Colbun

INVESTOR DAY

Virtual Conference 2021

Dec. 15 | 11:00 hrs

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AGENDA

1	WELCOME REMARKS	Hernán Rodríguez
2	POWER SECTOR OVERVIEW AND STRATEGY SUMMARY	Thomas Keller
3	ASSET BASE OPTIMIZATION	Juan Eduardo Vásquez
4	GROWTH IN RENEWABLES	Eduardo Lauer
5	COMMERCIAL HIGHLIGHTS	Olivia Heuts
6	OTHER GROWTH OPPORTUNITIES SUSTAINABILITY	Heinz Müller

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1

WELCOME REMARKS

Hernán Rodríguez
Chairman of the Board

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2

POWER SECTOR OVERVIEW AND STRATEGY SUMMARY

Thomas Keller
Chief Executive Officer

POWER SECTOR OVERVIEW

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1 POWER SUPPLY/ DEMAND

2 A ROLE FOR NEW TECHNOLOGIES

3 REGULATORY ENVIRONMENT

4 MARGINAL COST MODEL UNDER SCRUTINY

POWER SECTOR OVERVIEW

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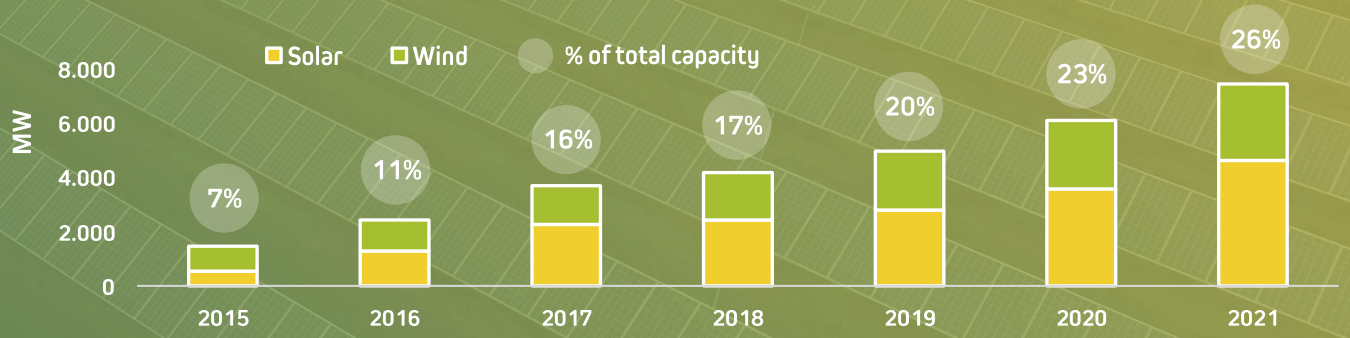
1 POWER SUPPLY/DEMAND

1. INSTALLED CAPACITY

Solar and wind are the dominant new capacity additions

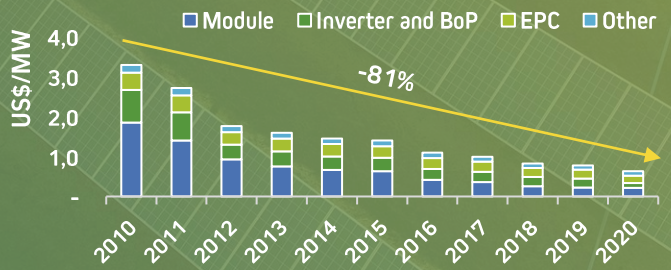
CAGR[1] solar and wind: 43%
CAGR demand: 3%



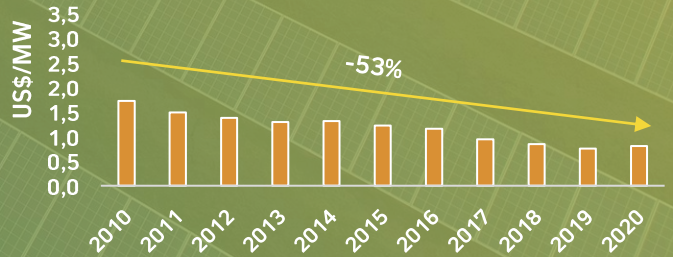
2. TECHNOLOGY COSTS EVOLUTION

LCOE of these technologies has reduced significantly over time due to capex reduction

