



JPM GLOBAL EMERGING
MARKETS CORPORATE
CONFERENCE
MARCH 2021

2020

Strategy update

1

FOCUS ON UNREGULATED CLIENTS

45 new clients and 630 GWh contracted

2

GROWTH IN SOLAR & WIND GENERATION

D. Almagro and Machicura → under construction
Inti Pacha → environmental approval secured
Horizonte → good progress on environmental approval

3

COST EFFICIENCY PLAN

Consolidation of the savings program for US\$20 million annually

4

TRANSMISSION BUSINESS

Potential divestiture process in progress

5

DIGITALIZATION & AUTOMATIZATION

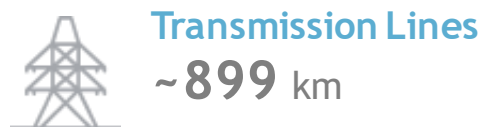
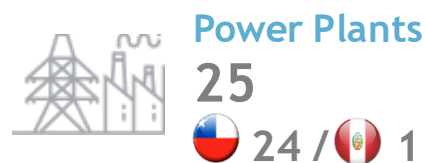
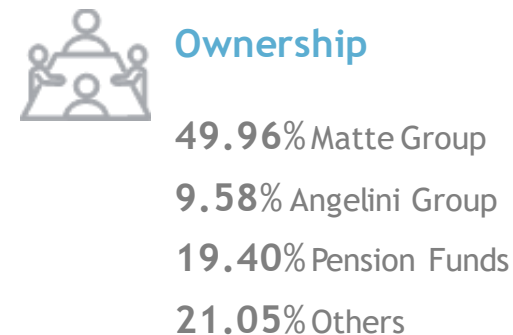
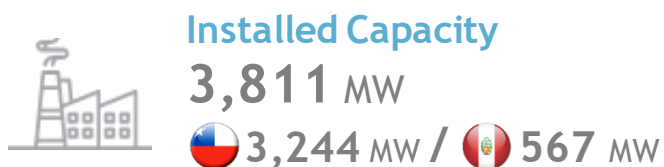
Key initiatives under way



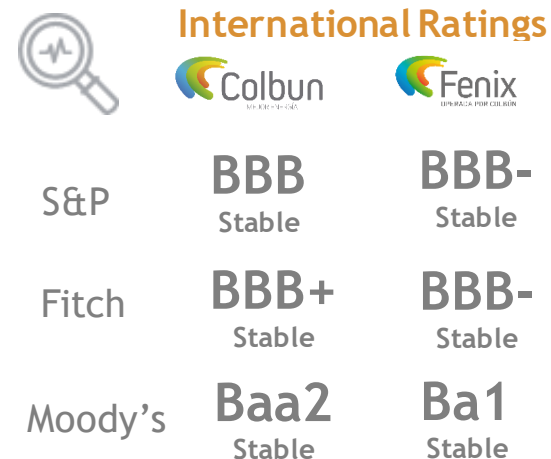
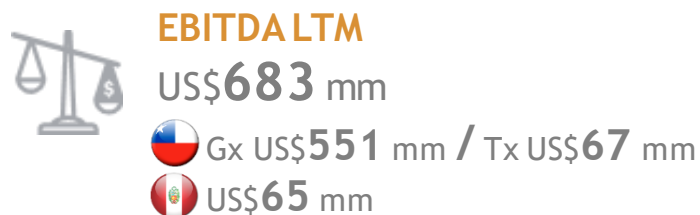
Company & industry overview

Leading position in Chile & Peru

THE COMPANY



KEY FINANCIALS



Note: All figures as of Dec20

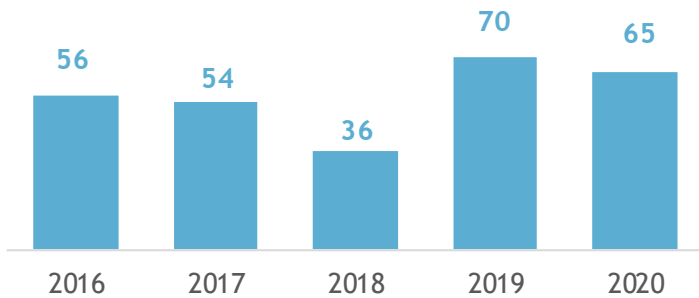
¹ In terms of generation in the SEN in Chile and in the SEIN in Peru

