



**BANCHILE
BREAKFAST
NOVEMBER 2019**

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INVESTOR RELATIONS TEAM CONTACT

Miguel Alarcón
malarcon@colbun.cl
+ 56 2 2460 4394

Soledad Errázuriz
serrazuriz@colbun.cl
+ 56 2 2460 4450

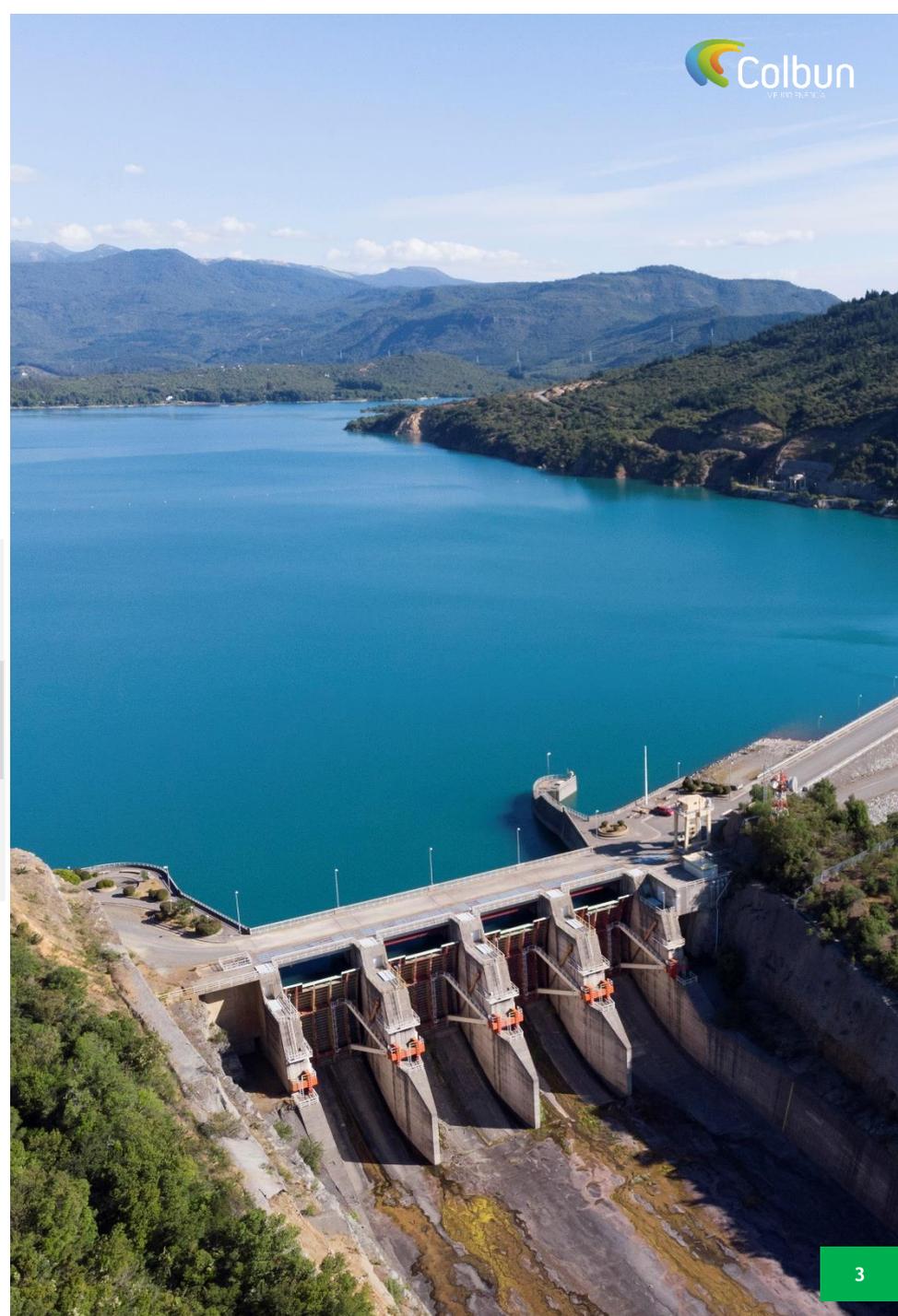
Isidora Zaldívar
izaldivar@colbun.cl
+ 56 2 2460 4308

AGENDA

1. COMPANY OVERVIEW

2. VALUE PROPOSITION

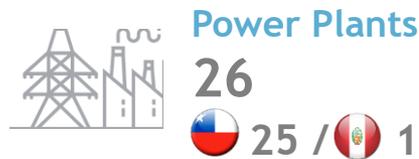
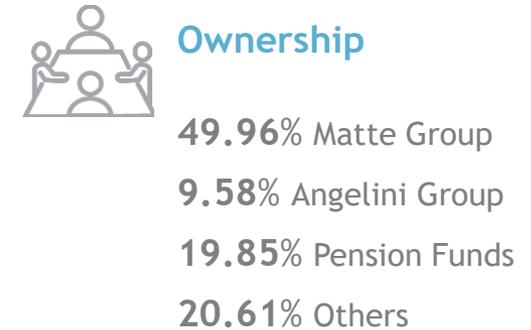
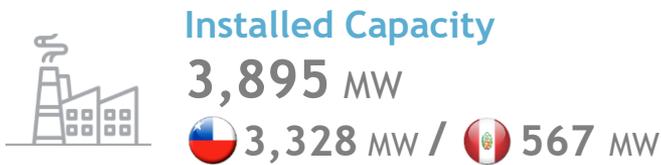
3. CONCLUDING REMARKS



