



# **ENGIE Energía Chile S.A.**

## **Investor Presentation**

First quarter 2020



# Snapshots

# The ENGIE Group

A global energy and services shareholder committed to a zero-carbon transition

FOCUSED ON FOUR GLOBAL BUSINESS LINES, 20 COUNTRIES, 30 URBAN AREAS AND 500 GLOBAL CLIENTS

## CLIENT SOLUTIONS

Unique integrated solutions to support clients in the zero-carbon transition

119,350 employees  
 €1.8bn EBITDA  
 €21bn in revenues in 2019

## NETWORKS

Upstream presence in the gas and electricity supply chain (hydrogen, natural gas and biogas)

22,500 employees  
 €4.0bn EBITDA  
 €6.6bn in revenues in 2019

## RENEWABLES

Generation and marketing of electricity from all renewable energy sources

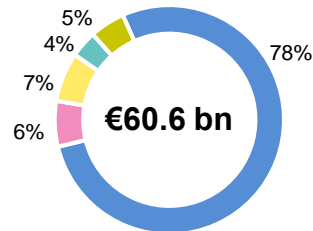
4,600 employees  
 €2.7bn in revenues in 2019  
 €1.7bn EBITDA  
 26.9GW of renewable energy capacity installed

## THERMAL

Reduction of thermal capacity through CAPEX Plan 2019-2021: €12bn & 9GW in renewables

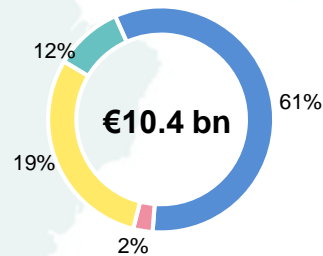
5,200 employees  
 €1.8bn EBITDA  
 €4.0bn in revenues in 2019  
 52.3GW of natural gas capacity

## REVENUE BREAKDOWN



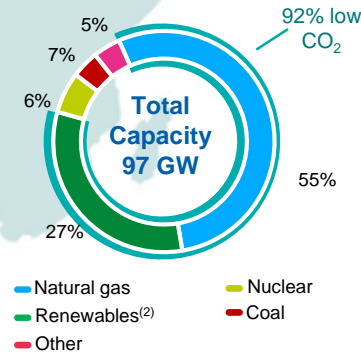
Europe North America  
 Latin America Asia & Africa  
 Oceania

## EBITDA BREAKDOWN



Europe North America  
 Latin America Africa & Asia

## CAPACITY BREAKDOWN



Natural gas Nuclear  
 Renewables(2) Coal  
 Other

## LATAM PRESENCE

14,300 employees  
 €5.3bn in revenue  
 19.7GW installed capacity and 1.1GW under construction

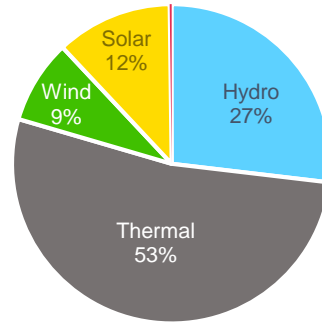
# Sistema Eléctrico Nacional

Two main grids recently interconnected

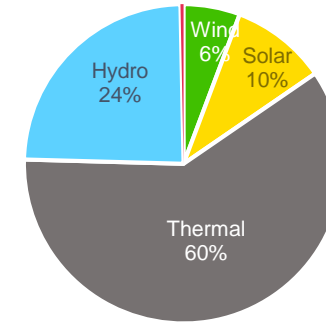


SEN 3,300 Km

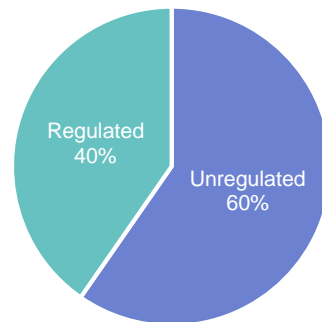
**Gross installed capacity**  
(25,397 MW)



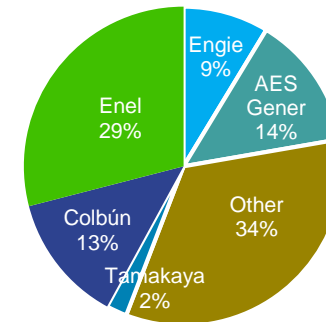
**Generation**  
(19,934 GWh – 1Q20)



**Clients**  
(% of sales – 1Q20)



**Market share**  
(% of installed capacity 1Q20)



Source: CNE

# A relevant player in the Chilean energy industry

4th largest generation company; 3rd largest transmission player



## A RELEVANT PLAYER IN THE ENERGY INDUSTRY

- Prepared to provide energy solutions to our customers

- **4th largest electricity generation** company in Chile & leader in northern mining region
- **~2.2 GW** gross generation capacity
- **3rd largest transmission** company
- **Seaport** infrastructure, gas pipeline



## GROWTH AND RECONVERSION

- Focused on delivery in growth and reversion implementation

- **0.8GW coal capacity** committed to be closed between 2019 and 2024
- **~1GW/US\$1bn investment in renewables**; 362MW already in construction
- **Grid interconnection** through 50%-owned TEN



## CONTRACTED BUSINESS

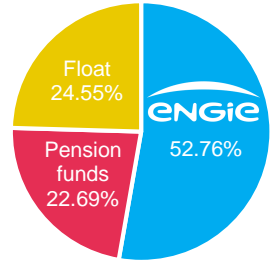
- Capacity contracted over the next 12 years

- **Long-term contracts; 12 years** remaining average life
- **Strong counterparties**
  - Unregulated: mining and industrial companies;
  - Regulated: distribution companies
- **Renegotiated + new PPAs** +78% of unregulated portfolio

# Strong sponsorship and diversified asset base

Prepared to meet our clients' energy needs

## Ownership as of 31-Mar-20



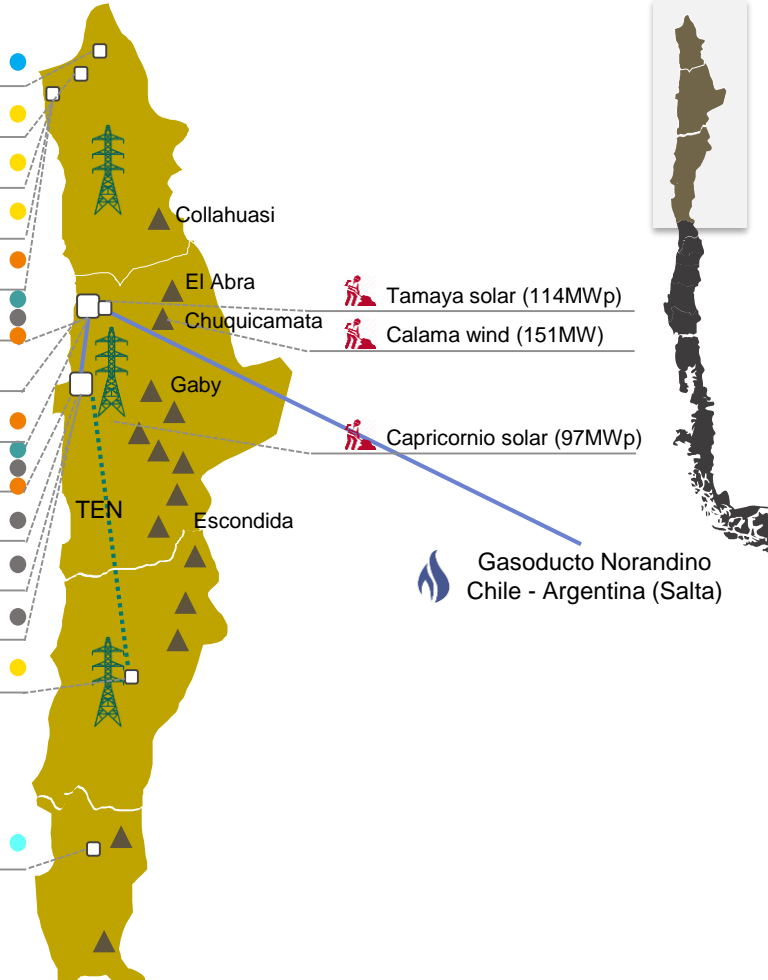
**2,204 MW (\*) +362MW under construction**

**2,293 kms HV + MV transmission lines + 50% share in TEN**

**2 seaports: Tocopilla Andino (Mejillones)**

**Gas pipelines & L.T. LNG supply agreements**

- Chapiquiña (11MW)
- El Aguila I (2MW)
- Pampa Camarones (6MW)
- Baterías - Arica (2MW)
- Diesel Arica (14MW)
- TE Tocopilla (708MW)
- Tocopilla port
- C. Tamaya (104MW)
- TE Mejillones (580MW)
- CT Andina (177MW)
- CT Hornitos (178MW)
- IEM (377MW)
- Los Loros (46MW)
- Andacollo (1MW)



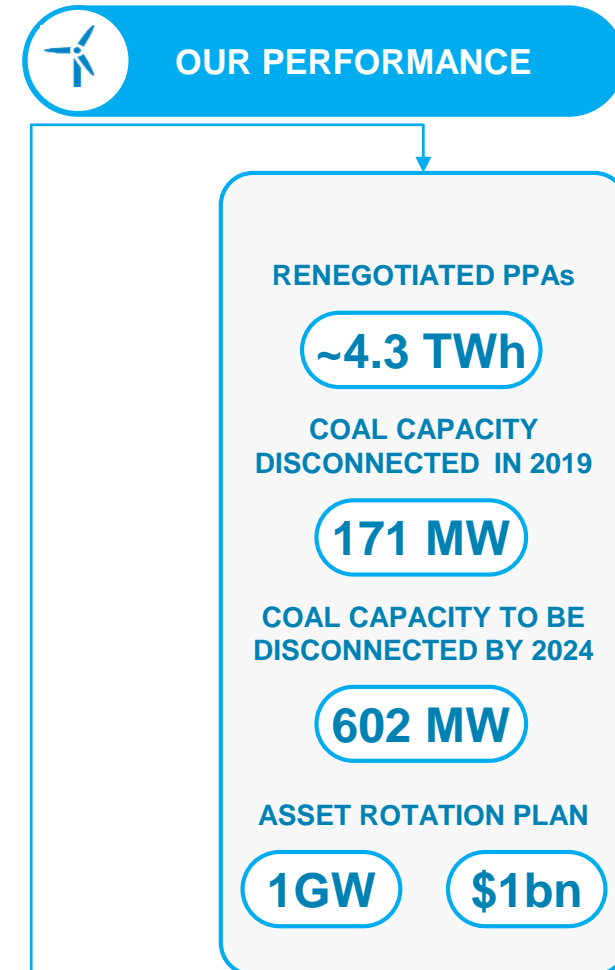
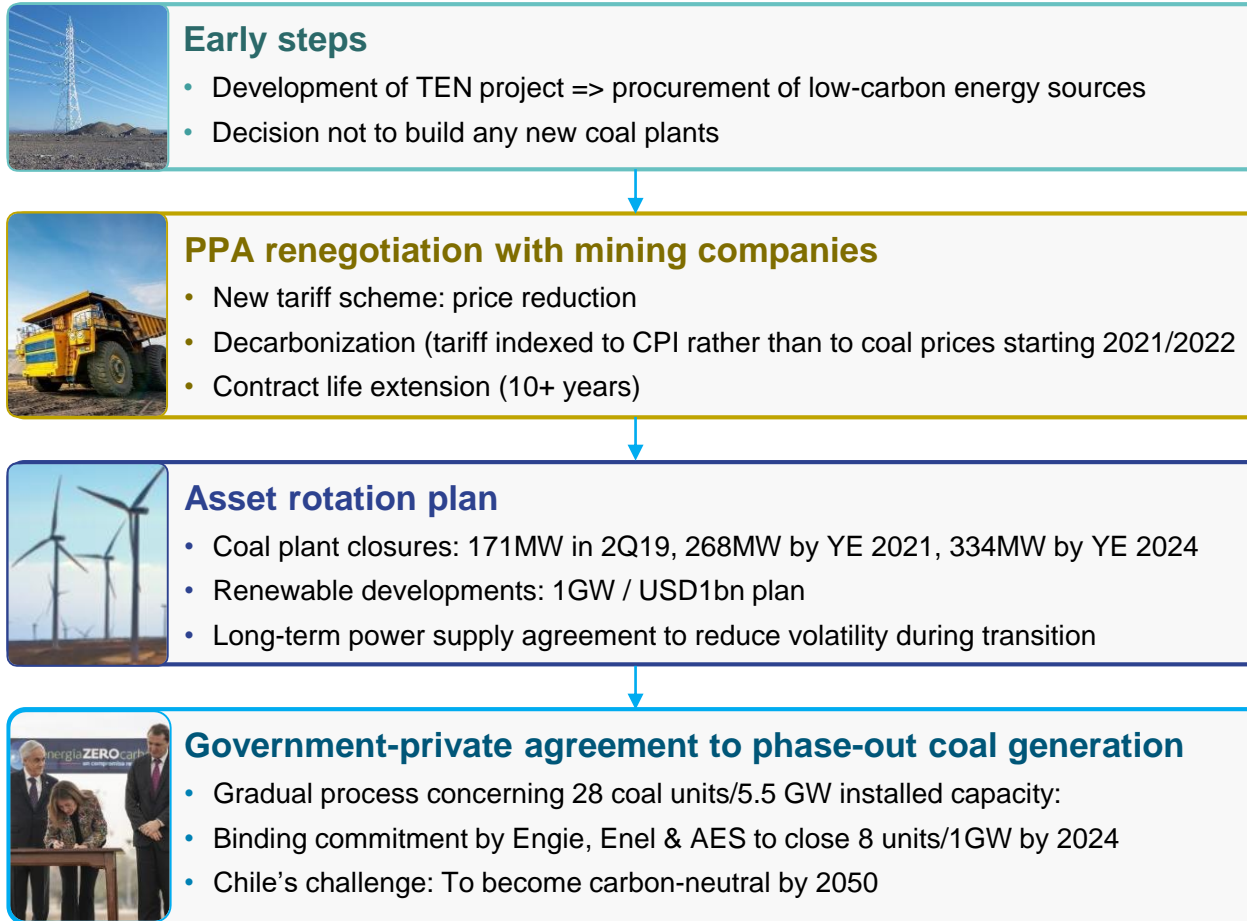
### Technology

- Coal
- Diesel/Fuel oil
- Natural gas
- Solar PV
- Wind
- Hydro
- 🚧 Project under construction
- ▲ Mining Operations

(\*) Units 12 and 13 in Tocopilla (171MW combined gross capacity) were closed on June 7, 2019. The company announced the closure of Units 14 and 15 in Tocopilla (268MW combined gross capacity) by YE 2021 and CTM1 & 2 in Mejillones (334MW combined gross capacity) by YE 2024. The Los Loros & Andacollo PV plants were acquired in April 2019. Their capacity is shown in MW, which differs from the MW-peak figure reported in other slides of this presentation.. The Tamaya fuel oil plant will be disconnected during 2020.

