



# CORPORATE PRESENTATION

*10th Credicorp Conference  
September 2023*



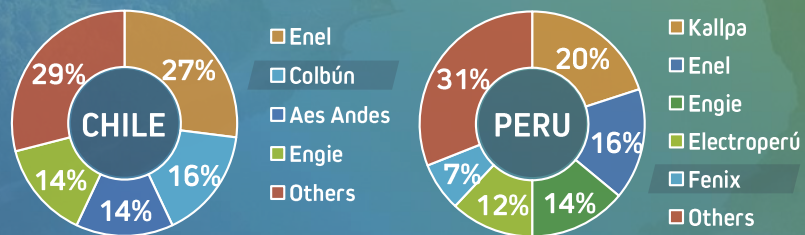
# ABOUT US

## Overview

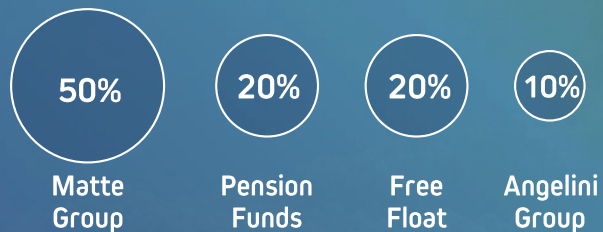
### 1 INSTALLED CAPACITY (%)



### 2 MARKET SHARE <sup>1</sup>



### 3 OWNERSHIP (%)



PERÚ:  
1 Power Plant  
573 MW

CHILE:  
26 Power Plants  
3,461 MW

TOTAL:  
27 Power Plants  
4,034 MW

# ABOUT US

## Our Strategy



**ENHANCING OUR  
CORE BUSINESS**

**ASSET BASE  
OPTIMIZATION**

**GROWTH IN  
RENEWABLES**

**B2B  
CLIENTS**



**EXPANDING  
OUR LIMITS**

**ENERGY SOLUTIONS  
TX ENABLING**

**GROWTH AND  
INT. DIVERSIFICATION**



**NEW BUSINESSES  
OPPORTUNITIES**

**WATER**

**GREEN H<sub>2</sub>**



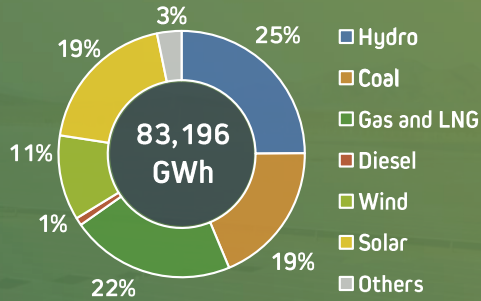
# MARKET CONDITIONS



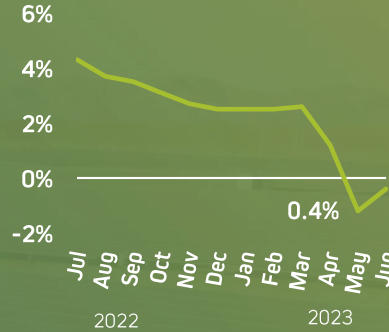
## Markets Update

### LTM GENERATION GWh

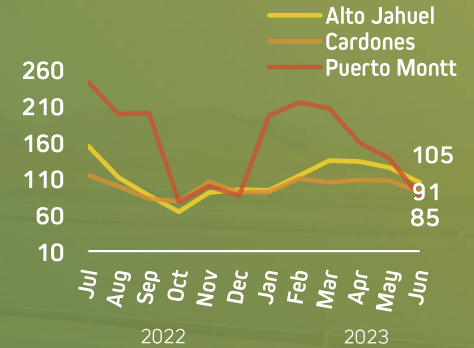
**SEN**  
**34 GW**  
**+ 6.0% y/y**



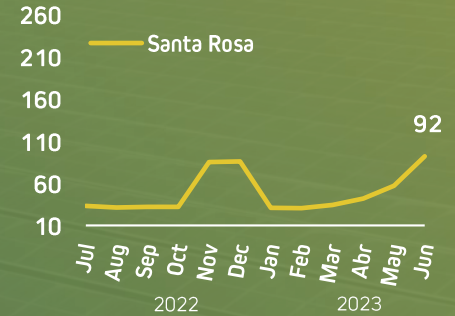
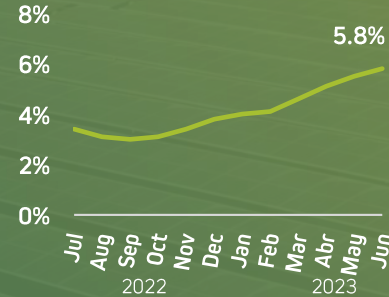
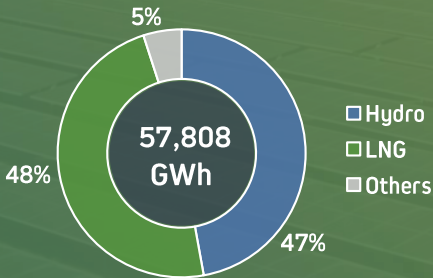
### DEMAND GROWTH 12 months average %



### MARGINAL COST US\$/MWh



**SEIN**  
**13 GW**  
**0% y/y**















# MARKET CONDITIONS

## Regulatory framework



### LATEST UPDATES

IMPACT    ADVANCE LEVEL    PROGRESS STATUS

 <p><b>REVS Promotion</b></p>	<p>Promotes REV's participation through increasing renewable generation targets.</p>	<p><b>HIGH</b> ⚡ ⚡ ⚡</p>		
 <p><b>Price stabilization mechanism for regulated client tariffs</b></p>	<p>Aims to avoid electricity tariffs increases to regulated clients.</p>	<p><b>LOW</b> ⚡ ⚡ ⚡</p>		
 <p><b>Storage Promotion</b></p>	<p>Aims that isolated storage systems be remunerated for the energy and power injected into the system.</p>	<p><b>MEDIUM</b> ⚡ ⚡ ⚡</p>		
 <p><b>New Rules for Regulated Auctions</b></p>	<p>Aim is to reduce the risks of the regulate auctions for Gencos.</p>	<p><b>LOW</b> ⚡ ⚡ ⚡</p>		

# MARKET CONDITIONS

## Regulatory framework



### UNDER DISCUSSION

IMPACT    ADVANCE LEVEL    PROGRESS STATUS



#### Initial Agenda for “Second half” Regulatory Agenda

Ministry of Energy presented a series of measures to improve the current state of the national electrical system.

**MEDIUM**  
⚡ ⚡ ⚡



#### Decarbonization process

Aims to accelerate coal-fired facilities phasing out.

**MEDIUM**  
⚡ ⚡ ⚡



#### Green Hydrogen Promotion

Seeks to promote a national market and the development of a green hydrogen industry.

**LOW**  
⚡ ⚡ ⚡



#### Energy Transition Bill

Aims to achieve enabling conditions in the power industry in order to be a carbon neutral country by 2050 and boost the country's local economies.