Company & industry overview

Leading position in Chile & Peru

FENIX POWER

1. EBITDA* (US\$ million)



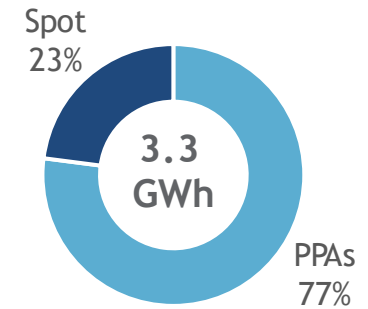
2. INTERNATIONAL RATINGS

BBB- Stable
Fitch

BBB- Stable
S&P

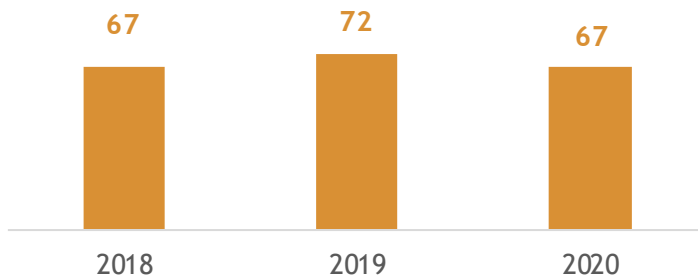
Ba1 Stable
Moody's

3. 2020 ENERGY SALES (GWh)

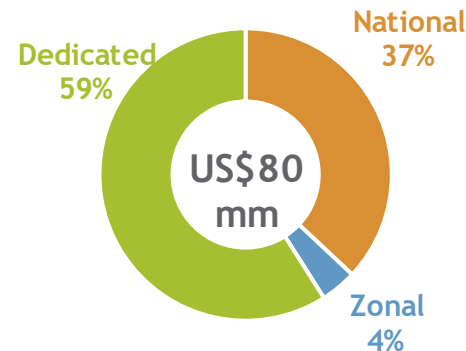


COLBUN TX

1. EBITDA (US\$ million)



2. 2020 REVENUES BREAKDOWN (US\$ million)

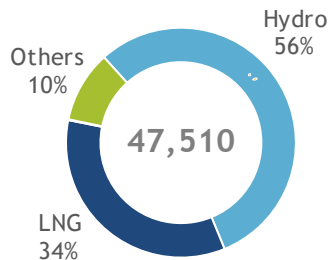


Note: All figures as of Dec20
 *Adoption of the accounting standards IFRS16 since 2019: includes financial leases since that date

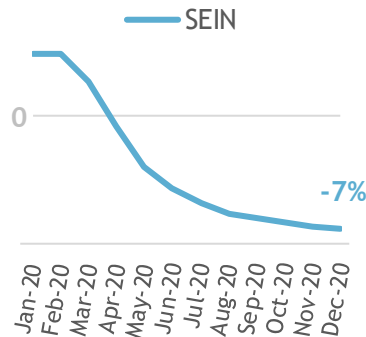
1. Cost efficient & diversified asset base

Attractive markets

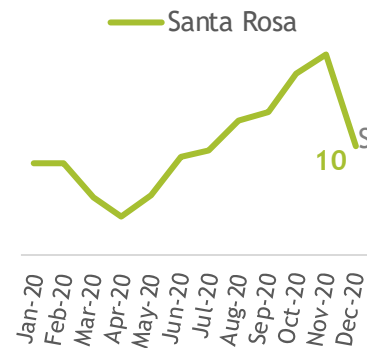
LTM GENERATION
GWh



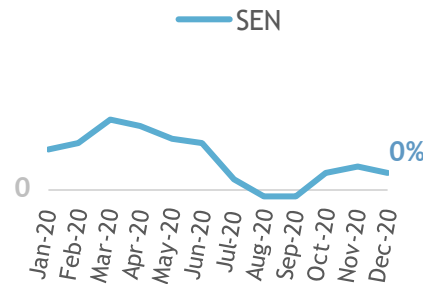
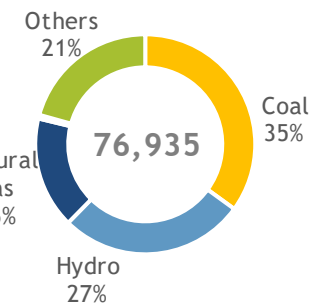
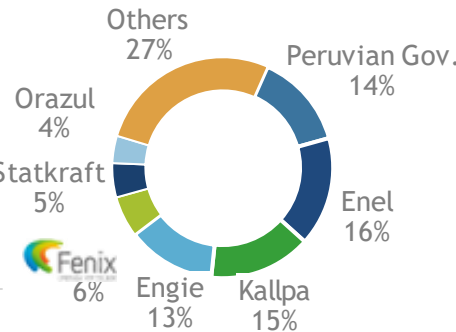
DEMAND GROWTH
12 month average %