Company & industry overview

Leading position in Chile & Peru

THE COMPANY



KEY FINANCIALS



Note: All figures as of Sep19

¹ In terms of generation in the SEN in Chile and in the SEIN in Peru

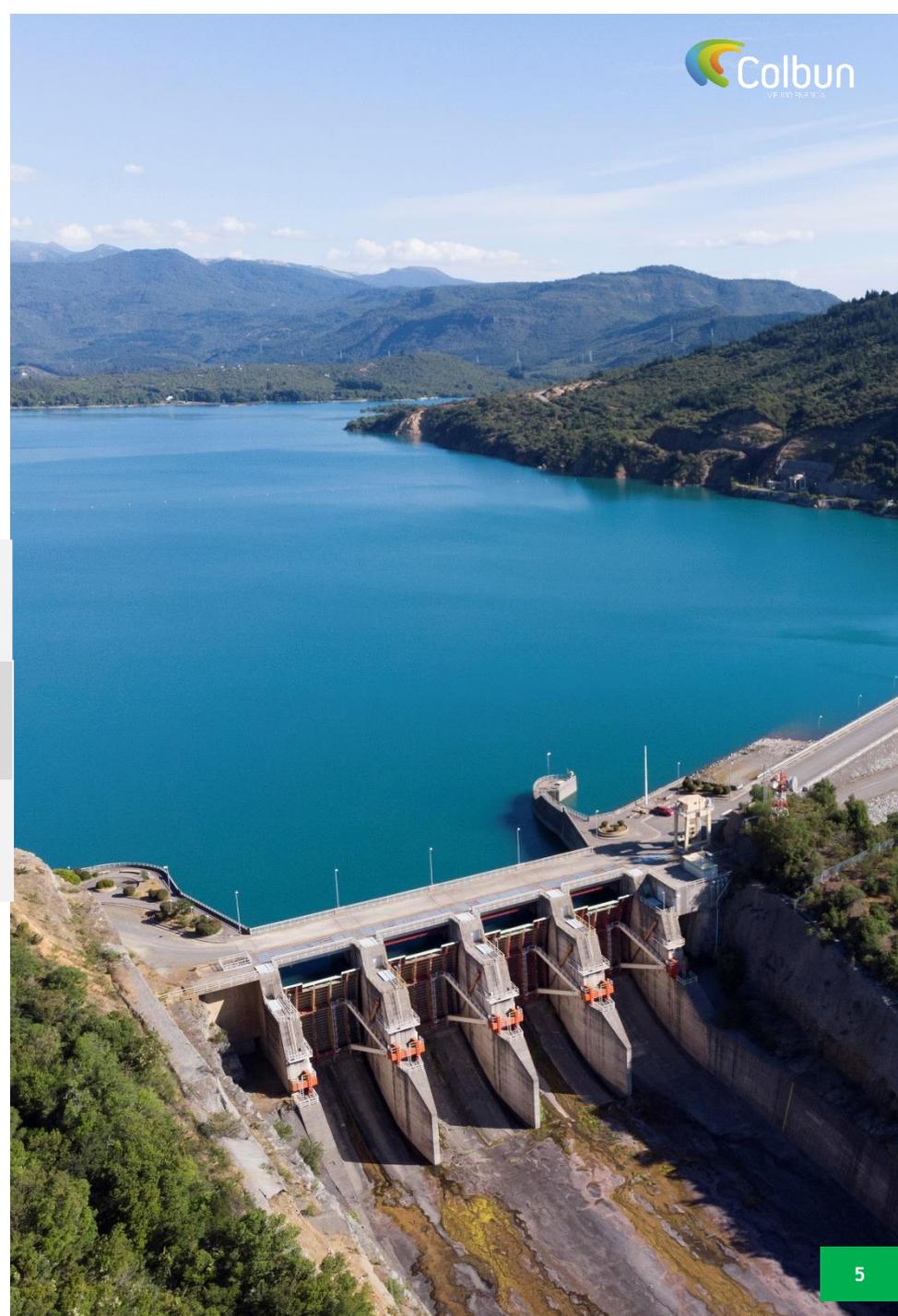
² Figures for the Generation and Transmission business are proforma

AGENDA

1. COMPANY OVERVIEW

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3. CONCLUDING REMARKS



Value proposition

Leading position supported by competitive strengths



1

**COST
EFFICIENT AND
DIVERSIFIED
ASSET BASE**

2

**STRONG AND
COMPETITIVE
SUPPLY
CONTRACTS**

3

**PRUDENT
FINANCIAL
MANAGEMENT**

4

**ATTRACTIVE
PORTFOLIO OF
GROWTH
OPTIONS**

5

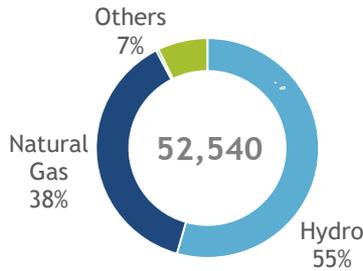
**MAXIMIZING
VALUE TO ALL
OF OUR
STAKEHOLDERS**



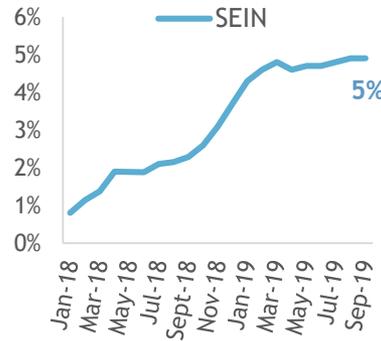
1. Cost efficient & diversified asset base

Attractive markets

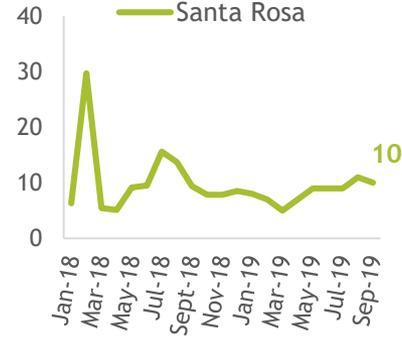
LTM GENERATION
GWh



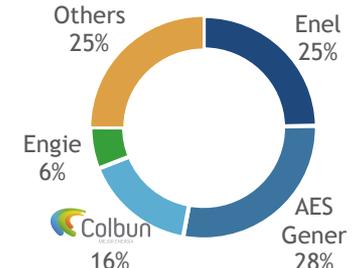
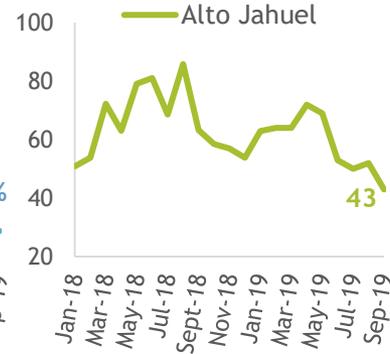
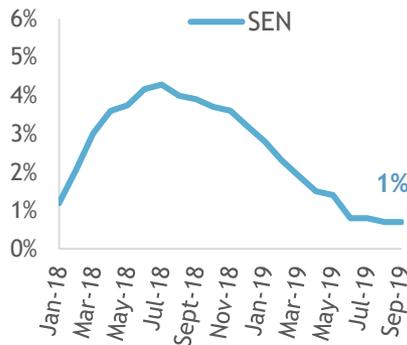
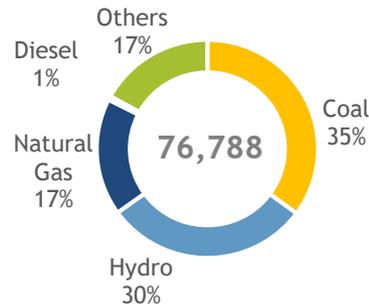
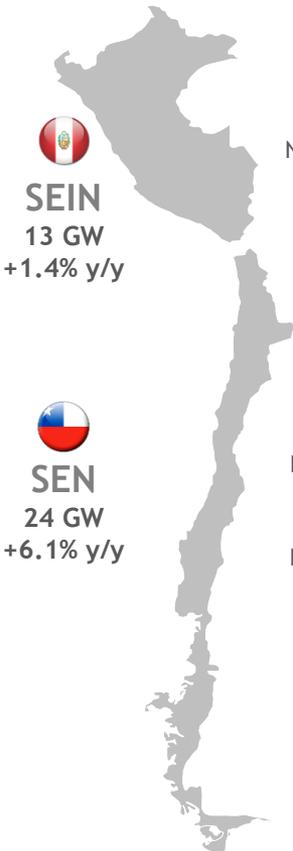
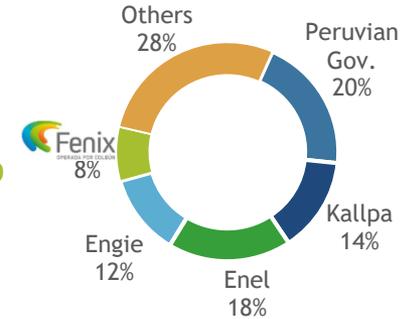
DEMAND GROWTH
12 month average %



