



# CORPORATE PRESENTATION

**BOFA SECURITIES 2022**

Emerging markets debt and  
equity conference



# CONTENT



COMPANY OVERVIEW



OUR STRATEGY AND MARKET CONDITIONS



KEY FINANCIAL FIGURES



REGULATORY FRAMEWORK



PIPELINE OF PROJECTS



SUSTAINABILITY



APPENDIX



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**COMPANY OVERVIEW**



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# COMPANY OVERVIEW / THE COMPANY



*Leading position in Chile & Peru*



## INSTALLED CAPACITY

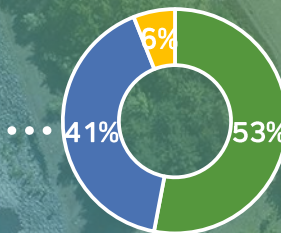
**4,010 MW**



3,437 MW /



573 MW



Thermoelectric

Hydroelectric

Photovoltaic



## POWER PLANTS

**27**



26 /



1



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



**14%**



**7%**



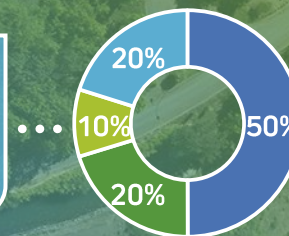
## PIPELINE OF PROJECTS

**2,870 MW**

- 778 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 1Q22 LTM<sup>1</sup>

**US\$528 mm**



US\$414 mm



US\$78 mm



TOTAL ASSETS

**US\$6.5 bn**



NET DEBT / EBITDA

**1.8 x**



INTERNATIONAL RATINGS



S&P

BBB  
Stable

BBB-  
Stable

Fitch

BBB+  
Stable

BBB-  
Stable

Moody's

Baa2  
Stable



CASH

**US\$1,199mm**

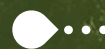
<sup>1</sup>On September 30, Colbun executed the sale of its subsidiary Colbun Transmission S.A. to Alfa Desarrollo SpA. Given this, for the year 2021 the results of Colbun Transmission S.A. are consolidated in Colbun S.A. only until Sep21 (period of 9 months).



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# 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 %

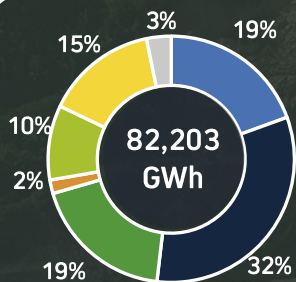
### MARGINAL COST US\$/MWh



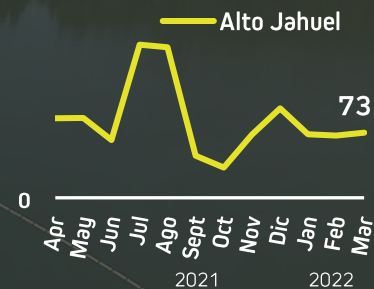
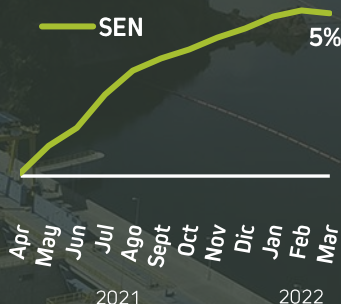
SEN

32 GW

+13.9% y/y



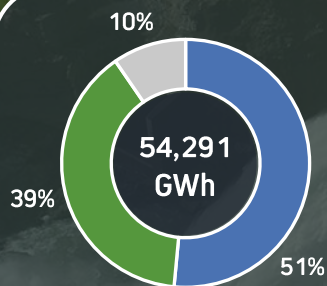
Hydro  
Coal  
Gas and LNG  
Diesel  
Wind  
Solar  
Others



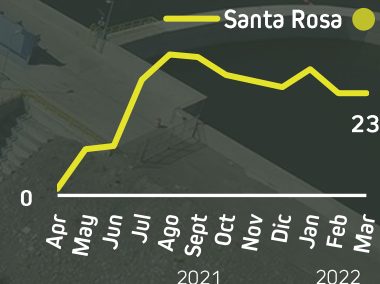
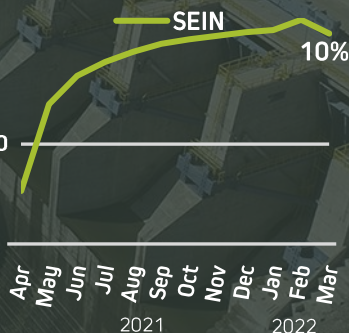
SEIN

