

# 2Q21 EARNINGS

# REVIEW

JULY 2021

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- 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.
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## INVESTOR RELATIONS

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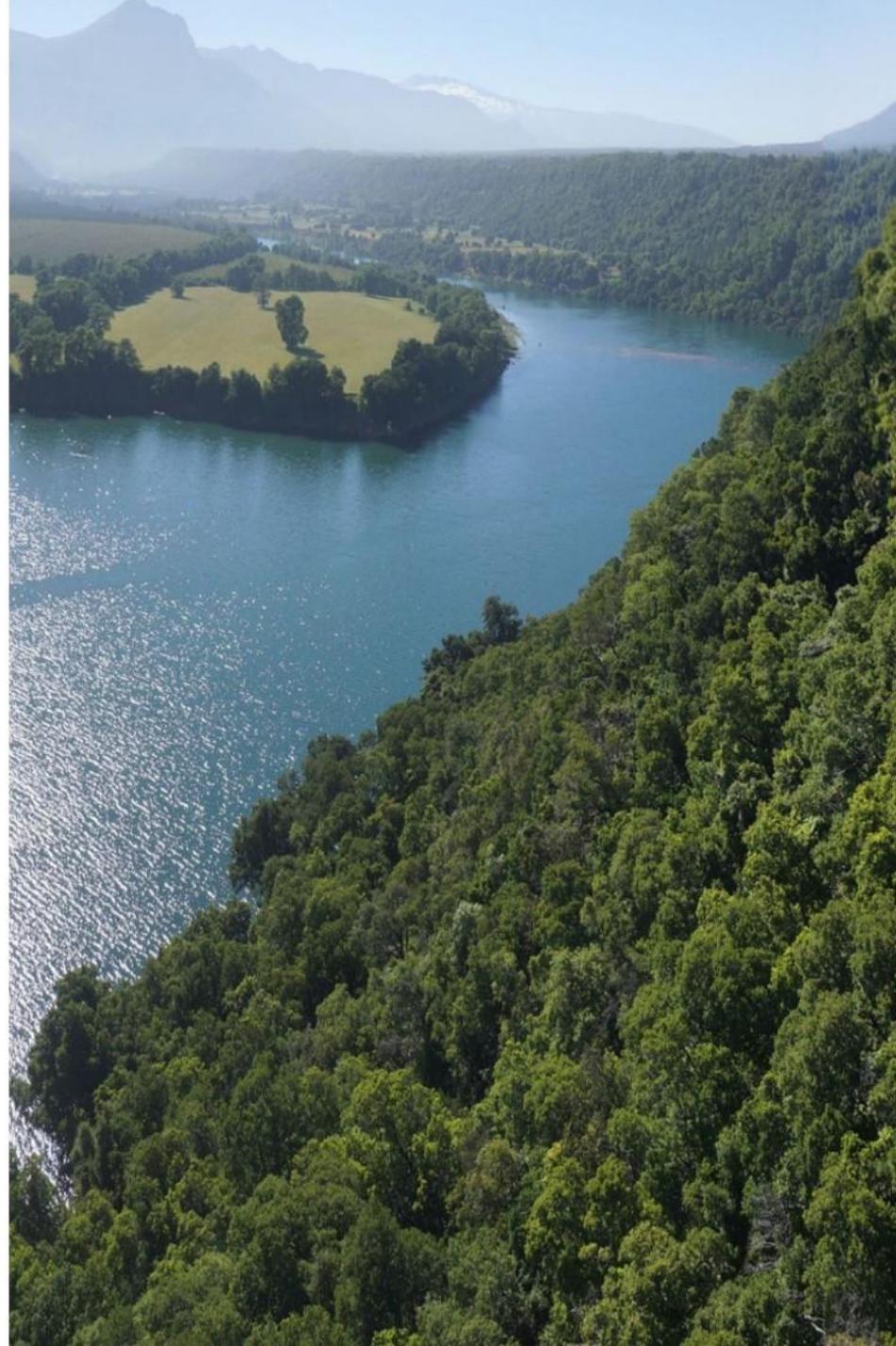
# AGENDA

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HIGHLIGHTS OF THE QUARTER

FINANCIAL REVIEW

GROWTH OPPORTUNITIES



# HIGHLIGHTS OF THE QUARTER

## 2Q21

### 1. COVID-19 PANDEMIC

- Colbún overall operations and specifically its power plants keep operating normally, taking into consideration the protection and health of personnel, suppliers and our surrounding communities.
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### 2. PRICE STABILIZATION MECHANISM

- On April 1st, Colbún sold the second group of account receivables. Subsequently, the third group of accounts was sold on June 30th.
- Nominal value of US\$56.4 million.
- “Other losses” of US\$14.9 million associated with these sales over 2Q21.