MARGINAL COST
US\$/MWh



MARKET SHARE¹
%



Note: All figures as of Sep19

¹ Based on generation

1. Cost efficient & diversified asset base

Price Stabilization Mechanism

Context and main concepts

- A bill that establishes a **price stabilization mechanism** for electric tariffs was passed on October 30th
- This bill **Cancels the 9.2% increase** enacted on October 4th, due to the contracts price indexations
- Tariffs will be stabilized until January 2021, and subsequently be adjusted by local CPI until 2026
- Generators will accumulate collectable accounts (the “stabilization fund”) in USD, associated to the difference between the contracts’ prices and the stabilized price¹
- The stabilization fund will start reducing the accumulated collectable accounts in 2021, once new PPAs come into force with an average price lower than the stabilized price
- Starting in January 2026, outstanding collective accounts will gain interest at 6 month Libor rate plus country risk premium
- The bill established a maximum amount for the stabilization fund of US\$1.35B
- The stabilization fund must be completely paid by December 2027

¹ PEC for its Spanish acronym

1. Cost efficient & diversified asset base

100% of PPAs supplied with cost-efficient generation

WHOLE-SALE COMMERCIAL POLICY

1. Optimal Contracting level

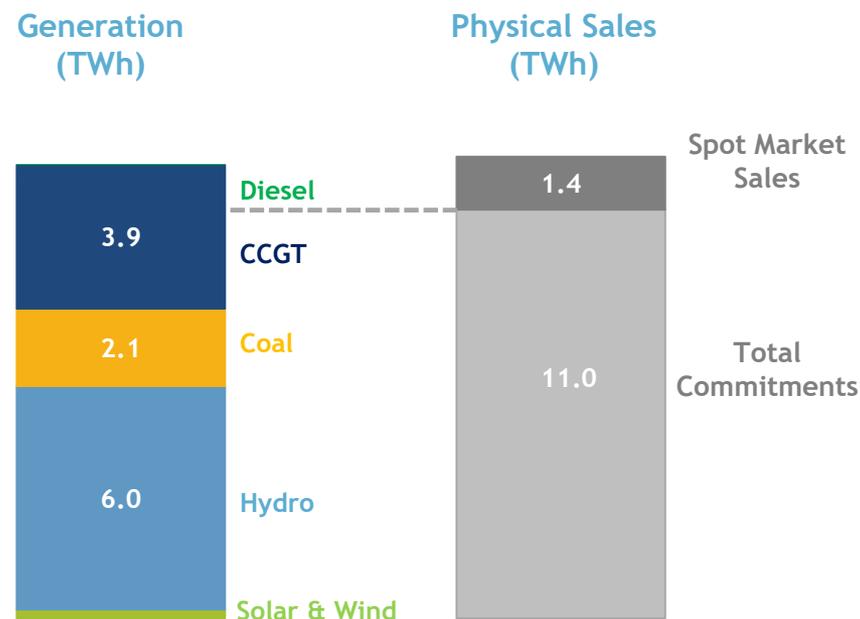
- I. Renewable Capacity:
Hydro, solar and wind
- II. Efficient thermal capacity:
Coal and CCGTs

2. Cost structure properly reflected in sale prices

3. Active risk management

- I. LNG purchases
- II. Commodity hedges

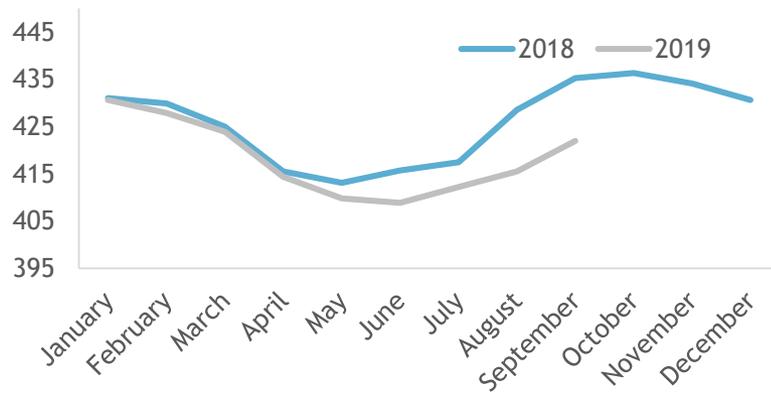
GENERATION & PPAs LEVEL 3Q19 LTM



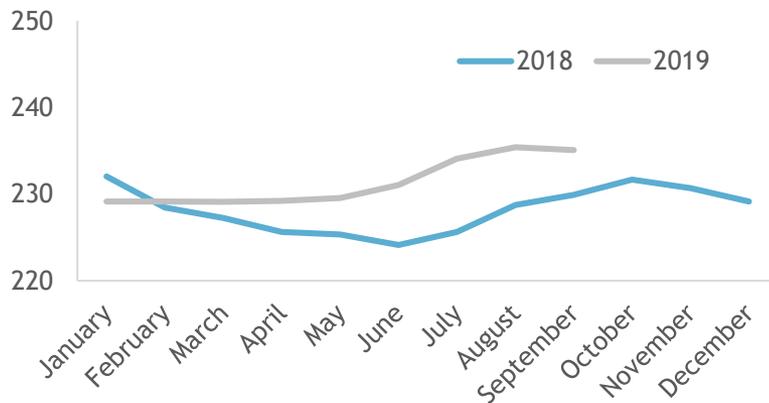
1. Cost efficient & diversified asset base

Hydrological conditions

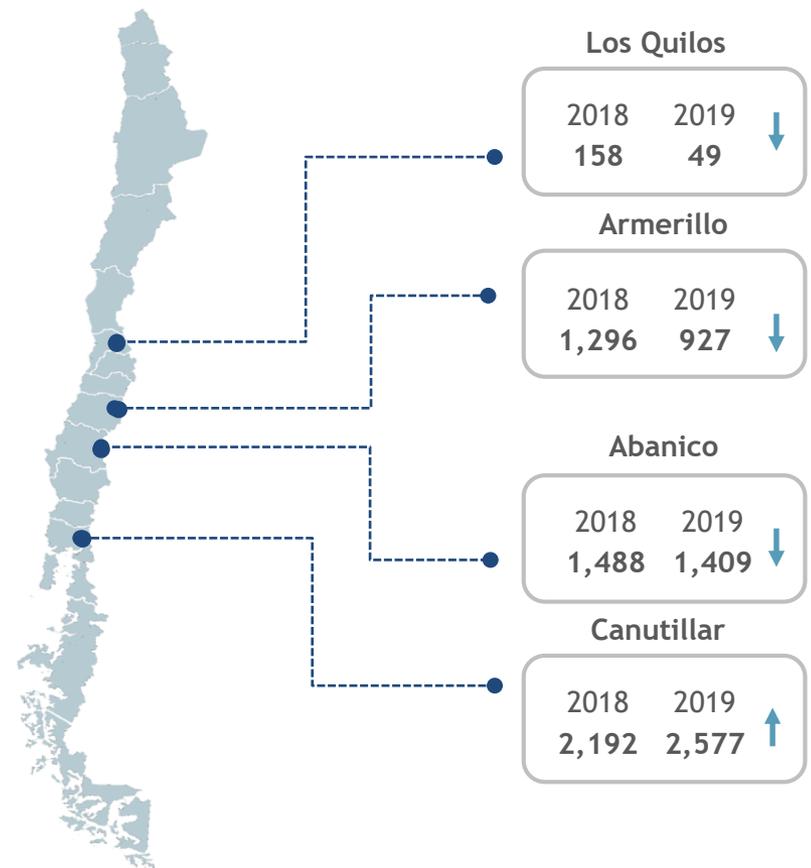
1. COLBÚN RESERVOIR LEVEL (m.a.s.l)