# Decarbonization

A decisive, gradual and responsible path





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## Recent events



# Decarbonization announcements

**Jun. 4, 2019: Agreement with government to phase-out coal-based generation**

- Binding commitment by Engie, Enel & AES to **close 8 units/1GW by 2024**
- Commitment to reassess feasibility of further closures every five years

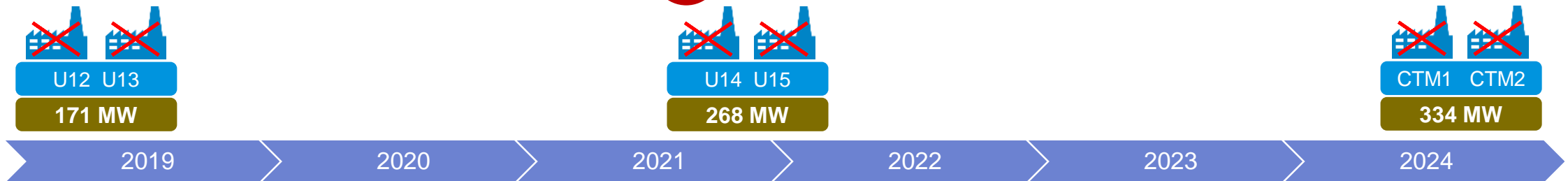


**Dec. 8, 2019, COP 25: Engie to close 2 more coal units => 773 MW of coal capacity closed by YE 2024**

- Letter of Intent signed w/ **IDB Group** to structure US\$125 million L.T. financing
- 3 coal units w/730 MW capacity left after 2024

## Decarbonization process

**OUT 773 MW COAL**



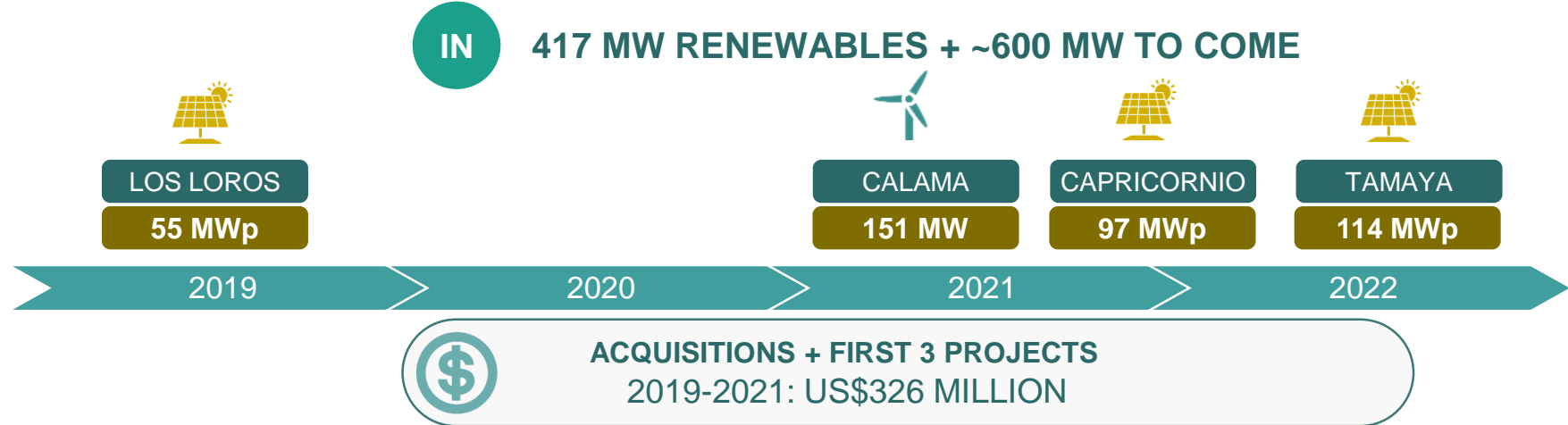
**AFTER-TAX IMPAIRMENTS:**  
 2018: US\$53 MILLION      2019: US\$134 MILLION

# Launching renewable projects

October 7, 2019: Launching of first 3 renewable projects of 1GW/US\$1bn investment plan

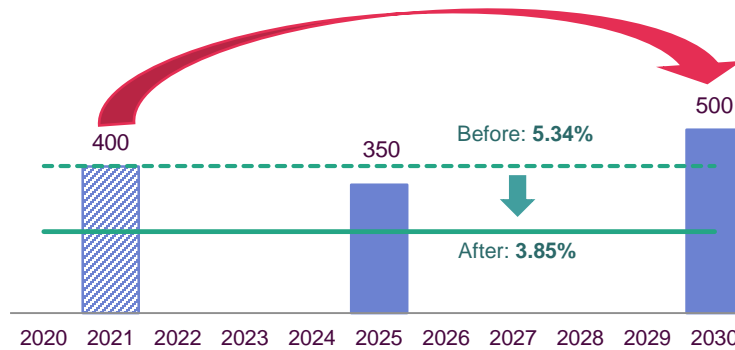
<p><b>Los Loros</b></p>  <p>Acquired in April 2019 US\$ 35 million</p>		<p><b>Calama</b></p>  <p>28 of 36 foundations US\$159 million CAPEX</p>	<p><b>Capricornio</b></p>  <p>53% state of advance US\$64 million CAPEX</p>	<p><b>Tamaya</b></p>  <p>Construction to start 3Q20 US\$68 million CAPEX</p>
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**Green and cost-efficient project pipeline**



# Successful liability management

Jan 28, 2020: New 10 yr., 3.4%, US\$500 million 144A/RegS bond to refinance US\$400 million notes due Jan-2021



- Average debt maturity extended to 7.7 years
- Average debt coupon rate lowered to 3.85%



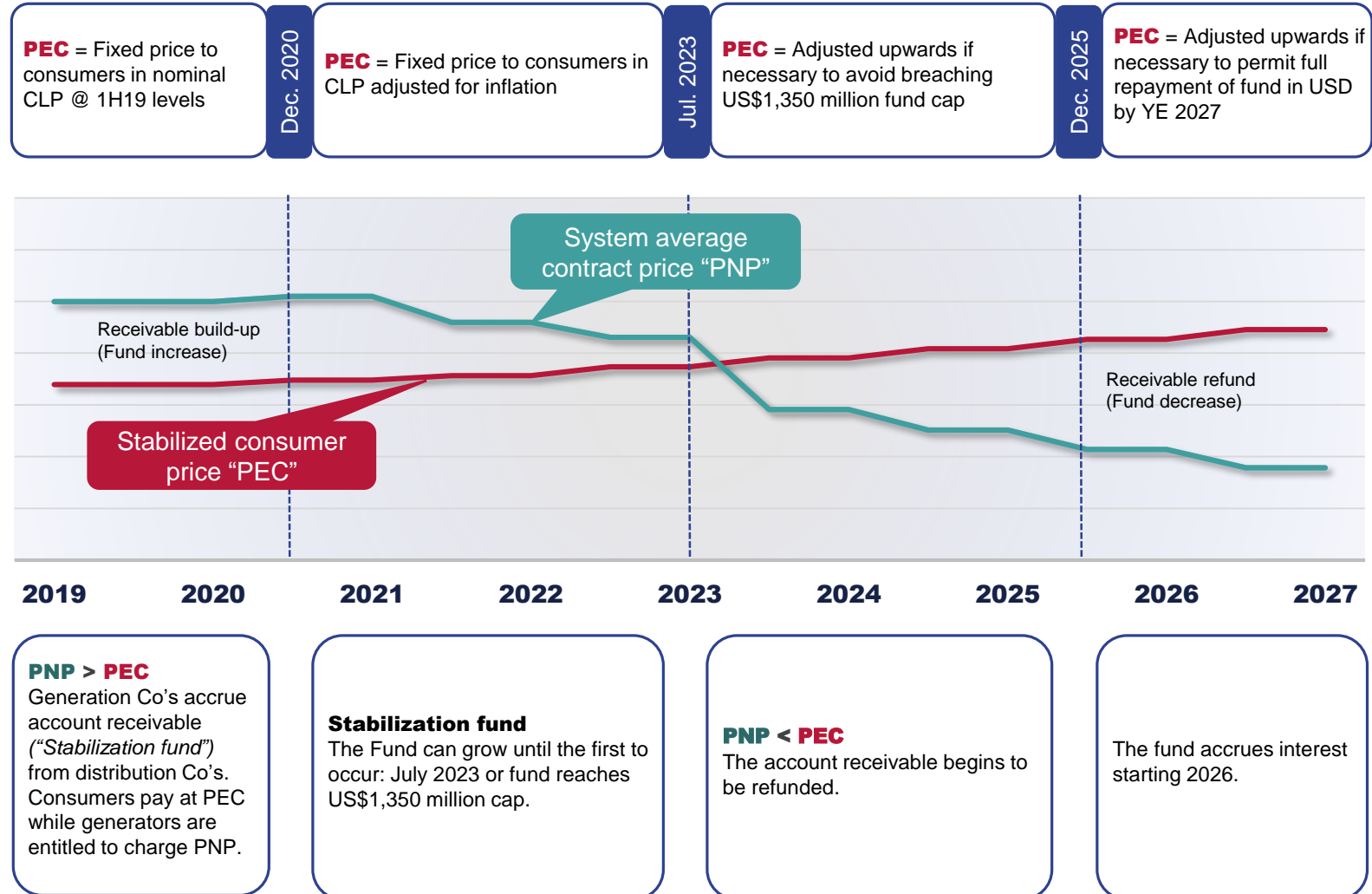
## Letter of intent signed with IDB to finance renewable projects contributing to accelerate decommissioning of coal units

- Letter of intent signed at COP 25
- IDB Invest seeks to finance renewable energy projects contributing to accelerate decarbonization
- ~US\$125 million, 10-yr. financing, with A-Loan funded by IDB and B-Loan funded by Clean Technology Fund



# Price stabilization mechanism

- Law #21,185 (Nov-19): Electricity price stabilization mechanism for regulated customers
- 9.2% rise in electricity prices annulled
- As long as stabilized price (PEC) remains below average contract price (PNP), generation Co.s will accrue an account receivable (the "Fund")
- As lower priced PPAs awarded in power auctions become effective starting 2021, PNP will fall below PEC and receivable will be repaid
- Generation co's to bear working capital cost. Monetization alternatives being studied
- CLP/USD FX rate: main variable affecting fund size and recovery pace
- EECL's receivable at 31-Mar-20 US\$94.4 million

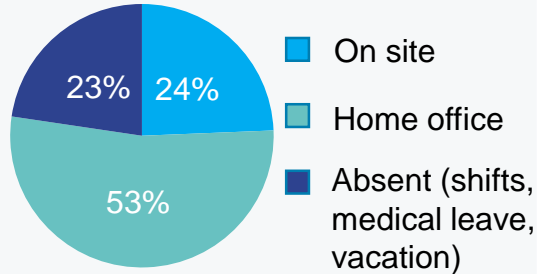




# Covid-19 pandemic

Focus on safety, operational continuity and reconversion strategy

## Safety first



890 direct employees

## Operational continuity



## Projects in progress



## Caring for our people, customers and suppliers



## COVID 19 Protocols

**PROTOCOLO SST 10/2020 INGRESO CON CÉDULA DE IDENTIDAD**

A partir del día 01 de Abril del 2020, los ingresos y salida al sitio para todo el personal será única y exclusivamente por torniquetes y con la cédula de identidad.

**Manera correcta de insertar cédula** (with green checkmark)

**Manera incorrecta de insertar cédula** (with red X)

**#Noolvidesandarcontucedula**

## Sanitization everywhere



## Virus detection tests



## Planning gradual return to new normality

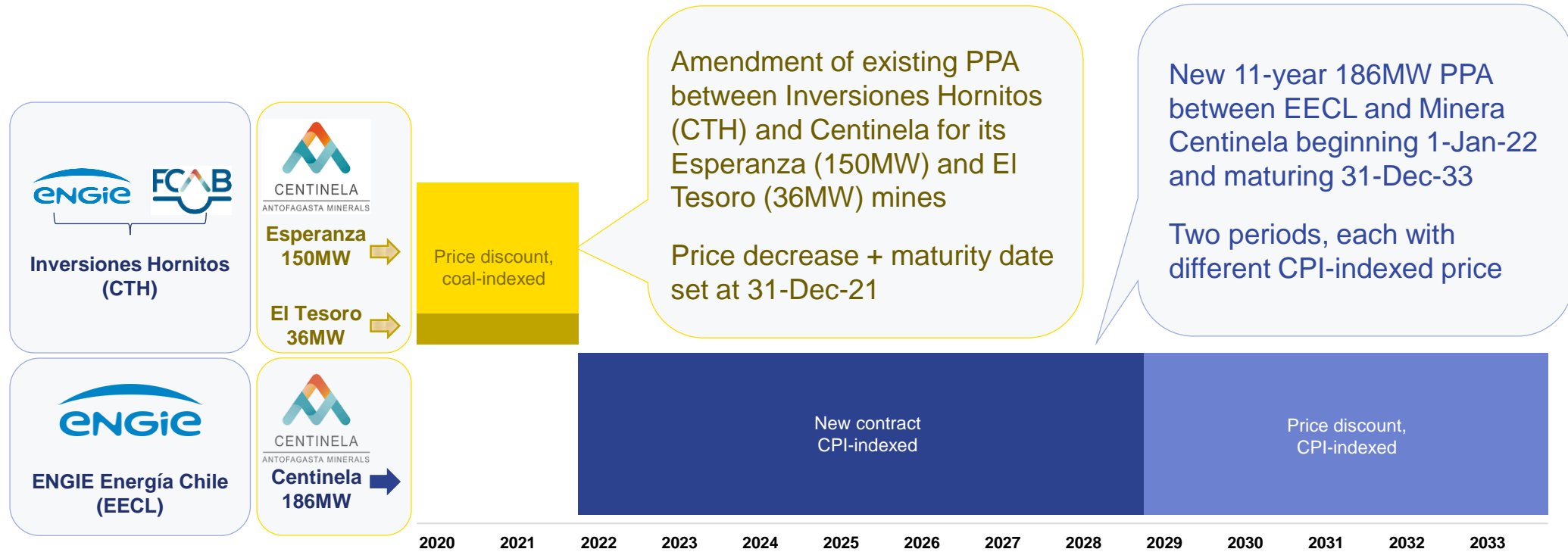
**CEO Message**

"... Está claro que vamos a entrar en una era de un "nuevo normal". Esta pandemia ha cambiado mucho en todos los aspectos de nuestras vidas ..."

[Click aquí para ver mensaje de Frank Demaille en video](#)

# AMSA (Centinela) PPA Renegotiation

An agreement signed on March 31, 2020



- Amendment of CTH shareholders' agreement by which CTH will pay no more dividends and will use any surplus cash to repay debt with EECL, and EECL will become 100% owner of CTH by 31-Dec-21

# Recent company events



## OUR CLIENTS



- **PPA renegotiations & new contracts**  
+5,200 GWh/y; +78% unregulated demand since 2018
- **15-yr. PPA w/distribution companies**  
88% demand increase in 2019



## OUR RATINGS



- **S&P: BBB Stable outlook**  
January 2020
- **Fitch: BBB Positive Outlook**  
January 2020



## OUR ASSETS



- **55MWp Solar PV acquisition 17-Apr-19**  
Los Loros & Andacollo @ US\$35 million
- **248MWp Wind +Solar PV in construction**  
Calama wind farm and Capricornio solar PV plant
- **114MWp Tamaya Solar PV NTP 3Q20**  
Tamaya solar PV – ready to begin construction



## OUR SHAREHOLDERS



- **US\$112 million dividends paid in 2019**
  - US\$ 22 million on account of 2018 profit
  - US\$ 90 million on account of 2019 profit (81% of 2019 net income)



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# Key messages



# Key messages



## **1Q20 results in line with expectations**

New context, with special attention to COVID-19 crisis and its effects



## **Building our future together with our clients**

PPA renegotiation, decarbonization & life extension



## **Paving the way for our energy transformation plan**

Development focused on replacing coal with renewable capacity



## **Robust and flexible capital structure**

Ample room to finance energy transformation plan

# 2020: Working on our reconversion

To reduce CO<sub>2</sub> emissions and average supply cost



## New and renegotiated PPAs

- Contracted portfolio has grown to approximately **12 TWh p.a.**
- A more balanced regulated vs. unregulated portfolio