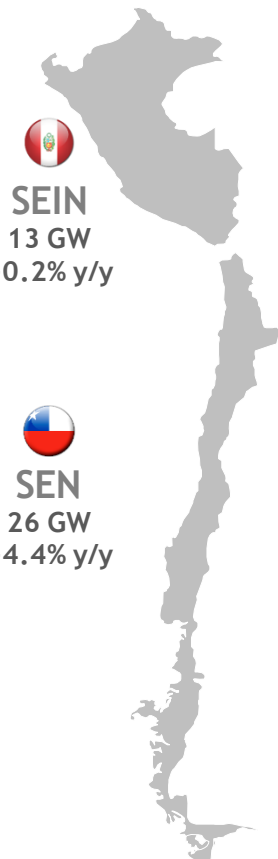
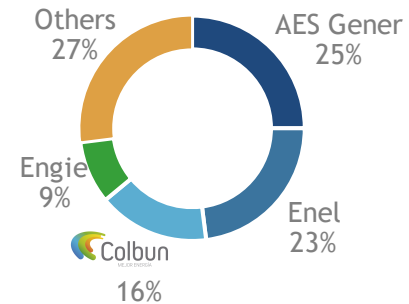
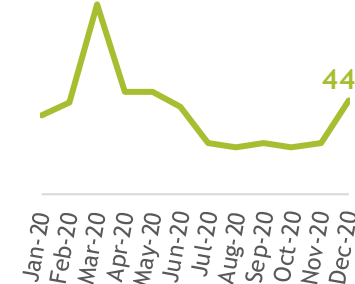
MARGINAL COST
US\$/MWh



MARKET SHARE¹
%



MARGINAL COST
US\$/MWh

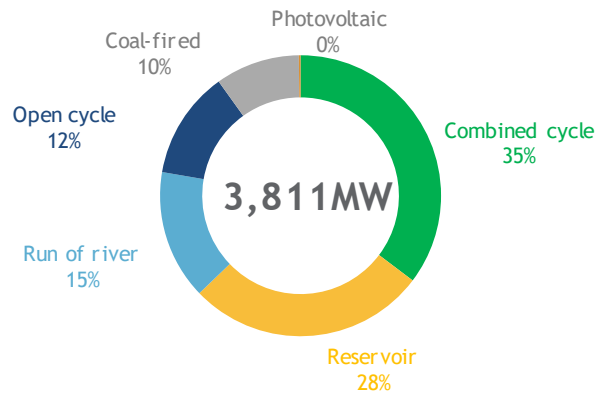


Note: All figures as of Dec20
¹ Based on generation

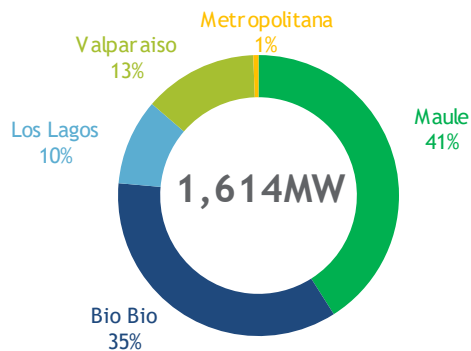
1. Cost efficient & diversified asset base

Geographical and technological diversification

1. DIVERSIFIED GENERATION ASSETS



2. DIVERSIFIED HYDROLOGICAL BASINS IN CHILE



3. DECARBONIZATION PROCESS: LOW IMPACT FOR COLBÚN

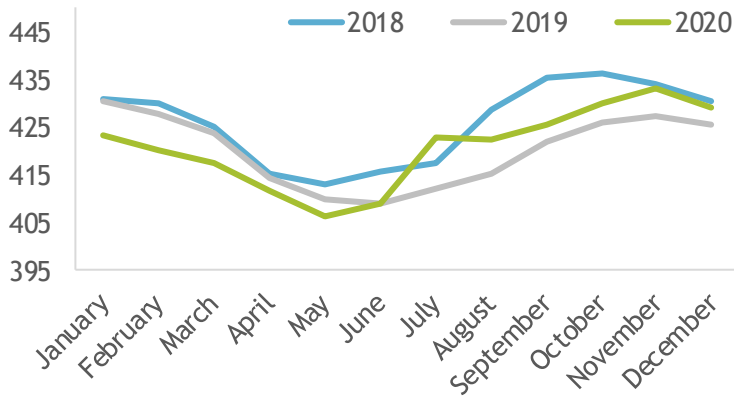
- Colbún has only 1 coal-fired power plant of the 28 in the system when the agreement was signed.
- Santa Maria is one of the newest and most efficient of the system.
- It's emissions are significantly below the norm:

	2019	Norm Limit
PM (mg/Nm ³)	8	50
Nox (mg/Nm ³)	310	500
SO ₂ mg/Nm ³)	188	400

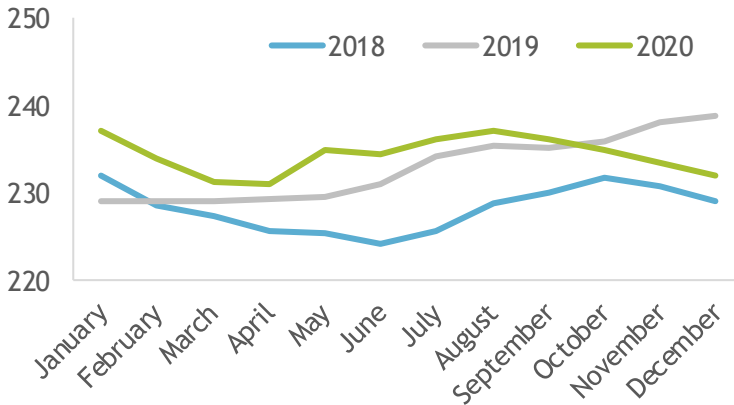
1. Cost efficient & diversified asset base