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



3. ACCUMULATED RAINFALLS (mm)



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

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 available contract for one combined-cycle until November 2019

3. GAS FROM ARGENTINA

- 4 interruptible contracts with different suppliers
- One firm contract from October 2019 until May 2020 for up to one combined-cycle

	3Q19		Accumulated 2019	
Medium-term contracts (GWh)	147	15%	2551	72%
Spot contracts (GWh)	612	63%	612	17%
Argentinean gas (GWh)	206	21%	364	10%

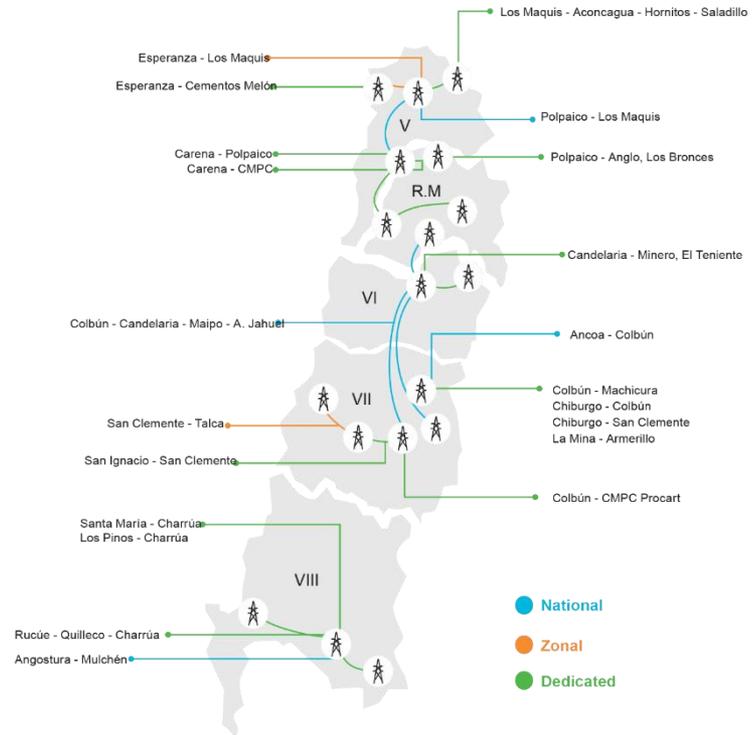
1. Cost efficient & diversified asset base

Relevant transmission assets



Increase in renewable energies:

WILL REQUIRE A RELEVANT GROWTH IN THE CHILEAN TRANSMISSION GRID



Note: All figures as of Sep19

1. Cost efficient & diversified asset base

Fenix Power: a relevant & efficient CCGT in Peru

1. THE COMPANY.



One of the most efficient CCGT in Peru

Based on Heat Rate



40 miles south of Lima

Capital of Peru and largest city of the country



567 MW

Gross effective capacity



4.2 TWh

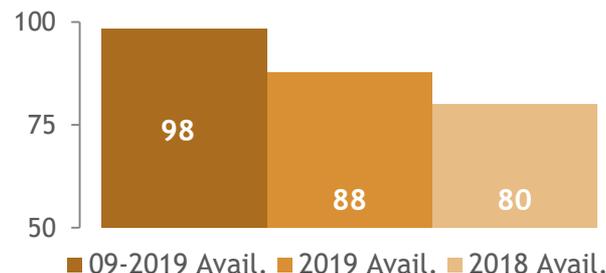
Net annual generation



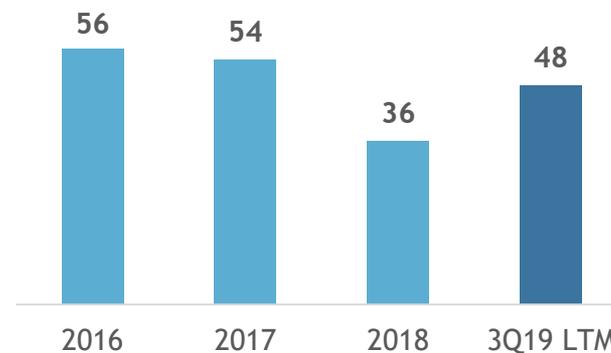
3 TWh / year

Long term contracts (~100% capacity)

2. PLANT AVAILABILITY



3. EBITDA EVOLUTION (US\$ million)



2. Strong and competitive supply contracts

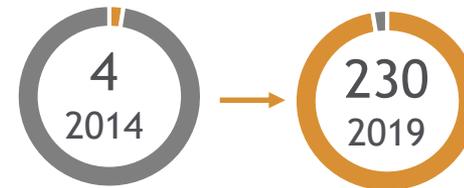
High quality clients in Chile

CUSTOMER BASE PROFILE

Sales % to Unregulated Customers



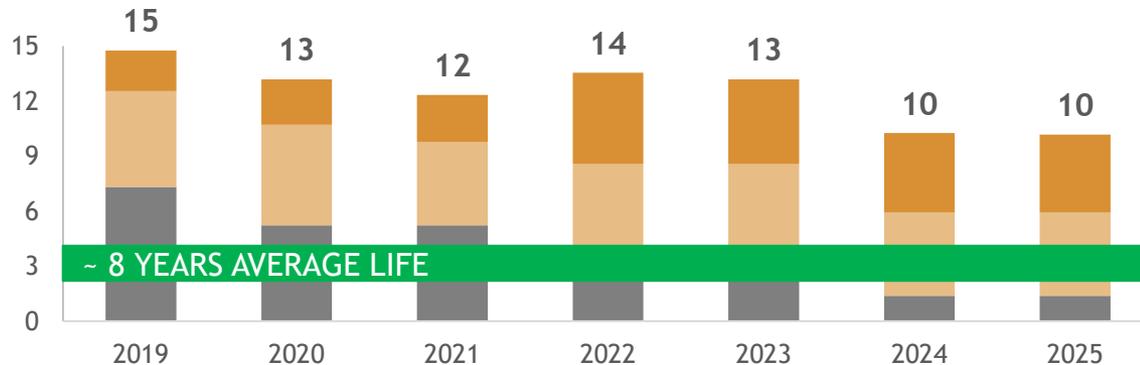
Number of Unregulated Customers



■ Unregulated Customers ■ Regulated Customers

PPAs IN CHILE: MAXIMUM CONTRACTED POWER SUPPLY (TWh)