SOLAR PROJECTS CAPEX[2]



WIND PROJECTS CAPEX[2]



1. CAGR: Compound annual growth rate
2. Sources: Bloomberg NEF and CNE

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2 A ROLE FOR NEW TECHNOLOGIES

Storage systems are likely to play a key role in a "decarbonized" economy

To balance the intermittent nature of renewable's power generation

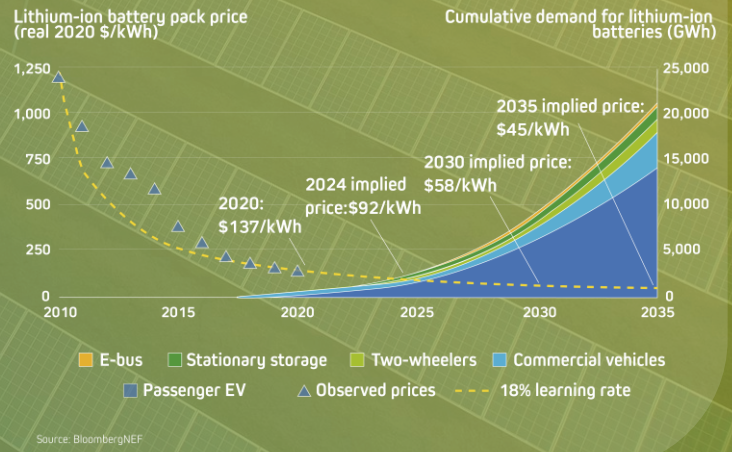
To increase effective capacity of transmission assets

Regulatory framework

Reliable price signals are required to attract investment

First steps in this direction are taking place

Will this technology follow the path of solar&wind technologies?



POWER SECTOR OVERVIEW

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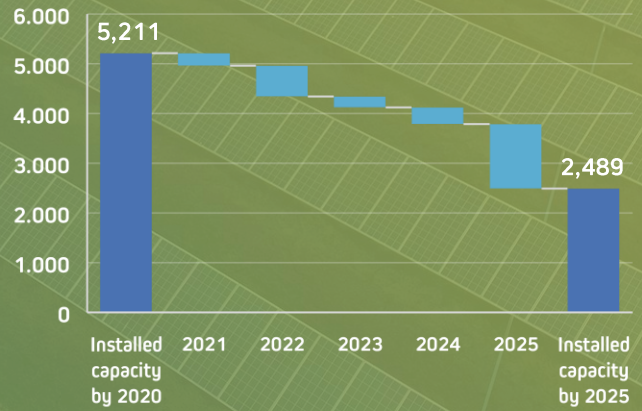
3 REGULATORY ENVIRONMENT

Decarbonization agenda

- An agreement to decommission all coal-fired power plants by 2040 was signed between de Ministry and the power generation companies in 2018
- Some companies have decided to accelerate their decommissioning programs
- Congress is discussing decommissioning of all coal-fired units by 2025
- In parallel, a bill has been presented to decommission all fossil-fuel units by 2030

System´s decarbonization announcements[1]



Enablers for an accelerated decarbonization

- New capacity to replace coal/gas/diesel capacity
- Expansion of the transmission infrastructure
- Investment in power storage capacity

Reliability, environmental performance and cost of the power supply system are at risk if enablers are not considered

1. *Source: Public power generation companies' announcements*

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3 REGULATORY ENVIRONMENT (CON'T)

Stabilized Price of Energy (PEC)	The 1,350 MMUSD fund is running out	PEC-2 in the making?
Basic Services Law	A significant debt level has accumulated	Part of the burden to be socialized?
LNG Technical Standard	Risk of importing LNG in certain scenarios	??
Water Code Reform	Higher environmental standards for water use	Will it survive a new constitution?
Power supply portability Capacity remuneration	Moving in slow motion	...

POWER SECTOR OVERVIEW

A case for competitive "bid and offer" wholesale market?