### 3. DIVIDEND PAID

- On May 12, dividends were paid for a total of US\$246.3 million.
- Adding the US\$81.2 million paid in Dec20 as provisional dividend, total distribution reached US\$327.5 million for 2020.

# Company highlights

## 2Q21 main consolidated figures

US\$ **147** mm  
EBITDA

 Gx US\$115 mm/ Tx US\$17 mm  
 US\$15 mm

US\$ **33** mm  
Net Profit

US\$ **790** mm  
Cash

**1.5x**  
Net Debt/  
EBITDA LTM

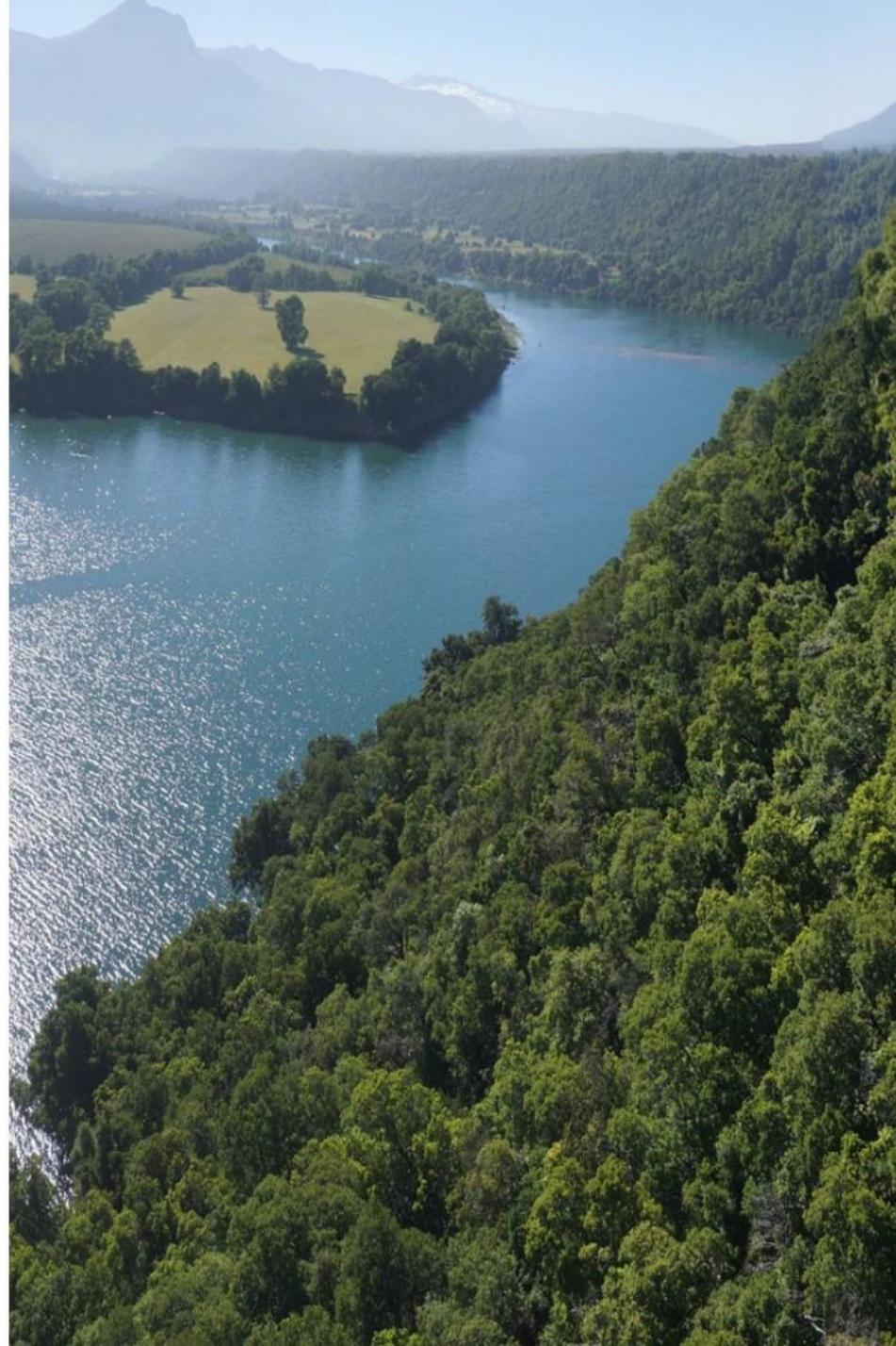
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| Generation (GWh)        | 2Q20         | 2Q21         | QoQ       |
|-------------------------|--------------|--------------|-----------|
| Hydraulic               | 982          | 1,155        | 18%       |
| Thermal                 | 2,108        | 1,998        | (5%)      |
| Gas                     | 1,425        | 1,207        | (15%)     |
| Diesel                  | 32           | 45           | 44%       |
| Coal                    | 651          | 745          | 14%       |
| VRE*                    | 24           | 26           | 5%        |
| Wind Farm**             | 21           | 22           | 5%        |
| Solar                   | 3            | 3            | 0%        |
| <b>Total Generation</b> | <b>3,114</b> | <b>3,178</b> | <b>2%</b> |

