



# CORPORATE PRESENTATION

J.P Morgan 2022

Global Emerging Markets Corporate Conference



# CONTENT

- ... COMPANY OVERVIEW
- ... OUR STRATEGY AND MARKET CONDITIONS
- ... KEY FINANCIAL FIGURES
- ... REGULATORY FRAMEWORK
- ... PIPELINE OF PROJECTS
- ... FENIX POWER
- ... SUSTAINABILITY



# CONTENT



**COMPANY OVERVIEW**



**OUR STRATEGY AND MARKET CONDITIONS**



**KEY FINANCIAL FIGURES**



**REGULATORY FRAMEWORK**



**PIPELINE OF PROJECTS**



**FENIX POWER**



**SUSTAINABILITY**



# COMPANY OVERVIEW / THE COMPANY



*Leading position in Chile & Peru*



## INSTALLED CAPACITY

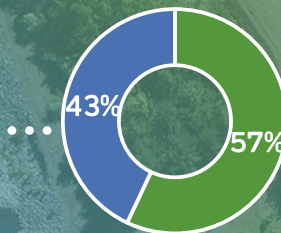
**3,795 MW**



3,222 MW /



573 MW



Thermoelectric

Hydroelectric



## POWER PLANTS

**25**



24 /



1



## MARKET SHARE<sup>1</sup>



**13%** /



**6%**



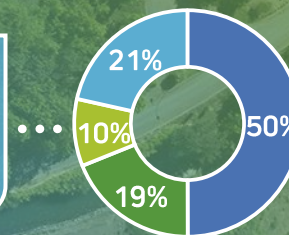
## PIPELINE OF PROYECTS

**3,100 MW**

- 1,010 MW under construction
- 1,017 MW environmental study secured
- 516 MW feasibility stage



## OWNERSHIP



Matte Group

Pension Funds

Angelini Group

Others



# COMPANY OVERVIEW / KEY FINANCIALS

*Leading position in Chile & Peru*



EBITDA 2021<sup>1</sup>

**US\$520 mm**



Gx US\$398 mm

/ Tx US\$36 mm



US\$70 mm



TOTAL ASSETS

**US\$6.6 bn**



NET DEBT / EBITDA

**1.7 x**



INTERNATIONAL RATINGS



S&P

BBB  
Stable

BBB-  
Stable

Fitch

BBB+  
Stable

BBB-  
Stable

Moody's

Baa2  
Stable



CASH

**US\$1,419mm**

<sup>1</sup>On September 30, Colbun executed the sale of its subsidiary Colbun Transmission S.A. to Alfa Desarrollo SpA. Given this, for the year 2021 the results of Colbun Transmission S.A. are consolidated in Colbun S.A. only until Sep21 (period of 9 months).



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COMPANY OVERVIEW



**OUR STRATEGY AND MARKET CONDITIONS**



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SUSTAINABILITY



# OUR STRATEGY

## Summary



## ENHANCING OUR CORE BUSINESS

### ASSET BASE OPTIMIZATION

*Strengthen our competitiveness by:*

- Continuous improvement in productivity and efficiency
- Respond to the system's increasing flexibility requirements

### GROWTH IN RENEWABLES

*Develop a project portfolio that has the potential to add 4,000 MW capacity by 2030 and to operate in the lower quartile of the industry's cost curve*