**MEDIUM**  
⚡ ⚡ ⚡





# COMMERCIAL STRATEGY

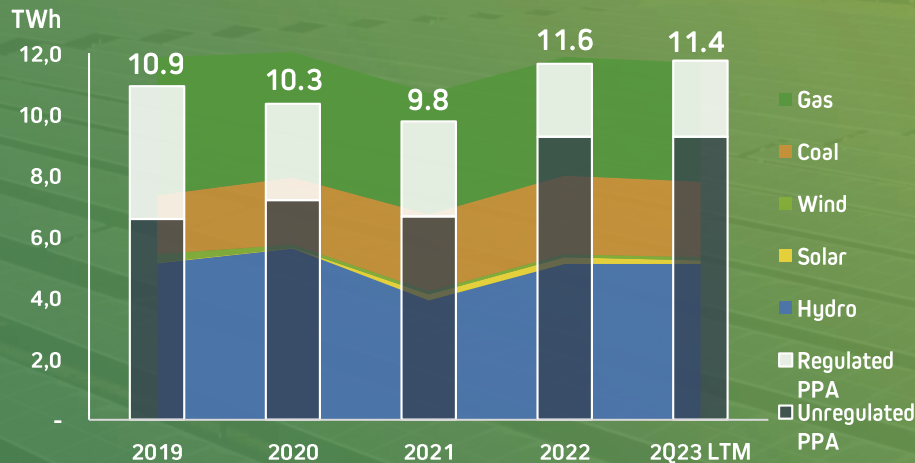


Enhancing our core business

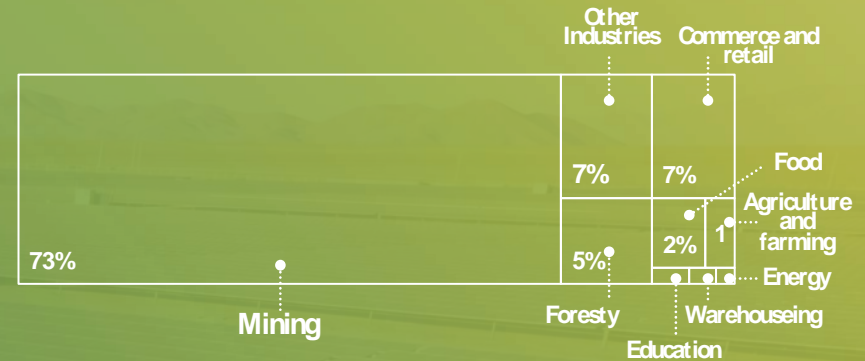
## 1 LEVEL OF COMMITMENT BACKED BY GENERATION

Our PPAs are backed by an optimum balance of cost-efficient generation

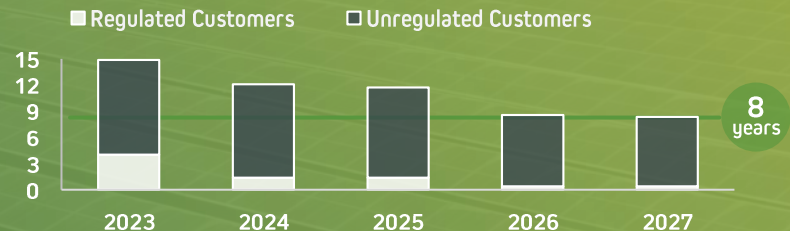
Cost structure adequately reflected in pricing and asset management



## 2 SEGMENTATION BY INDUSTRY <sup>1</sup>



## 3 PPA 's AVERAGE LIFE

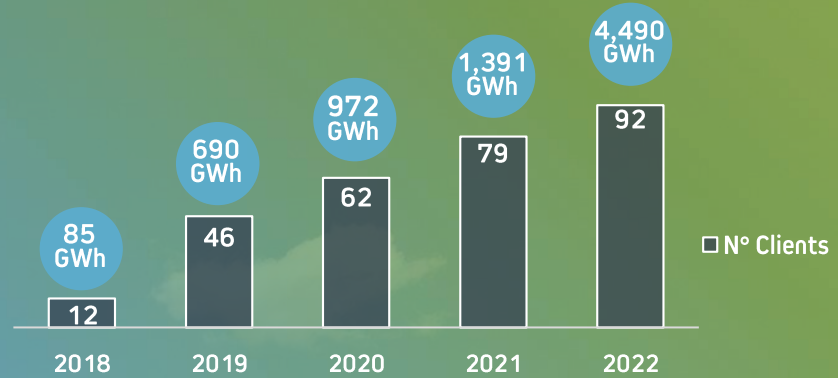


Note: All figures as of Jun23  
<sup>1</sup> All figures in terms of physical sales (GWh/year)

# COMMERCIAL STRATEGY

Expanding our limits with B2B energy solutions

## 1 Renewable Certificates Evolution



## 2 Energy Services are part of our value proposal



Building's energy efficiency advisory & Certification

 x26




Energy Monitoring & Controlling Services

 x2




Implementation and Operation of Energy Management Systems

 x9



Utility Bill Management

 x4



# KEY FINANCIAL FIGURES




## Overview



EBITDA 2Q23 LTM



**US\$792 mm**

 US\$708 mm  US\$84 mm  
2Q23 US\$134 mm US\$0,2 mm



CAPEX 2Q23 LTM

**US\$449mm**

 US\$428 mm  US\$21 mm  
2Q23 US\$143 mm US\$ 4 mm



NET DEBT / EBITDA

**1.5 x**



CASH

**US\$950 mm**





DIVIDEND POLICY

**50%**



INTERNATIONAL RATINGS

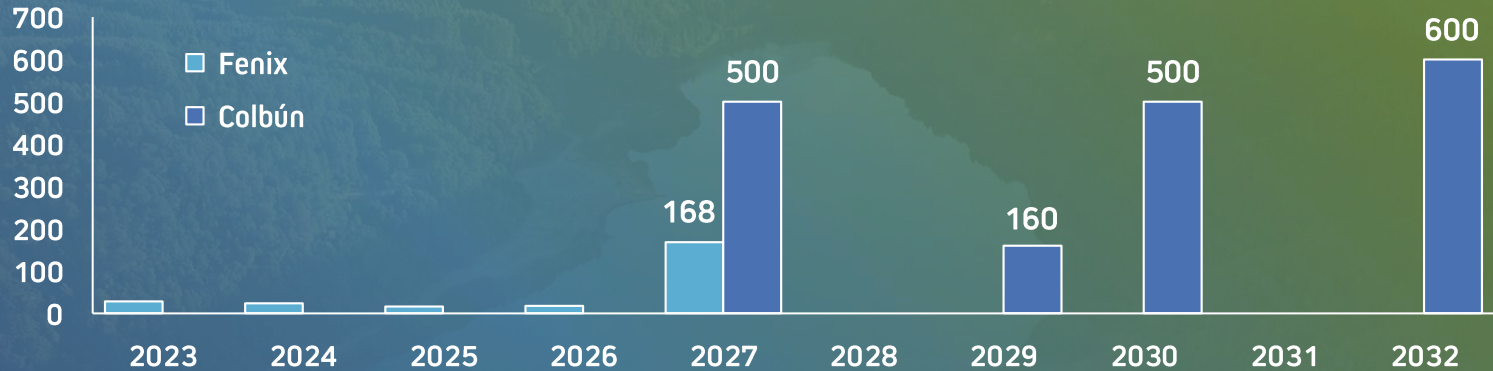
	Baa2	BBB+	BBB
		BBB-	BBB-
	Moody's	Fitch	S&P