## Operating in an interconnected market. SIC + SING = SEN

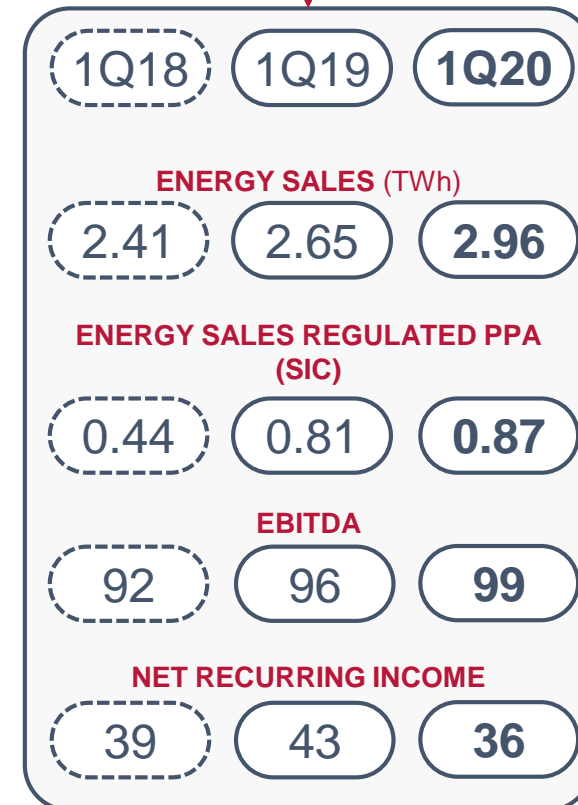
- 50%-owned **TEN** operating since Nov. 2017
- ISA's **Interchile** Project completed in May 2019
  - Up to 1,300MW of power transported
  - Trapped solar PV production released
  - Lower and less volatile marginal costs



## New power supply sources => risk control

- More **gas supply** to run our CCGTs or to sell to other producers
- **IEM** plant in operation since May 2019. **Puerto Andino** port servicing Mejillones complex since late 2017
- **PPAs signed with other generation companies** to reduce our exposure to the spot market in south-central Chile

## OUR PERFORMANCE



# 1Q20 results in line with expectations

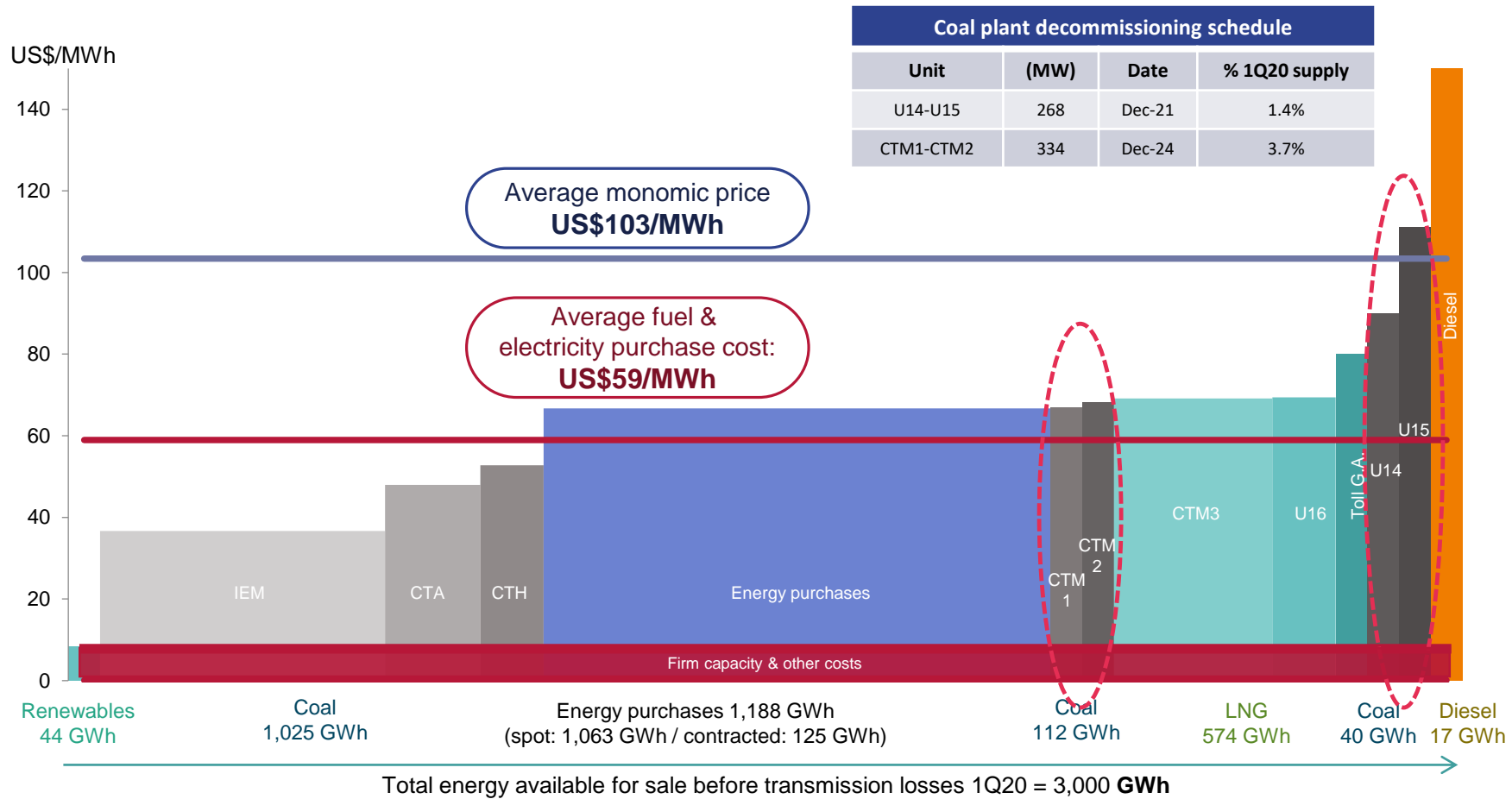
3% EBITDA increase

	1Q19	1Q20	Variation
Operating Revenues (US\$ million)	343.8	335.3	-2%
EBITDA (US\$ million)	96.3	99.1	+3%
EBITDA margin (%)	28.0%	29.6%	+1.6 pp
Net income (US\$ million)	42.9	25.6	-40%
Net income-recurring (US\$ million)	42.9	35.6	-17%
Net debt (US\$ million)	682.7(*)	758.4	+11%
Spot energy purchases (GWh)	1,729	1,063	-39%
Contracted energy purchases (GWh)	122	125	+2%
Physical energy sales (GWh)	2,649	2,957	12%

- EBITDA increase mainly explained by higher volume sales in both the regulated and unregulated segments

(\*) Net debt as of 12/31/2019

# Demand met w/generation and energy purchases



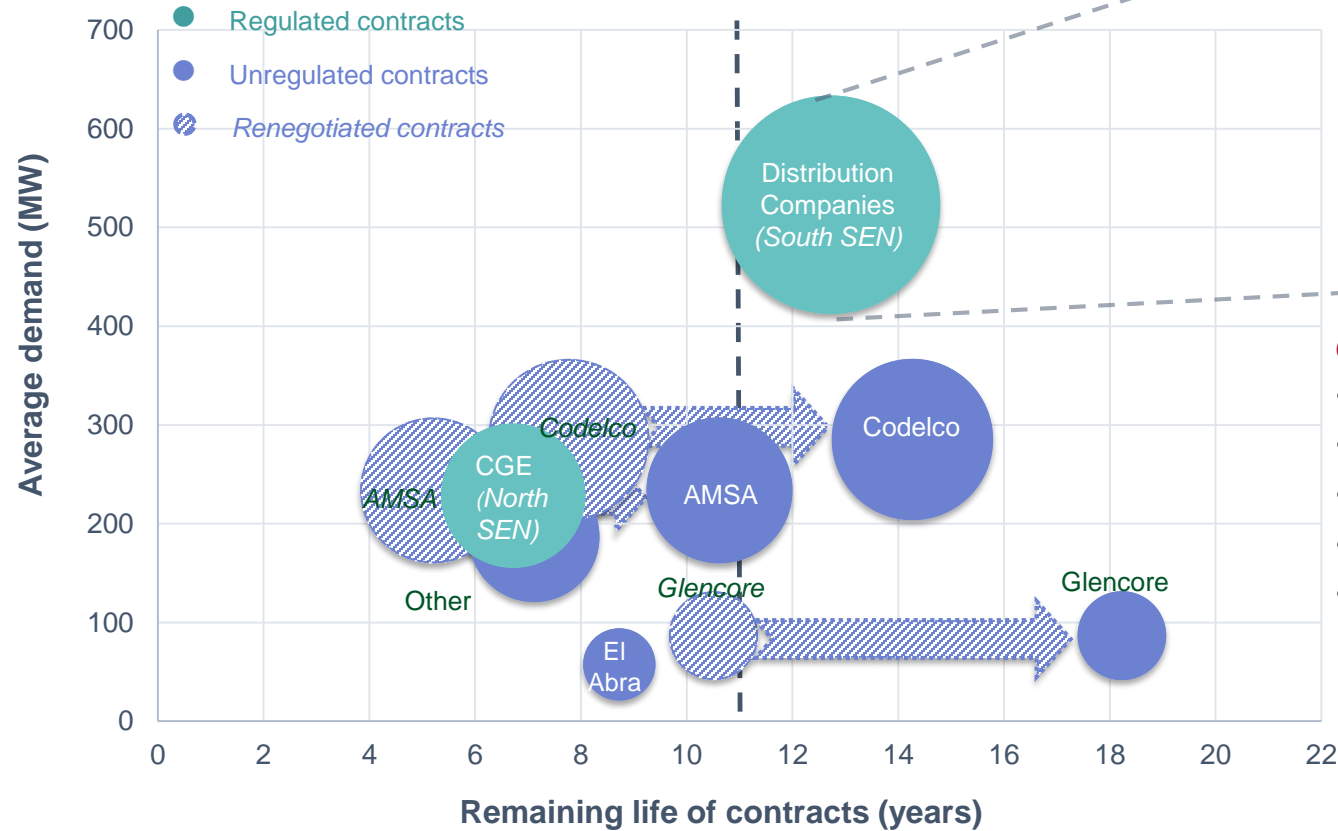
Average realized monomic price, spot purchase costs and average cost per MWh based on EECL's accounting records and physical sales per EECL data.

Average fuel & electricity purchase cost per MWh sold includes fuel costs, LNG regasification cost, green taxes, firm capacity, self consumption & transmission losses

Sufficiency capacity provision amounted to US\$7.8/MWh; ToP regasification + net system over-costs, ancillary service costs, and tolling fees paid to Gas Atacama averaged US\$0.5 per each MWh withdrawn by EECL to supply PPA demand

# PPA life extension and decarbonization

Sound contract portfolio with average remaining life of 12 years



**A GROWTH DRIVING PPA**

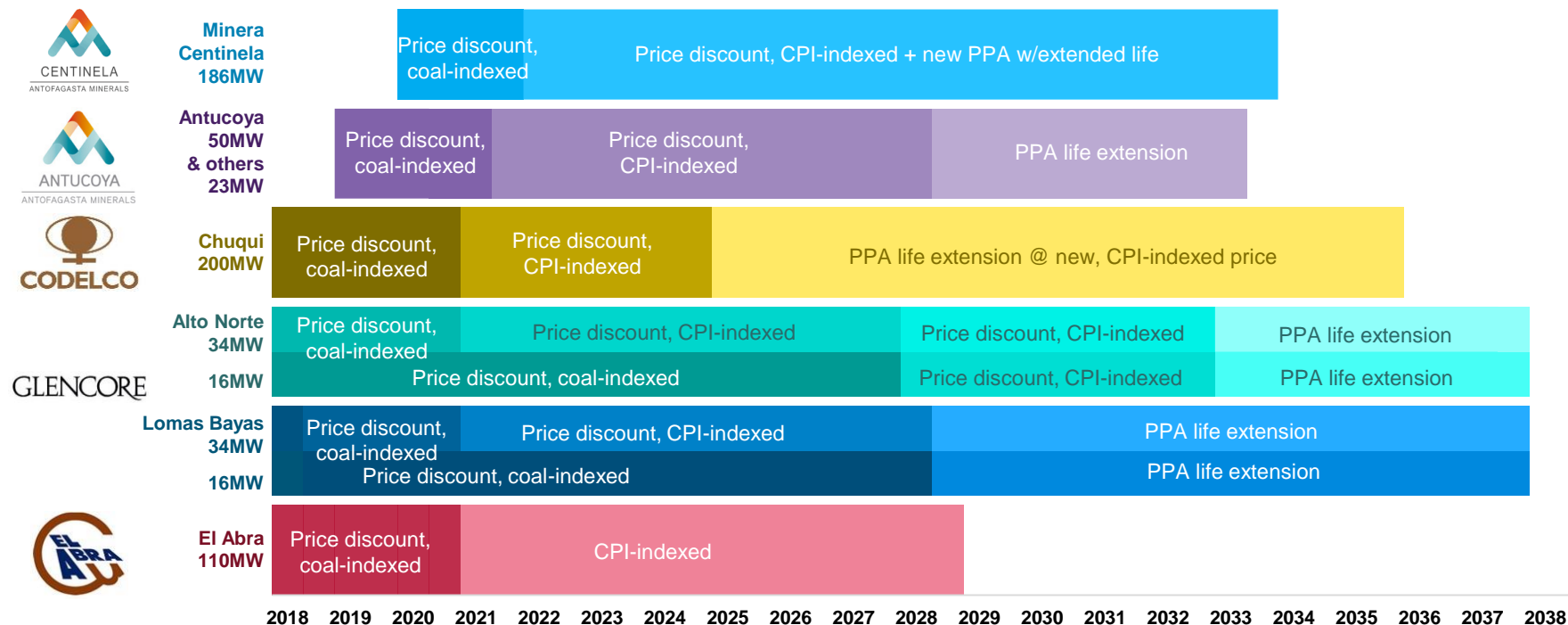
- 2018: **Up to 2,016 GWh** (230 MW-avg.)
- 2019-2032: **Up to 4,500 GWh** per year (514 MW-avg.)

**Clients' credit ratings** (S&P/Moody's/Fitch):

- Codelco: A/A3/A-
- Freeport-MM (EI Abra ): BB/Ba1/BB+
- Antofagasta PLC (AMSA + Zaldivar): BBB+(Egan-Jones)
- Glencore (Lomas Bayas, Alto Norte): BBB+/Baa1/--
- CGE: A+(cl) (Fitch) / AA-(cl) (Feller)

# PPA life extension and decarbonization

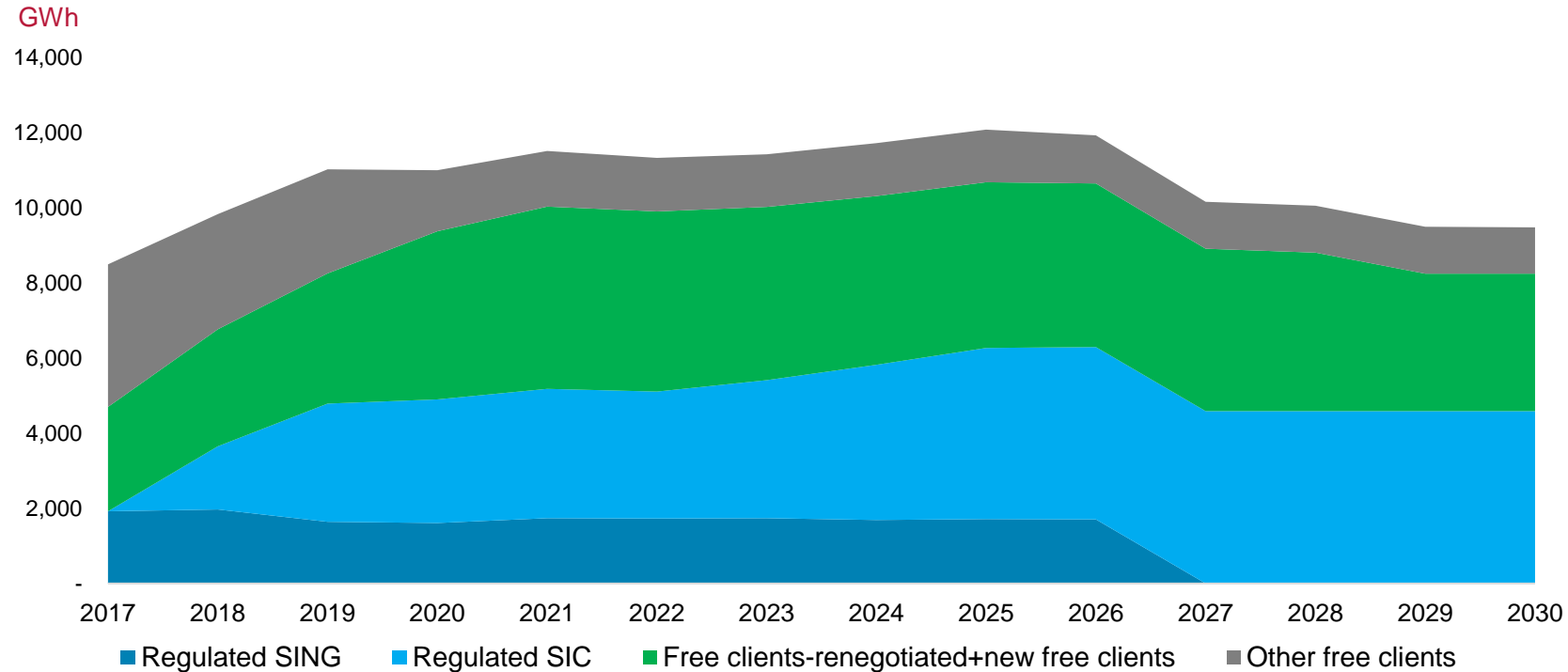
0.7 GW or ~75% of unregulated PPAs renegotiated since 2018.