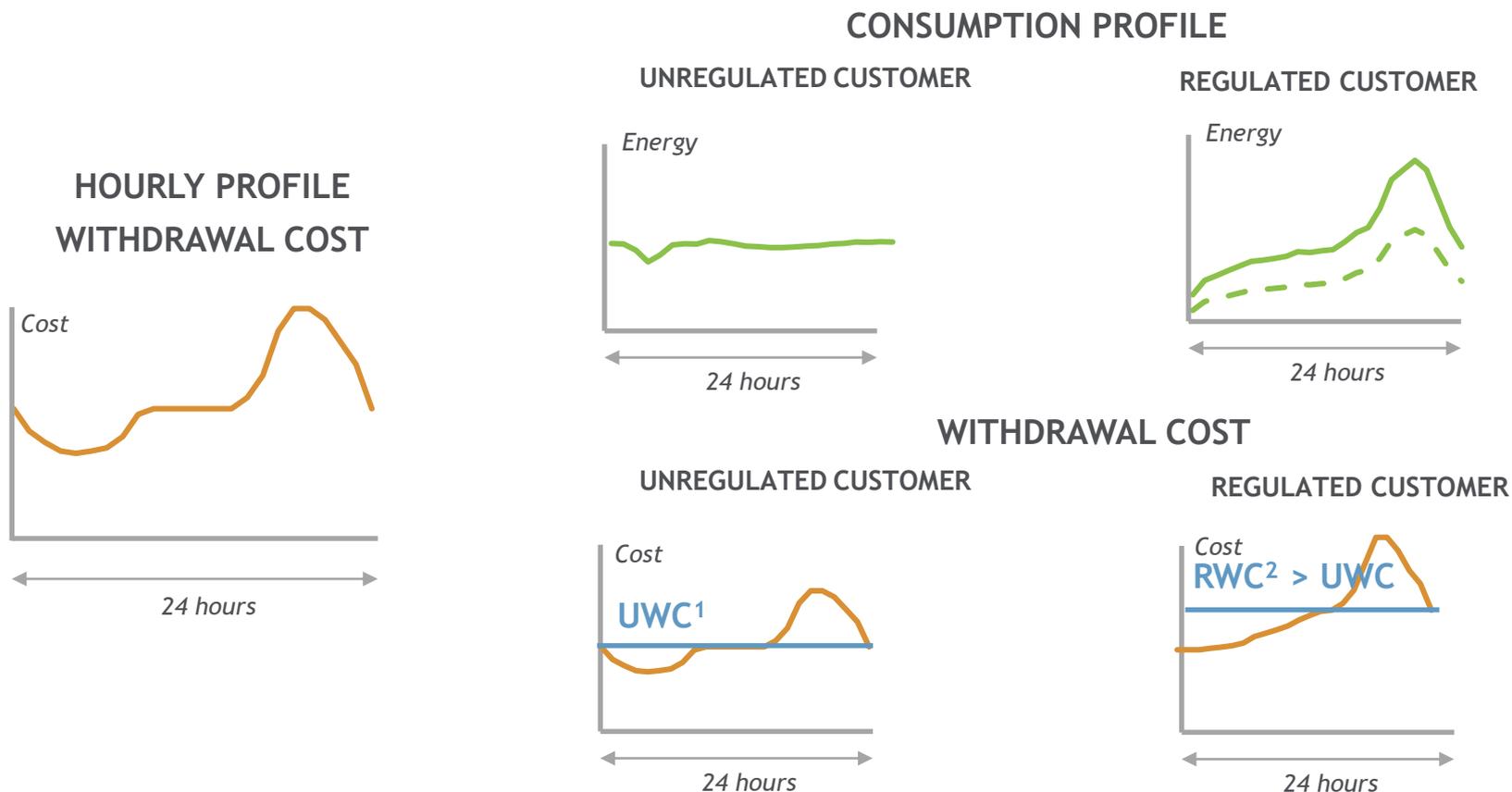
■ Regulated Customers ■ Unregulated Customers before 2016 ■ Unregulated Customers after 2016



2. Strong and competitive supply contracts

Energy consumption profile by segment

Due to their consumption profile, **unregulated customers have a lower withdrawal cost**



...additionally, unregulated customers do not dilute their consumption and their withdrawal is not reduced by overestimated consumption

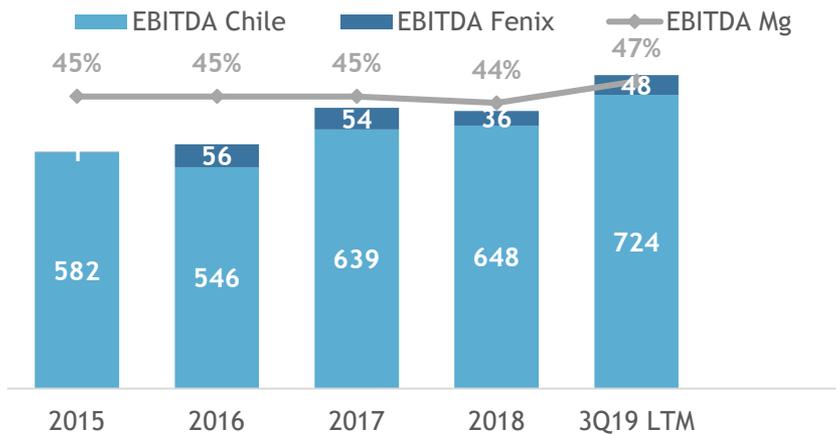
¹ Unregulated withdrawal cost

² Regulated withdrawal cost

3. Prudent financial management

Stable operational results & solid metrics

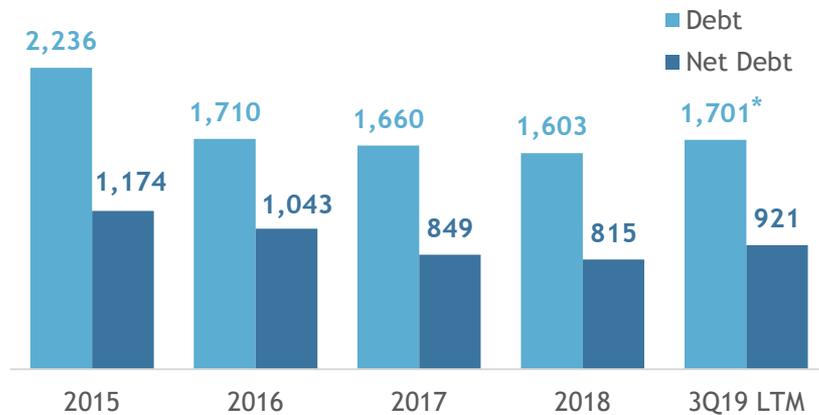
1. EBITDA & EBITDA MG. (US\$ million & %)



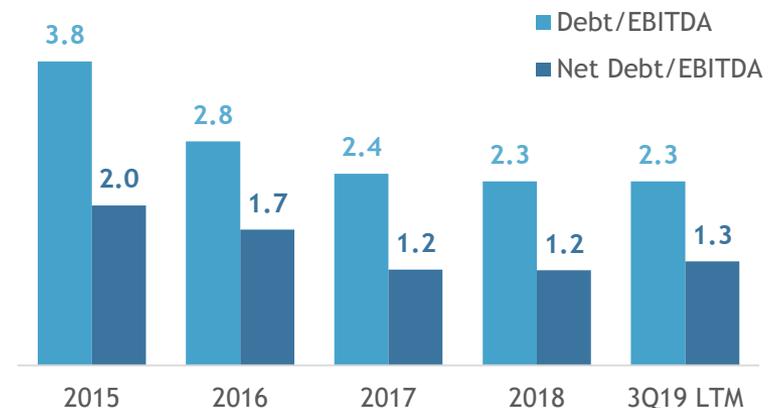
2. NET INCOME. (US\$ million)