Hydrological conditions

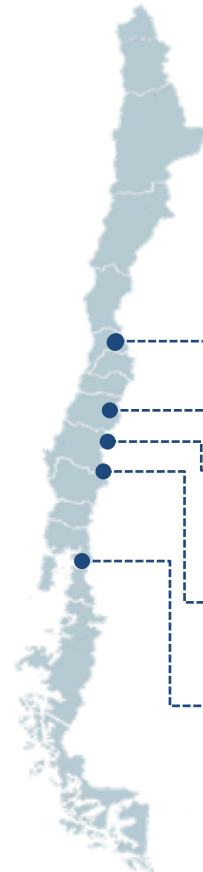
1. COLBÚN RESERVOIR LEVEL (m.a.s.l)



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



3. CHANGE IN ACCUMULATED RAINFALLS (%)



As of Jan21 compared to

	2020	Av. year
Aconcagua	291%	-51%
Maule	67%	-25%
Laja	-10%	-16%
Biobío	-14%	-17%
Chapo	-9%	-3%

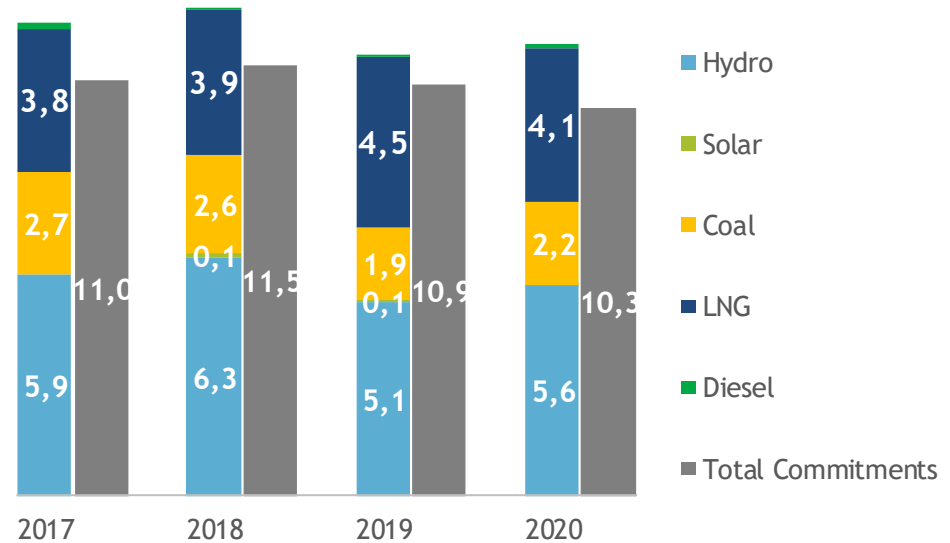
1. Cost efficient & diversified asset base

100% of PPAs supplied with cost-efficient generation

WHOLE-SALE COMMERCIAL STRATEGY

1. Optimize Contracting level
 - Renewable Capacity: hydro, solar, wind
 - Efficient thermal capacity: coal, CCGTs
2. Cost structure properly reflected in sale prices
3. Active risk management
 - LNG purchases
 - Commodity hedges
4. Unique portfolio of assets provide support our strategy
 - Hydroelectric power plants: Balanced cost structure and ancillary services supply (system balancing)
 - Gas-fired power plants: Coverage for years with dry hydrology, and for wind and solar intermittency

GENERATION & PPAs LEVEL (TWh)



GUIDELINES FOR THE FUTURE

1. Secure future cashflows with new PPAs
2. Incorporate competitive renewable projects, lowering the average supply cost structure
3. Back-up contracts with efficient combined cycles
4. Additional products and services to customers



Maximizing long-term profitability by achieving a competitive supply cost structure

Combining our efficient base-load capacity with the development of our pipeline of wind and solar projects

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

3. GAS FROM ARGENTINA

- Colbún has signed both firm and interruptible contracts to opportunistically take advantage of competitive prices

1. Cost efficient & diversified asset base

Recent developments in Chile's regulatory framework

LATEST CHANGES

1. Price stabilization mechanism for regulated clients tariffs

- Tariffs will be stabilized until Jan21, and adjusted by local CPI until 2026
- Generators will accumulate collectable accounts for the difference between the contracts' prices and the stabilized price
- The fund is denominated in US\$ and is capped at US\$1,350 million
- The stabilization fund must be completely (re)paid by December 2027

2. Essential services payments delay

- Beneficiaries: 60% most vulnerable families, elderly people, people covered by the employment protection bill or those using unemployment insurance.
- The bill establishes that those beneficiaries can postpone their payment for basic services 30 days before the bill enactment and 90 days after.
- Afterwards, the payment deferrals must be paid in 12 equal monthly installments.
- The law establishes that cooperatives in the distribution business can also benefit from this law and postpone their payments to generation companies.