| Sales Volume (GWh)        | 2Q20         | 2Q21         | QoQ         |
|---------------------------|--------------|--------------|-------------|
| Regulated Clients         | 784          | 794          | 1%          |
| Unregulated Clients       | 1,736        | 1,674        | (4%)        |
| <b>Total Commitments</b>  | <b>2,520</b> | <b>2,468</b> | <b>(2%)</b> |
| Sales to the Spot Market  | 501          | 620          | 24%         |
| <b>Total Energy Sales</b> | <b>3,021</b> | <b>3,088</b> | <b>2%</b>   |

| Spot Market (GWh)          | 2Q20       | 2Q21       | QoQ        |
|----------------------------|------------|------------|------------|
| Sales                      | 501        | 620        | 24%        |
| Purchases                  | 0          | 0          | -          |
| <b>Spot Market Balance</b> | <b>501</b> | <b>620</b> | <b>24%</b> |

### MAIN VARIATIONS 2Q21 / 2Q20

- **Total generation** increased, mainly due to:
  - Hydro and coal generation.
- **Physical sales increased**, mainly due to:
  - Higher sales to the spot market.
  - Higher sales to the regulated segment
- **Spot market balance** registered net sales for 620 GWh, compared with the net sales for 501 GWh in 2Q20, 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.

| Operating Income (Loss)<br>(US\$ million) | 2Q20         | 2Q21         | QoQ         |
|---|--------------|--------------|-------------|
| Revenues                                  | 271.9        | 322.3        | 19%         |
| Raw Materials and Consumables Used        | (125.0)      | (174.6)      | 40%         |
| <b>Gross Profit</b>                       | <b>146.9</b> | <b>147.6</b> | <b>0%</b>   |
| Personnel and other operating expenses    | (23.6)       | (32.5)       | 38%         |
| Depreciation and Amortization             | (46.8)       | (43.3)       | (7%)        |
| <b>Operating Income (Loss)</b>            | <b>76.5</b>  | <b>71.7</b>  | <b>(6%)</b> |

| EBITDA (US\$ million) | 2Q20         | 2Q21         | QoQ         |
|-----------------------|--------------|--------------|-------------|
| <b>EBITDA</b>         | <b>123.3</b> | <b>115.1</b> | <b>(7)%</b> |
| EBITDA Margin (%)     | 45%          | 36%          |             |

### MAIN VARIATIONS 2Q21 / 2Q20

- **Revenues** increased, mainly due to:
  - Higher energy and capacity sales due to a higher generation
  - Higher sales to regulated clients
  
- **Raw Materials and Consumables Used** increased 40%, mainly explained by:
  - Higher gas consumption
  - Higher capacity payments
  - Higher coal and diesel consumption
  
- **EBITDA** totaled US\$115 million, 7% lower compared to 1Q21, mainly due to, higher personnel expenses and “Other expenses, by nature” due to the appreciation of the exchange rate