# DEBT STRUCTURE SNAPSHOT

Prudent financial management



## AMORTIZATION STRUCTURE (US\$ million)



## FINANCIAL DEBT PROFILE

**US\$2,000(\*) mm**

 US\$1,760 million  
 US\$240 million

**4 bonds and 1 bank loan**

100% USD    92% Fixed rate

**3.8%** Interest Rate average

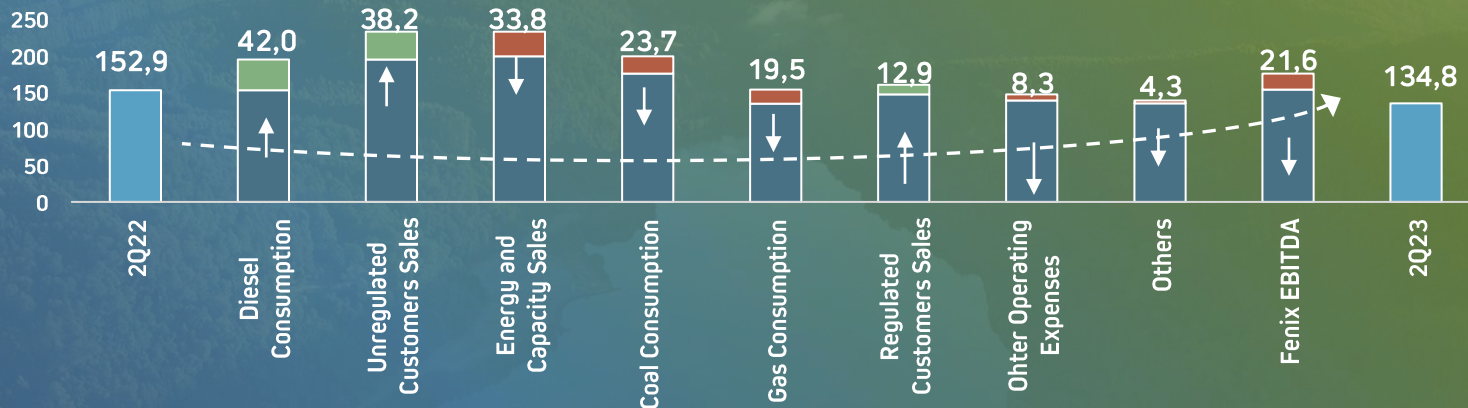
**6.8** years average life

# LAST QUARTER RESULTS

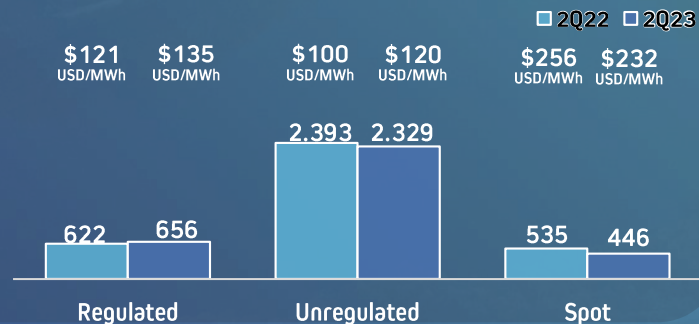
EBITDA 12% lower than 2Q22



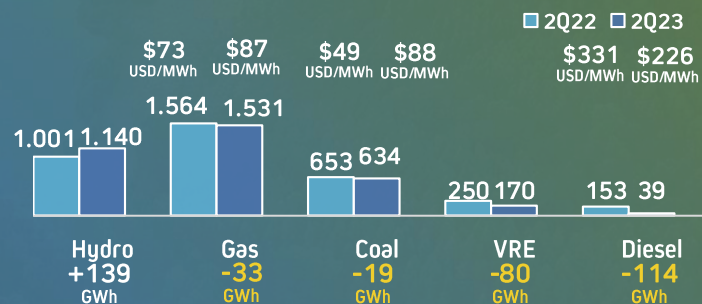
## EBITDA 2Q22-2Q23 VARIATION (US\$ million)



## PHYSICAL SALES & AV. PRICES (GWh & USD/MWh)



## GENERATION & AV. COST (GWh & USD/MWh)



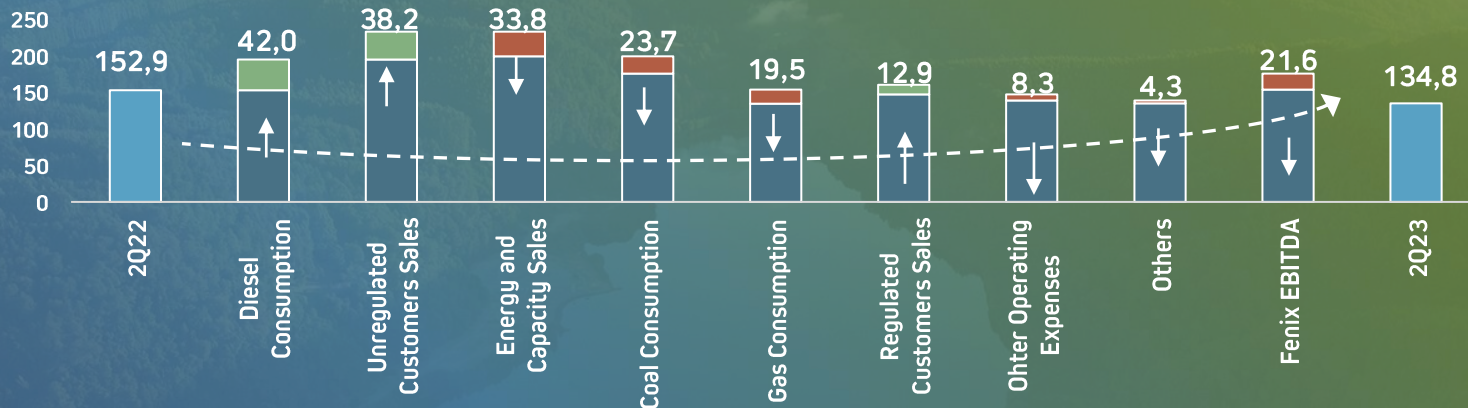


# LAST QUARTER RESULTS

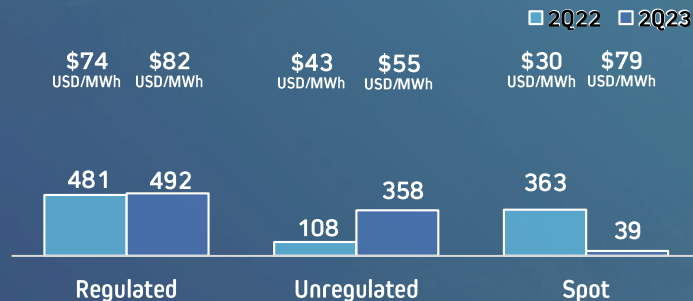
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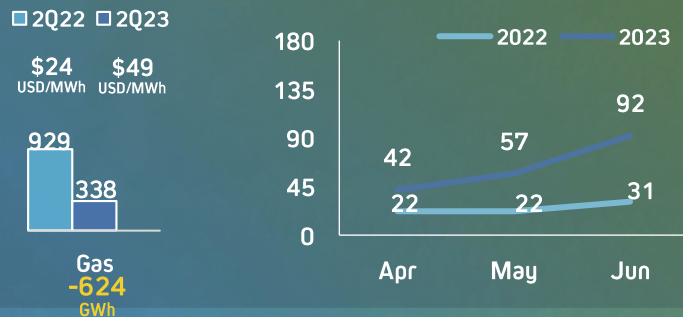
## EBITDA 2Q22-2Q23 VARIATION (US\$ million)



## PHYSICAL SALES & AV. PRICES (GWh & USD/MWh)



## GENERATION & AV. COST (GWh & USD/MWh)



# LAST QUARTER RESULTS

## 2023 Fenix Major Maintenance



### MAIN SCOPE

- ✓ Major inspection in all turbines and M.A.G.I.C inspections of electrical generators.
- ✓ Maintenance of Gas Turbine and Steam Turbine auxiliaries.

