



3Q20 EARNINGS

REVIEW

OCTOBER 2020

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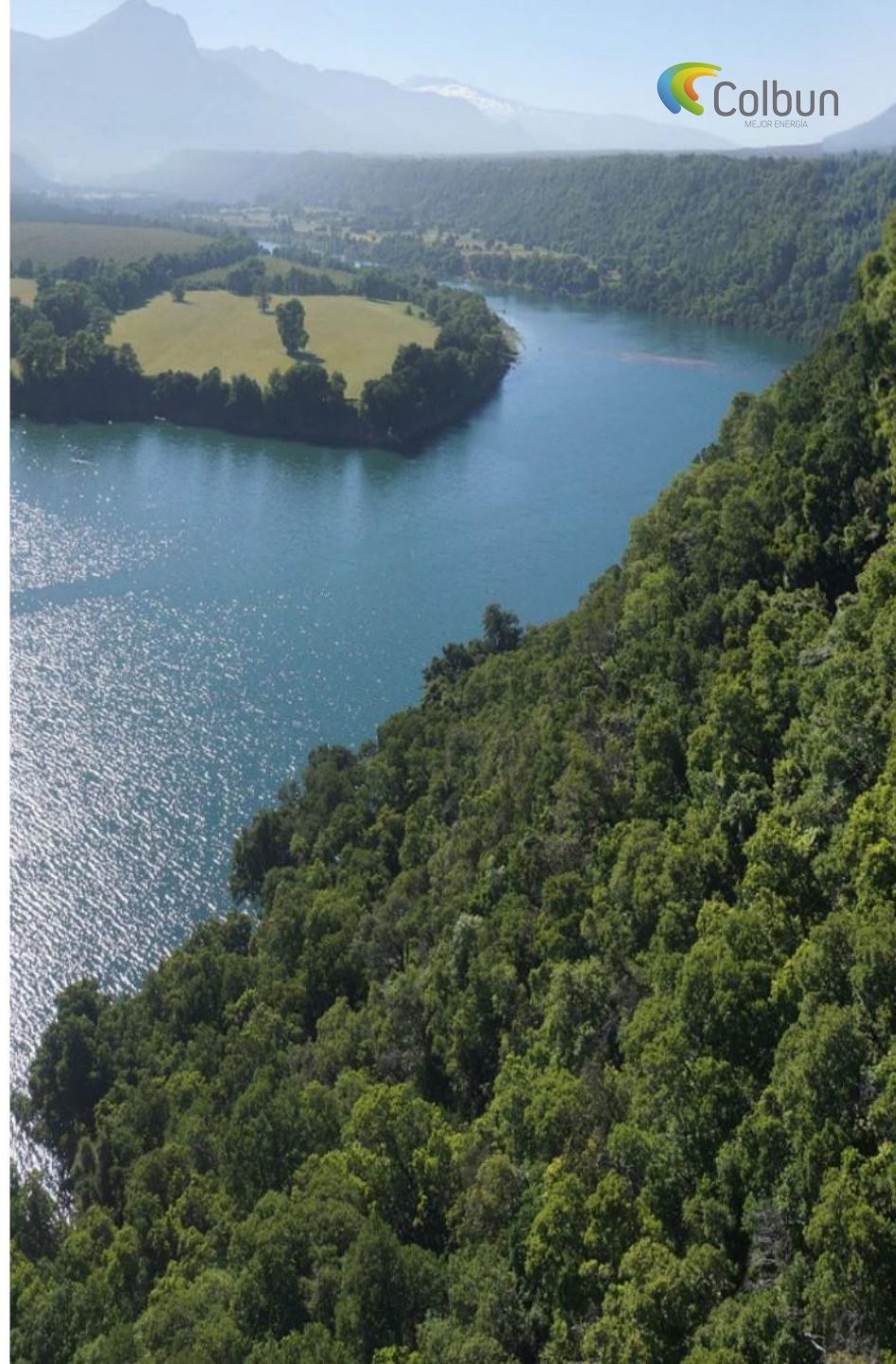
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AGENDA