BILLS UNDER DISCUSSION

1. Power Supply Portability

- Aims to increase competition in the regulated client segment
- Every user will have the right to choose its preferred supplier

2. System Flexibility

- Seeks to adopt our system to the operational challenges of the coming years

3. Power Matrix Decarbonization

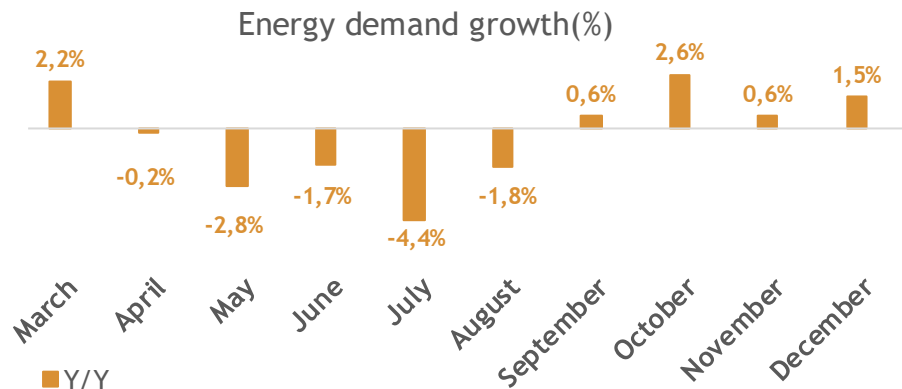
- An agreement was signed with the Government, but initiatives seek to further accelerate the process

1. Cost efficient & diversified asset base

Addressing COVID19 at Colbún

CURRENT STATUS

- Two priorities: **protect the health** of all our stakeholders and to the **ensure the security of the energy supply**
- Home office model** for 98% of the headquarters workers
- For positions with critical functions, the work is maintained on-site, but with the **necessary safeguards**
- Currently, **our power plants are operating normally.**
- Diego de Almagro's first field works started in 3Q20, as originally projected.
- Regarding the system's power demand, as of December it has recorded an **increase of 1.5%** compared to 2019



COMMUNITY SUPPORT

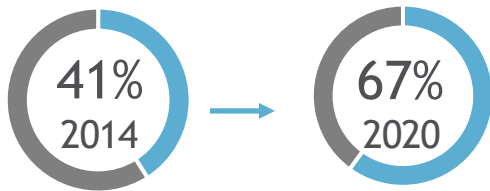
- The payment period for supplier invoices was reduced **from 15 days to 7 days**
- The confection of **more than 40,000** face shields has been commissioned
- Entrepreneurship Centers spaces have been made **available to Health Services**
- Different communication channels have been activated to **contribute to the dissemination** of protection and self-care messages
- Contribution of basic food baskets for **vulnerable families**, personal protection elements and sanitation of streets and public spaces
- Contribution of **more than 700,000 personal protection elements** to *Hogar de Cristo*

2. Strong and competitive supply contracts

High quality clients in Chile

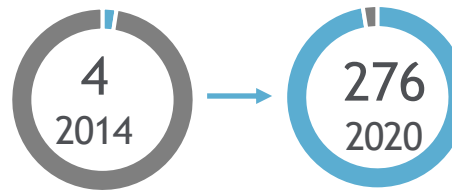
CUSTOMER BASE PROFILE

Sales % to Unregulated Customers



■ Unregulated Customers

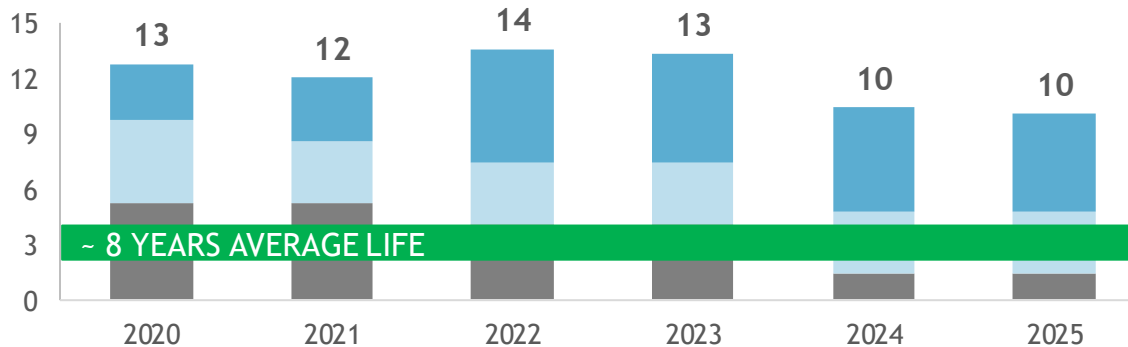
Number of Unregulated Customers



■ Regulated Customers

PPAs IN CHILE: MAXIMUM CONTRACTED POWER SUPPLY (TWh)