- Extending the life of our PPAs and leaving behind their price indexation to coal allows us to invest in renewable power sources and replace coal capacity
- Our clients benefit from lower power prices and a reduction in their carbon footprint

# PPA life extension and decarbonization

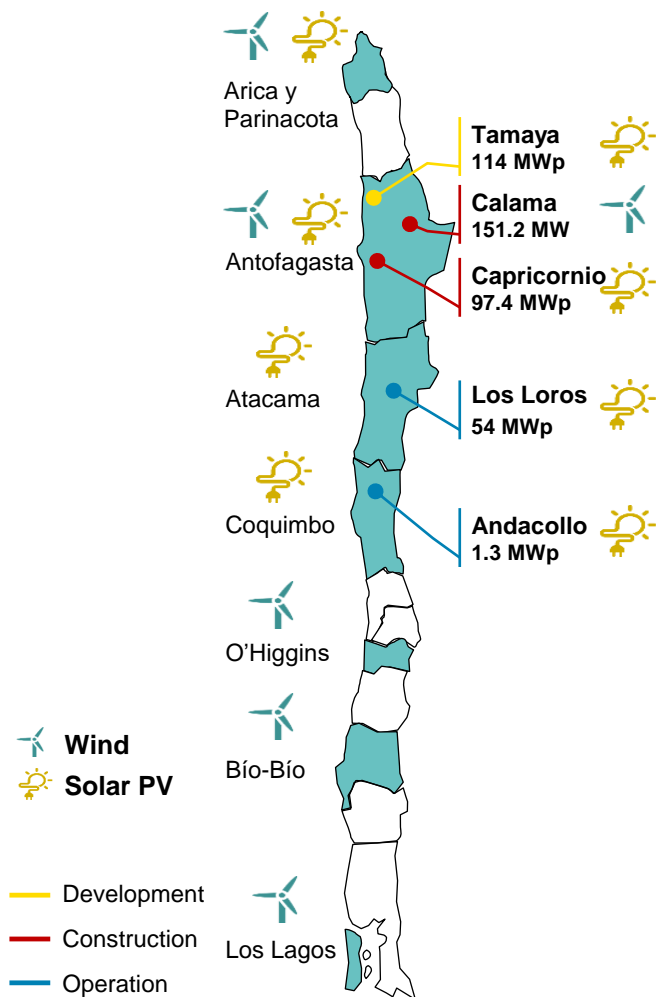
Contracted demand: our vision through 2030



- We will invest ~US\$1 bn in renewable power projects over the 2019-2024 period on the basis of the PPA life extension + new PPAs

Source: Engie Energía Chile: Average expected demand under existing contracts following 2018 and 2019 renegotiations

# 1GW/1Bn asset rotation plan: first steps



Source: Engie Energía Chile



## ACQUISITIONS:

### Los Loros & Andacollo solar PV plants

- 54 MWp + 1.3 MWp
- Acquired by EECL in April, 2019 for ~US\$35 million



## GREEN-FIELD PROJECTS:

- 2.2 GW projects in different stages of development
- 3 projects in construction: aggregate ~US\$ 291 million investment:

### Calama wind farm (151.2 MW)

- NTP<sup>3</sup> Sep-19; COD<sup>4</sup> 3Q21
- Siemens Gamesa (WTGs<sup>1</sup>); GES (BOP<sup>2</sup>)

### Capricornio solar PV plant (97.4 MWp)

- NTP Sep-19; COD 2Q21
- Trina (PV panels); Nclave (trackers); Sungrow (inverter); GES (BOP)

### Tamaya solar PV plant (118 MWp)

- NTP 3Q20; COD 2Q21



(1) WTG = Wind Turbine Generator; (2) BOP = Balance of Plant; (3) NTP = Notice to Proceed; (4) COD = Commercial Operation Date



# 151 MW Calama wind farm

US\$159 million CAPEX



State of advance: Construction 38%; global 15%



Concrete pouring completed at 28 out of 36 foundations

Civil Works at substation begun

Connection process with CEN started



Main contractors: Siemens Gamesa & GES

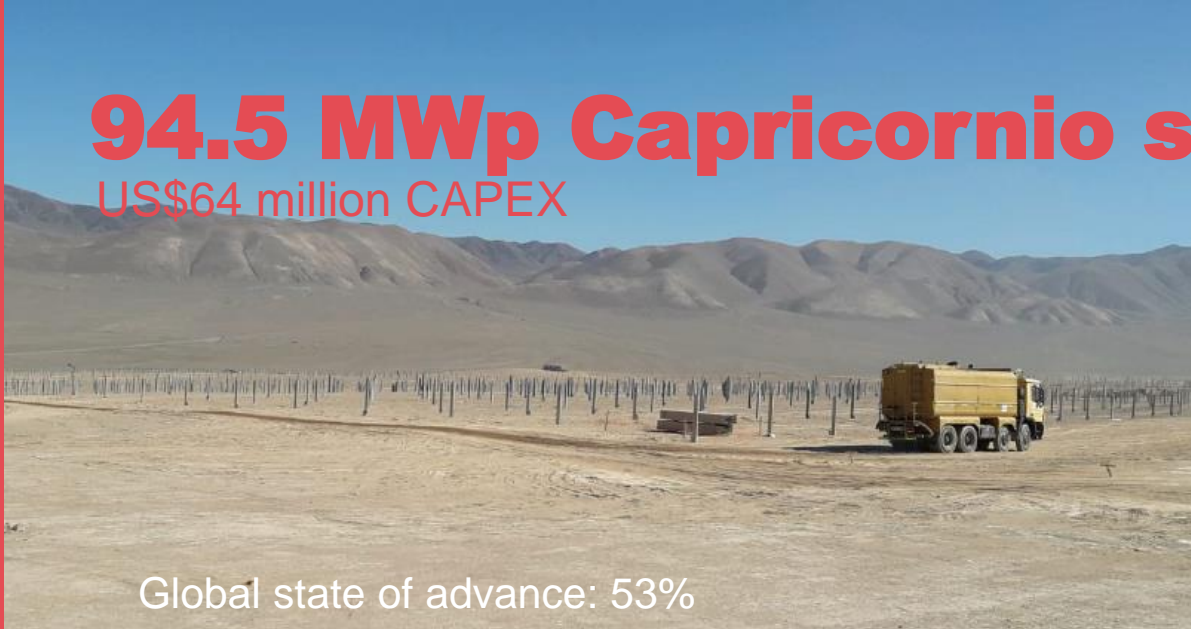
Scheduled COD (post COVID-19): 3Q21





# 94.5 MWp Capricornio solar PV plant

US\$64 million CAPEX



Global state of advance: 53%



11,050 drill holes; 5,950 steel piles

Tracker and solar module assembly begun

Connection process with CEN started

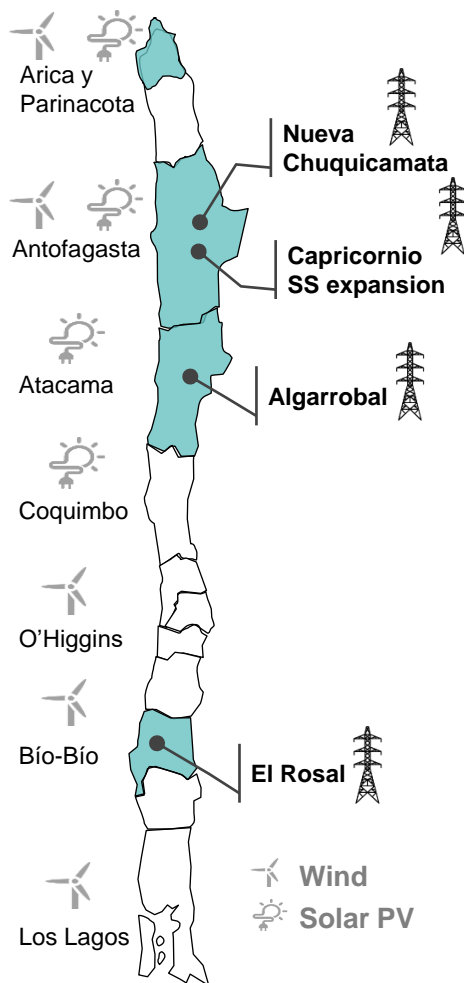


Main contractors: GES, Trina Pro, Sungrow



Scheduled COD (post COVID-19): 2Q21

# National / zonal transmission projects in execution



Source: Engie Energía Chile



## Nueva Chuquicamata (National)

- Substation + 2 x 220 kV transmission line
- Referential IV: US\$18 million / AVI: US\$0.9 million
- COD: SS: Nov. 2020 / TL: June 2021



## El Rosal (National)

- 220 kV sectioning substation
- Referential IV: US\$7.3 million / AVI: US\$0.2 million
- COD: Nov. 2020



## Algarrobal (National)

- 220 kV sectioning substation
- Referential IV: US\$13.9 million / AVI: US\$0.4 million
- COD: Nov. 2020

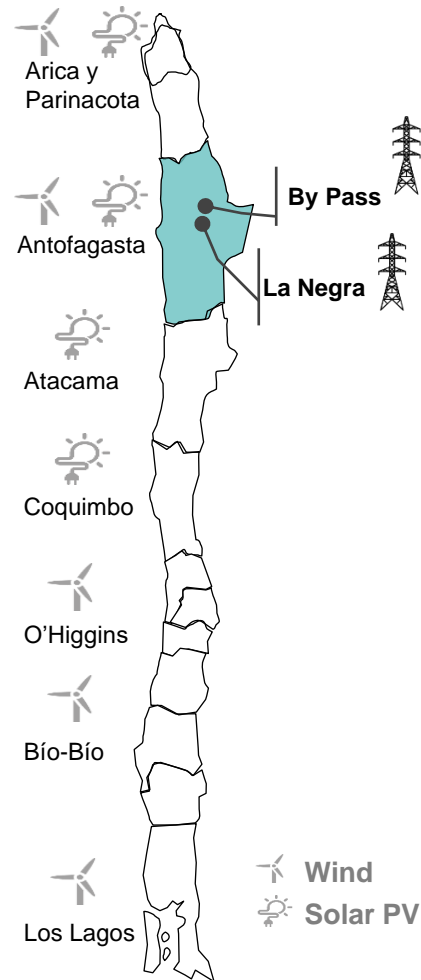


## Capricornio SS expansion (Zonal)

- 220 kV sectioning substation
- Referential IV: US\$13.4 million / AVI: US\$1.22 million
- COD: Nov. 2020



# New national transmission projects awarded



Source: Engie Energía Chile



## Antofagasta By Pass

- Multi-circuit transmission line 2x110 kV, 1x220 kV.
- Referential investment value: US\$13.36 million
- AVI: US\$0.64 million
- COD: 30 & 48 months from the Decree date
- Awaiting Decree issuance

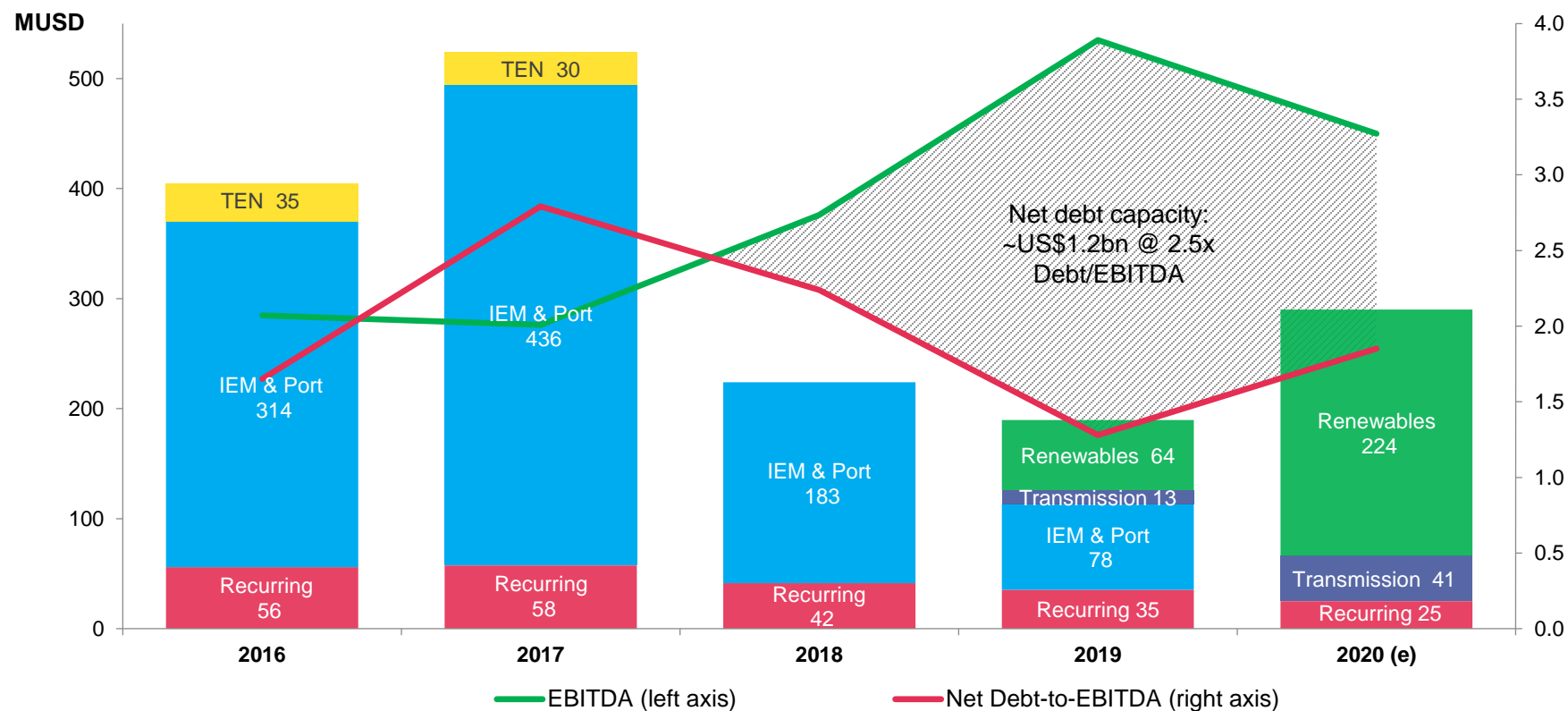


## La Negra

- Substation + 2 x 220 kV transmission line
- Referential investment value: US\$14.69 million
- AVI: US\$0.8 million
- COD: 36 month from the Decree date.
- Awaiting Decree issuance

# Room to finance projects on balance sheet

Completion of 2015-2019 investment program has released capacity to finance transformation



(\*) Recurring CAPEX includes maintenance expenditures and upgrade investing in transmission assets

(\*\*) Renewables includes Los Loros & Andacollo PV plants acquisition in 2019 and first projects of Asset Rotation Plan

# Our guidance before COVID-19 pandemic

## Demand & prices

- + New PPAs
- COVID-19 pandemic
- Client migration & lower demand
- PPA renegotiation