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4 MARGINAL COST MODEL UNDER SCRUTINY

Main drivers for change:

- New technologies have increased the complexity of operating the system under the audited cost model
- Increasingly detailed regulation mirrors complexity (but ultimately adds to complexity and increase costs)
- Discrepancies with regulators´ rulings and decisions are on the rise
- Need to provide for a competitive market in other products/services (ancillary services and / or capacity)
- Need to provide adequate price/market signals to attract investments

Challenges in a "bid and offer" system

Increased competition in products and services

Strong data analytics & optimization tools and models

STRATEGY SUMMARY

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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 H_2

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ASSET BASE OPTIMIZATION

Juan Eduardo Vásquez
Chief Energy Officer

ASSET BASE OPTIMIZATION

Short term challenges

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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

ASSET BASE OPTIMIZATION

Short term challenges

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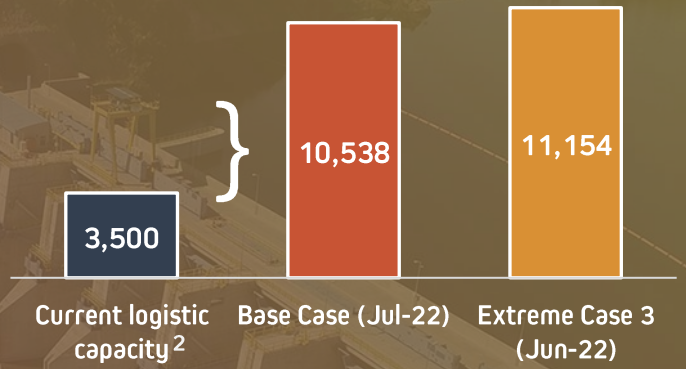
A possible scenario: Another very dry 2022 with high fuel prices

- The system would rely on minimum base load capacity outages
- Peak demand would have to be met by diesel-fired units
- Diesel logistic/infrastructure could become a bottleneck

Diesel requirements could increase in 2022 (m^3/day)[1]



Under conditions maximum demand, the use of diesel is estimated that could exceed the country's diesel logistics capacity

Mitigation

- Secure gas supply
- Reinforce diesel supply logistics
- Relax transmission assets usage criteria

[1] Source: Coordinator Supply Security Study

[2] According to the Coordinator's Safety Study, this figure corresponds to the maximum generation capacity of diesel plants this year, this is equivalent to an availability of diesel between 3,500 and 4,000 m3 / day.

ASSET BASE OPTIMIZATION

Ability to serve commitments under different hydro conditions

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1 Flexible gas supply

ADP LNG	LNG – Spot	Argentinean NG
Long-term contract to access purchases of LNG shipments in the international market	Subject to operational and market conditions	Access to the Argentinean gas market, through firm and /or interruptible contracts

2 Diesel supply

Flexible contract in place

3 Actively proposing ways to address system's challenges

ASSET BASE OPTIMIZATION

Combined Cycles with the potential to provide key services that the system will require

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REVS power plants

Mass entry

It will require power plants that provide continuous generation to mitigate the variability in a safe way

Power plants able to provide flexibility and ancillary services are needed

Hydroelectric and Thermal Power Plants acquire great relevance With coal-fired power plants decommissioning there will be less availability of these type of services

Combine Cycles are the best prepared within efficient thermal power plants

They have advantages to provide these services and accompany the system in the massive REVS incorporation process

Colbun has combined cycles that have a significant potential for the delivery of these requirements

ASSET BASE OPTIMIZATION

Continuous improvement in productivity and process efficiency

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Key iniciatives

- Optimizing maintenance
- Productivity improvement
- “Reengineering” of contracts