13 GW

+1.6% y/y



Hydro  
LNG  
Others

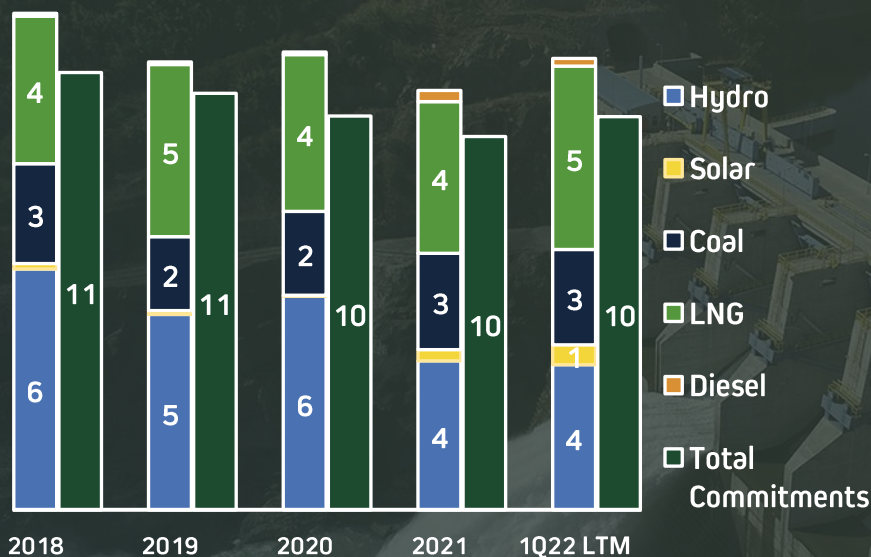




# MARKET CONDITIONS

*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*

## ACCUMULATED RAINFALLS (mm)



220  
MW

662  
MW

249  
MW

324  
MW

172  
MW

As of May22 compared to

	2021	Av. year
Aconcagua	+6mm 31%	-92mm -78%
Maule	+426mm 261%	-103mm -15%
Laja	+223mm 89%	+30mm 7%
Bío Bío	+283mm 244%	-87mm -18%
Chapo	+302mm 75%	-56mm -7%