## Tx Business in Chile: Operating Income analysis

| Operating Income (Loss)<br>(US\$ million) | 2Q20        | 2Q21        | QoQ         |
|---|-------------|-------------|-------------|
| Revenues                                  | 21.3        | 20.5        | (4%)        |
| Raw Materials and<br>Consumables Used     | (2.7)       | (3.1)       | 16%         |
| <b>Gross Profit</b>                       | <b>18.6</b> | <b>17.4</b> | <b>(7%)</b> |
| Personnel and other<br>operating expenses | (0.2)       | (0.2)       | -           |
| Depreciation and<br>Amortization          | (2.7)       | (2.8)       | 4%          |
| <b>Operating Income (Loss)</b>            | <b>15.7</b> | <b>14.4</b> | <b>(8%)</b> |

| EBITDA (US\$ million) | 2Q20        | 2Q21        | QoQ         |
|-----------------------|-------------|-------------|-------------|
| <b>EBITDA</b>         | <b>18.4</b> | <b>17.2</b> | <b>(6%)</b> |
| EBITDA Margin (%)     | 86%         | 84%         | -           |

### MAIN VARIATIONS 2Q21 / 2Q20

- **Revenues** decreased, mainly due to:
  - The change in the discount rate for regulated assets, which changed from 10% before taxes to 7% after taxes.
  - **EBITDA** totaled US\$17 million, 6% lower compared to 2Q20 mainly due to the decrease in operating income.

| Generation (GWh)        | 2Q20       | 2Q21       | QoQ        |
|-------------------------|------------|------------|------------|
| Thermal - Gas           | 513        | 778        | 52%        |
| <b>Total Generation</b> | <b>513</b> | <b>778</b> | <b>52%</b> |

| Sales Volume (GWh)        | 2Q20       | 2Q21       | QoQ        |
|---------------------------|------------|------------|------------|
| Customers under contract  | 413        | 504        | 22%        |
| Sales to the Spot Market  | 214        | 374        | 75%        |
| <b>Total Energy Sales</b> | <b>627</b> | <b>878</b> | <b>40%</b> |

| Spot Market (GWh)          | 2Q20      | 2Q21       | QoQ         |
|----------------------------|-----------|------------|-------------|
| Sales                      | 214       | 374        | 75%         |
| Purchases                  | 128       | 120        | (6%)        |
| <b>Spot Market Balance</b> | <b>86</b> | <b>254</b> | <b>194%</b> |

### MAIN VARIATIONS 2Q21 / 2Q20

- **Total generation** increased, mainly due to:
  - Higher economic dispatch of the power plant
- **Physical sales** increased, explained by:
  - Higher sales to the spot market
  - Higher sales to customers under contract
- **Spot market balance** recorded net sales of 254 GWh, compared to 86 GWh during 2Q20, due to the higher generation of the quarter.

| Operating Income (Loss)<br>(US\$ million) | 2Q20        | 2Q21        | QoQ         |
|---|-------------|-------------|-------------|
| Revenues                                  | 34.8        | 39.9        | 15%         |
| Raw Materials and<br>Consumables Used     | (18.9)      | (22.1)      | 17%         |
| <b>Gross Profit</b>                       | <b>15.9</b> | <b>17.8</b> | <b>12%</b>  |
| Personnel and other<br>operating expenses | (2.4)       | (3.3)       | 38%         |
| Depreciation and<br>Amortization          | (11.5)      | (8.8)       | (23%)       |
| <b>Operating Income (Loss)</b>            | <b>2.0</b>  | <b>5.7</b>  | <b>177%</b> |

| EBITDA (US\$ million) | 2Q20        | 2Q21        | QoQ       |
|-----------------------|-------------|-------------|-----------|
| <b>EBITDA</b>         | <b>13.5</b> | <b>14.5</b> | <b>7%</b> |
| EBITDA Margin (%)     | 39%         | 36%         | -         |