### COMMERCIAL STRATEGY

*Focus on unregulated clients with an attractive value proposition*

## EXPANDING OUR LIMITS

INORGANIC GROWTH

STORAGE SYSTEMS

## POTENCIAL GROWTH OPPORTUNITIES

DESALINIZATION

WASTE TO ENERGY

GREEN H2

# MARKET CONDITIONS

## Markets Update

### LTM GENERATION GWh

### DEMAND GROWTH 12 months average %

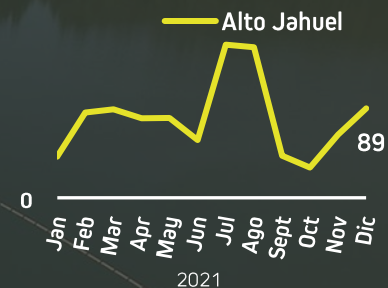
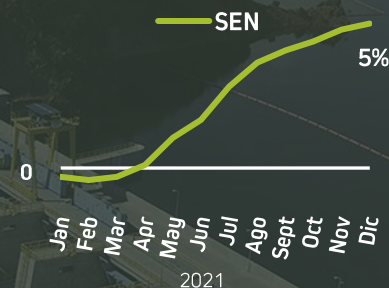
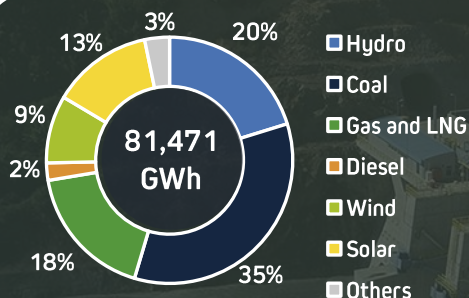
### MARGINAL COST US\$/MWh



SEN

30 GW

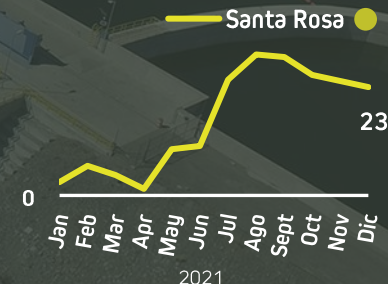
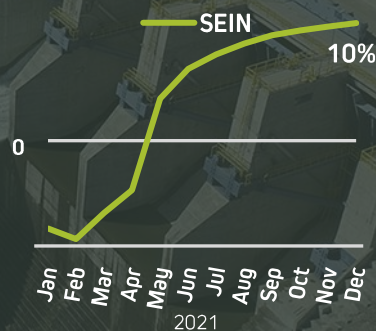
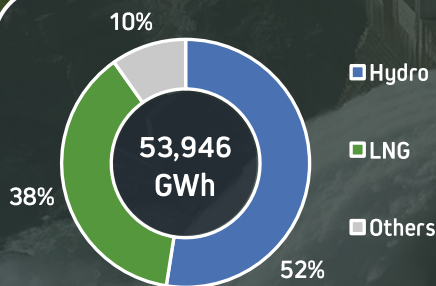
+15.8% y/y



SEIN

13 GW

+0.5% y/y





# MARKET CONDITIONS

## *Short terms challenges*



### HYDROLOGY

Hydrology in 2021 was at its lowest historical levels

This condition triggered the issuance of a preventive rationing decree



### THERMAL GENERATION

There has been an intensive use of thermal power plants

During 2021, thermal generation represented close to 50% of the system's generation