## Marginal cost risks

- Coal prices
- Hydrologic conditions

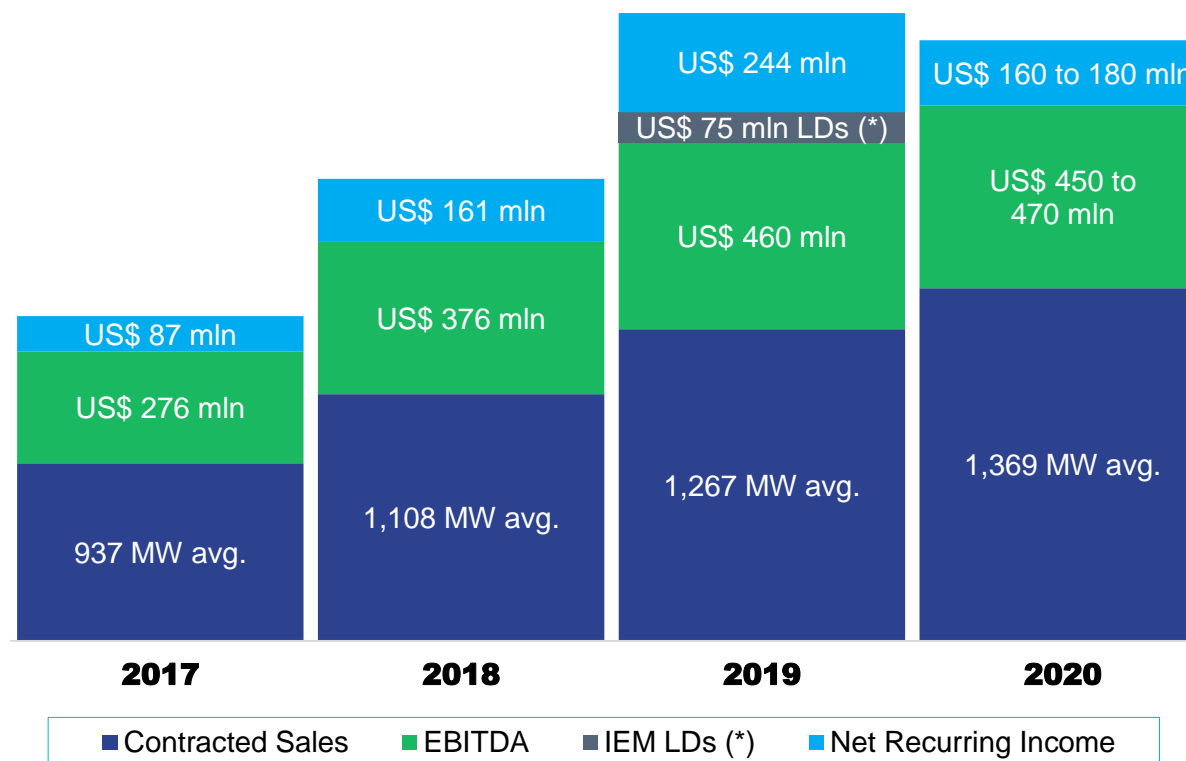
## Power supply

- Plant unavailability
- + Renewables COD
- + Thermal plant closures
- + Power supply contracts

## Regulation

- Green taxes
- Ancillary services

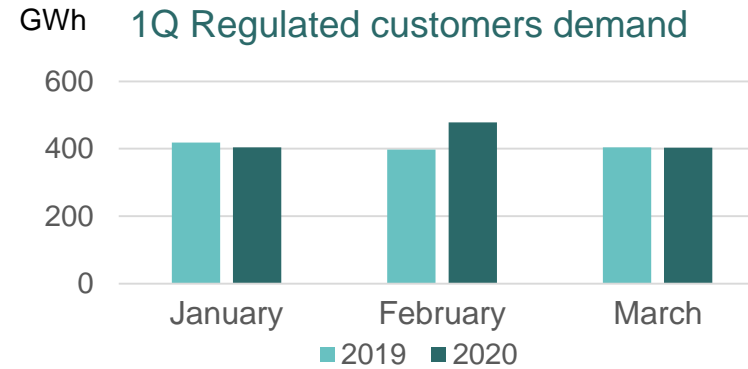
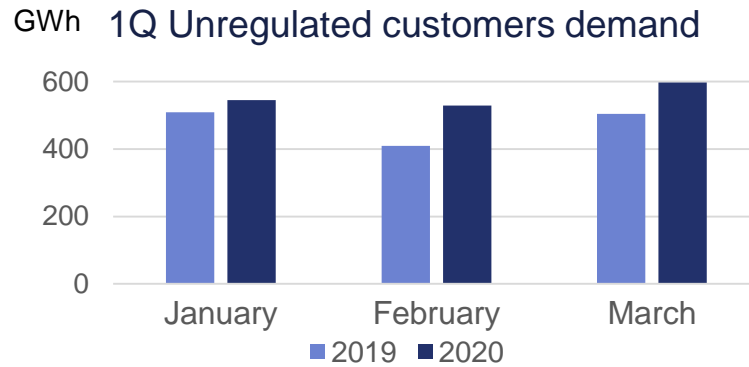
Source: Engie Energía Chile



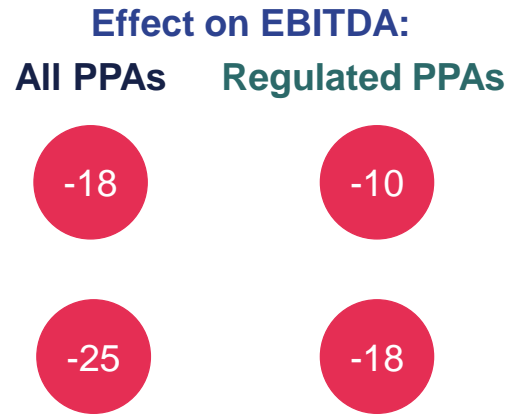
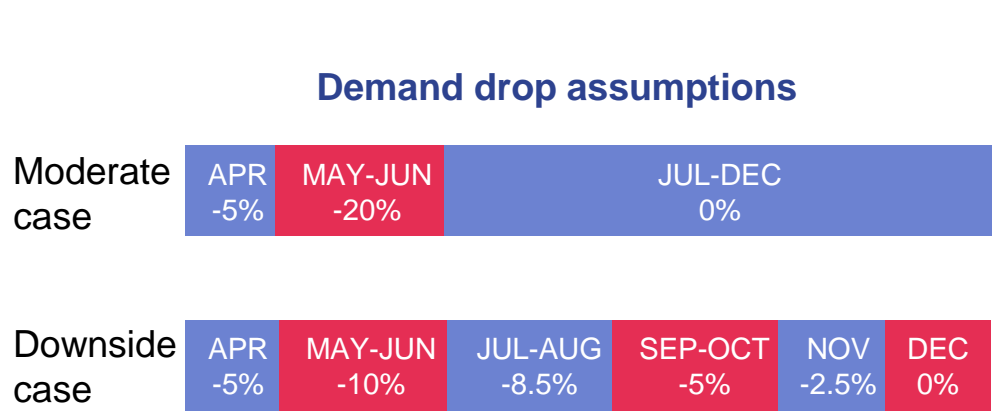
(\*) The LDs paid by the IEM EPC contractor compensated for lost operating income attributed to the delayed start-up of the project. Of the total amount, US\$35 million compensate for lost operating income in 2018 and US\$40 million for lost income during 2019.

# Potential COVID-19 impacts on demand

Actual 1Q demand and sensitivities



## Potential impact of demand decrease on EECL's EBITDA (in US\$ millions)



- Effects of a decrease in demand:**
- ⊖ Lower energy and capacity revenues
  - ⊕ Fuel cost savings
  - ⊕ Lower energy purchase costs
  - ⊕ Lower CO<sub>2</sub> tax, ancillary services



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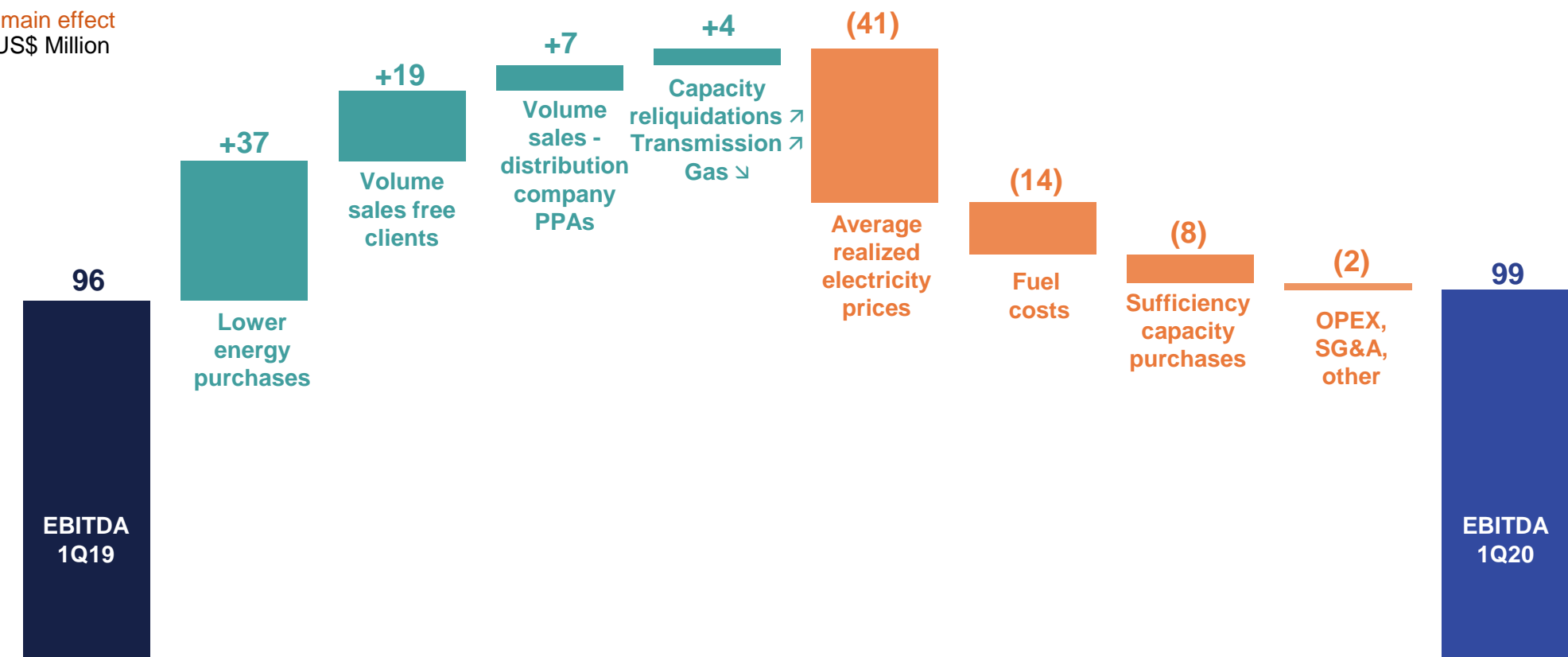
# Financial update



# EBITDA evolution

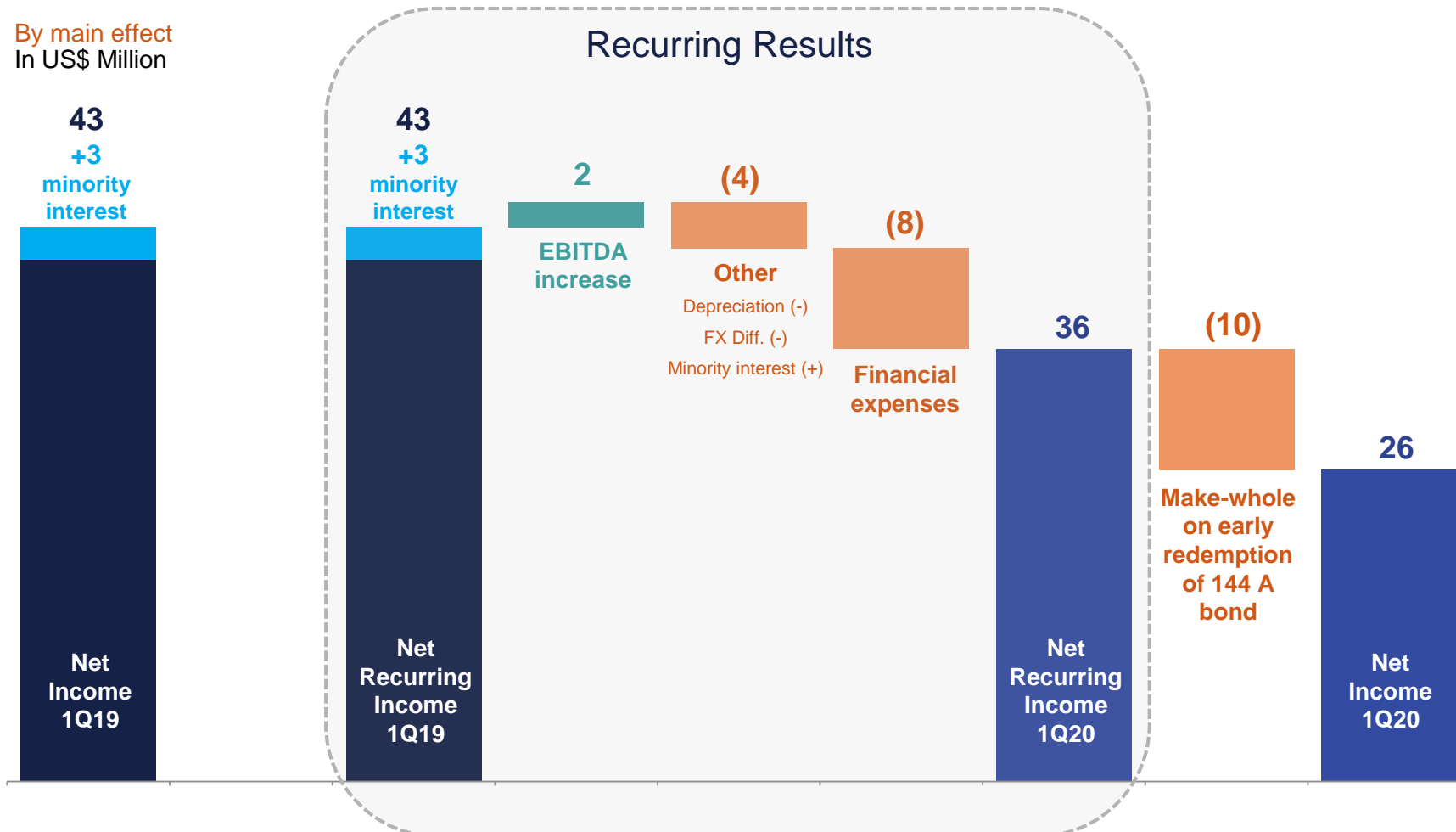
Higher volume sales and lower energy purchase costs offset price decreases and higher fuel costs