*A constant exchange rate was used for this analysis

ASSET BASE OPTIMIZATION

Transmission congestion in the central zone

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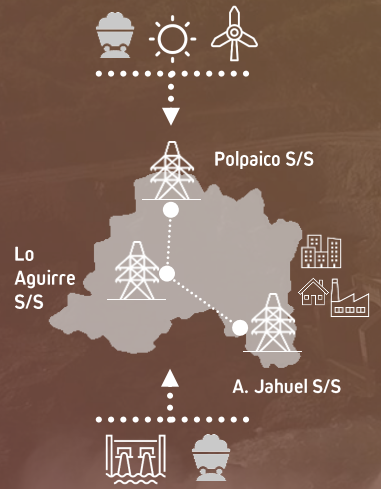
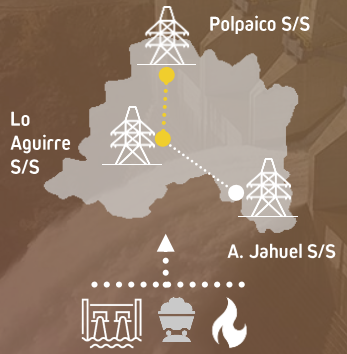
Normal conditions

The Metropolitan Region is supplied by important contributions from both North and South



Dry hydrological conditions

To supply the south-central zone, diesel must be used by plants located in the south



Our PPA sales and generation are balanced

- Sufficient generation capacity in the north to supply our PPAs in that area
- The same applies to the south albeit with some exposure under very dry conditions

Colbun has not been required to post financial guarantees in 2021. This reflects a low exposure to the spot market

ASSET BASE OPTIMIZATION

Peruvian Market: Change in gas price declaration methodology

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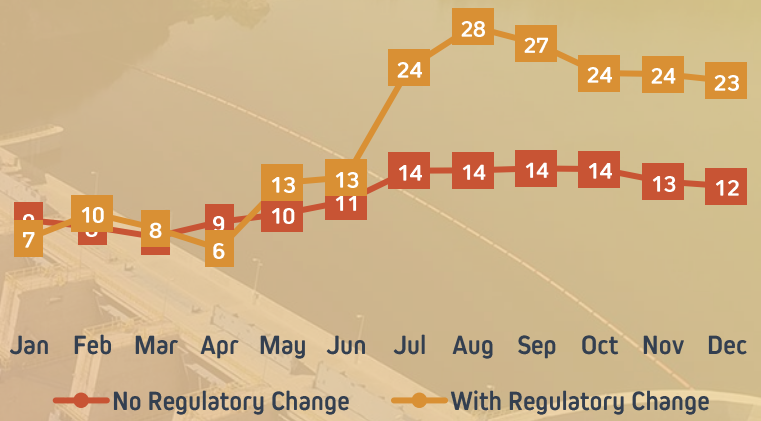
Background:

- 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

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GROWTH IN RENEWABLES

Eduardo Lauer
Chief Engineering and Project Officer

GROWTH IN RENEWABLES

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Objective:
To develop projects with LCOE in the first quartile of the industry

DEVELOPMENT PHASE

TARGET CRITERIA

- High Load Factor
- Close to system interconnection points
- Generation profile (night/winter)
- Low social and environmental impact

PROJECT EXECUTION PHASE

EXCELLENCE IN ENGINEERING AND CONSTRUCTION

- Colbun as EPC integrator
- Experienced local and international suppliers and contractors
- Best of class in key equipment and components
- Logistics optimization