### FUEL PRICES

Fuel prices have increased significantly this year

Coal and LNG prices have reached historical highs



### TRANSMISSION INFRASTRUCTURE

The transmission system has been under stress

Significant congestion has affected several sections of the system

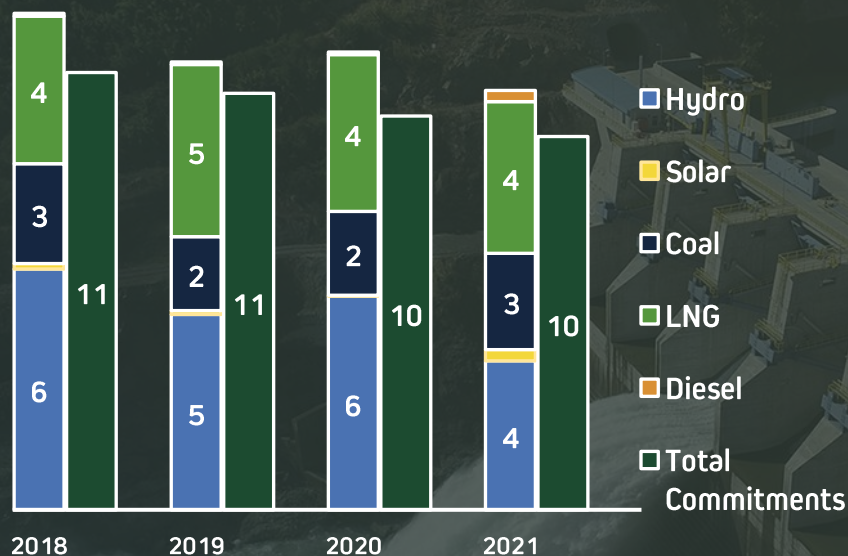


# MARKET CONDITIONS

*Cost efficient & diversified asset base*



## GENERATION & PPAs LEVEL (TWh)



## WHOLE-SALE COMMERCIAL STRATEGY

- 1 Optimize Contracting level
- 2 Cost structure properly reflected in sale prices
- 3 Active risk management  
LNG purchases and commodity hedges.
- 4 Unique portfolio of assets provide support our strategy  
Combine our base load capacity with solar and wind capacity.

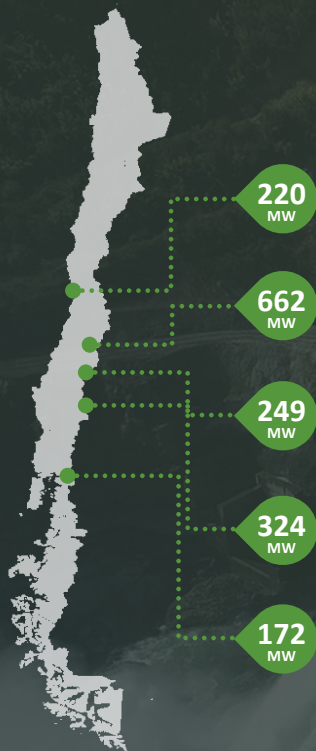


# MARKET CONDITIONS / HIDROLOGICAL COND.



*Cost efficient & diversified asset base*

## CHANGE IN ACCUMULATED RAINFALLS (%)



As of Dec21 compared to

	2020	Av. year
Aconcagua	-39%	-70%
Maule	-36%	-50%
Laja	-22%	-27%
Bío Bío	-31%	-36%
Chapo	-17%	-22%

## LONG-TERM STRATEGY

- 1 Regasification capacity and supply contract with Enap**  
Effective from 2018 onwards, for 13 years.
- 2 LNG spot contracts**  
In case of dry conditions.
- 3 Gas from Argentina**  
Firm contracts since October 2021 to April 2022 for up to two combined cycles.