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



MAIN CONTRACTS SIGNED SINCE 2016



3.0 TWh/year, for 10 years starting January 2022



0.3 TWh/year, for 6 years starting July 2020



0.2 TWh/year, for 10 years starting January 2019



0.5 TWh/year, for 10.5 years starting July 2020



0.7 TWh/year, for 10 years starting January 2018

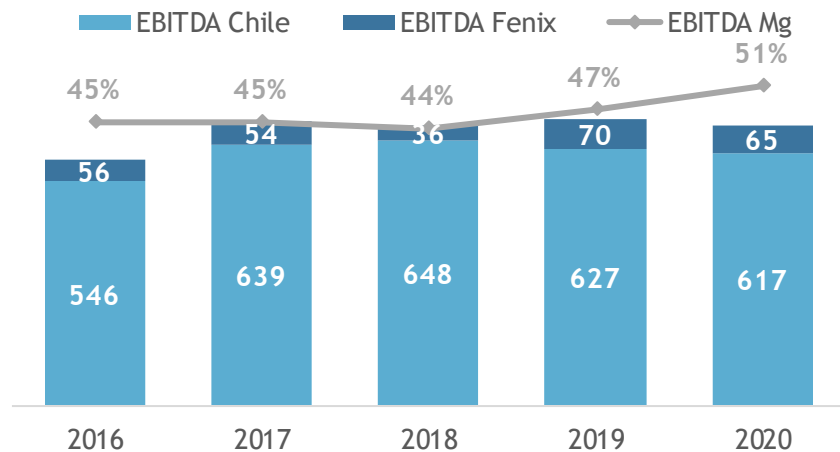


1.9 TWh/year with other unregulated customers, with a term from 4 to 6 years

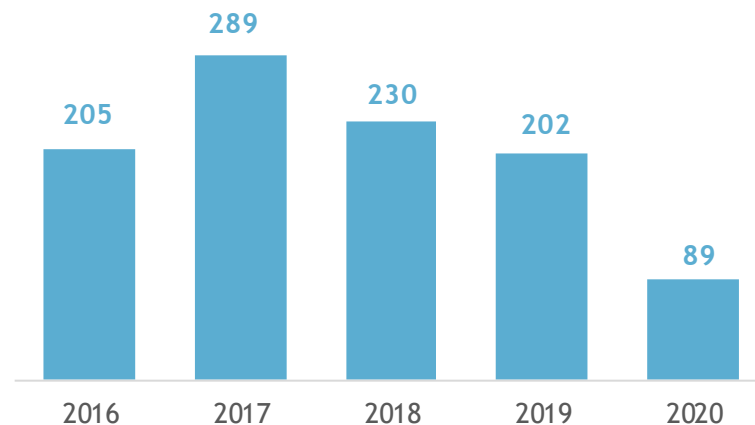
3. Prudent financial management

Stable operational results & solid metrics

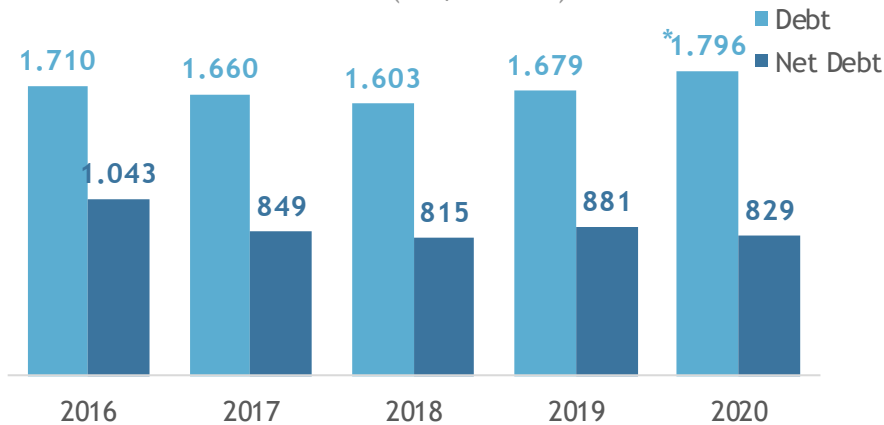
1. EBITDA & EBITDAMG. (US\$ million & %)