GROWTH IN RENEWABLES

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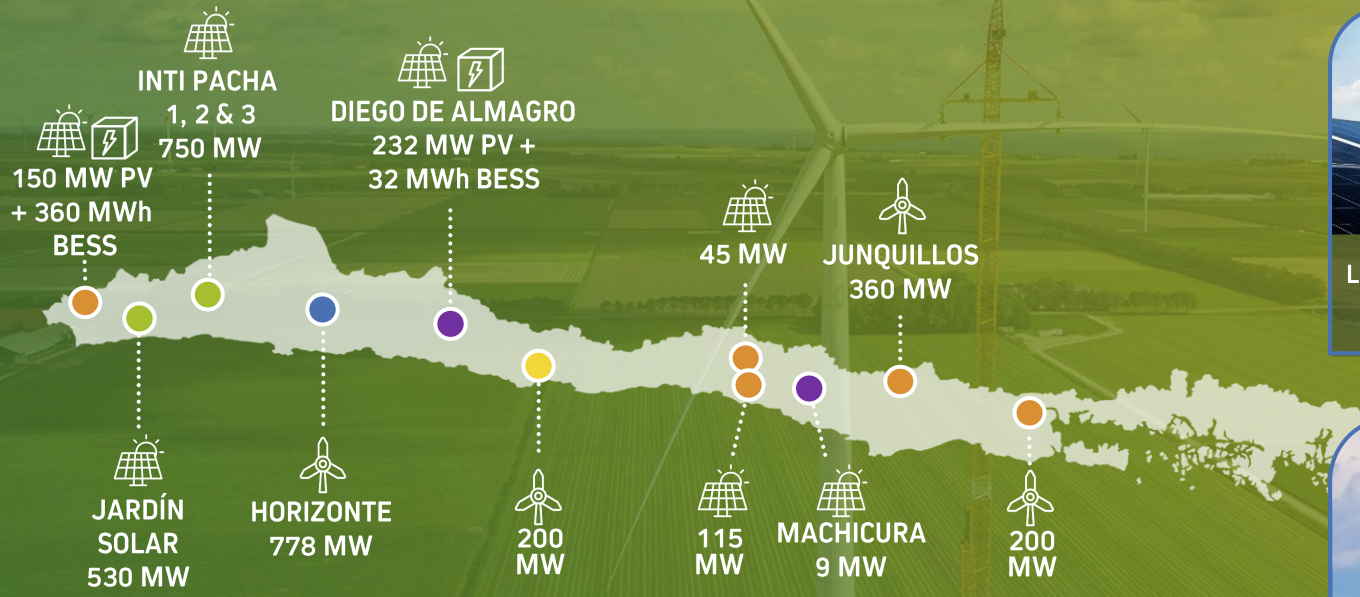
PROGRESS STAGE:
- Preliminary Studies 200 MW
- Prefeasibility 870 MW
- Environmentally approved 1,280 MW
- Under construction 778 MW
- Under commissioning 241 MW



1,540 MW Wind farms

1,825 MW PV plants

392 MWh BESS

DIEGO DE ALMAGRO

Located in one of the areas with the best radiation in Chile.

HORIZONTE

With up to 778 MW of installed capacity, this project will become one of the largest wind farms in Latin America.

GROWTH IN RENEWABLES

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Horizonte Wind Farm Project

Location: Taltal, Antofagasta Region

KEY INDICATORS

Estimated capacity	778 MW - 140 Wind Turbines
Net annual generation	2,400 GWh
Estimated capacity factor	35.3%
Land surface	8,000 ha
Connection point	Parinas S/S 500/220 kV (9,7 and 15,8 km)
Env. Impact Assessment	Approved
Estimated COD	Nov 2024
Main Contracts	EPC WT - Enercon BoP Civil - Strabag BoP Electric - Sigdo Koppers

GROWTH IN RENEWABLES

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Horizonte Wind Farm Project

Site Works - November 2021

GROWTH IN RENEWABLES

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Diego de Almagro PV Project

Location: Diego de Almagro, Atacama Region

KEY INDICATORS

Estimated capacity	232 MW PV + 32 MWh BESS
Net annual generation	648 GWh
Estimated capacity factor	35%
Land surface	330 ha
Connection point	Illapa S/S 220 kV (2.6 km)
Env. Impact Assessment	Approved
Estimated COD	PV Mar 2022 BESS Nov 2022

GROWTH IN RENEWABLES

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Diego de Almagro PV Project

Site Works - December 2021

All equipment already on site
First power injection: Dec 2021

GROWTH IN RENEWABLES

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Machicura PV Project

Location: Colbún, Maule Region

KEY INDICATORS

Estimated capacity	9 MW
Net annual generation	20.5 GWh
Estimated capacity factor	24%
Land surface	20 ha
Connection point	Connected to Colbun's line
Env. Impact Assessment	Approved
COD	Nov 21

GROWTH IN RENEWABLES

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Machicura PV Project

Site Works - November 2021

GROWTH IN RENEWABLES

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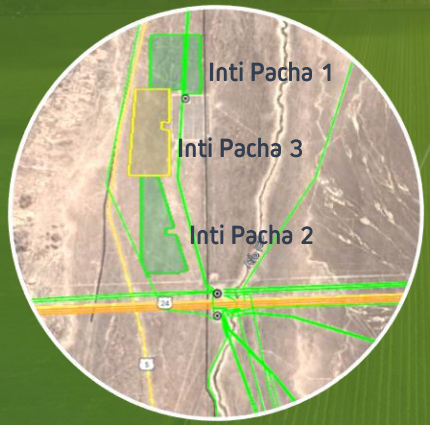
Inti Pacha 1 , 2 & 3 PV Project