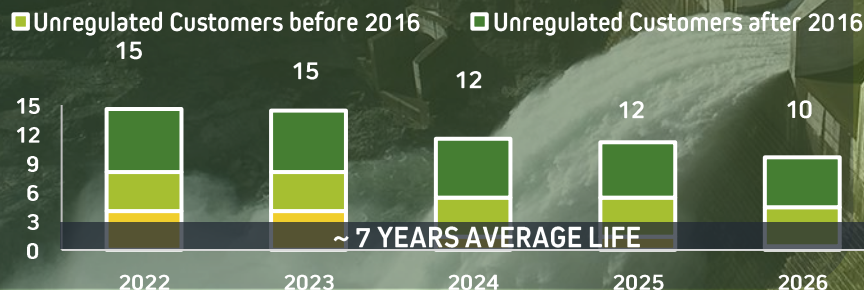
# MARKET CONDITIONS

*Delivery of focused value added services*

We are serving an increasing number of costumers



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



Expanded delivery of value-added services by acquiring Efizity



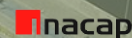
Energy Manager



Energy Audit



Power Consumption Monitoring and Control



Energy Efficiency Advisory



Splice Migration



Photovoltaic Self-Generation



Energy Management System



Electric Charger



Multipoint Power Management



# CONTENT



COMPANY OVERVIEW



OUR STRATEGY AND MARKET CONDITIONS



**KEY FINANCIAL FIGURES**



REGULATORY FRAMEWORK



PIPELINE OF PROJECTS



FENIX POWER



SUSTAINABILITY

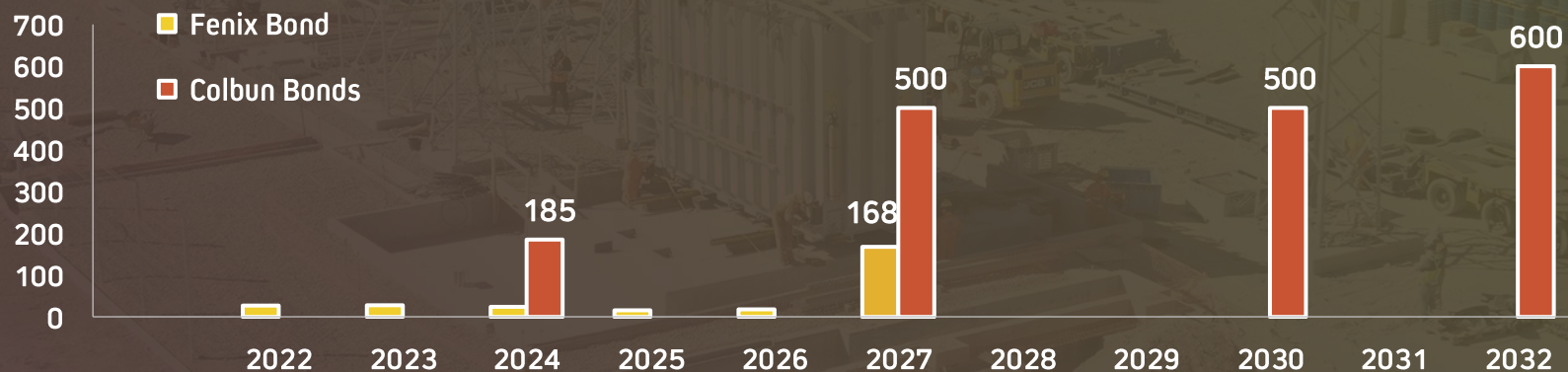


# KEY FINANCIAL FIGURES

*Prudent financial management*



## AMORTIZATION STRUCTURE (US\$ million)



## FINANCIAL DEBT PROFILE

**US\$2,038(\*) mm**

US\$1,757 million

US\$281 million

**100% bonds**

100% USD

100% Fixed rate

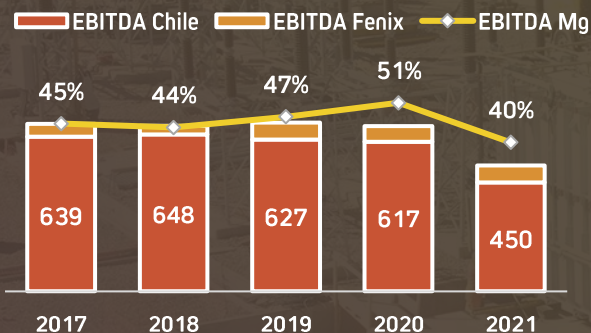
**3.6%** Interest Rate average

**7.2** years average life

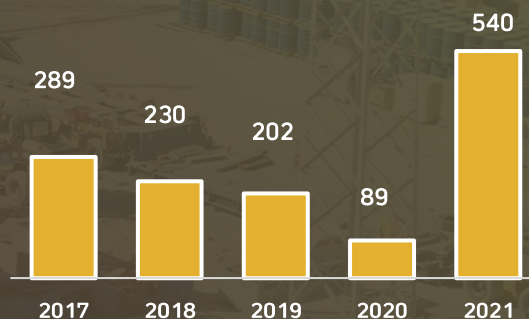


# KEY FINANCIAL FIGURES

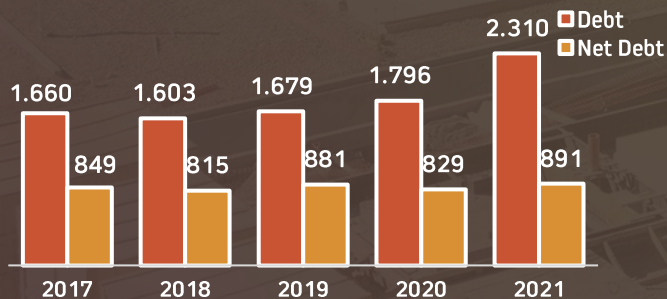
## 1. EBITDA & EBITDA MG. (US\$ million & %)