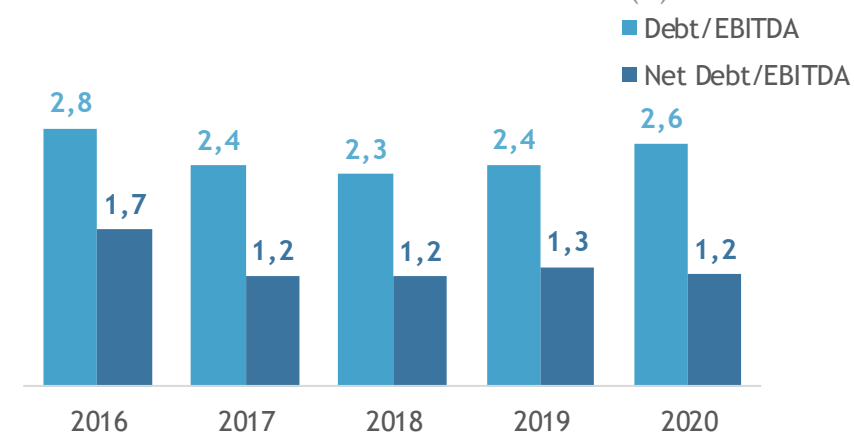
2. NET INCOME. (US\$ million)



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



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

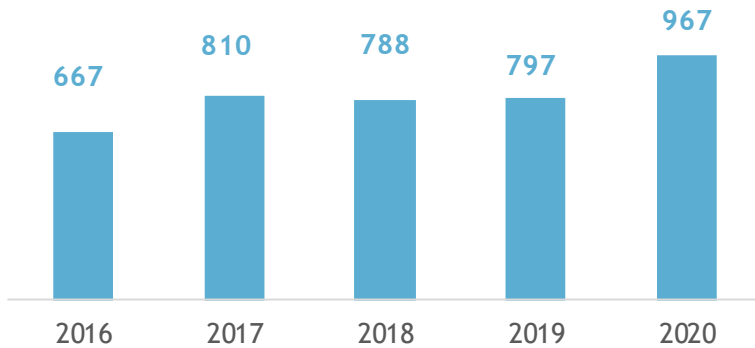


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*Financial leases are included

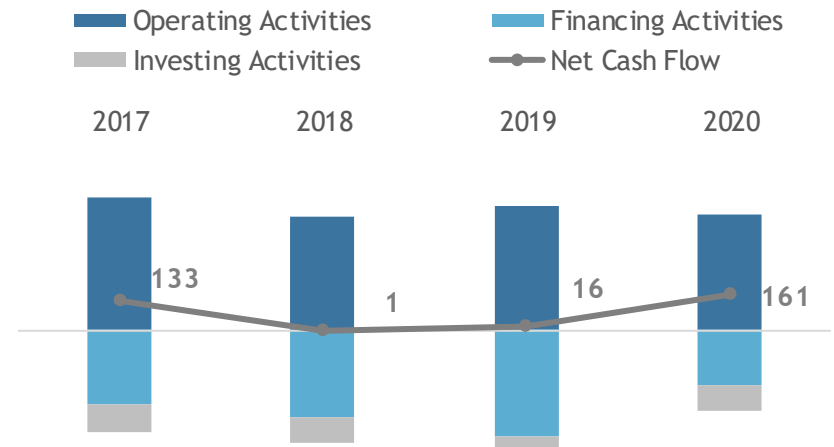
3. Prudent financial management

Stable operational results & solid metrics

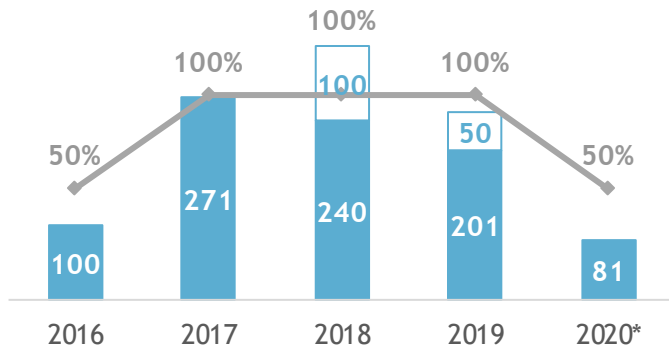
1. CASH POSITION. (US\$ million)



3. CASH FLOW. (US\$ million)



2. DIVIDEND DISTRIBUTION. (US\$ million & %)



The Dividend Policy approved by the 2020's Annual Shareholders Meeting is 50% of the net income.