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



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

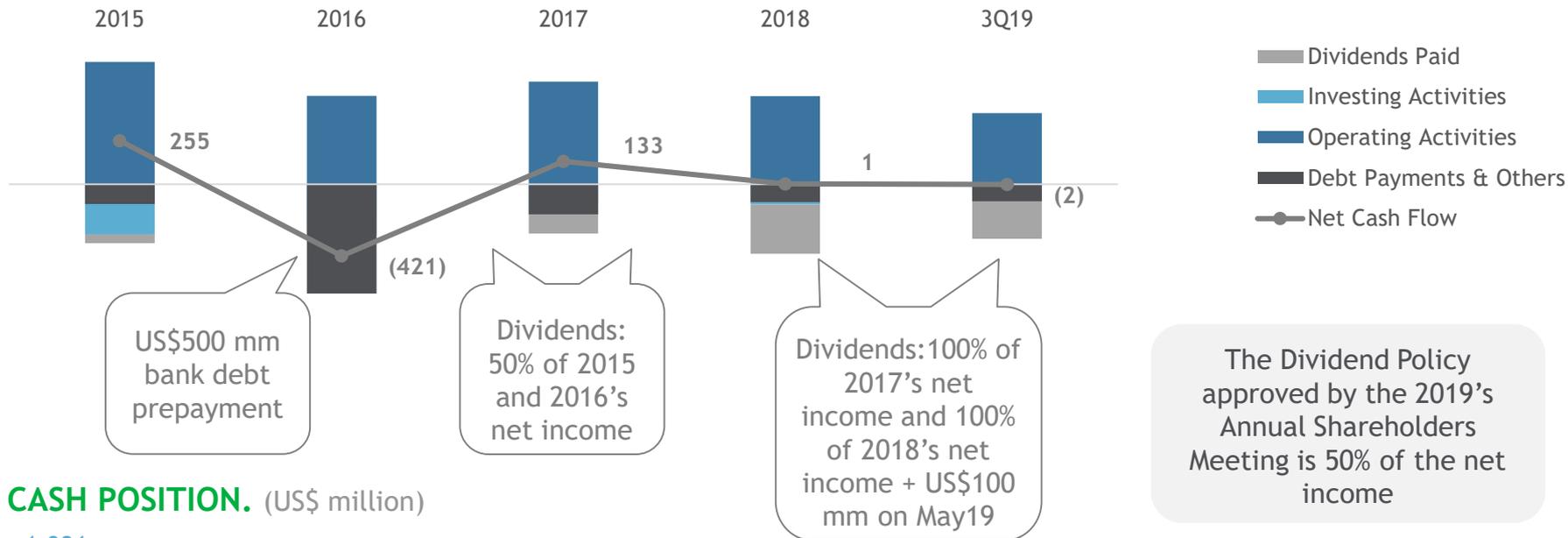


Note: All figures as of Sep19
*Financial leases are included

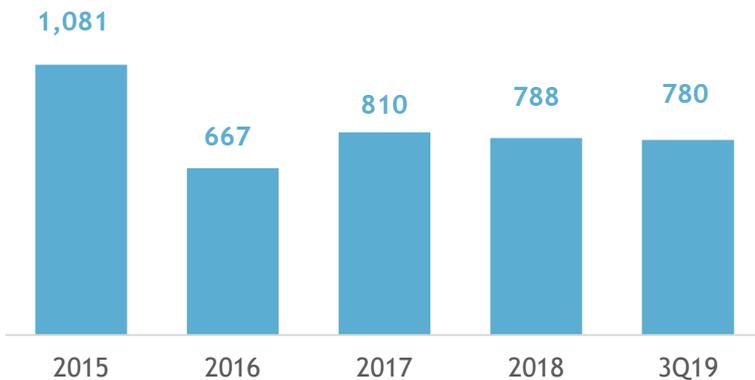
3. Prudent financial management

Strong liquidity

1. CASH FLOW. (US\$ million)



2. CASH POSITION. (US\$ million)



Note: figures as of Sep19

3. Prudent financial management

Long term debt profile

1. FINANCIAL DEBT PROFILE

US\$1,597(*) mm

US\$1,274 million

US\$323 million

100% bonds

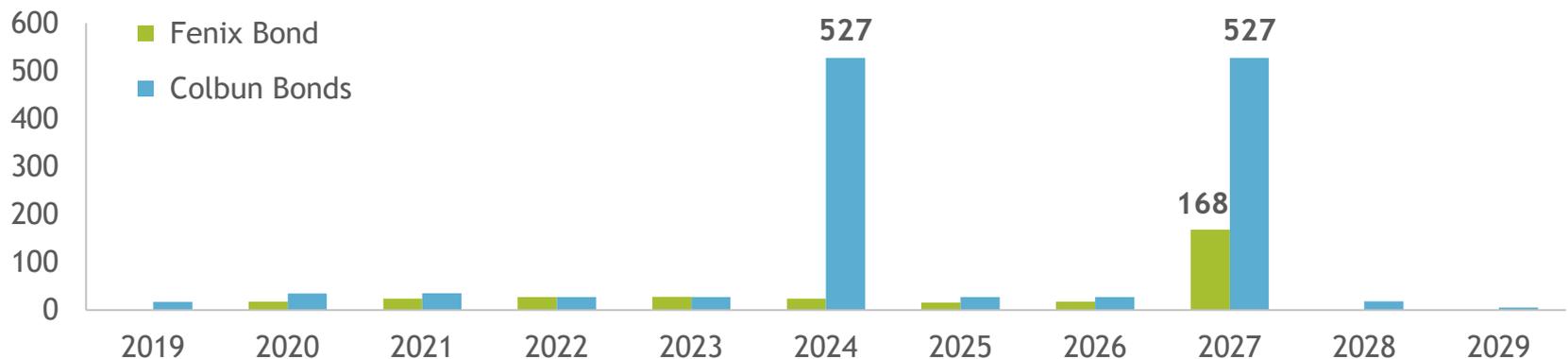
94% USD and 6% UF

100% Fixed rate

4.5% Interest Rate average

6.0 years average life

2. AMORTIZATION STRUCTURE (US\$ million)



Note: All figures as of Sep9
 (*) Financial leases are not included

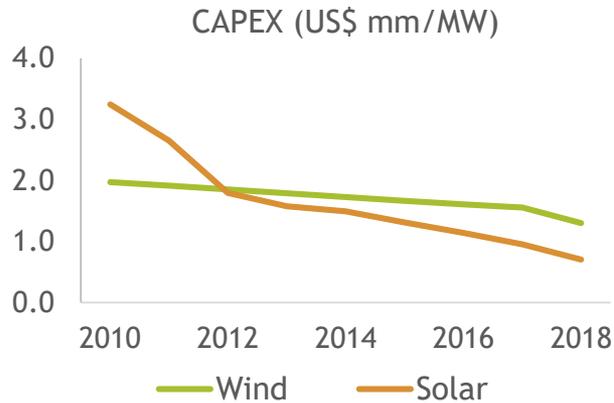
4. Attractive portfolio of growth options

Local expansion considerations

1. LONG-TERM TARGET

Add 4,000 MW of new renewable capacity over 10 years

- Focus on solar and wind. The development cost of these technologies have decreased over the last years



2. PILLARS OF GROWTH

- Pipeline of solar, wind and hydro projects
- M&A Opportunities
- Purchase energy from third parties