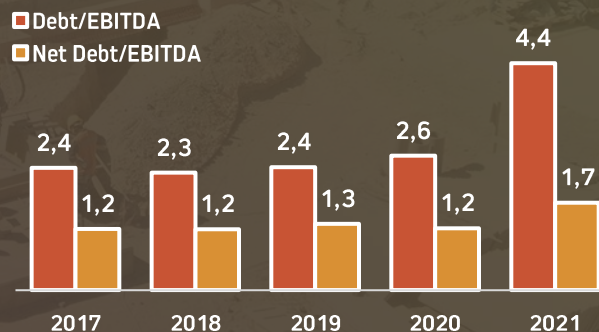
## 2. NET INCOME (US\$ million)



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



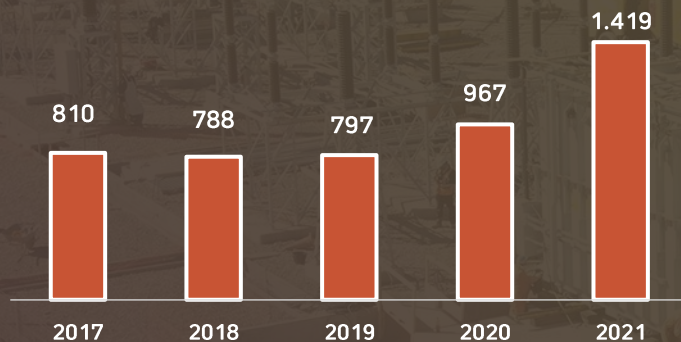
## 4. DEBT/EBITDA & NET DEBT/EBITDA. (x)\*



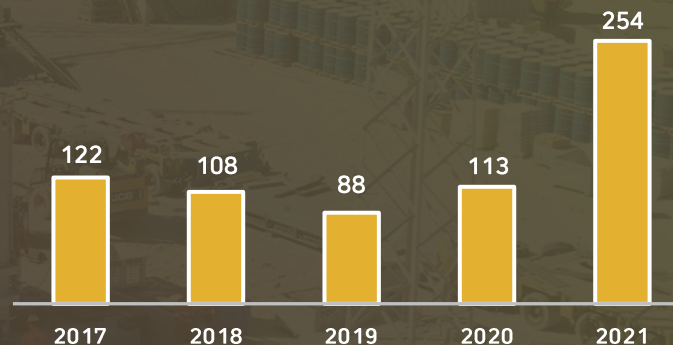


# KEY FINANCIAL FIGURES

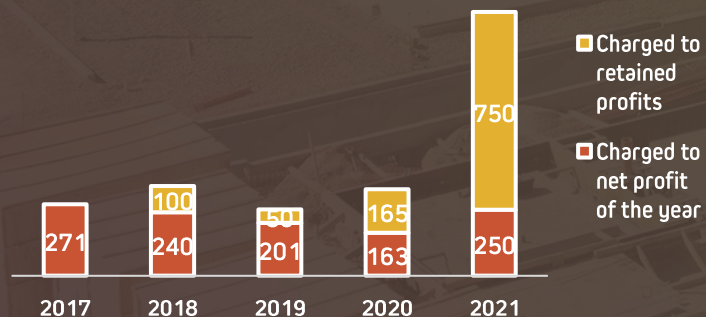
## 1. CASH POSITION (US\$ million)



## 2. CAPEX (US\$ million)



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



The Dividend Policy approved by the 2021's Annual Shareholders Meeting is 50% of the net income.