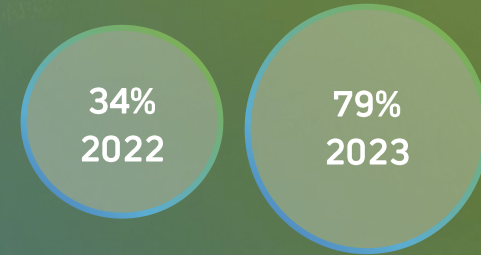
### DURATION

- ✓ Originally scheduled for 45 days, from March 29<sup>th</sup> to May 12<sup>th</sup>.
- ✓ Delays in testing and evaluation of critical equipment carried out by the supplier extended the plant's maintenance by an additional 26 days.

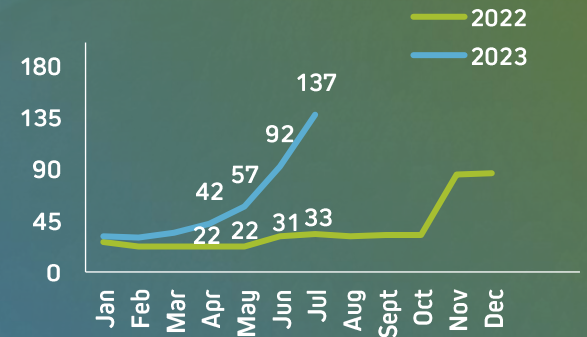
### IMPACT

- ✓ This delay had a negative impact of US\$22 MM in Fenix results in 2Q23.

### EXCEEDANCE PROBABILITY <sup>1</sup>



### SANTA ROSA MARGINAL COST (USD/MWh)



# LATEST RELEVANT TOPICS

## *Nehuenco 1 filter area fire*

### MAIN SCOPE

- ✓ On August 4th, a fire on U1 Nehuenco Complex's gas turbine filter area was declared
- ✓ No people injured
- ✓ Nehuenco 1 is carrying out its major maintenance until the end of September. It was not operating at the time of the incident
- ✓ The causes and impact of the accident are being investigated
- ✓ Nehuenco U2 and U3 were not affected

### IMPACT

- ✓ Estimated commissioning date, December 18th
- ✓ Spare parts available
- ✓ Insurance coverage applicable

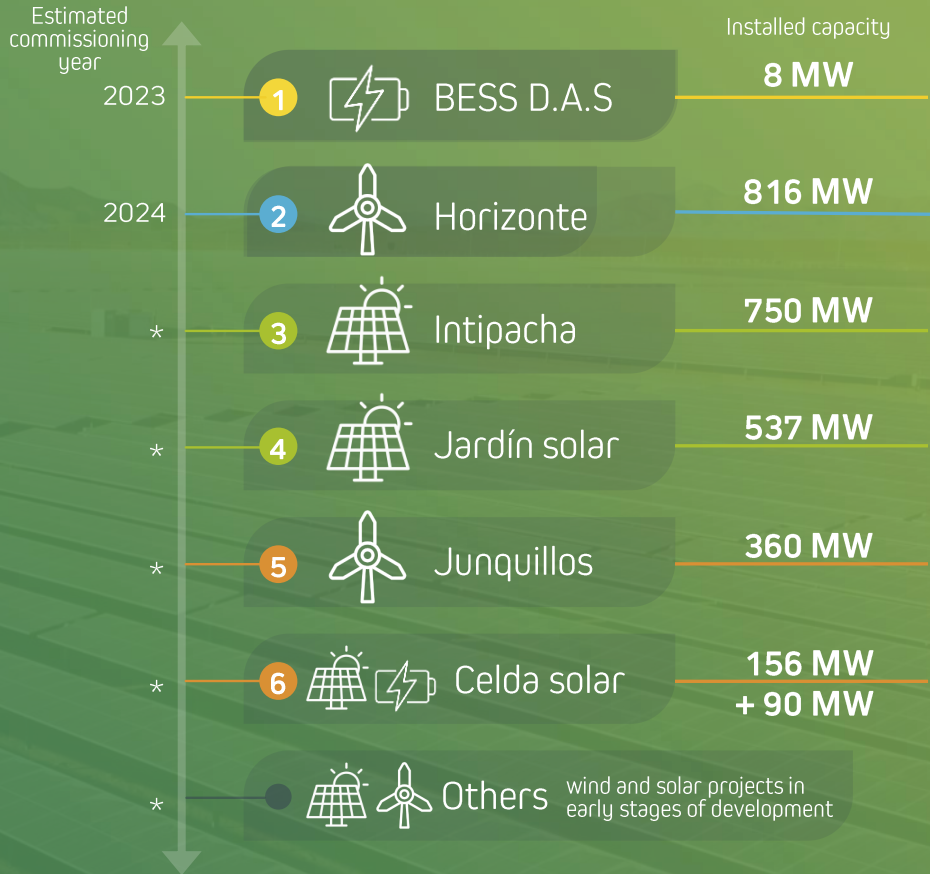




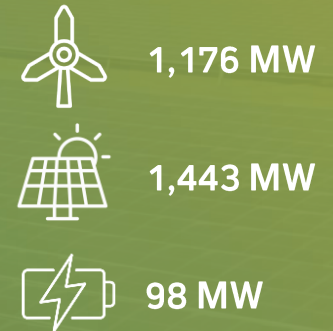
# PIPELINE OF PROJECTS



Attractive portfolio of growth options



- Commissioning
- Under construction
- Environmentally approved
- Under environmental assesment



**TOTAL: 2,717 MW**

# PIPELINE OF PROJECTS



Attractive portfolio of growth options

Estimated  
commissioning  
year

2024

59% total progress

2 Horizonte

13 turbines

Out of 140  
with 5.83MW  
installed  
capacity each

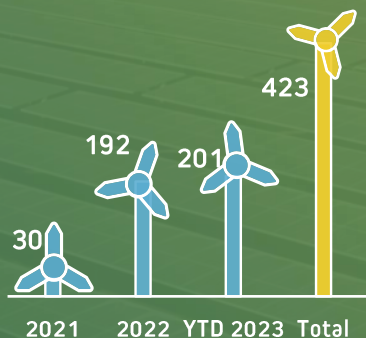


816 MW

Total installed  
capacity



CAPEX (US\$ million)



85% progress



Construction of internal  
roads, platforms and  
foundations.

65% progress



Substations, transmission  
lines and medium voltage  
network.



*Incorporating new geographies would allow Colbún to expand its growth potential and diversify its portfolio.*



## SCALE

The electricity industry is a business that requires scale to deliver efficiencies in:

- ✓ Development
- ✓ Construction
- ✓ Operation
- ✓ Generation assets commercialization



## DIVERSIFICATION

New geographies would make it possible to diversify certain systematic risks in the countries where Colbún currently operates:

- ✓ Political
- ✓ Regulatory
- ✓ Socio-environmental
- ✓ Demand stagnation
- ✓ Hydrological
- ✓ Among others



# NEW BUSINESSES OPPORTUNITIES



*Infrastructure developments with high energy component*



## WATER

- Desalination
- Conduction
- Industrial processing



## GREEN H2

- Local market
  - Pilot program developing*
  - ✓ Airport Hub
  - ✓ Neuquén Project
- International market
  - Joint Venture Export Projects*
  - ✓ Sumitomo MOU

# NEW BUSINESSES OPPORTUNITIES



*Next decade goals*



## WATER

2

Projects  
operating

~1.500  
l/sec

Total  
Capacity



## GREEN H2

1

Export projects  
with  
investment  
decision

2

Domestic  
projects  
operating

# SUSTAINABILITY

## Our ESG goals and highlights



### ENVIRONMENTAL



Add 4,000 MW of renewable energy by 2030



Lower CO<sub>2</sub> emission factor (ton CO<sub>2</sub>e/MWh) :

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



Efficient water use:

Operational (m3/MWh):

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

Non-operational (m3):

- 40% reduction by 2025



Waste management:

- 98% of ash recovery by 2025



Biodiversity management

(Internal goals)

### SOCIAL



Clients:

- Maintain a Net Promoter Score (NPS) above 50 points



Workers:

- Increase female participation to 25% of the workforce 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



Highest standards in information/communication



- ✓ This document provides information about Colbun 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 Colbun's future performance and should be considered as good faith estimates by Colbun S.A.
- ✓ In compliance with the applicable rules, Colbun S.A. publishes on its Web Site ([www.colbun.cl](http://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.

