figures as of Jun20  
 (\*) Financial leases are not included

# Attractive pipeline of renewable energies

## Solar and Wind Generation Projects

● Feasibility    ● Environmentally approved and construction approved by the Board of Directors



We hold a portfolio of solar and wind farm projects, in different stages of development, for approximately **3,100 MW**



Estimated commissioning  
Installed capacity

+ Other wind and solar projects in early stages of development

### COMPETITIVE ADVANTAGES OF OUR PROJECTS



Load Factors



Proximity to the transmission network



Socio-Environmental viability



Concessions / Easements

# Maximizing value to all of our stakeholders

## Sustainability strategy

### EMPLOYEES

- Offering high-quality employment and a safe work environment
- Annual Work Environment Surveys
- Strong relationship with our unions
- Annual Sustainable weeks to promote Colbún's core values

### SUPPLIERS AND CONTRACTORS

- Ensuring traceable and auditable supply processes
- Promoting a transparent and close relationship
- Ensuring that the supply process comply with our Ethics Code
- ProPyme Seal: certificate for paying our SMEs<sup>1</sup> in less than 30 days

### CLIENTS AND PROVIDERS

- Providing a reliable, competitive and sustainable electric energy supply
- Generating long-term, transparent and strategic relationships
- Annual Client's Day
- "Taylor-made" products and services

### INVESTORS

- Providing transparent, timely and relevant information to all of our investors
- Annual Investor Surveys

### COMMUNITY AND SOCIETY

- Building and maintaining open relationships with the community
- Promoting the development of local economy
- Enhancing the community's development through entrepreneurship, education and sports programs

### ENVIRONMENT

- Minimizing our impact on the environment
- Taking care of our natural resources and using them in an efficient manner
- Online emissions monitoring in Santa Maria and Nehuenco power plants



# Disclaimer & Contact Information

- This document provides information about Colbún S.A. In no case this document constitutes a comprehensive analysis of the financial, production and sales situation of the company.
- To evaluate whether to purchase or sell securities of the company, the investor must conduct its own independent analysis.
- This presentation may contain forward-looking statements concerning Colbún's future performance and should be considered as good faith estimates by Colbún S.A.
- In compliance with the applicable rules, Colbún S.A. publishes on its Web Site ([www.colbun.cl](http://www.colbun.cl)) and sends the financial statements of the Company and its corresponding notes to the Comisión para el Mercado Financiero, those documents should be read as a complement to this presentation.

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