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COMPANY OVERVIEW



OUR STRATEGY AND MARKET CONDITIONS



KEY FINANCIAL FIGURES



**REGULATORY FRAMEWORK**



PIPELINE OF PROJECTS



FENIX POWER



SUSTAINABILITY



# REGULATORY FRAMEWORK\*

*Recent developments in Chile*

## LATEST CHANGES



1. Price stabilization mechanism for regulated clients tariffs



2. Essential services payments delay

## UNDER DISCUSSION



1. Power Supply Portability



2. Sufficiency Power



3. Power Matrix Decarbonization



4. Technical decree of LNG



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**PIPELINE OF PROJECTS**



FENIX POWER



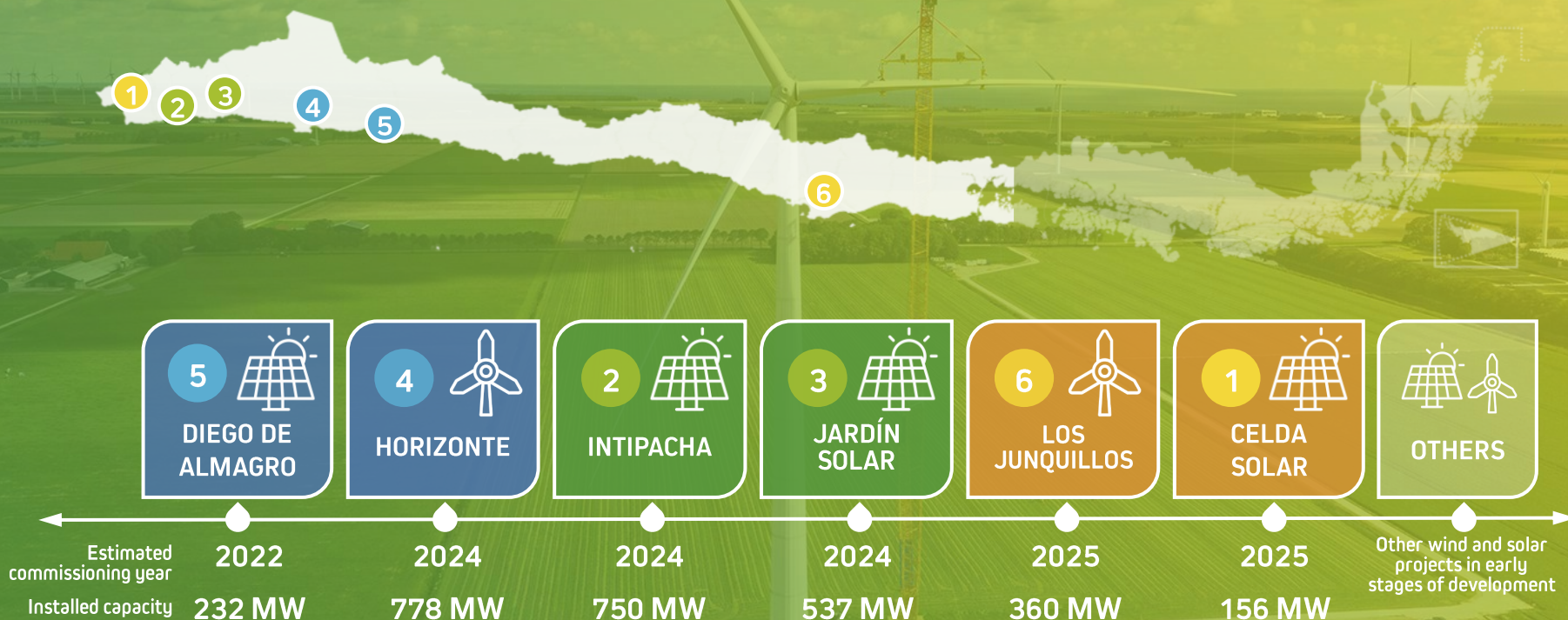
SUSTAINABILITY



# PIPELINE OF PROJECTS

*Attractive portfolio of growth options*

● Feasibility ● Environmentally approved ● Under construction





# PIPELINE OF PROJECTS

*Attractive portfolio of growth options*



## Competitive advantages of our projects



Load Factors



Proximity to the  
transmission  
network



Socio-  
Environmental  
viability



Concessions /  
Easements



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## Company overview



**ONE OF THE MOST EFFICIENT CCGT IN PERU**

Based on Heat Rate



**OWNERSHIP**



**INSTALLED CAPACITY**

**573 MW**

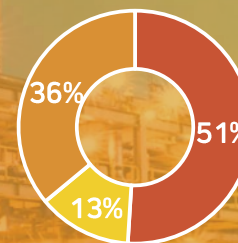