## INVESTOR RELATIONS TEAM CONTACT



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# CORPORATE PRESENTATION

*10th Credicorp Conference  
September 2023*



# ABOUT US

## Board of Director's highlights



### Members



**Hernán Rodríguez Wilson**  
Chairman



**Bernardo Larraín Matte**  
Vice-Chairman



**Vivianne Blanlot Soza**



**María Emilia Correa Pérez**  
Independent



**Rodrigo Donoso Munita**



**Marcela Angulo González**  
Independent



**Jaime Maluk Valencia**  
Independent

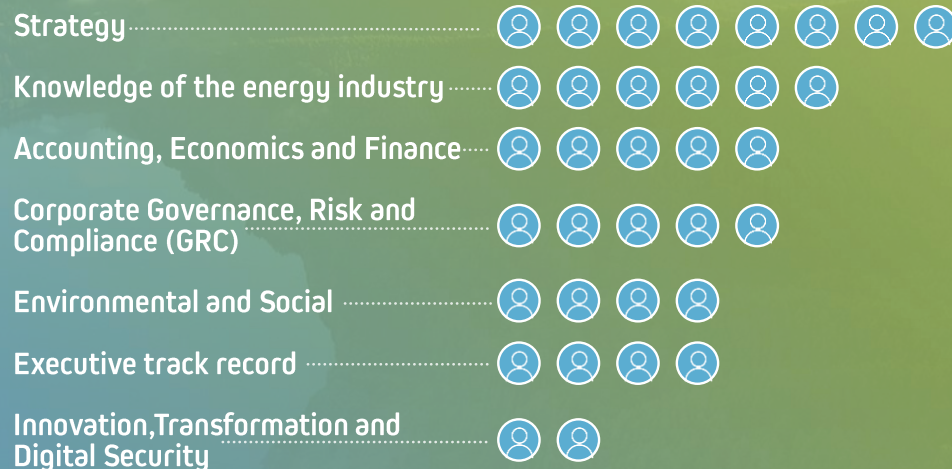


**Francisco Matte Izquierdo**

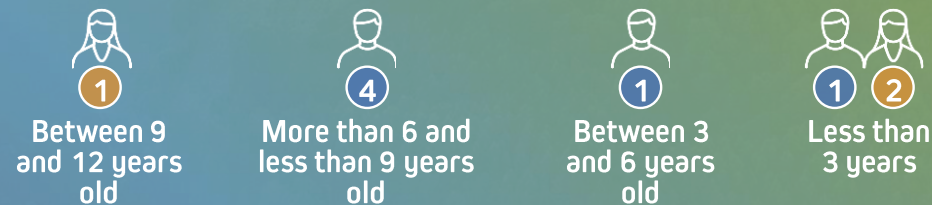


**Juan Carlos Altmann Martín**

### Knowledge and skill matrix <sup>1</sup>



### Seniority years



1. Out of 9 directors.



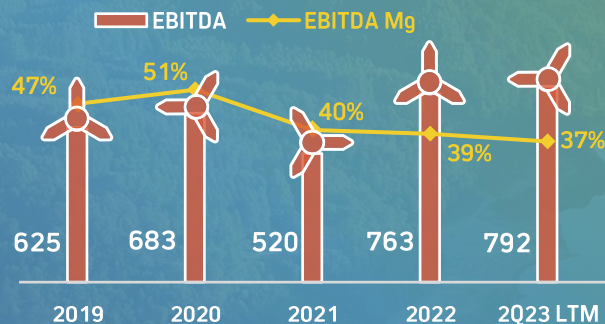
# KEY FINANCIAL FIGURES



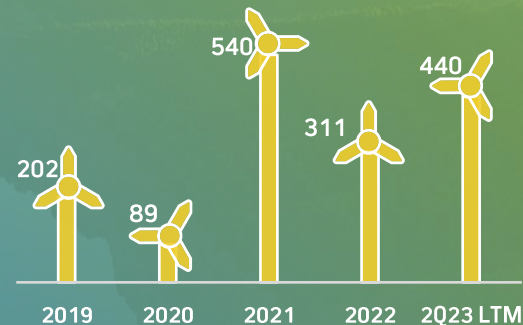
## Overview



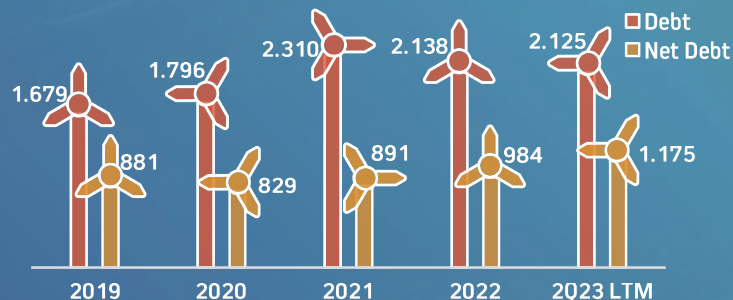
### 1. EBITDA & EBITDA MG (US\$ million & %)



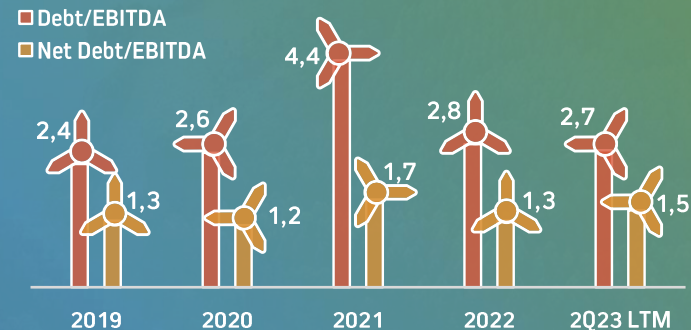
### 2. NET INCOME (US\$ million)