Note: figures as of Dec20


*It corresponds to provisional dividend considering net profit as of Sep20


3. Prudent financial management

Long term debt profile

1. FINANCIAL DEBT PROFILE

US\$1,730^(*) mm

 US\$1,337 million

 US\$334 million

100% bonds

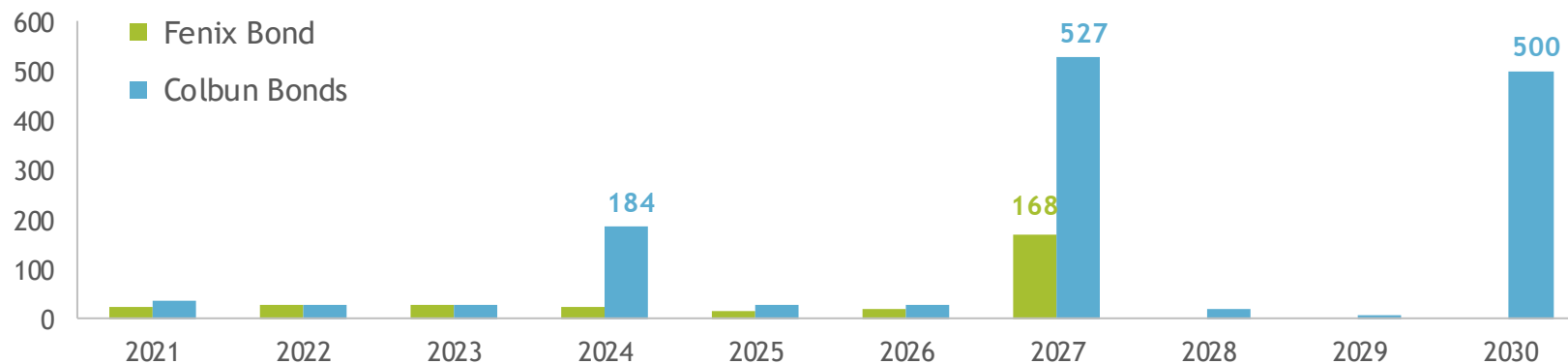
97% USD and 3% UF

100% Fixed rate

3.9% Interest Rate average

6.6 years average life

2. AMORTIZATION STRUCTURE (US\$ million)



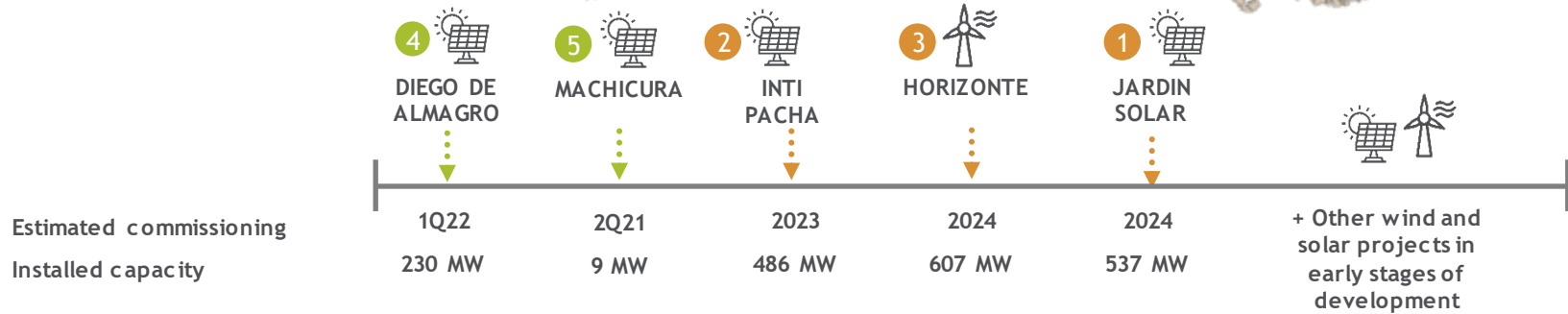
4. Attractive portfolio of growth options

Solar and Wind Generation Projects

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



We hold a portfolio of solar and wind farm projects, in different stages of development, for approximately **3,100 MW**



COMPETITIVE ADVANTAGES OF OUR PROJECTS



Load Factors



Proximity to the transmission network



Socio-Environmental viability



Concessions / Easements

Maximizing value to all of our stakeholders

Sustainability strategy

EMPLOYEES

- Offering high-quality employment and a safe work environment
- Annual Work Environment Surveys
- Strong relationship with our unions
- Annual Sustainable weeks to promote Colbún's core values

SUPPLIERS AND CONTRACTORS

- Ensuring traceable and auditable supply processes
- Promoting a transparent and close relationship
- Ensuring that the supply process comply with our Ethics Code
- ProPyme Seal: certificate for paying our SMEs¹ in less than 30 days

CLIENTS AND PROVIDERS

- Providing a reliable, competitive and sustainable electric energy supply
- Generating long-term, transparent and strategic relationships
- Annual Client's Day
- "Taylor-made" products and services

INVESTORS

- Providing transparent, timely and relevant information to all of our investors
- Annual Investor Surveys

COMMUNITY AND SOCIETY

- Building and maintaining open relationships with the community
- Promoting the development of local economy
- Enhancing the community's development through entrepreneurship, education and sports programs

ENVIRONMENT

- Minimizing our impact on the environment
- Taking care of our natural resources and using them in an efficient manner
- Online emissions monitoring in Santa Maria and Nehuencho power plants



Disclaimer & Contact Information

- 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.
- In compliance with the applicable rules, Colbún S.A. publishes on its Web Site (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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