Location: María Elena, Antofagasta Region



KEY INDICATORS

Estimated capacity	1: 250 MW 2: 250 MW 3: 250 MW
Net annual generation	~2,000 GWh
Estimated capacity factor	35%
Land surface	1,105 ha
Connection point	Crucero + Kimal S/S 220 kV (9 km)
Env. Impact Assessment	Approved
Estimated COD	TBD

GROWTH IN RENEWABLES

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Jardín Solar PV Project

Location: Pozo Almonte, Tarapacá Region

KEY INDICATORS

Estimated capacity	540 MW
Net annual generation	1,500 GWh
Estimated capacity factor	35%
Land surface	1,000 ha
Connection point	New Pozo Almonte S/S 220 kV
Env. Impact Assessment	Approved
Estimated COD	TBD

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COMMERCIAL HIGHLIGHTS

Olivia Heuts
Chief Commercial Officer

COMMERCIAL HIGHLIGHTS

Our strategy considers 3 key initiatives

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Increase share of sales to unregulated clients in our sales mix

Risk profile of unregulated clients is more attractive

Better fit between unregulated client's requirements and Colbun's value proposition

Excellence in customer experience

Customers service model leveraging digitalization

Delivery of focused value-added services

8 products/services:

"Colbun by Efizity"

COMMERCIAL HIGHLIGHTS

Power supply commitments

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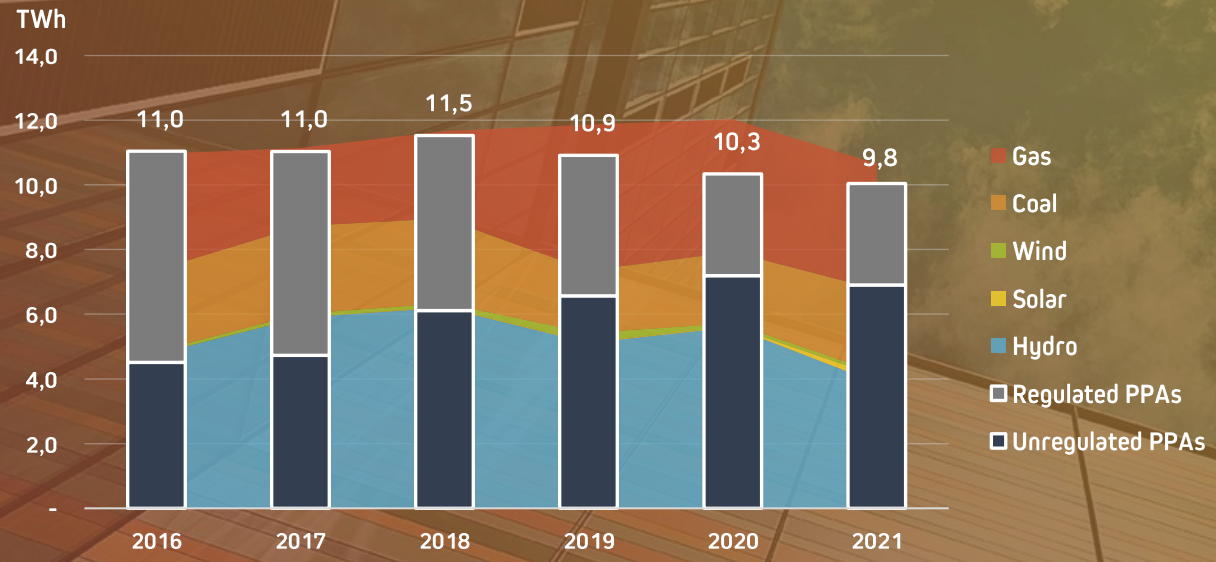
Our PPAs are supported by a matching cost-efficient power generation