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



### 4. DEBT/EBITDA & NET DEBT/EBITDA (x)\*



Note: All figures as of Jun23

(\*) Financial leases are included from 2019 onwards. (\*\*) Under review

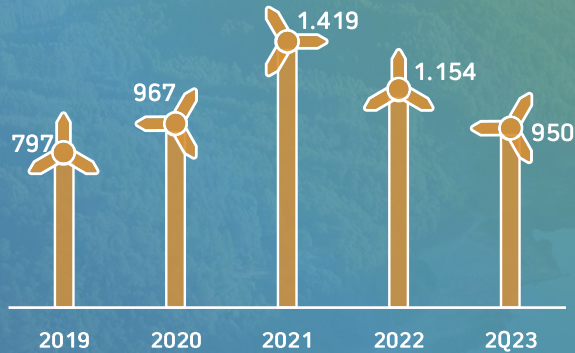
# KEY FINANCIAL FIGURES



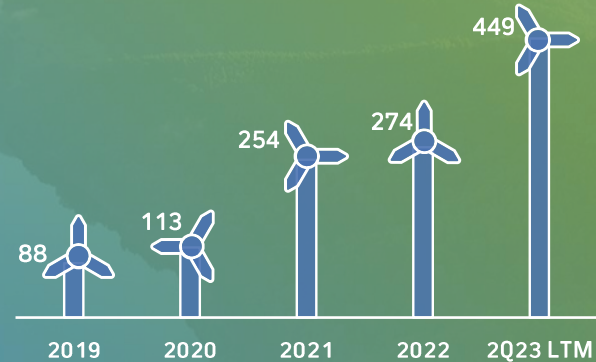
## Overview



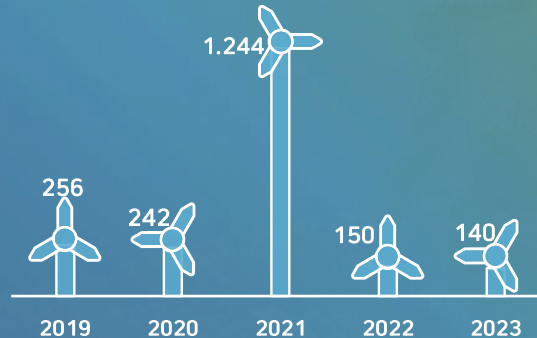
### 1. CASH POSITION (US\$ million)



### 2. CAPEX (US\$ million)



### 3. DIVIDEND (US\$ million)



# MARKET CONDITIONS




Chile's projects under construction or under environmental studies assessment



## North Zone

(Arica to Maitencillo)

 17,942 MW

 3,370 MW

 100 MW

Others: 4,083 MW

## Central Zone

(Maitencillo to Curicó)

 7,000 MW

 1,054 MW

Others: 825 MW

## South Zone

(Curicó to Puerto Montt)

 2,005 MW

 6,376 MW

Others: 490 MW

## Austral Zone

(Puerto Montt to the South)

 271 MW

Others: 55 MW



26,947 MW



10,017 MW



1,154 MW

Others: 5,453 MW

TOTAL: 42,417 MW



# MARKET CONDITIONS



Perú's projects under construction or under environmental studies assessment

## North Zone



200 MW

6,768 MW

Piura  
Lambayeque  
Cajamarca

## Central Zone



1,094 MW

5,189 MW

La Libertad  
Ancash

Lima

## South Zone



10,937 MW

1,329 MW

Ica

Arequipa



12,231 MW



13,286 MW

TOTAL: 25,517 MW

# MARKET CONDITIONS



## Fossil fuel prices

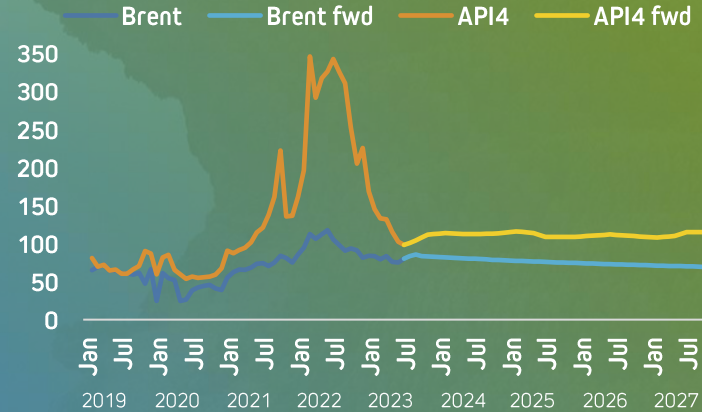


### BRENT: OIL

(USD/bbl)



### HISTORICAL AND FORWARD CURVE



### API4: COAL

(USD/ton)



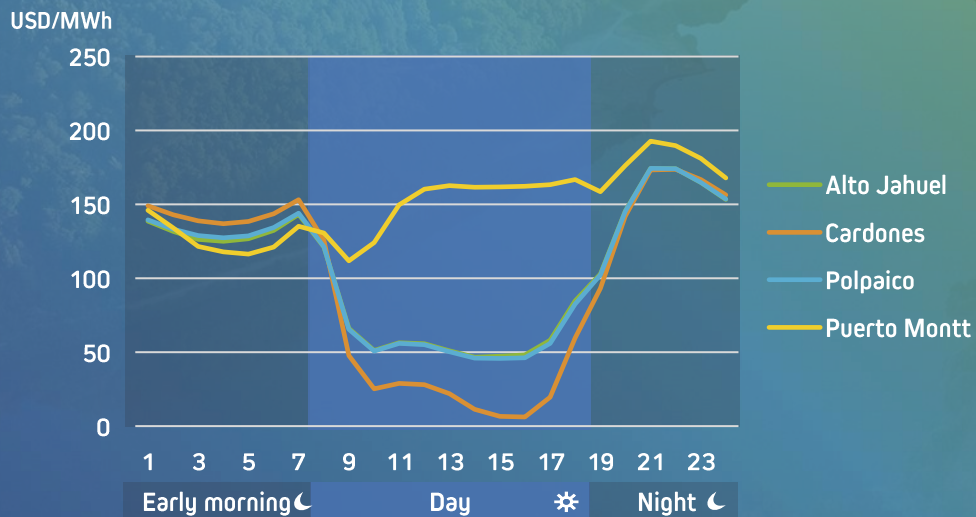
# MARKET CONDITIONS

## System's volatility



### TRANSMISSION INFRASTRUCTURE CONGESTED

Hourly average marginal cost Jun22-Jul23 (LTM)



### Colbún's power injection and withdrawal by zone

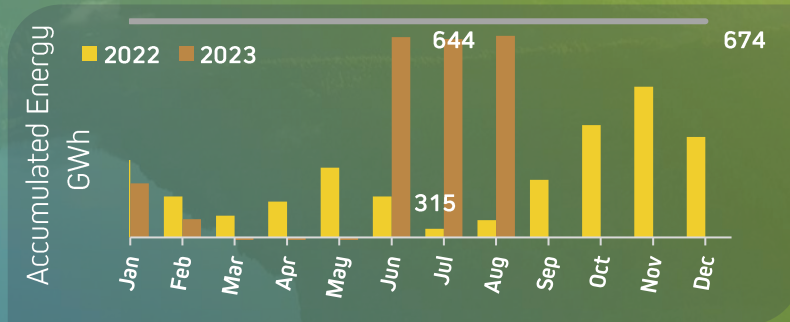
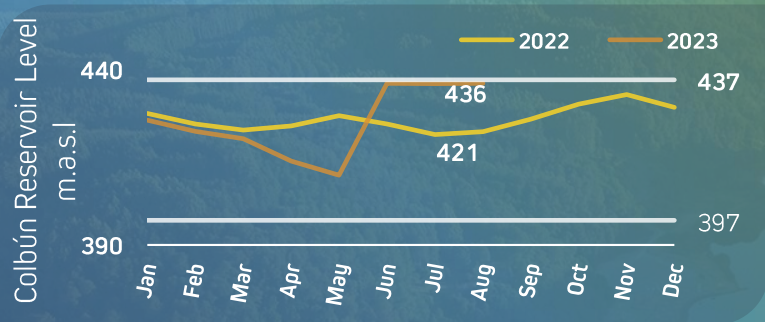