## 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



Expanded delivery of value-added services by acquiring Efizity



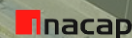
Energy Manager



Energy Audit



Power Consumption Monitoring and Control



Energy Efficiency Advisory



Splice Migration



Photovoltaic Self-Generation



Energy Management System

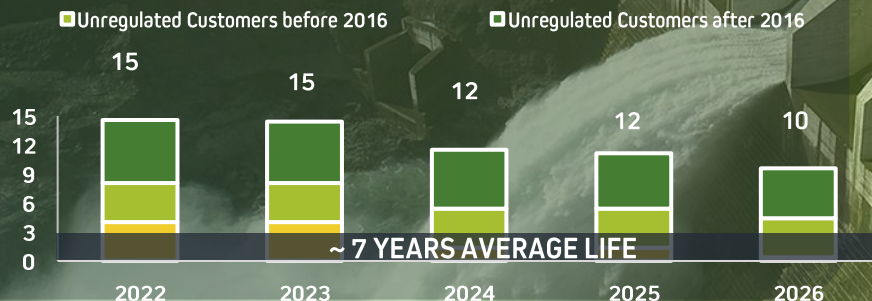


Electric Charger



Multipoint Power Management

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





# 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



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**KEY FINANCIAL FIGURES**



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PIPELINE OF PROJECTS



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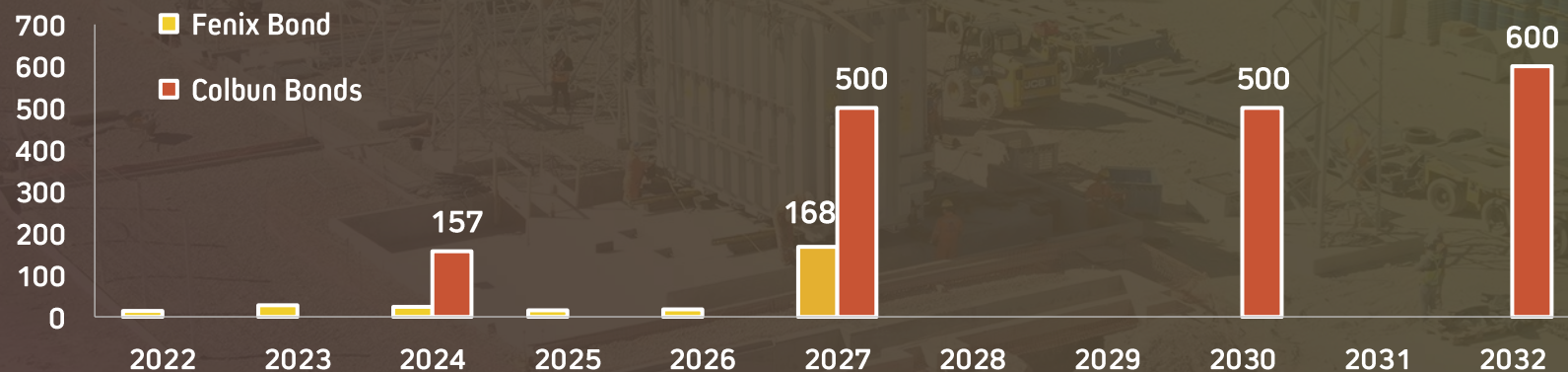


# KEY FINANCIAL FIGURES

*Prudent financial management*



## AMORTIZATION STRUCTURE (US\$ million)



## FINANCIAL DEBT PROFILE

**US\$2,025(\*) mm**



US\$1,757 million



US\$268 million

**100% bonds**

100% USD

100% Fixed rate

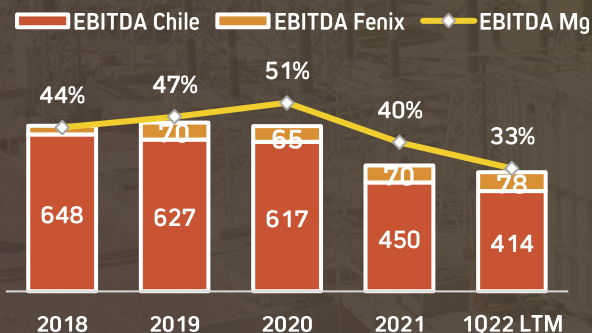
**3.6%** Interest Rate average

**7.0** years average life

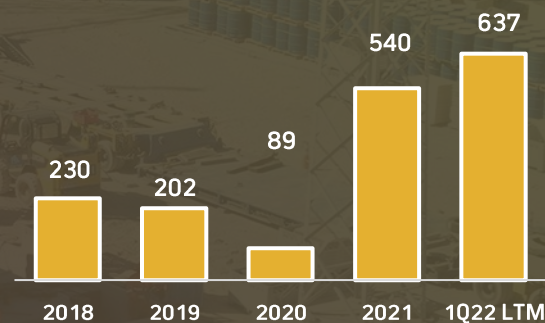


# KEY FINANCIAL FIGURES

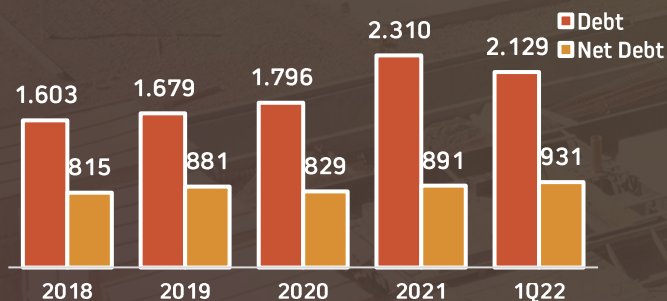
## 1. EBITDA & EBITDA MG. (US\$ million & %)



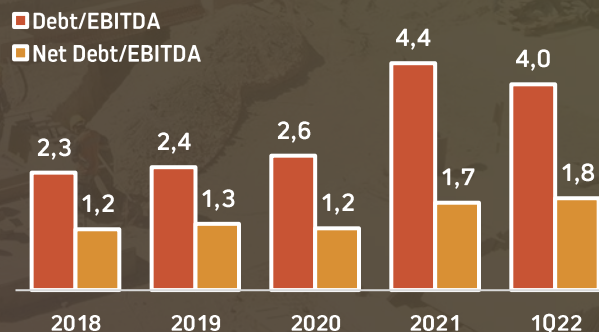
## 2. NET INCOME (US\$ million)