**ANNUAL GENERATION**

**3.4 TWh/year<sup>1</sup>**



**AVERAGE ENERGY COMMITMENTS**

**2.8 TWh/year**



■ Colbún S.A

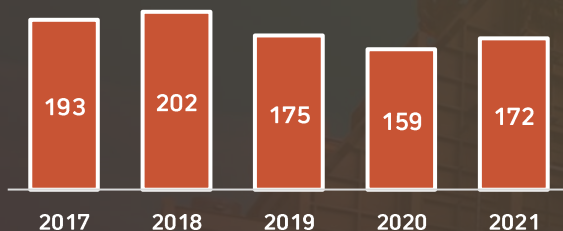
■ Sigma

■ Blue Bolt

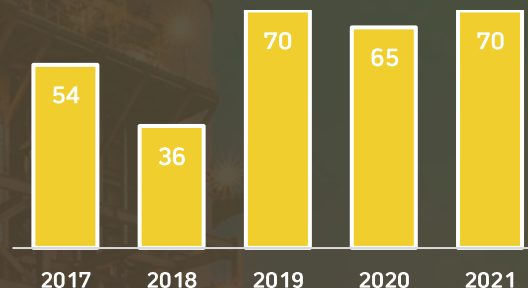


## Key financial figures

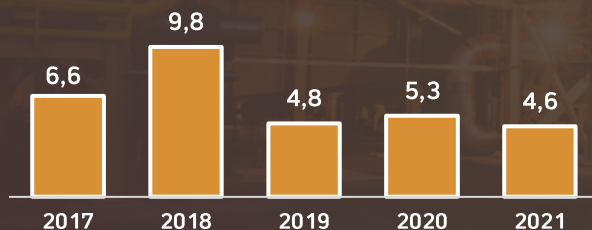
### 1. OPERATING REVENUES. (US\$ million)<sup>1</sup>



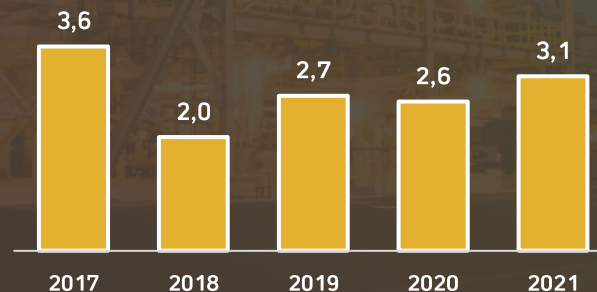
### 2. EBITDA (US\$ million)<sup>2</sup>



### 3. GROSS DEBT/EBITDA (x)<sup>2</sup>



### 4. FINANCIAL EXPENSES COVERAGE (x)<sup>2</sup>



<sup>1</sup> From 2019 onwards, tolls revenues and costs are presented on a net basis

<sup>2</sup> Doesn't include Calidda leasing nor option's amortization of distribution companies

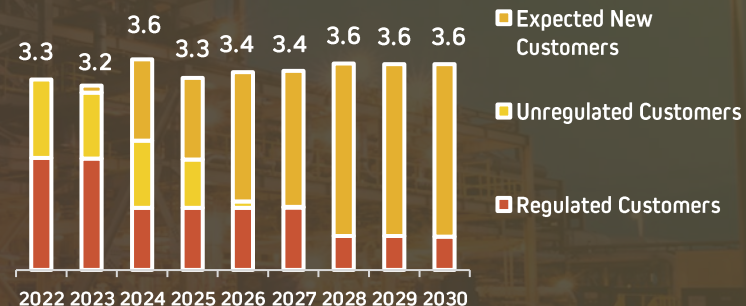


### OPERATIONAL LONG-TERM CONTRACTS

- 1. NATURAL GAS CONTRACT**  
Camisea Consortium/ Dec 2029
- 2. NATURAL GAS TRANSPORT**  
TGP/ May 2032
- 3. GAS DISTRIBUTION & O&M**  
Calidda/ Mar 2033
- 4. ELECTRIC TRANSMISSION & O&M**  
Transmantaro Consortium/ Feb 2033
- 5. CONTRACT SERVICE AGREEMENT**  
GE/ Major inspections

### LONG-TERM PPAS

- US\$ indexation
- Strong AAA locally-rated off takers





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- ... **SUSTAINABILITY**

# SUSTAINABILITY

## Our Pathway



*We must excel in social, environmental and corporate governance performance to create value for our shareholders in the long term*