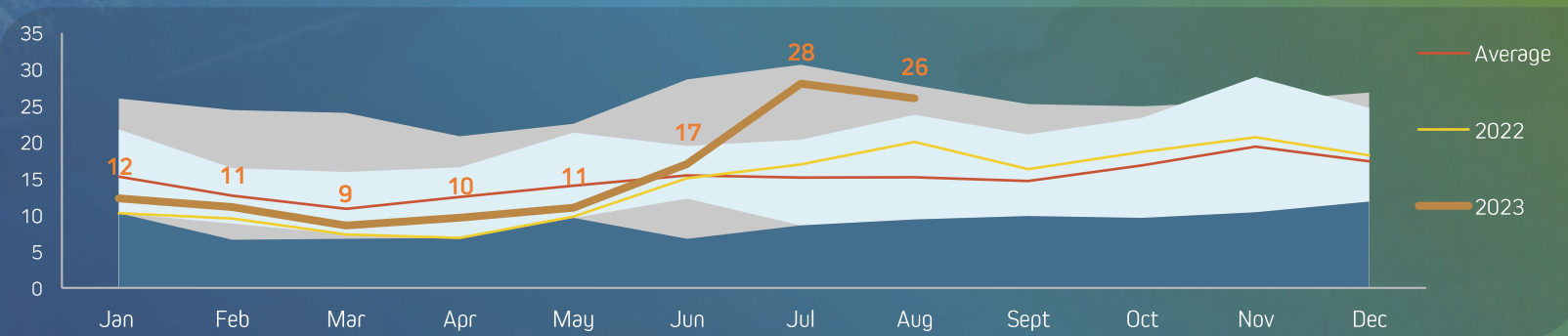
# LATEST RELEVANT TOPICS

## Hydrological conditions August 2023

### COLBÚN RESERVOIR LEVEL AND ACCUMULATED ENERGY (m.a.s.l & GWh)



### HISTORICAL COLBÚN S.A HYDRO GENERATION (GWh/day)

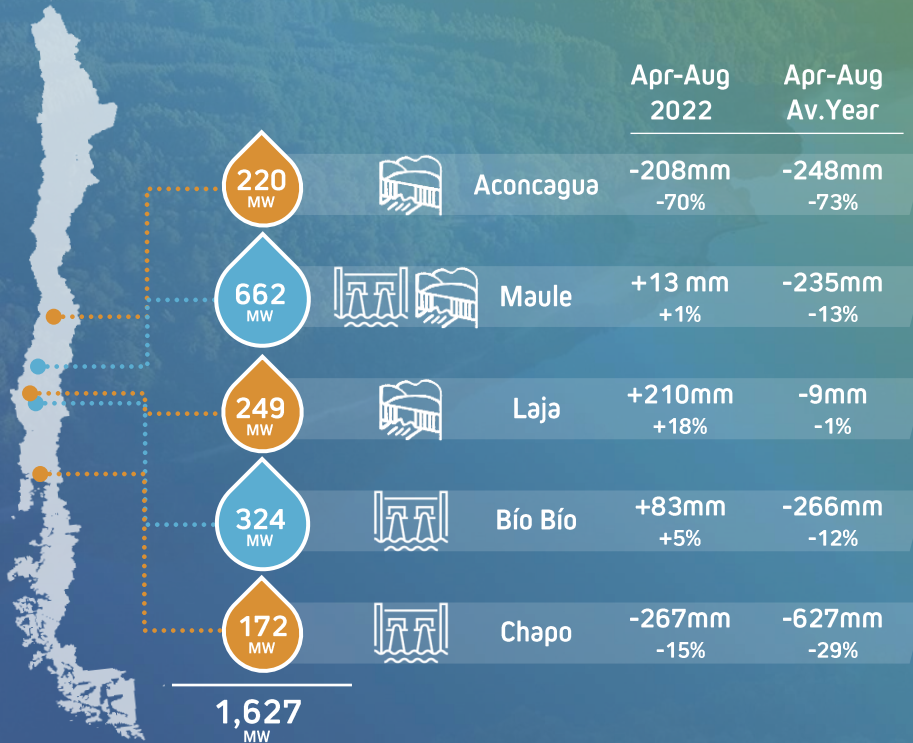


# LATEST RELEVANT TOPICS

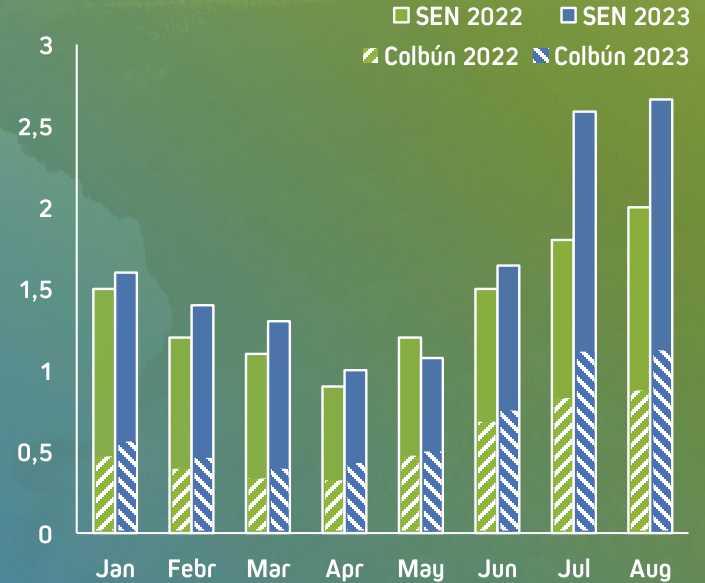
## Hydrological conditions August 2023



### ACCUMULATED RAINFALLS (mm)



### HYDROELECTRIC GENERATION (TWh)



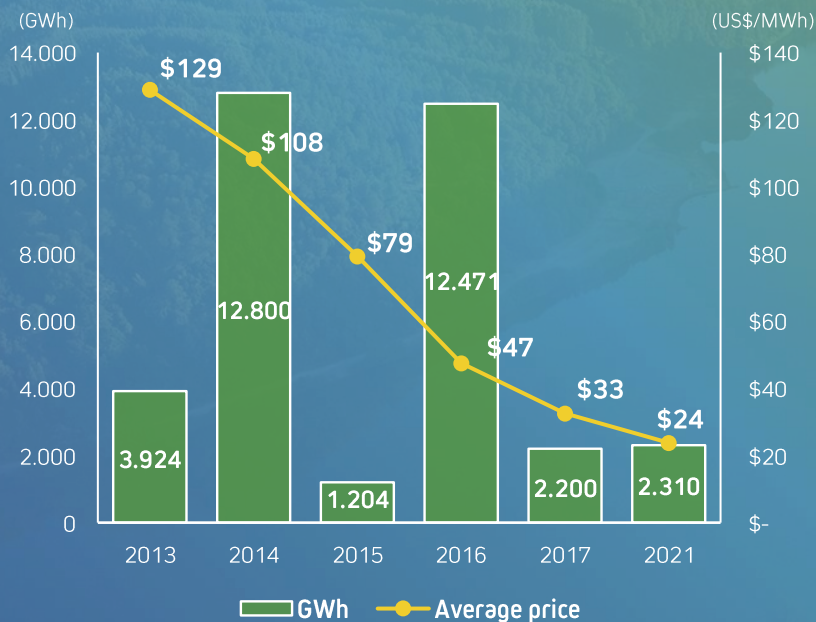
TOTAL (TWh)	Jan-Aug 2022	Jan-Aug 2023
SEN	11.3	13.1
COLBÚN	2.9	3.6