HIGHLIGHTS OF THE QUARTER

FINANCIAL REVIEW

GROWTH OPPORTUNITIES



Highlights of the quarter

3Q20

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. COLBÚN S.A AND WALMART CHILE EXTENDED THEIR ENERGY SUPPLY CONTRACT

- The contract will be supplied with 100% renewable energy, for 330 GWh/year, for a 6-year period
- The agreement also includes the installation of 9 charging stations for electric cars in supermarkets

3. ACQUISITION OF 100% OF EFIZITY

- Efizity is a company specialized on providing energy solution in the national market
- With the purpose of enhancing the Company's value proposition by incorporating solutions related to energy management




4. COLBÚN TRANSMISSION ASSETS

- The Board of Directors agreed to carry out a process that involves the invitation of actors with experience in power, infrastructure and financial transmission industries, in order to explore their interest and the conditions in which its possible participation could be agreed either:
 - (i) as a strategic partner
 - (ii) acquiring a majority position
 - (iii) acquiring up to all the shares of its subsidiary Colbún Transmission S.A.

Company highlights

3Q20 main consolidated figures

US\$ **175** mm
EBITDA

 Gx US\$141 mm /  Tx US\$19 mm
 US\$16 mm

1.2x
Net Debt/
EBITDA LTM

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

US\$ **62** mm
Net Income

3.9%
Avg. Interest Rate¹

25
Power Plants
 24 /  1

US\$ **966** mm
Cash

BBB+ Fitch
BBB S&P
Baa2 Moody's Ratings

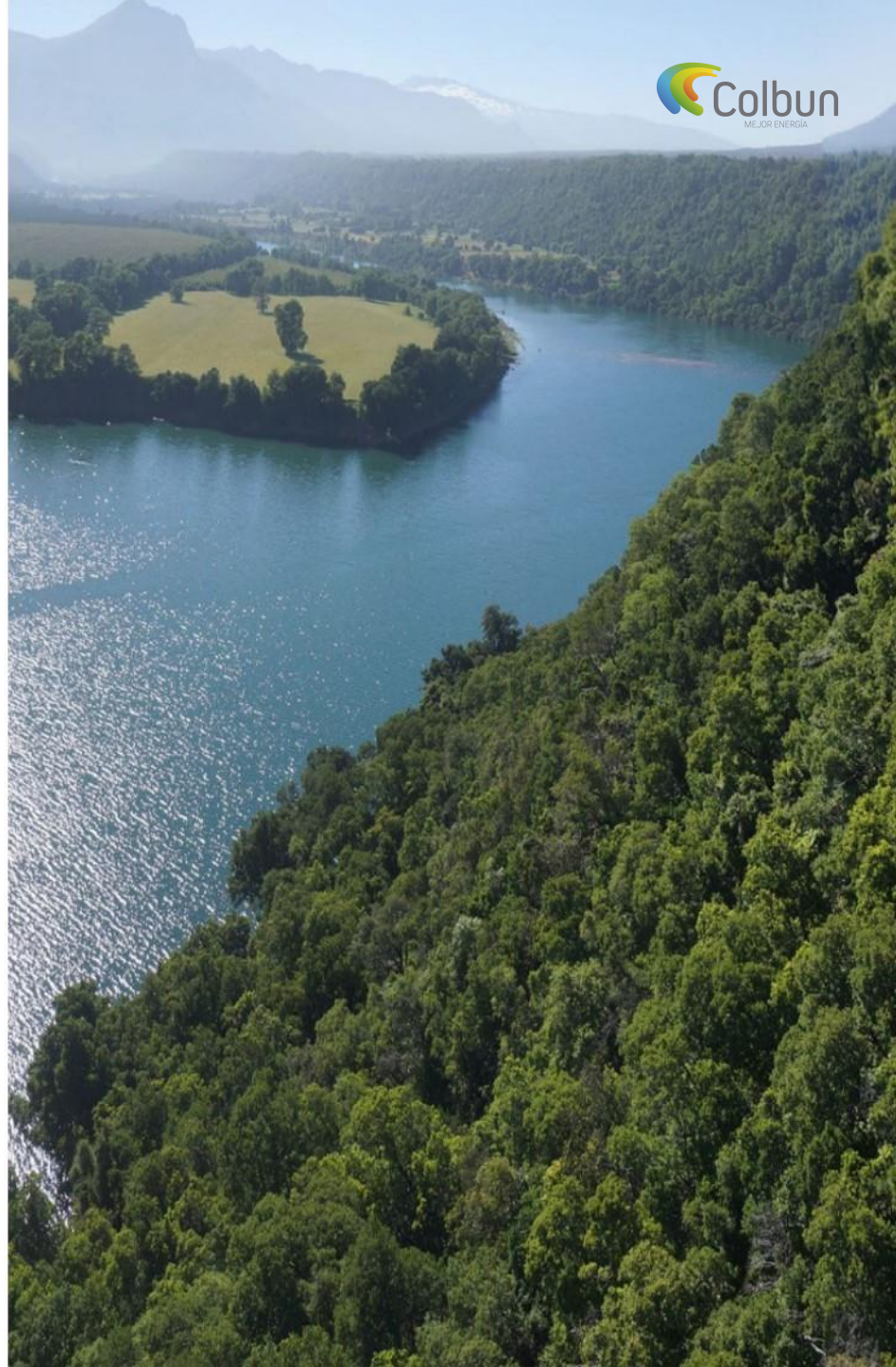
899 km Tx Lines
27 Substations

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Generation (GWh)	3Q19	3Q20	QoQ
Hydraulic	1,317	1,530	16%
Thermal	1,164	1,978	70%
Gas	966	1,429	48%
Diesel	0	3	-
Coal	198	545	175%
VRE*	108	39	(64%)
Wind Farm**	105	34	(67%)
Solar	4	4	9%