3. KEY CONSIDERATIONS



Load Factors



Proximity to the transmission network



Socio-Environmental viability

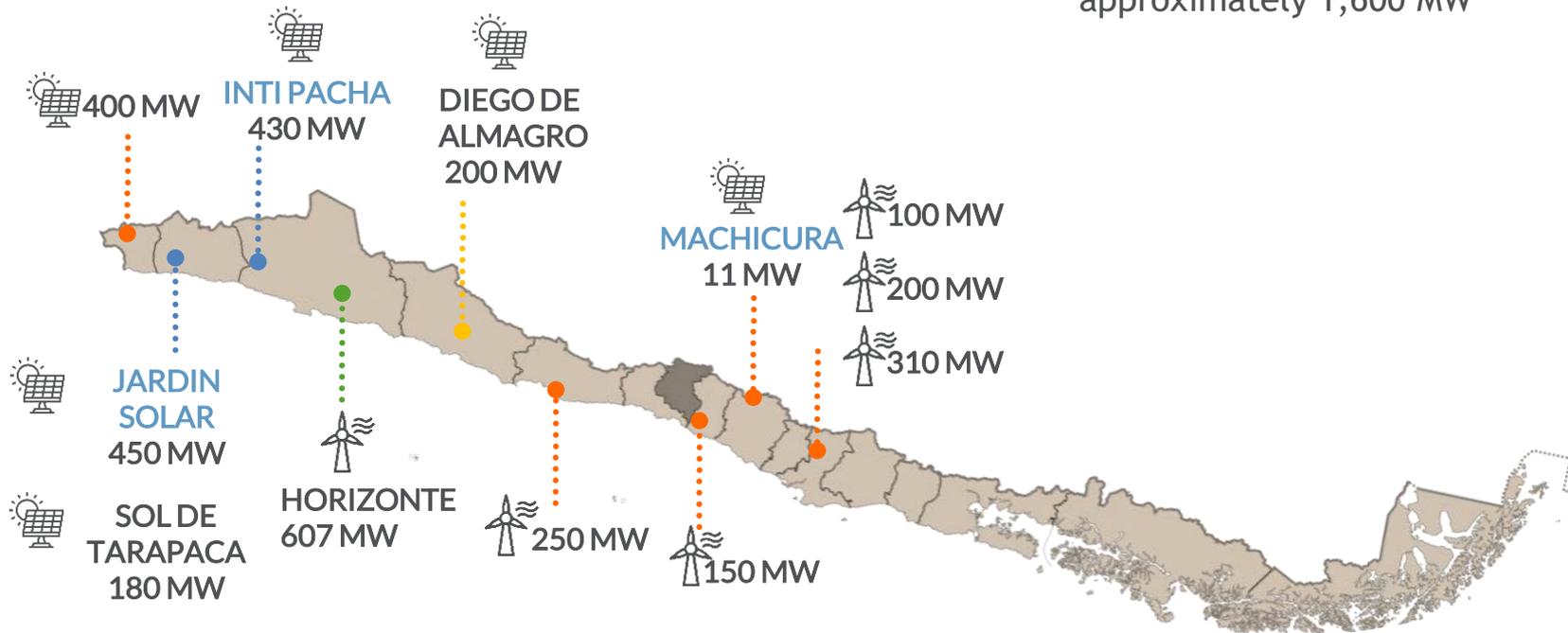


Concessions/Easements

4. Attractive portfolio of growth options

Local expansion considerations

We have options to develop solar power plants for approximately 1,700 MW and wind farms for approximately 1,600 MW



PROGRESS STAGE:

-  Preliminary studies
-  Prefeasibility
-  Feasibility
-  Environmentally approved

4. Attractive portfolio of growth options

Diego de Almagro - Solar power plant



KEY INDICATORS

Estimated capacity

200 MW

Estimated net annual generation

560 GWh

Estimated load factor

34%

Land Surface

330 ha

Connection point

Illapa S/E 220 kV
(2.6 km)

Environmental Impact Study

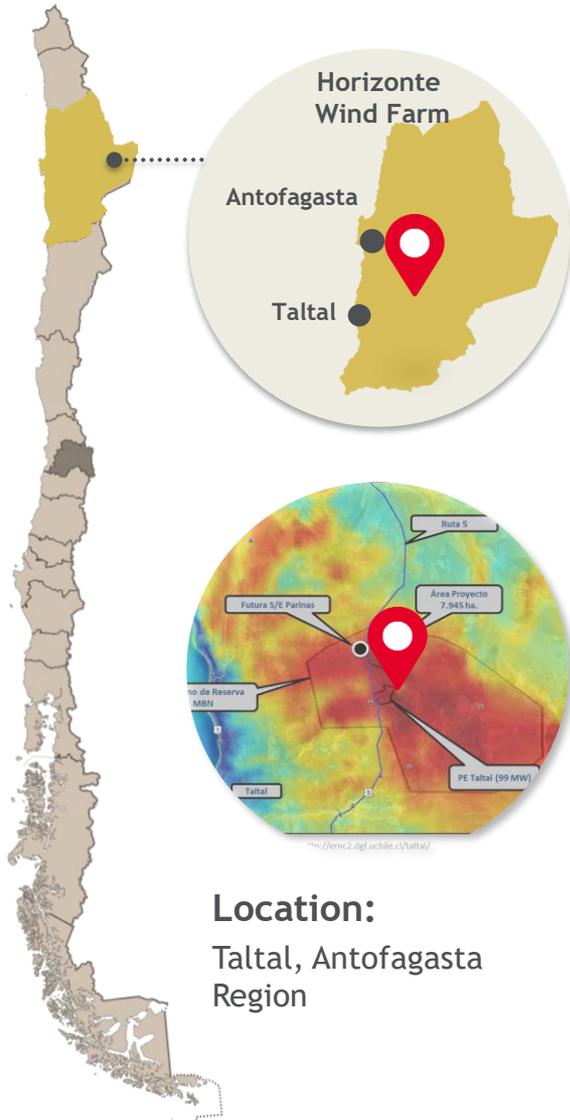
Approved

Estimated commissioning

2021

4. Attractive portfolio of growth options

Horizonte - Wind farm

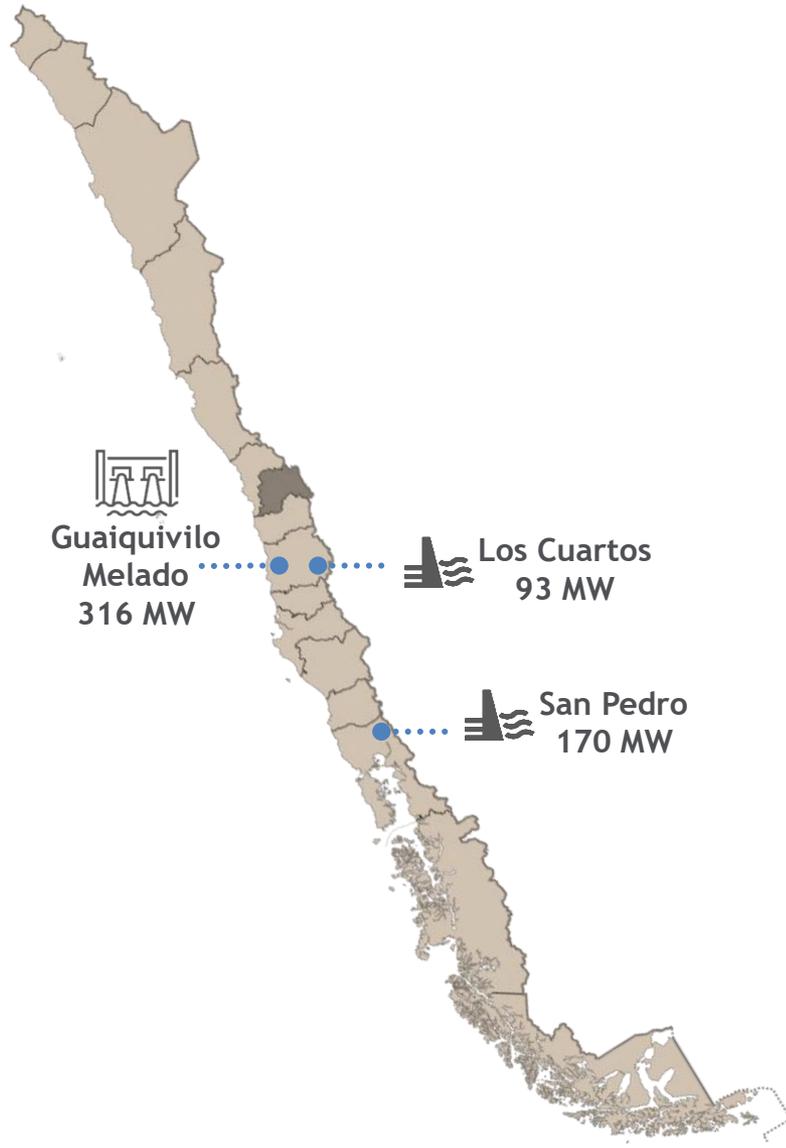


KEY INDICATORS

Estimated capacity	607 MW minimum
Estimated net annual generation	2,000 GWh
Estimated load factor	38%
Land Surface	8,000 ha
Connection point	Parinas S/E 500/220 kV
Turbine Supplier	Enercon
Environmental Impact Study	In preparation
Estimated commissioning	2023