### MAIN VARIATIONS 2Q21 / 2Q20

- **Revenues** increased, mainly due to:
  - Higher sales in the spot market
  - Higher sales from customers under contract
- **Raw Materials and Consumables Used** increased, mainly explained due to:
  - Higher gas consumption
- **EBITDA** totaled US\$17 million, 7% higher compared to 2Q20, mainly due to higher revenues

| Non-Operating Income (Loss) (US\$ million)                       | 2Q20          | 2Q21          | QoQ        |
|--|---------------|---------------|------------|
| Financial Income   | 3.0           | 1.1           | (62%)      |
| Financial Expenses   | (22.7)        | (21.4)        | (6%)       |
| Exchange Rate Differences  | 4.9           | 0.7           | (86%)      |
| Profit (Loss) of Companies Accounted for Using the Equity Method | 2.1           | 2.0           | (9%)       |
| Other Profits (Losses)   | (9.4)         | (22.7)        | 140%       |
| <b>Non-Operating Income (Loss)</b>                               | <b>(22.1)</b> | <b>(40.3)</b> | <b>82%</b> |

| Net Income (US\$ million)         | 2Q20        | 2Q21        | QoQ          |
|-----------------------------------|-------------|-------------|--------------|
| <b>Profit (Loss) Before Taxes</b> | <b>72.2</b> | <b>54.3</b> | <b>(25%)</b> |
| Income Tax Expense                | (22.5)      | (21.4)      | (5%)         |
| <b>Net Income</b>                 | <b>49.7</b> | <b>32.9</b> | <b>(34%)</b> |

### MAIN VARIATIONS 2Q21 / 2Q20

- **Non-operating income** recorded higher losses, mainly explained by:
  - A financial cost recorded on "Other losses",
  - A lower positive effect on the exchange rate CLP/US\$ variation on temporary balance sheet items in local currency
  - A lower financial income
- **Net income** totaled US\$33 million, compared to the profit of US\$50 million in 2Q20, mainly explained by the higher losses on non-operating results