# SUSTAINABILITY

## Our ESG goals and highlights



### ENVIRONMENTAL



Add 4,000 MW of renewable energy from variable sources by 2030



#### LOWER CO<sub>2</sub> EMISSION FACTOR (ton CO<sub>2</sub>e/MWh) :

- 30% net reduction by 2025
- 40% net reduction by 2030
- Carbon neutrality by 2050



#### EFFICIENT WATER USE:

*Operational (m<sup>3</sup>/MWh):*

- 40% reduction by 2025
- 45% reduction by 2030

*Non-operational (m<sup>3</sup>):*

- 40% reduction by 2025



#### WASTE MANAGEMENT:

- 98% of ash recovery by 2025 (61% average in last 4 years)



#### BIODIVERSITY MANAGEMENT (internal goals)

### SOCIAL



#### CLIENTS:

- Maintain a Net Promoter Score (NPS) above 50 points



#### WORKERS:

- Increase female participation to 25% of the workforce by 2025; focus in masculinized areas/roles (18% in 2018)
- Maintain a Promoter Score above 88 points



#### OTHER INTERNAL GOALS:

- Stakeholders' engagement indicators:
  - Communities
  - Suppliers
  - Investors

### GOVERNANCE



Board of Directors and Senior Management continuous engagement

- Sustainability Committee and Risk Management Committee



Focus on ESG goals and commitments



Stakeholders' engagement



Highest standards in information/communication



An aerial photograph of a large dam and reservoir. The dam is a long, straight concrete structure curving through a green valley. To the left of the dam is a large reservoir. In the foreground, there is a power plant with several large buildings and a complex network of electrical transmission towers and lines. The background shows rolling green hills under a clear blue sky.

# APPENDIX



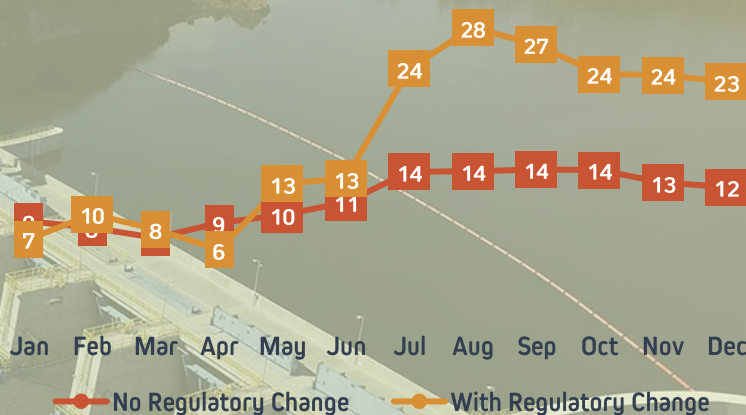
# MARKET CONDITIONS

## Perú: Change in gas price declaration methodology

### Background:

- The declared cost of gas-based power generation now must reflect the entire gas supply chain; supply, transportation and distribution
- The marginal cost price increased from 10-15 USD/MWh to 25 USD/MWh

### Santa Rosa Marginal Cost 2021 (USD/MWh)



- Higher prices for sales in the spot market
- Likely upward pressure on prices for future PPAs



# REGULATORY FRAMEWORK

*Recent developments in Chile*

## 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: 80% most vulnerable families, according to the Social Registry of Households.

The bill establishes that those beneficiaries can postpone their payment for basic services until March 31, 2022.

Afterwards, the payment deferrals must be paid in 48 equal monthly installments.

These monthly installments may not exceed 15% of the client's average account and will be covered by a state subsidy



# REGULATORY FRAMEWORK

*Recent developments in Chile*

## UNDER DISCUSSION



### 1. Power Supply Portability:

Aims to increase competition in the regulated client segment.

Every user will have the right to choose its preferred supplier.



### 3. Power Matrix Decarbonization:

An agreement was signed with the Government, but initiatives seek to further accelerate the process.



### 2. Sufficiency Power:

Seeks to adapt our system to the operational challenges of the coming years.



### 4. Technical decree of LNG:

Shadow price determination for the flexibility condition for volumes of gas necessary for the system's security of the system.

- 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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