By main effect  
In US\$ Million



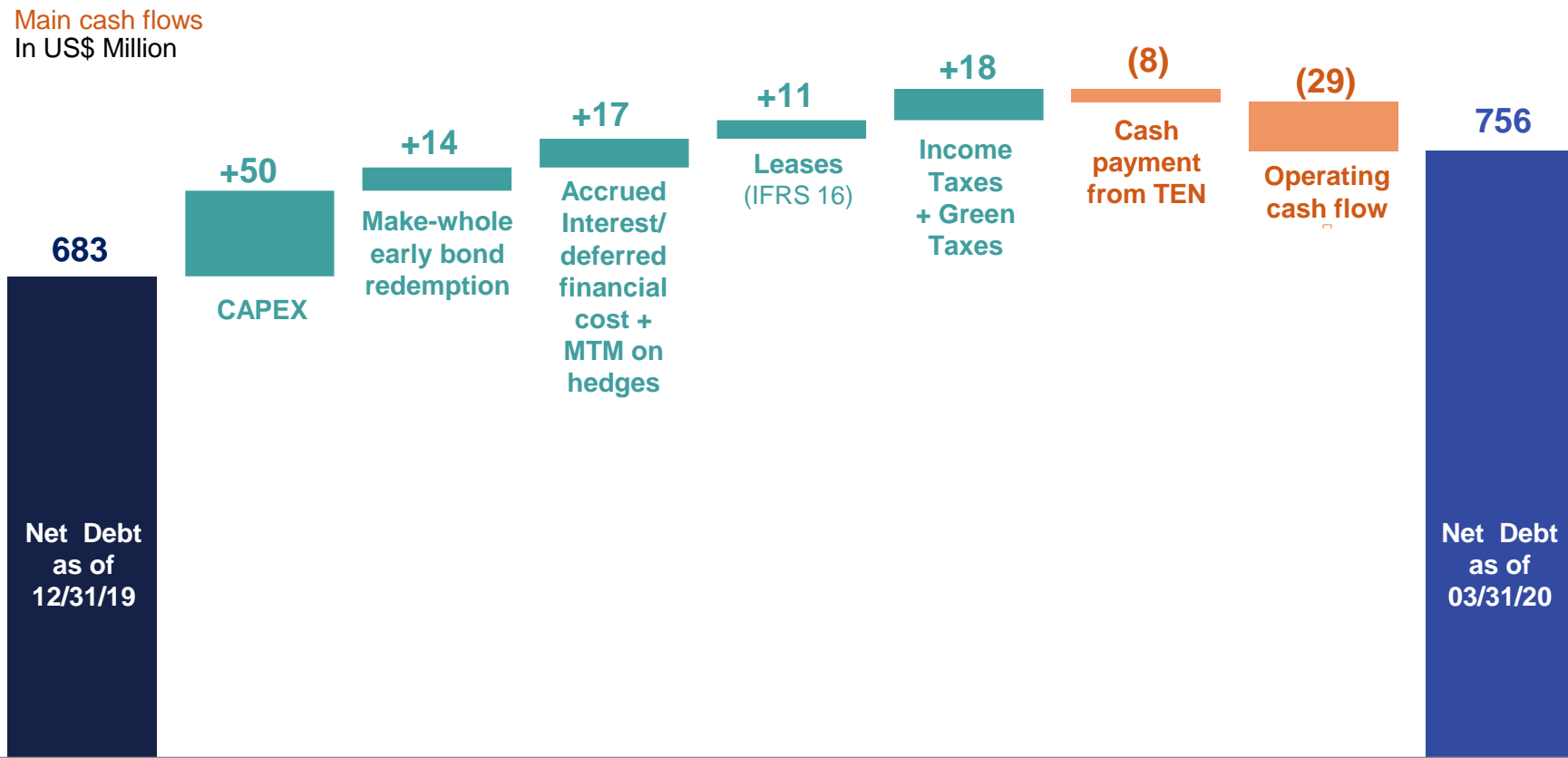
# Net income evolution

Higher financial expenses due to make-whole on early bond redemption and less interest capitalization



# Net debt evolution

Net debt increased due to CAPEX, taxes and premium paid on 144-A bond prepayment



# Robust financial structure

**Net debt/EBITDA well below 2.5x**

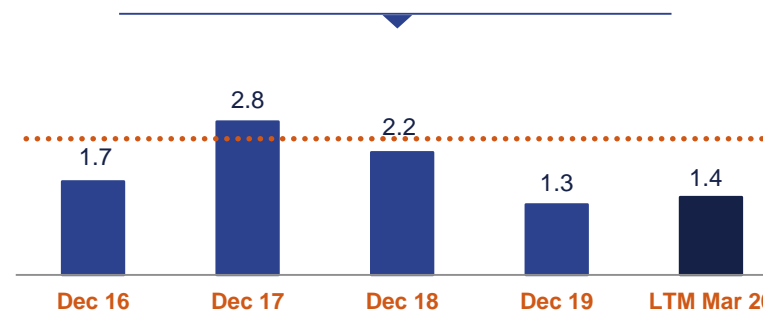
**Rating confirmed @ BBB**

- International:
  - Fitch (January 2020) **Positive** Outlook
  - S&P (January 2020) **Stable** Outlook
- National scale:
  - Fitch (January 2020) **AA- Positive** Outlook
  - Feller Rate (January 2020): **AA- Stable** Outlook

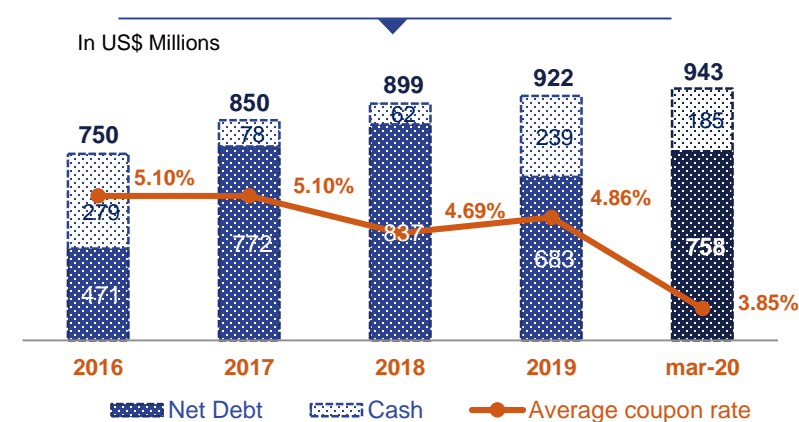
**Debt details:**

- US\$ 850 million 144-A/Reg S Notes:
  - 3.40%, US\$500 million 2030 (YTM=5.212% at 03/31/20)
  - 4.50%, US\$350 million 2025 (YTM=5.095% at 03/31/20)
- US\$58 million 20-yr. financial lease w/TEN for dedicated transmission assets
- US\$35 million financial leases per IFRS 16

**NET DEBT/EBITDA @ 1.4 X**

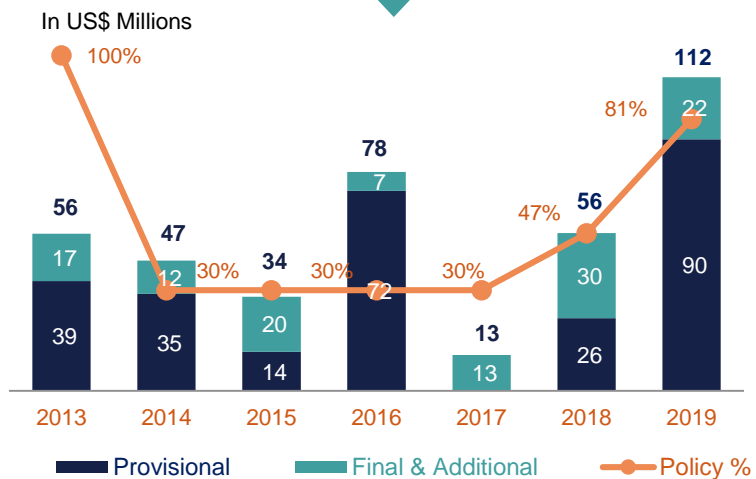


**MODERATE DEBT LEVELS**



# Shareholder return

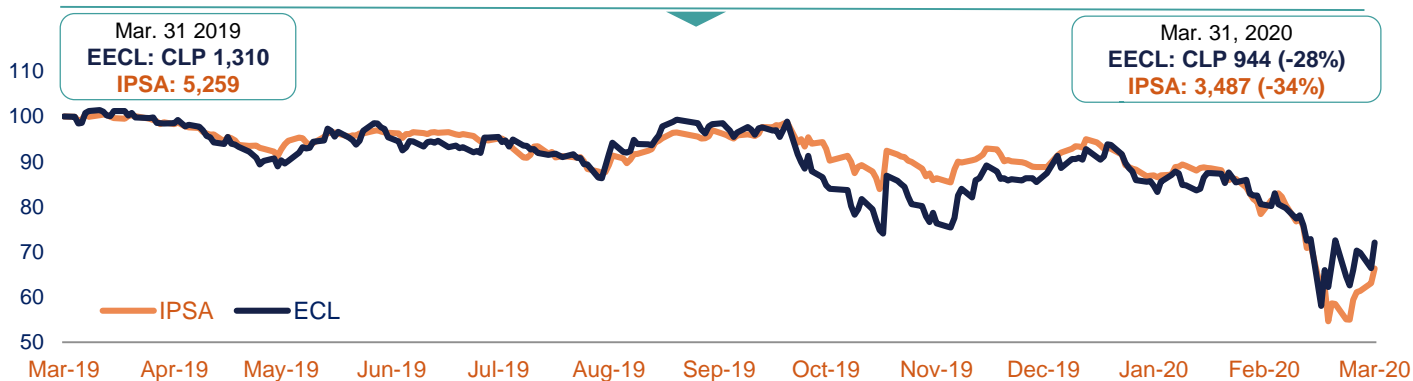
**DIVIDENDS PAID**



**MARKET CAP & DIVIDEND YIELD**



**SHARE PRICE EVOLUTION**



Includes dividends

Dividend yield: dividends per share actually paid in year n divided by year n-1 closing price



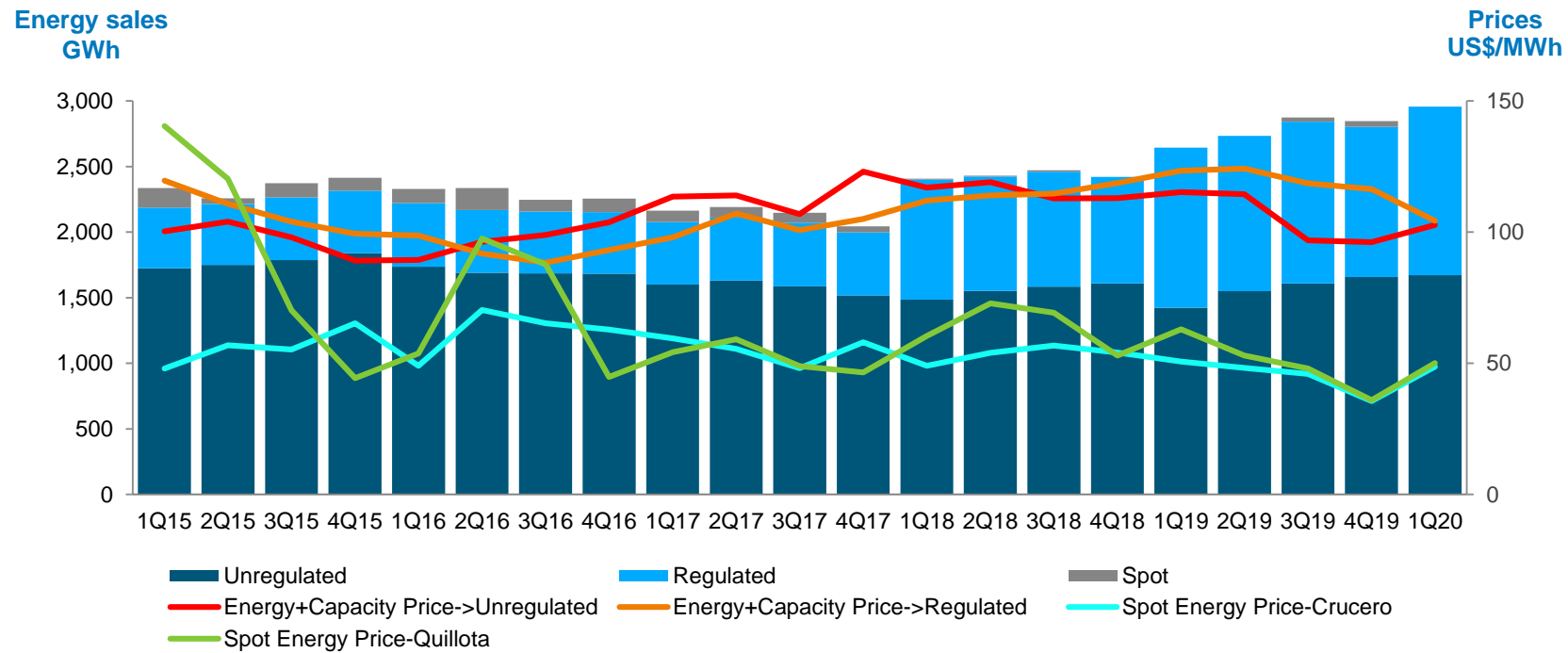
5

**Addenda**

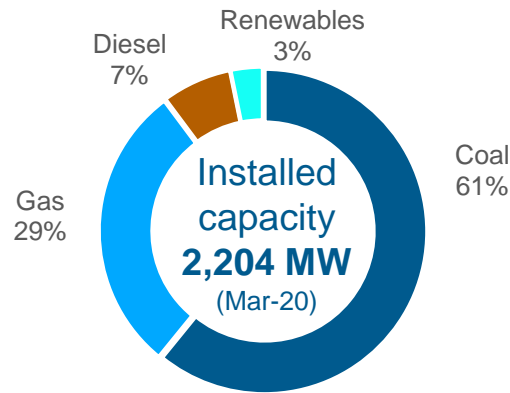
# Long-term contracts

The basis for stable sales and prices

## ENERGY SALES AND PRICES

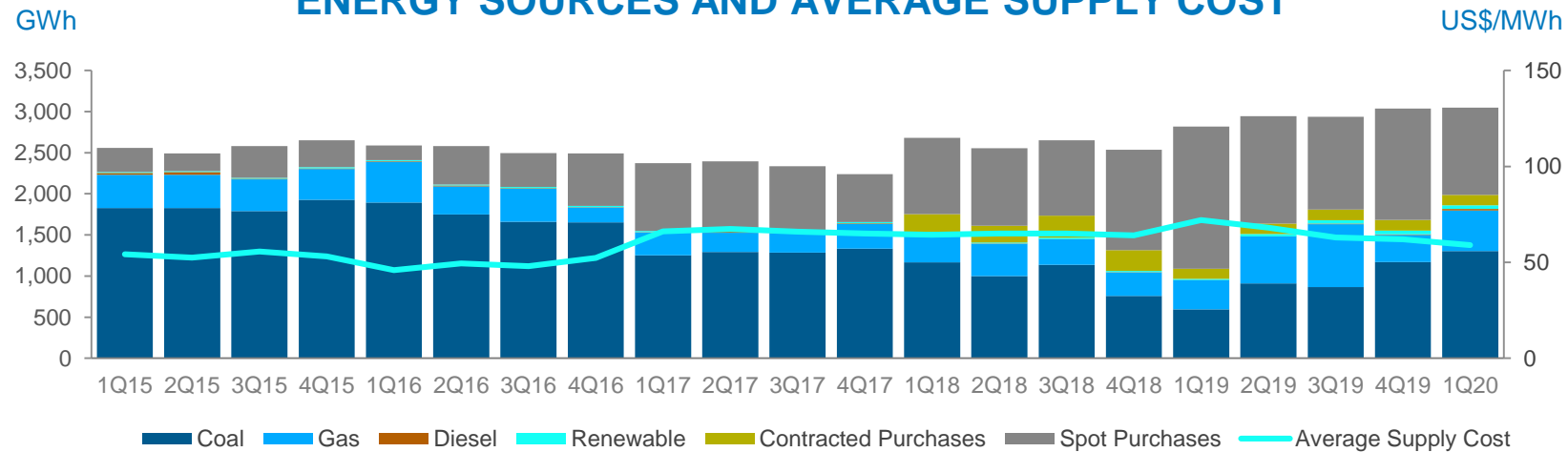


# Demand supplied with own generation and energy purchases hedged by our installed capacity



- Increased spot purchases due to (i) coal, gas and renewable efficient capacity additions in the grid since 2016 and (ii) start-up of PPA with distribution companies in central Chile
- Average supply cost depends on fuel prices, CO<sub>2</sub> taxes and emission-reduction costs, intermittency, plant performance and hydrologic conditions