Total Generation	2,590	3,546	37%

Sales Volume (GWh)	3Q19	3Q20	QoQ
Regulated Clients	1,126	833	(26%)
Unregulated Clients	1,736	1,833	6%
Total Commitments	2,862	2,666	(7%)
Sales to the Spot Market	31	787	-
Total Energy Sales	2,893	3,453	19%

Spot Market (GWh)	3Q19	3Q20	QoQ
Net sales to the Spot Market	(338)	787	-

MAIN VARIATIONS 3Q20 / 3Q19

- Total generation** increased, mainly due to:
 - Higher gas, coal and hydro generation.
 - Partially offset by lower wind generation.
- Physical sales** increased, mainly due to:
 - Higher sales to the spot market and to unregulated clients.
 - Partially offset by lower sales to regulated clients.
- Spot market balance** registered net sales for 787 GWh, compared with the net purchases for 338 GWh in 3Q19, mainly as a result of the higher 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)	3Q19	3Q20	QoQ
Revenues	301.2	286.9	(5%)
Raw Materials and Consumables Used	(136.1)	(126.5)	(7%)
Gross Profit	165.1	160.4	(3%)
Personnel and other operating expenses	(20.6)	(19.6)	(5%)
Depreciation and Amortization	(48.6)	(47.1)	(3%)
Operating Income (Loss)	96.0	93.8	(2%)

EBITDA (US\$ million)	3Q19	3Q20	QoQ
EBITDA	144.5	140.9	(3%)
EBITDA Margin (%)	48%	49%	

MAIN VARIATIONS 3Q20 / 3Q19

- **Revenues** decreased, mainly due to:
 - Lower physical sales to regulated clients.
 - Lower contracts average price for both unregulated and regulated clients.
 - Partially offset by higher physical sales in the spot market and to unregulated clients.
- **Raw Materials and Consumables Used** decreased, mainly explained by:
 - Lower energy purchases.
 - Lower transmission costs.
 - Lower average purchase gas price.
- **EBITDA** totaled US\$141 million, 3% lower compared to 3Q19, mainly due to the lower operating income recorded during the period.