4. Attractive portfolio of growth options

Other projects 🇨🇱



San Pedro

In December 2018, an Environmental Impact Study was re-entered for project adjustments, which was admitted for processing.



Guaiquivilo Melado - Los Cuartos

Colbún has decided to pause the development of these projects since the market conditions for executing these initiatives are not in place. Conditions are being permanently monitored.



Transmission Projects

As the decarbonization process is implemented, the system will require new investments in transmission.

4. Attractive portfolio of growth options

International expansion

1. KEY DRIVERS.

1. Low per capita energy consumption
2. Stable regulatory frameworks / positive developments in Argentina
3. Expected increases in economic activity and power demand

2. STRATEGY.

1. Preference for assets in operation (brownfields)
2. Incorporate partners with local knowledge but maintain control
3. Investment amounts subject on maintaining international investment grade ratings



OTHERS

Tracking trends and business models

5. Maximizing value to all of our stakeholders

Sustainability strategy

SUSTAINABILITY IS OUR BUSINESS AND IT IS INTEGRATED IN ALL AREAS OF THE COMPANY



Since 2015 we publish an Integrated Annual Report, with all the financial, social and environmental information of the Company.

AWARDS AND RECOGNITIONS

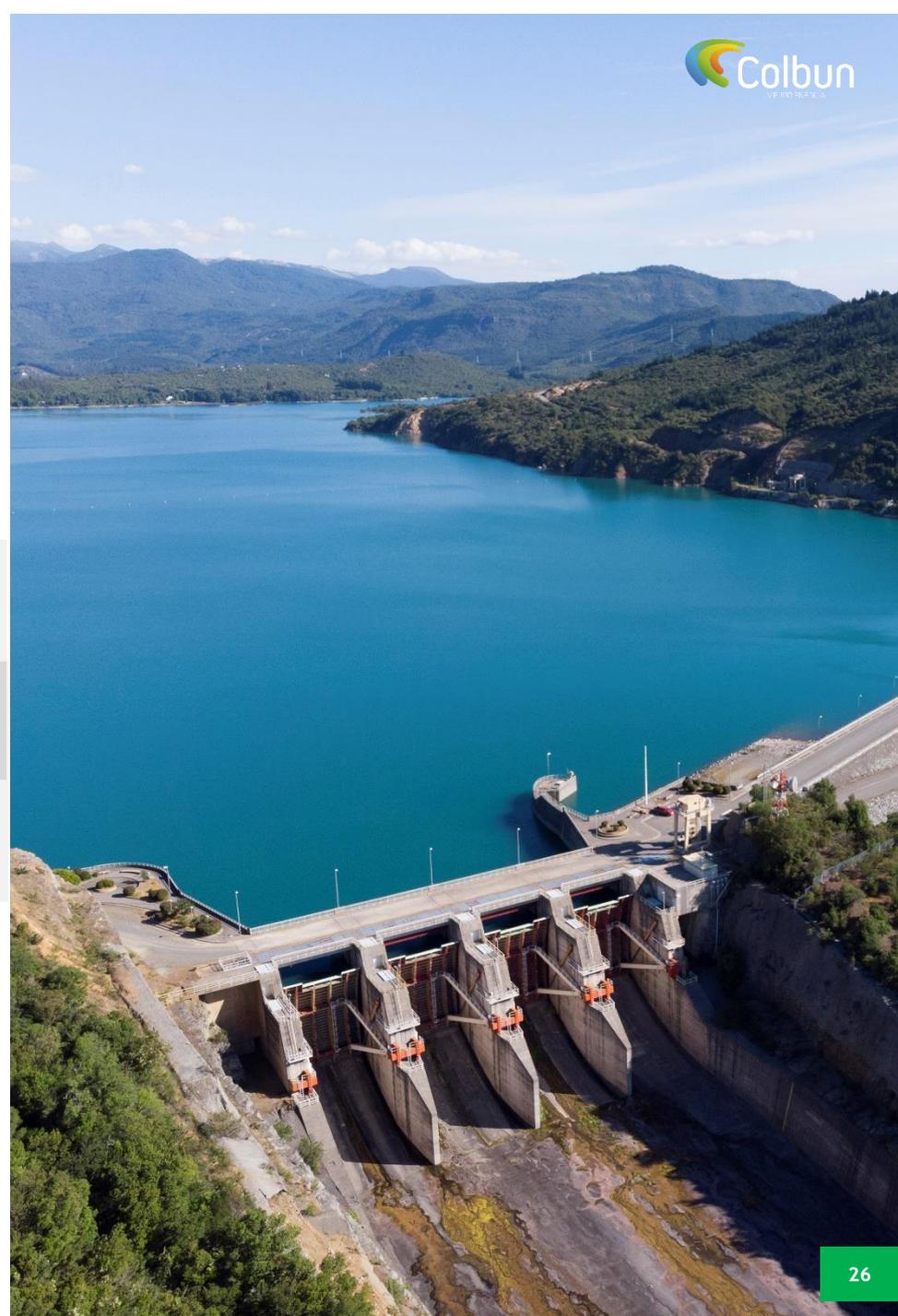
<p>2019</p> <p>Colbún obtained the first place in the overall ranking</p>	<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p> <p>2019</p> <p>Colbún listed in the Dow Jones Sustainability Index Chile and MILA</p>	<p>2019</p> <p>Machine was awarded as the best sustainable practice in the "Good practices for a more sustainable electric future"</p>
<p>BEST PLACE TO INNOVATE</p> <p>2018</p> <p>Colbún was recognized in the category Innovation Perception</p>	<p>2018</p> <p>The Reverse Osmosis Plant was recognized with the innovation award</p>	<p>2018</p> <p>Pro Aconcagua distinguished Colbún for its contribution to the area</p>
<p>2018</p> <p>Colbún obtained the first place in the overall ranking</p>	<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p> <p>2017</p> <p>Colbún listed in the Dow Jones Sustainability Index Emerging Markets</p>	<p>2018</p> <p>Colbún won the category Female Presence in Directories</p>

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Concluding remarks

1. Shareholders:

Strong, reliable controlling group with a strategic and long-term vision of the business

2. Size:

Leading position in Chile's power market and a relevant presence in Peru

3. Management:

Experienced management and high standards of corporate governance

4. Customers:

Diversified, solid and creditworthy portfolio of clients

5. Sustainability:

Integrated in all areas of the Company

6. Financial:

Strong metrics and ample access to financial markets