Cost structure properly reflected in sale prices + active risk management

Consequently, our PPAs portfolio will increase as our new renewable capacity comes on stream



COMMERCIAL HIGHLIGHTS

Focus on unregulated customers

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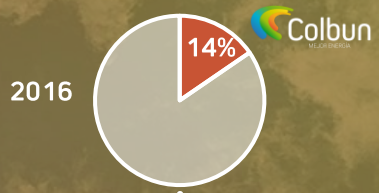
We have increased the share of sales to unregulated clients in our sales mix

41%
2016

Sales to unregulated costumers

81%
2022

As a result, our market share in the unregulated segment has increased



Colbun's share in the unregulated market

COMMERCIAL HIGHLIGHTS

Delivery of focused value added services

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We are serving an increasing number of costumers

How likely would you recommend to become a COLBUN client?

Colbun's NPS

66 2020

70 2021

Expanded delivery of value-added services by acquiring Efizity

Colbun efizity

renovable

- 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

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OTHER GROWTH OPPORTUNITIES SUSTAINABILITY

Heinz Müller
Chief Development and Innovation Officer

OTHER GROWTH OPPORTUNITIES

Power storage systems

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1 HVDC Line

Operational only by 2029+

Price arbitration opportunity between day and night hours

2 Solar resource/ generation abundance

Potential 1,200 GW only in Antofagasta[1]

3 Lower CAPEX for batteries expected

50% by 2030[2]

4 Key role for renewable penetration

System balance and ancillary services

1. *GIZ and Ministry of Energy, 2014*
2. *BloombergNEF, Dec2020*

OTHER GROWTH OPPORTUNITIES

Storage systems can leverage our asset base

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RENEWABLE ASSETS + BESS

- Manageable injections
- Reduced exposure to spot risk. BESS transfer energy from off-peak periods to peak hours

D. Almagro utility-scale pilot project

- PV installed capacity: 232 MW
- BESS installed capacity: 8 MW and 32 MWh

Solar PV projects

- Colbun has a PV project pipeline of 1,825 MW
- These projects represent a 1,000 MW growth option in storage systems

Behind The Meter (BTM) projects

- BTM could be part of Colbun's value proposition
- Running pilot

OTHER GROWTH OPPORTUNITIES

Exploring new areas: infrastructure assets with an important role for power supply

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WASTE TO ENERGY

- WTE **reduces CO_2 emissions** by ~70% and waste volume by ~90% (vis a vis waste disposed off in landfills)
- Existing landfills are close to the end of their useful life and approval for new sites is highly unlikely
- WTE is an opportunity for an **environmentally friendly solution with energy contribution**

DESALINIZATION AND WATER MANAGEMENT

- The **supply of continental water will be increasingly limited** due to climate change, prolonged drought and social pressure
- Need for solutions in water infrastructure/management (desalination, sewage reuse and seawater conduction)

GREEN HYDROGEN

- Green H_2 development has been boosted worldwide as a way **to replace fossil fuels** and achieve carbon neutrality
- The production of green hydrogen will require an **increase in renewable energy** generation

SUSTAINABILITY

Our Pathway

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

2010 — **Sustainability Strategy**
Integrated in all areas of the Company

2014 — **Angostura Hydroelectric Complex**
Environmental and social innovation

2015 — **Reportability progresses**
- Integrated Annual Report
- DJSI "listing" (Chile & MILA)
- Stakeholder surveys

2017 — **Business Sustainability integration is reinforced**
Growth focus on renewable energy

2021 — **- ESG commitments and goals made public**
- First green bond issued

HuellaChile Programa de Gestión del Carbono · informereporta · Sello Pro Pyme Ministerio de Economía · Member of Dow Jones Sustainability Indices In Collaboration with RobecoSAM · CDP Disclosure Insight Action · FTSE4Good · ALAS20

SUSTAINABILITY

Our ESG goals and highlights

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ENVIRONMENTAL

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

LOWER CO_2 EMISSION FACTOR (ton CO_2e/MWh) :

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

EFFICIENT WATER USE:

Operational (m^3/MWh):

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

Non- operational (m^3):

- **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 workface 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

Higher standards in information/communication

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Dec. 15 | 11:00 hrs