Tx Business in Chile: Operating Income analysis

Operating Income (Loss) (US\$ million)	3Q19	3Q20	QoQ
Revenues	20.1	21.4	6%
Raw Materials and Consumables Used	(2.6)	(2.7)	4%
Gross Profit	17.5	18.7	7%
Personnel and other operating expenses	(0.2)	(0.2)	(7%)
Depreciation and Amortization	(3.5)	(2.8)	(20%)
Operating Income (Loss)	13.8	15.6	14%

EBITDA (US\$ million)	3Q19	3Q20	QoQ
EBITDA	17.3	18.5	7%
EBITDA Margin (%)	86%	86%	-

MAIN VARIATIONS 3Q20 / 3Q19

- **Revenues** amounted US\$21 million, 6% higher than revenues recorded in 3Q19, mainly due to an increase on the national segment's income.
- **EBITDA** totaled US\$19 million, 7% higher than the EBITDA recorded in 3Q19 mainly explained by the increase in operating income.

Generation (GWh)	3Q19	3Q20	QoQ
Thermal - Gas	1,185	1,042	(12%)
Total Generation	1,185	1,042	(12%)

Sales Volume (GWh)	3Q19	3Q20	QoQ
Customers under contract	731	677	(7%)
Sales to the Spot Market	430	342	(20%)
Total Energy Sales	1,161	1,019	(12%)

Spot Market (GWh)	3Q19	3Q20	QoQ
Sales	430	342	(20%)
Purchases	-	-	-
Spot Market Balance	430	342	(20%)

MAIN VARIATIONS 3Q20 / 3Q19

- **Total generation** decreased, mainly due to:
 - Lower plant availability.
 - The COES request not to dispatch 3 days in July.

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

- **Spot market balance** recorded net sales of 342 GWh, compared to the net sales of 430 GWh during 3Q19, due to the lower generation of the quarter.

Operating Income (Loss) (US\$ million)	3Q19	3Q20	QoQ
Revenues	44.2	42.9	(3%)
Raw Materials and Consumables Used	(26.3)	(25.2)	(4%)
Gross Profit	17.9	17.7	(1%)
Personnel and other operating expenses	(1.9)	(2.0)	5%
Depreciation and Amortization	(11.8)	(12.2)	4%
Operating Income (Loss)	4.2	3.5	(18%)

EBITDA (US\$ million)	3Q19	3Q20	QoQ
EBITDA	16.0	15.7	(2%)
EBITDA Margin (%)	36%	37%	-

MAIN VARIATIONS 3Q20 / 3Q19

- **Revenues** decreased, mainly due to:
 - Lower sales to unregulated and regulated clients.
 - Partially offset by higher sales to the spot market.

- **Raw Materials and Consumables Used** decreased, mainly explained due to:
 - Lower gas consumption, due to the lower generation of the period.

- **EBITDA** totaled US\$16 million, in line with the EBITDA recorded in 3Q19.

Non-Operating Income (Loss) (US\$ million)	3Q19	3Q20	QoQ
Financial Income	4.9	1.8	(64%)
Financial Expenses	(22.9)	(22.9)	-
Exchange Rate Differences	(7.8)	2.1	-
Profit (Loss) of Companies Accounted for Using the Equity Method	2.2	2.2	-
Other Profits (Losses)	(10.0)	(8.0)	(20%)
Non-Operating Income (Loss)	(33.5)	(24.8)	(26%)

Net Income (US\$ million)	3Q19	3Q20	QoQ
Profit (Loss) Before Taxes	81.3	88.0	8%
Income Tax Expense	(26.6)	(25.8)	(3%)
Net Income	54.7	62.2	14%