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



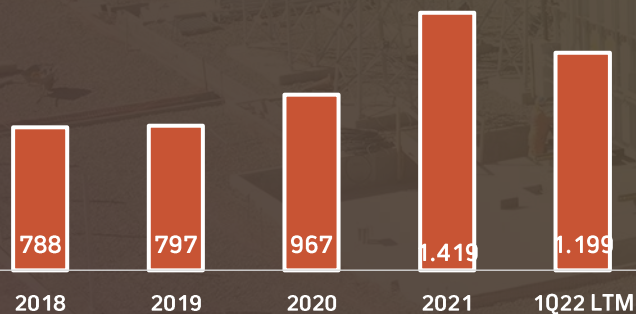
## 4. DEBT/EBITDA & NET DEBT/EBITDA. (x)\*



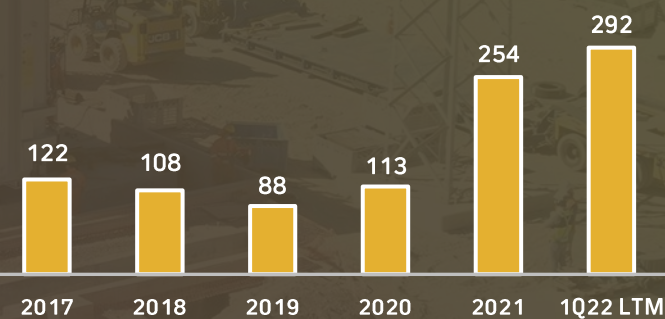


# KEY FINANCIAL FIGURES

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



## 2. CAPEX (US\$ million)





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# REGULATORY FRAMEWORK\*

*Recent developments in Chile*

## LATEST CHANGES



1. Price stabilization mechanism for regulated client tariffs



2. Water code reform

## UNDER DISCUSSION



1. Decarbonization process



2. Storage Promotion



3. Green Hydrogen Promotion



4. VRE Promotion



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REGULATORY FRAMEWORK



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**PIPELINE OF PROJECTS**



SUSTAINABILITY



# PIPELINE OF PROJECTS

*Attractive portfolio of growth options*



● Operating ● Under construction ● Environmentally approved ● Feasibility



Estimated  
commissioning year

Installed capacity

2022  
232 MW

2024  
778 MW

750 MW

537 MW

360 MW

156 MW

Other wind and solar  
projects in early  
stages of development



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- ... KEY FINANCIAL FIGURES
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- ... PIPELINE OF PROJECTS
- ... **SUSTAINABILITY**
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# 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



- 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.
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- 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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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 substation with several tall metal towers and a cluster of industrial buildings. The background shows rolling green hills under a clear blue sky.

# APPENDIX



# REGULATORY FRAMEWORK

## Recent developments in Chile



### Stabilization and Energy Emergency Fund:

Additional charge for all users of the system, unregulated and regulated. It will follow solidarity and proportionally criteria, according to consumption.

The fund accumulate until reaching US\$2,000 million.

Public Service Charge:

< 250 kWh/month: exempt from the charge  
250-500 kWh/month: 0.8 pesos per kWh  
500-1,000 kWh/month: 1.8 pesos per kWh  
>1,000 kWh/month: 2.5 pesos per kWh



### Temporary Regulated Customer Protection Mechanism

It seeks to prevent the increase in energy bills during 2022 and allow only gradual increases during the next decade.

It considers gradual increases in rates according to section. Protecting small consumers.

It may not exceed US\$1,600 million

This new mechanism will not indebt any agent in the power market and will have a state guarantee.

The administration of this fund will remain in the hands of the National Electrical Coordinator.

Full payment may not be later than December 31, 2032.



# REGULATORY FRAMEWORK

*Recent developments in Chile*



## Water Reform Code:

It reaffirms the real right character of water rights

However, new water rights will have temporary limits, up to 30 years.

Subject to extinction due to lack of effective use.

Provides for a prioritization of subsistence uses, human consumption and sanitation with respect to other productive uses.



# REGULATORY FRAMEWORK



*Recent developments in Chile*

## UNDER DISCUSSION



### **VRE Promotion:**

Promotes the participation of REVS by forcing Gencos to trade energy that has been injected by means of REVS.

#### **Generation Goals:**

40% VRE by 2030

30% VRE by 2030 in each temporary block



### **Green Hydrogen Promotion:**

Seeks to promote a national market and the development of a green hydrogen industry

#### **Goals:**

Generate local demand for green hydrogen

Use existing gas infrastructure

Leverage industry experience



### **Storage Promotion:**

It seeks to promote technology for a greater participation of renewable energies in the electrical matrix

Enables "pure" storage systems to participate in balances

Currently, they are only paid for the energy injected and for the power supplied to the system



### **Decarbonization process:**

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



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