Note: All figures as of Aug23

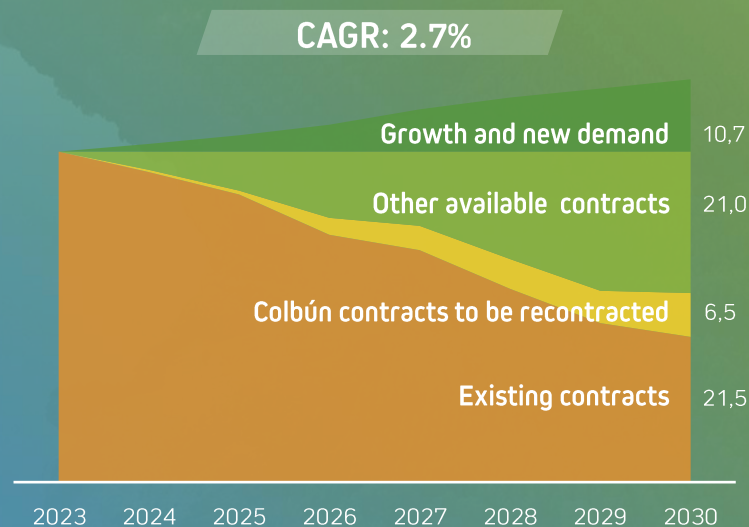


## Upcoming auctions

**Details of previous bids for regulated customers**  
(GWh & US\$/MWh)



**Unregulated clients demand 2023-2030**  
(TWh)



Between 2023 and 2030, 38 TWh of energy from unregulated clients will be needed to contract





### REVS PROMOTION BILL

2030

60% of REVS annually  
At least 40% of REVS in each  
temporary block

### COLBÚN PROPOSAL

Establish goals in line with Chile's  
commitment

2030 = **80%** renewable  
2040 = **90%** renewable  
2050 = **100%** renewable

- 1 Definition of renewable energy: eliminate concept of non-conventional energy
- 2 Include hydroelectric technology
- 3 Increase percentage to 80% by 2030 and review goals by 2026
- 4 Eliminate hourly block quotas

# MARKET CONDITIONS



## Price stabilization mechanism



### PEC 1

- **US\$1,350 million** limit reached in February 2022
- **US\$ 126 million** receivables sold during 2022
- **US\$ 19 million** of receivables sold on 2023, associated to the last decree

### PEC 2

- **US\$1,800 millions** limit
- **US\$35 million** of exceeds confirmed and request for payment to the Ministry
- **US\$ 52 million** PEC2 accumulated until June23

# MARKET CONDITIONS



## *New Rules for Regulated Auctions*



### INTRODUCING THREE GEOGRAPHICAL ZONES

- Zone 1: Parinacota-Maitencillo
- Zone 2: Nogales.Rapel
- Zone 3: Curicó-South

### INCREASED PPA LENGHT

- Increase to 20 years from the current 15 years

### SYSTEM COST PAST-THROUGH TO CLIENTS

- Gencos will be allowed to pass on the systemic cost into the contracts
- Systemic cost that are not capture by spot price to the client

### ENERGY STORAGE BILD MORE COMPETITIVE

- Adjusted downwards by US\$0,15/MWh for every GWh offered in each block



# MARKET CONDITIONS



## "Second half" regulatory agenda



### STORAGE PROMOTION

- C&O Regulation
- Promotion in strategic S/S
- Environmental assessment technical guide

### SUPPLIER RISK MITIGATION

- Green tax compensation adjustment
- Supply auctions modernization

### OPERATION FLEXIBILITY

- Technical minimums review and adjustments
- Modernization of the power system operation

### POLITICAL, REGULATORY AND URGENT ACTIONS

- Energy Transition Bill
- Decarbonization Plan
- Urgent Works Open Season

# PIPELINE OF PROJECTS

Attractive portfolio of growth options



## Diego de Almagro

KEY INDICATORS

Estimated capacity	8 MW, 4 hours
Net annual generation	648 GWh
Estimated capacity factor	35%
Land surface	330 ha
Connection point	S/S Illapa 220 kV (2.6 km)
Env. Impact Study	Approved
Estimated COD	PV in operation BESS Dec 2022

Location:  
Atacama  
Region



# PIPELINE OF PROJECTS

Attractive portfolio of growth options



## Horizonte Wind Farm Project

KEY INDICATORS

Estimated capacity	816 MW - 140 Wind Turbines
Net annual generation	2,450 GWh
Estimated capacity factor	34,5%
Land surface	8,000 ha
Connection point	Parinas S/S 500/220 kV (9,7 and 15,8 km)
Env. Impact Study	Approved for 980 MW
Estimated COD	Nov 2024
Main Contracts	EPC WT - Enercon BoP Civil - Strabag BoP Electric - Sigdo Koppers

Location:  
Antofagasta  
Region





# PIPELINE OF PROJECTS

Attractive portfolio of growth options



## Intipacha

### KEY INDICATORS

Estimated capacity	750 MW
Net annual generation	1,335 GWh
Estimated capacity factor	35%
Land surface	736 ha
Connection point	SE Crucero 220 kV
Env. Impact Study	Approved
Estimated COD	4Q22

Location:  
Antofagasta  
Region



# PIPELINE OF PROJECTS

Attractive portfolio of growth options



## Jardín Solar

KEY INDICATORS

Estimated capacity	537 MW
Net annual generation	1,500 GWh
Estimated capacity factor	35%
Land surface	1,000 ha
Connection point	S/E Nueva Pozo Almonte 220 kV
Env. Impact Study	Approved
Estimated COD	Waiting for commercial opportunity

Location:  
Tarapacá  
Region



# PIPELINE OF PROJECTS

Attractive portfolio of growth options



## Junquillos

KEY INDICATORS

Estimated capacity	360 MW
Net annual generation	1,946 GWh
Estimated capacity factor	30%
Land surface	6,200 ha
Connection point	S/E Mulchén 220 kV (Colbún)
Env. Impact Study	Under environmental assesment
Estimated COD	None yet

Location:  
Bio-Bío  
Region





# PIPELINE OF PROJECTS

Attractive portfolio of growth options



## Celda Solar

Location:  
Arica  
Region



### KEY INDICATORS

Estimated capacity	156 MW – 90 MW BESS, 5 hours
Net annual generation	428 GWh
Estimated capacity factor	33%
Transmission Line	3.5 km
Connection point	S/E Roncacho 220 kV
Env. Impact Study	Under environmental assesment
Estimated COD	None yet

# SUSTAINABILITY

## 2022 Milestones



### ENVIRONMENTAL



#### 4,000 MW of renewable energy

- ✓ 230 MW added
- ✓ 816 under construction
- ✓ 1,803 MW in the pipeline



#### Lower CO<sub>2</sub> emission factor (Ton CO<sub>2</sub>e/MWh) :

- ✓ 15% reduction compared to 2021



#### Efficient water use:

- ✓ 16% reduction non-operational water compared to 2021
- ✓ 8% reduction operational water compared to 2021



#### Waste management:

- ✓ 78% of ash recovery

### SOCIAL



#### Clients:

- ✓ NPS: 78 points



#### Workers:

- ✓ 22,2% female participation



#### Suppliers:

- ✓ ESG indicators inclusion on selection process

### GOVERNANCE



Increase in independent Directors number



Greater linkage of ESG goals to Executives and Employees variable compensation



Financial risk measurement associated with climate change (TCFD)



Certification in cybersecurity standards (NERC-CIP)



# CORPORATE PRESENTATION

*10th Credicorp Conference  
September 2023*