MAIN VARIATIONS 3Q20 / 3Q19

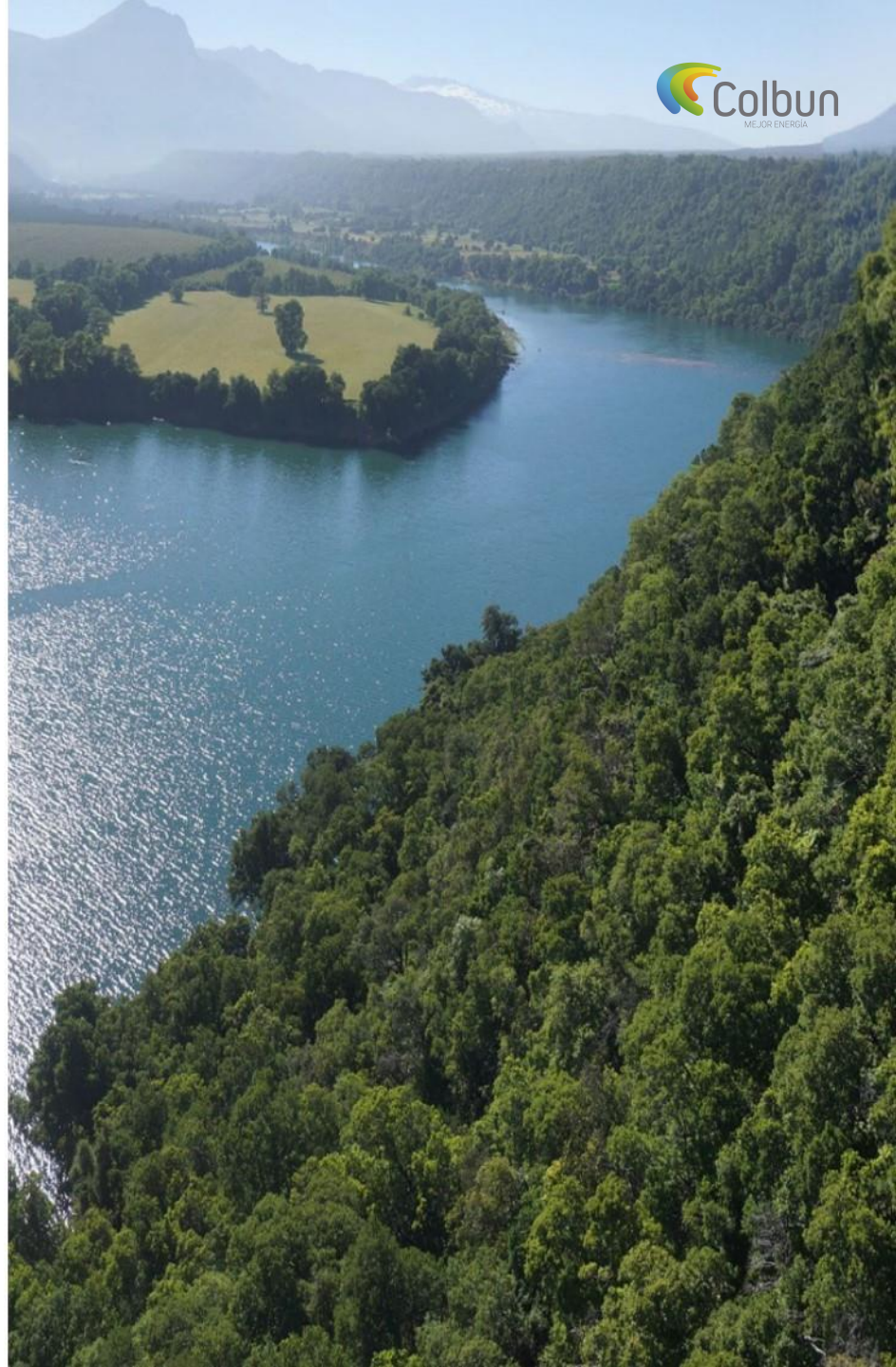
- **Non-operating income** recorded lower losses, mainly explained by:
 - Positive effect of the variation of the CLP/US\$ exchange rate.
- **Net income** totaled US\$62 million, 14% higher compared to 3Q19.

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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 (230 MW)
 - c. Machicura photovoltaic project (9 MW)
 - d. Inti Pacha photovoltaic project (486 MW)
 - e. Jardin Solar photovoltaic project (537 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\$34 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