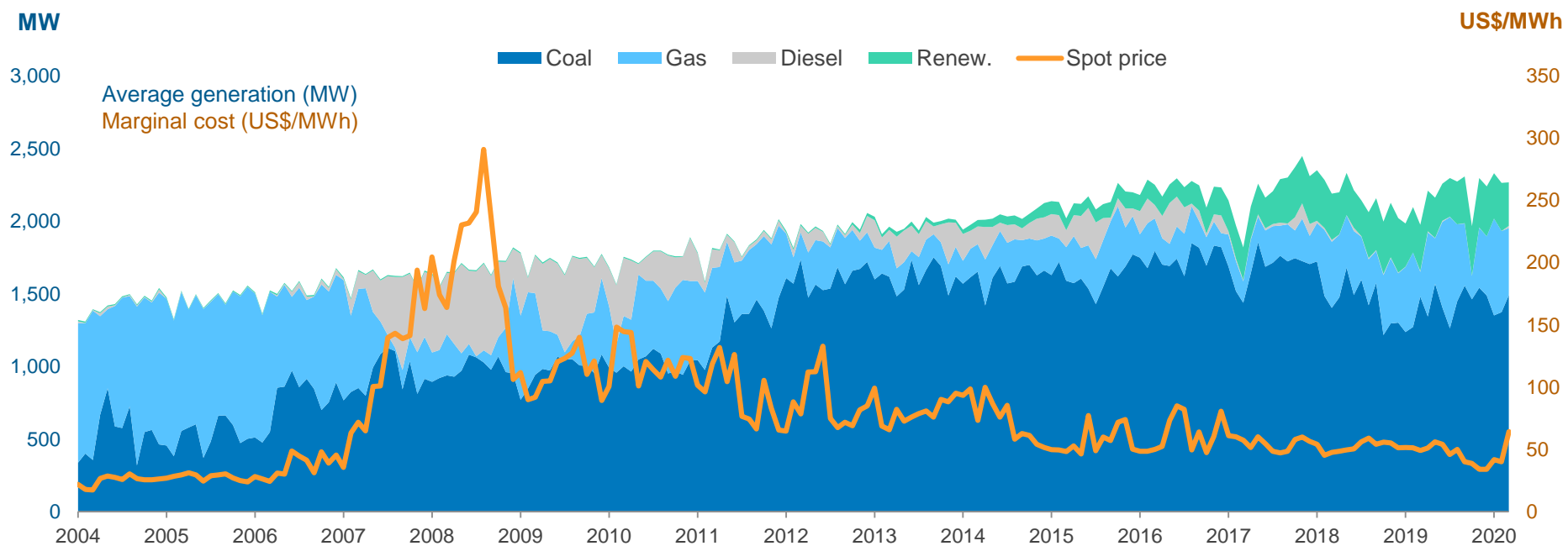
## ENERGY SOURCES AND AVERAGE SUPPLY COST





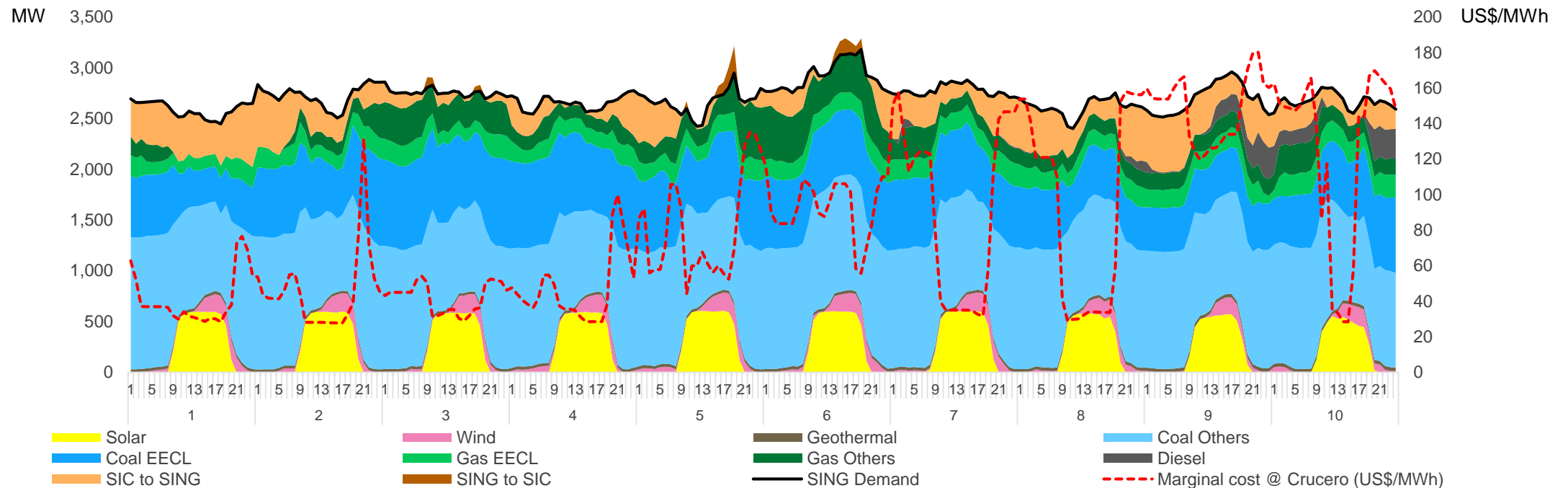
# Generation and spot price history – North SEN

- Limited exposure to hydrologic risk until interconnection became fully operative
- Long-term contracts with unregulated clients (mining companies) accounting for 89% of demand (bilateral negotiation of prices and supply terms)
- Maximum demand: ~3,075 MW in 1Q 2020; expected 3.4% compounded average annual growth rate for the 2019-2030 period



# Regulatory and grid coordination challenges

Generation North SEN – March 1 to 10, 2020



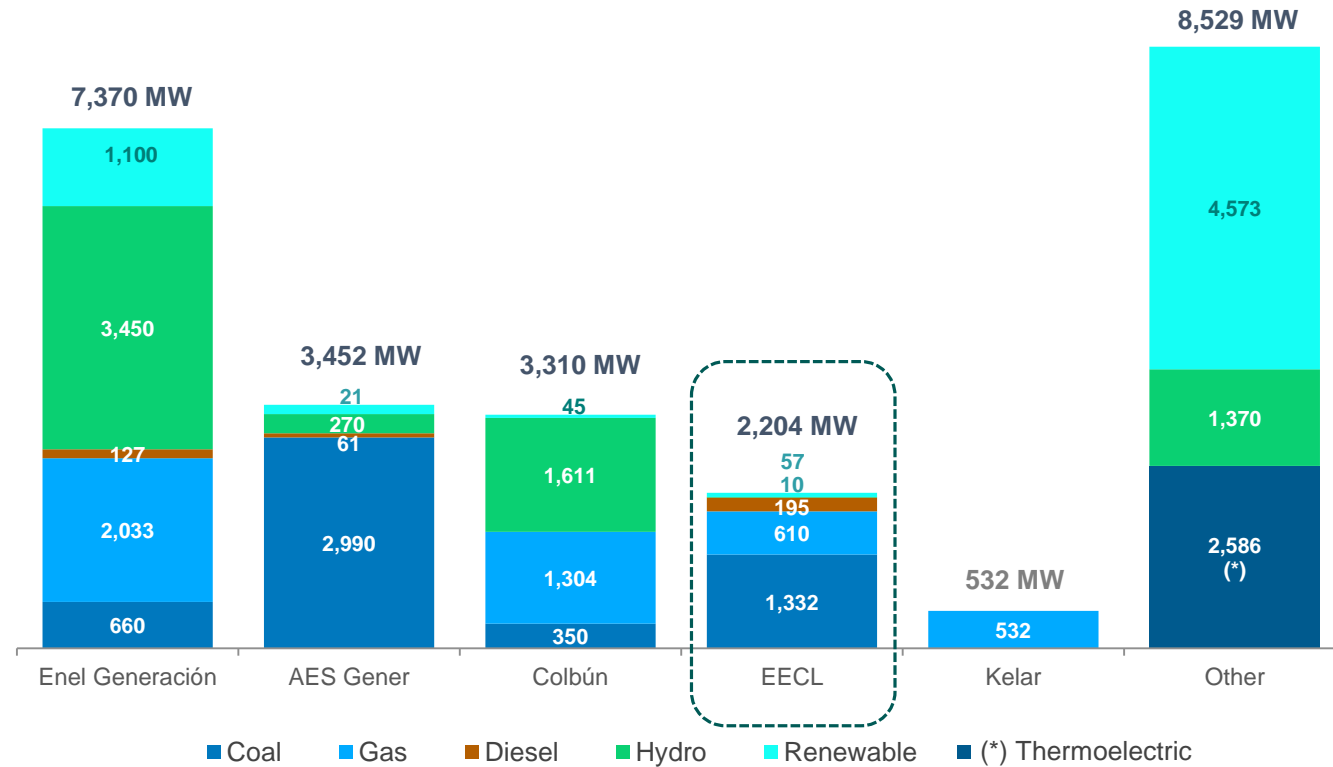
## Full interconnection since end May-2019, at times inflexible LNG supply, intermittent renewable power sources

- Despite the generally lower and more stable marginal costs following the full grid interconnection and greater gas supply, higher, erratic marginal costs were observed in March 2020 due to extended unavailability periods of large plants such as U16 and Bocamina II and low reservoir levels. Marginal costs at the Crucero node averaged US\$64/MWh in March vs. an average of US\$41/MWh for January and February, 2020.
- Higher system costs to cope with intermittent output (frequent CCGT start-ups, greater spinning reserve required from thermal plants) require ancillary services regulation and development of economic 24 x 7 renewable generation solutions

# Sistema Eléctrico Nacional - SEN



**SEN – March 2020**  
**25,397 MW**



Source: CNE ([www.cne.cl](http://www.cne.cl))

# Other industry & company events in 2019



## FULL GRID INTERCONNECTION

- **Interchile's Cardones-Polpaico transmission Project: COD = May 29, 2019:**

Together with increased gas supply, full interconnection contributed to

- reduced marginal cost volatility
- lower average marginal costs

## GAS SUPPLY

- **EECL contracted up to 4.6 TBtu of gas imports from Argentina for the Oct-2019 - Apr-2020 period**



Gas imports will enhance dispatch of CCGTs

=> lower and more stable marginal cost throughout the day

# IEM and Puerto Andino

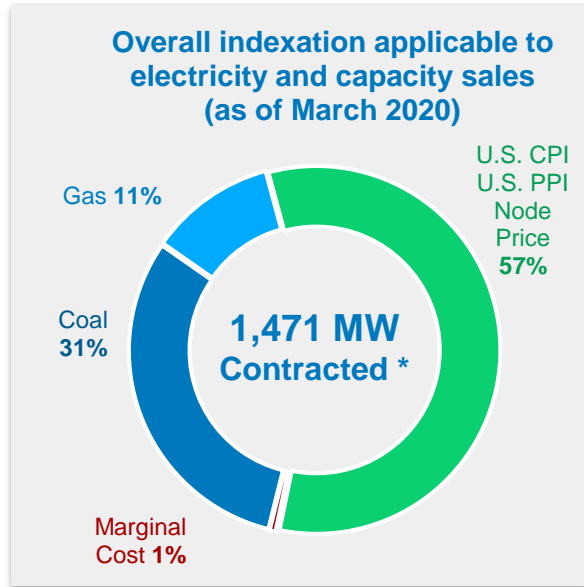
- Mechanized port, with 6 million TPY transfer capacity; 3,000 TPH unloading speed => lower demurrage costs
  - Conventional & tubular conveyor belts => better environmental standards
  - Space for mineral product exports => diversification opportunities
  - US\$122 million total investment at CTA subsidiary
- 
- 377MWe gross capacity => 348MWe net base-load capacity
  - Pulverized coal-fired power plant w/ strict environmental standards
  - Turnkey EPC contractor: SK Engineering & Construction (Korea)
  - Commercial operation date: **May 16, 2019**
  - US\$0.9 billion investment

Source: Engie Energía Chile



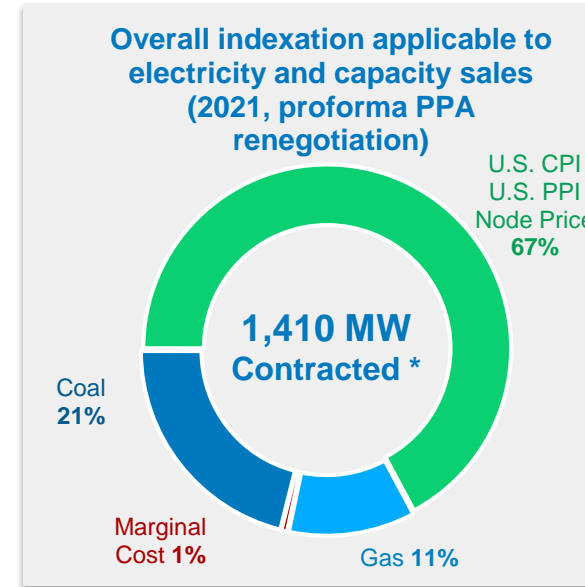
# PPA portfolio indexation

Shifting away from coal



(\*) Projected average annual demand over the life of the contracts outstanding as of December 31, 2019

**Indexation frequency:**  
Regulated : Semiannual  
Others : Monthly



(\*) Projected average demand over the life of the contracts as of 2021

### CGE (north SEN) contract tariff adjustment:

- Energy tariff: ~40% US CPI, ~60 % Henry Hub gas price:
  - Based on average HH reported in months n-3 to n-6
  - Immediate adjustment triggered in case of any variation of 10% or more
- Capacity tariff per node price published by the National Energy Commission (“CNE”)
- Actual collections under this contract are subject to price stabilization mechanism

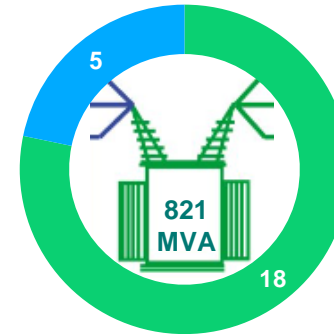
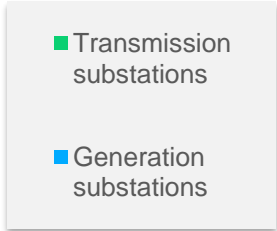
### PPA with distribution Co’s (center-south SEN) tariff adjustment:

- Energy tariff: ~66.5% US CPI, ~22% coal, 11.5% HH gas:
  - Based on average HH reported in months n-3 to n-8
  - Immediate adjustment triggered in case of any variation of 10% or more
- Capacity tariff per node price published by the National Energy Commission (“CNE”)
- Actual collections under this contract are subject to price stabilization mechanism

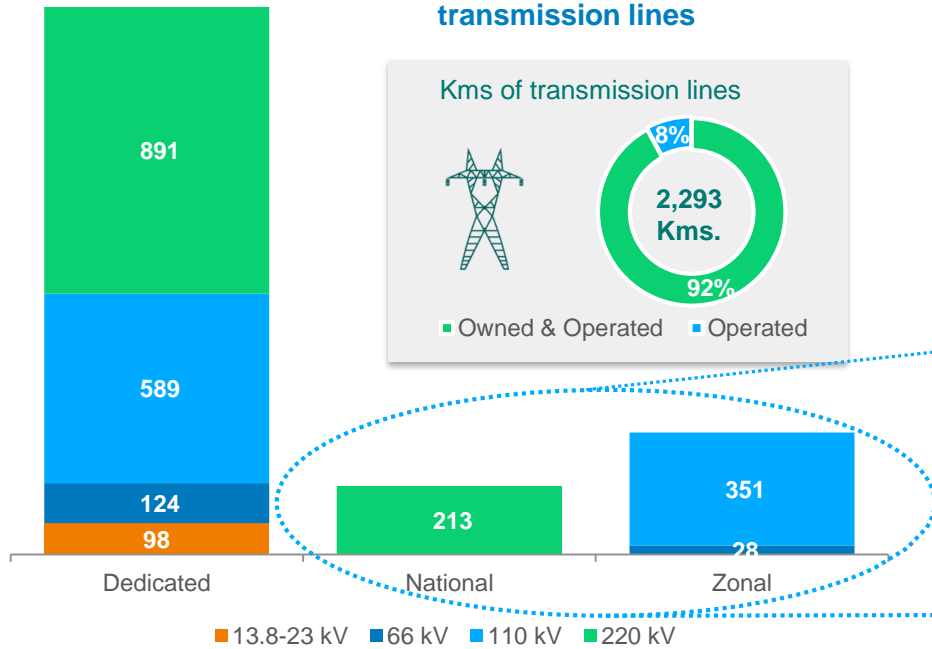
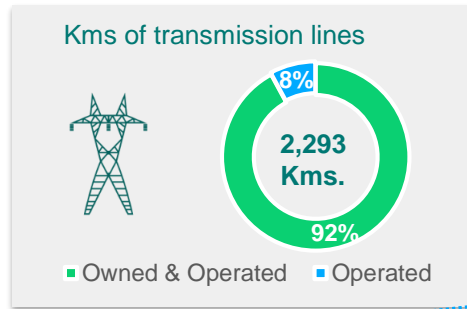
# EECL, a relevant player in transmission

2,293 kms.  
821 MVA  
US\$ 17.9 million regulated revenue p.a.