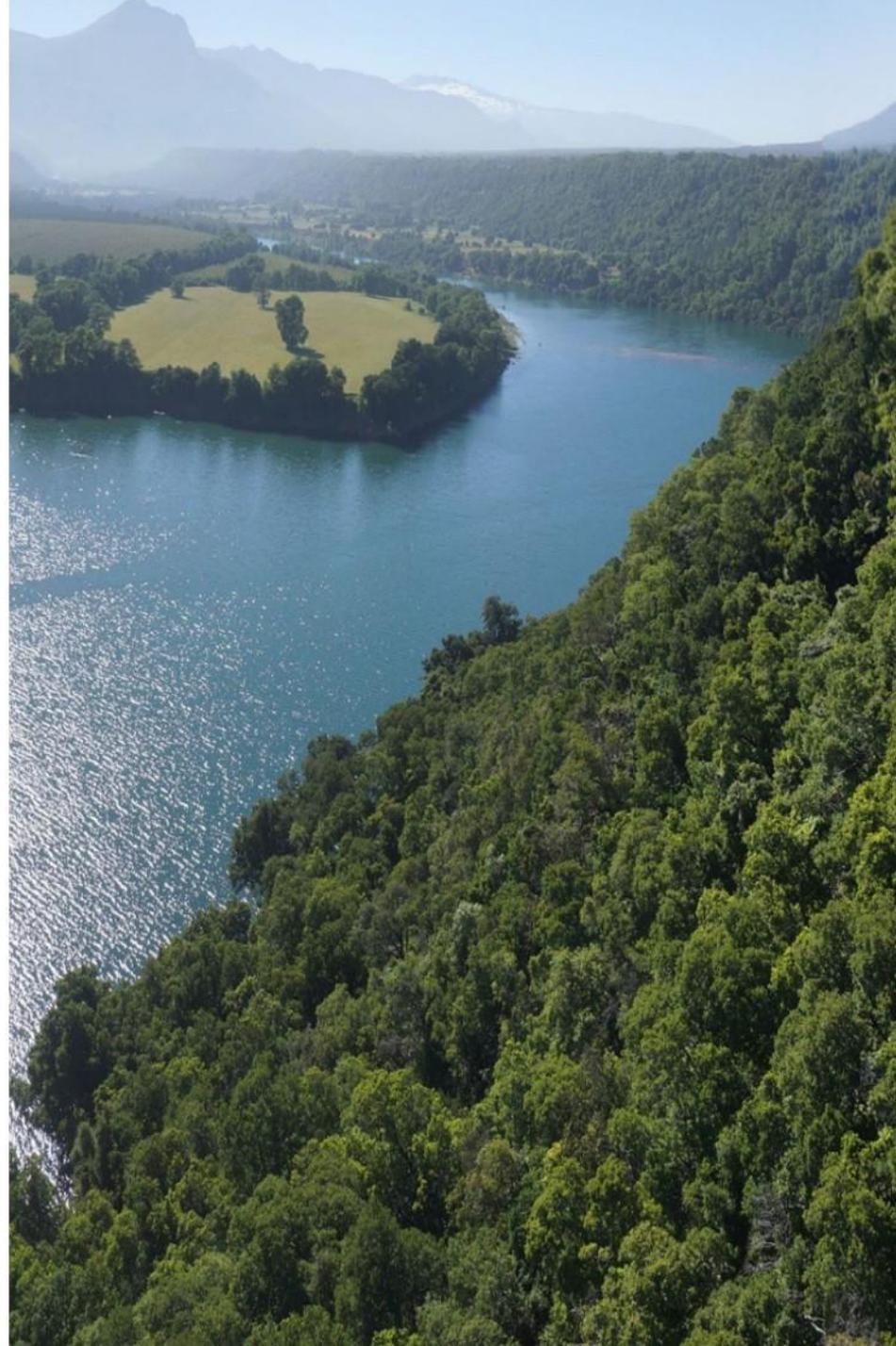
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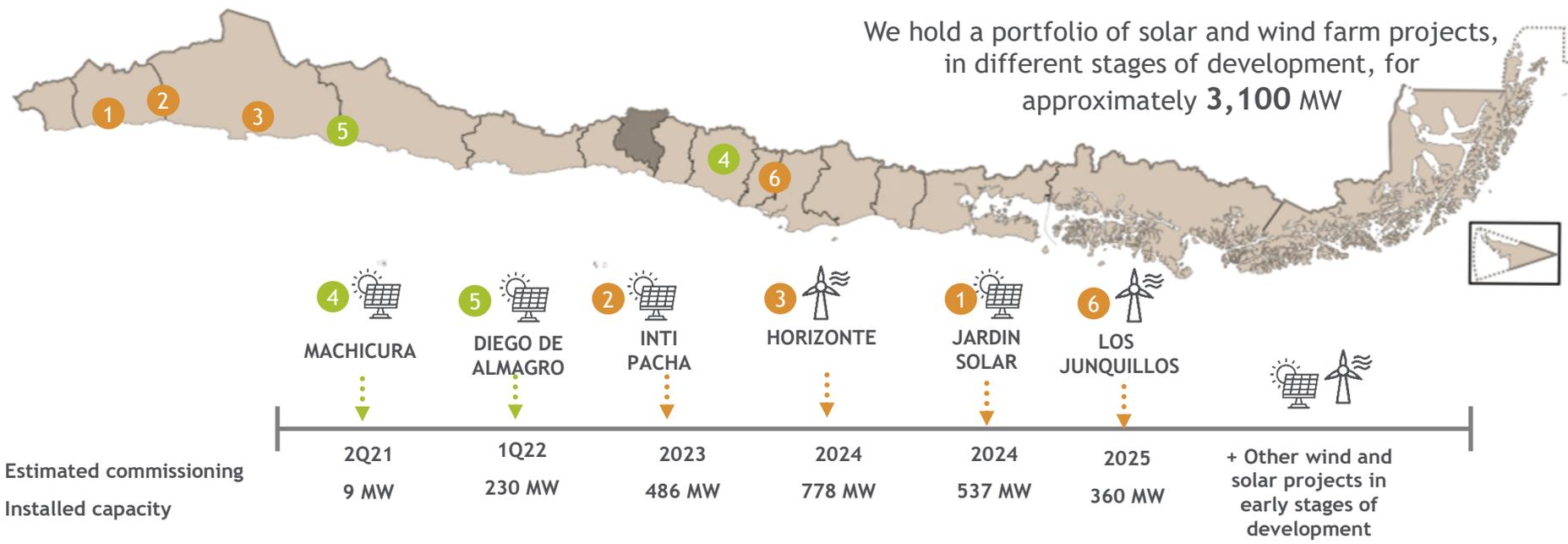
# Attractive portfolio of growth options

## Expansion considerations



### LOCAL EXPANSION

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



### 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