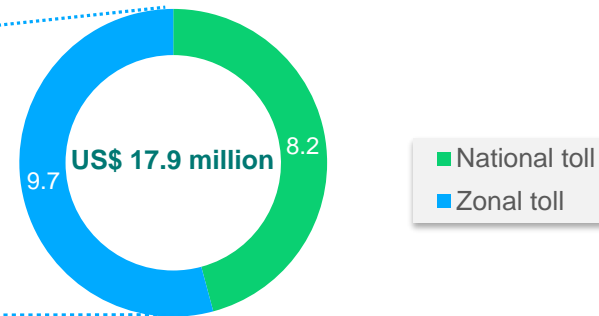
EECL operates 23 substations with total capacity of 821 MVA



EECL operates 2,293 kms. of transmission lines

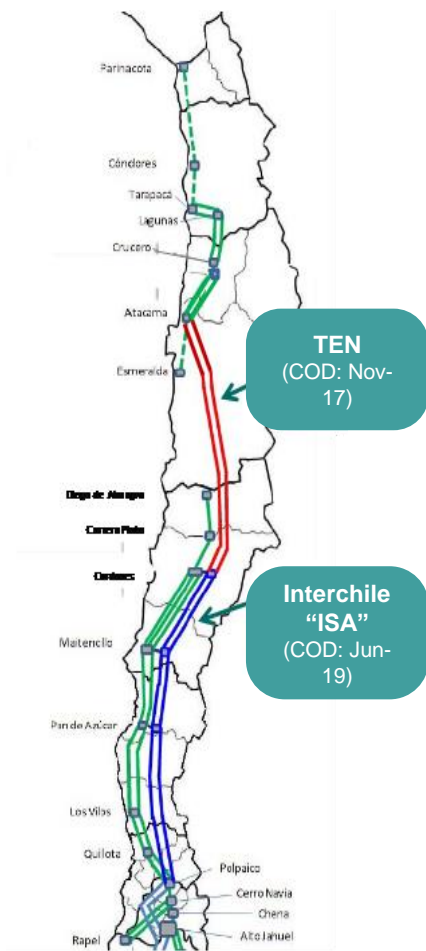


AVI + COMA for National & Zonal systems (in millions of US\$)





# Transmisora Eléctrica del Norte (« TEN »)



**50%-owned**

**Project financed**

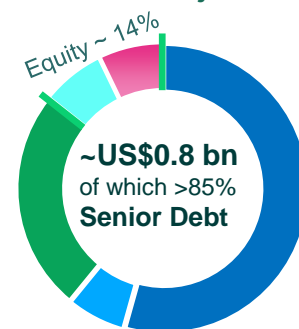
- Double circuit, 500 kV, alternate current (HVAC), 1,500 MW, 600-km long transmission line
- National transmission system interconnecting SIC and SING grids since Nov. 24, 2017
- Regulated revenues on “national assets” (AVI) + contractual toll with EECL on “dedicated assets”
- AVI + Toll ≈ US\$ 78 million, a good proxy of TEN’s annual EBITDA

**TEN annual revenue:**  
*(in USD millions at Dec.31, 2019 FX rates)*

AVI (VI annuity):	71.4
+ COMA (O&M cost):	7.4
<b>= VATT</b>	<b>78.8</b>
+ Toll (paid by EECL):	~7.0

AVI = annuity of VI (Investment value) providing 10% pre-tax return on assets (at least 7% post-tax return beginning 2020)

### Project Financing as of Mar-31-20

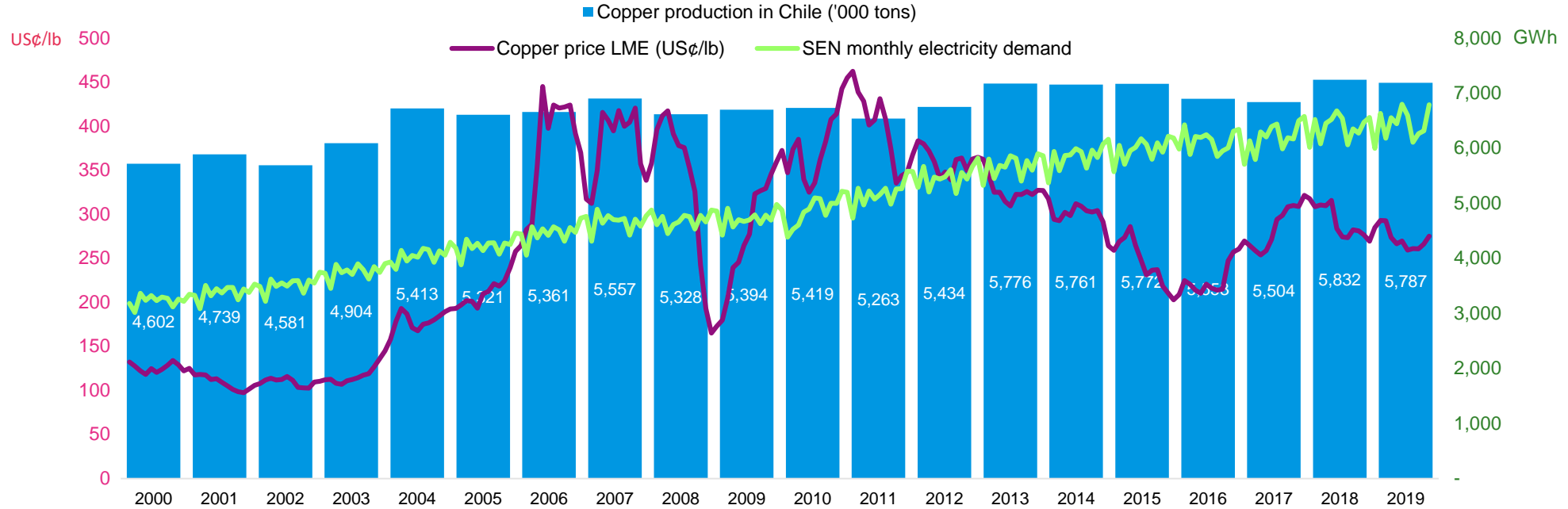


- Senior 18-yr USD Loan
- 26-yr USD Fixed-rate note
- Senior 18-yr Local UF Loan
- Equity-Red Eléctrica
- Equity-Engie Energía Chile

**Total senior debt ≈ USD 0.6 bn**

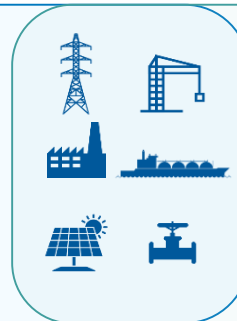


# Copper industry



**Chile’s world-class copper industry is facing challenges:**

- Scarce water resources => increasing sea water pumping and desalination needs => higher power costs;
- New port infrastructure required;
- Need to keep cash cost under control;
- Need to reduce carbon footprint and social impact.

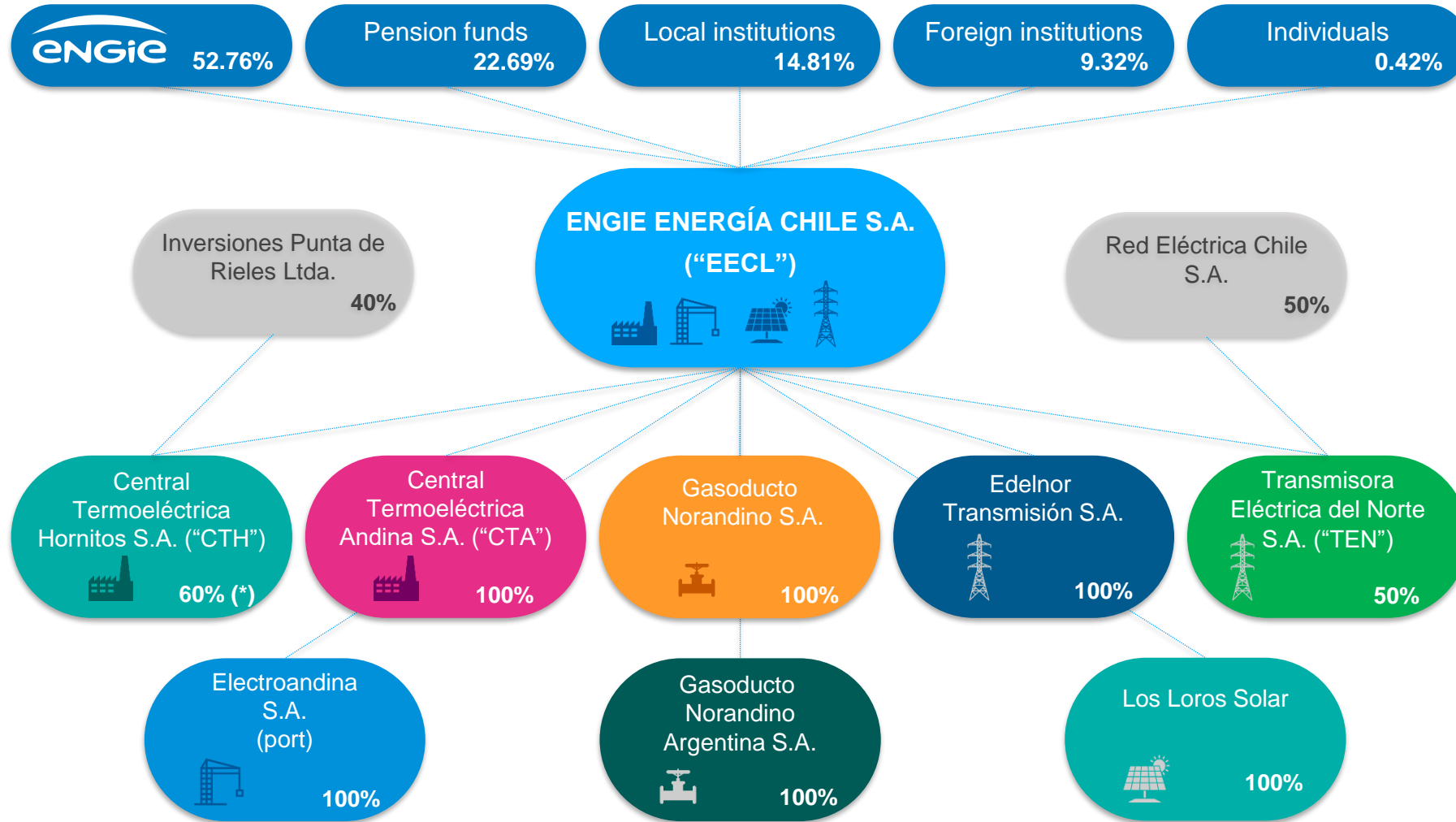


**Engie is prepared to help our clients:**

- Power production & transmission; financial strength; group expertise in the water business;
- Available port infrastructure;
- Ready to provide energy efficiency services;
- Asset rotation program / decarbonization.

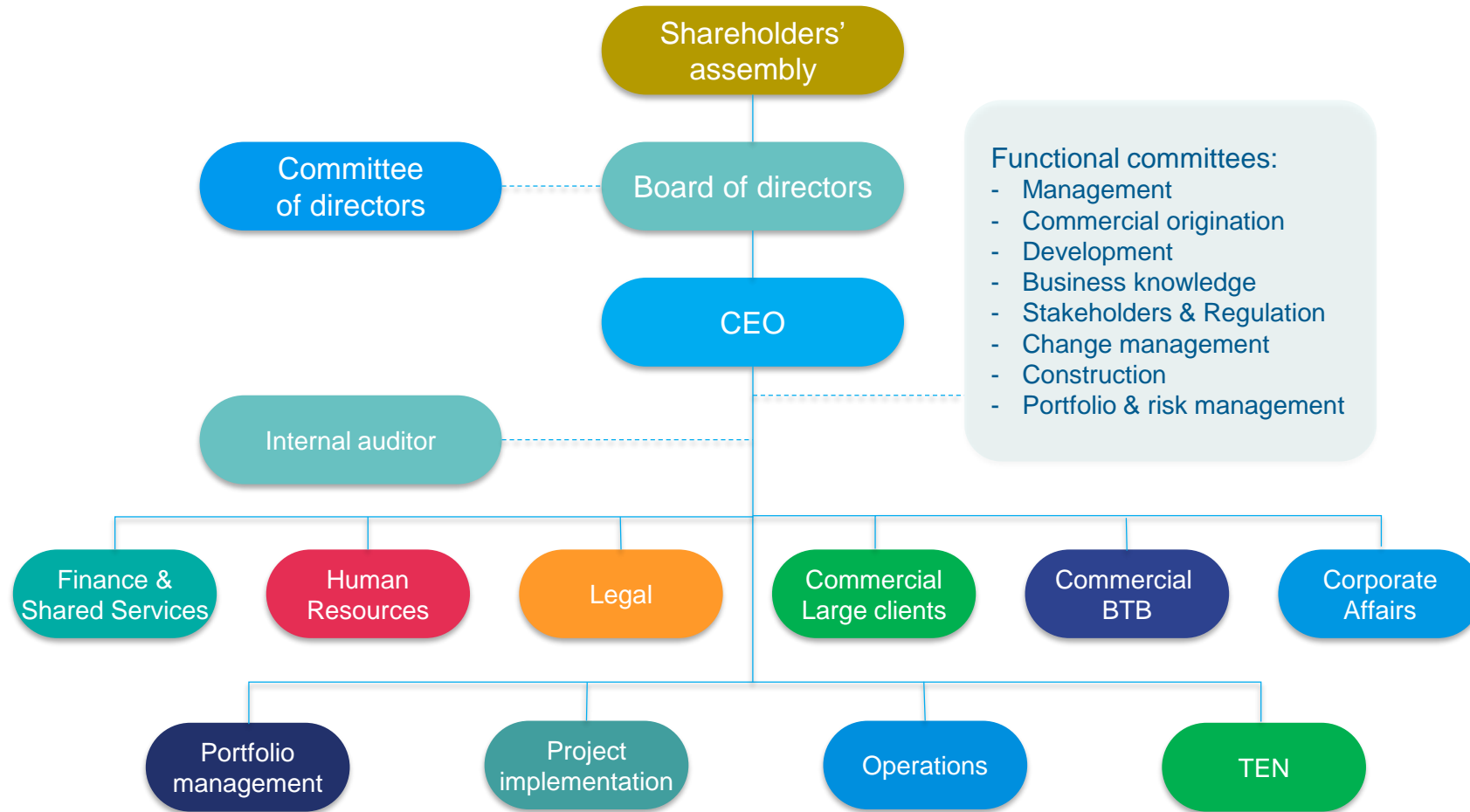
Source: COCHILCO

# Ownership structure



(\*) Beginning March 31, 2020, EECL will have control over Inversiones Hornitos and will thus consolidate 100% of the Company in its financial statements

# EECL organizational structure



- The Board of directors includes three independent members out of a total of 7 directors
- The Committee of directors is formed by the three independent members and oversees all transactions among related parties

# For more information about **ENGIE Energía Chile**

**Ticker: ECL**



**+562 2783 3307**

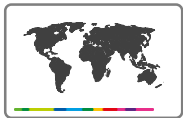


**inversionistas@engie.com**

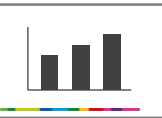


**<http://www.engie-energia.cl>**

## MORE INFORMATION ON 1Q 2020 RESULTS IN OUR WEB PAGE



Presentation



Addenda



Press  
Release



Recorded  
conference  
audiocast



Financial  
report



Analyst  
pack

# Disclaimer

## Forward-Looking statements

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