



# **ENGIE Energía Chile S.A.**

# **Investor Presentation**

Full year 2020



# Snapshots

# The ENGIE Group

A global reference in low carbon energy services

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

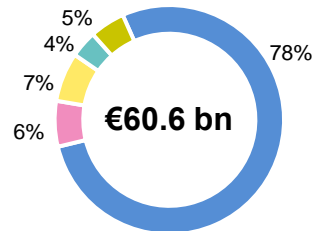
4,600 employees  
 €2.7bn in revenues in 2019  
 €1.7bn EBITDA  
 26.9GW of renewable energy capacity installed

## THERMAL

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

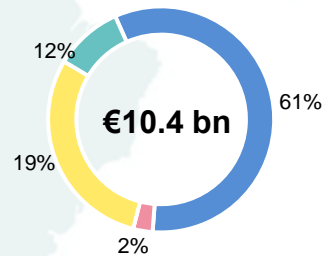
5,200 employees  
 €1.8bn EBITDA  
 €4.0bn in revenues in 2019  
 52.3GW of natural gas capacity

## REVENUE BREAKDOWN



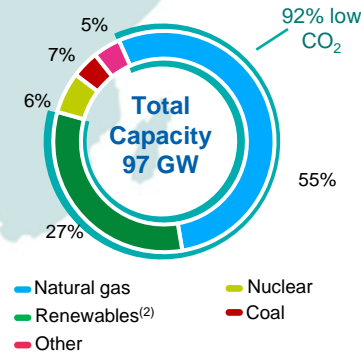
Europe North America  
 Latin America Asia & Africa  
 Oceania

## EBITDA BREAKDOWN



Europe North America  
 Latin America Africa & Asia

## CAPACITY BREAKDOWN



Natural gas Nuclear  
 Renewables(2) Coal  
 Other

## LATAM PRESENCE

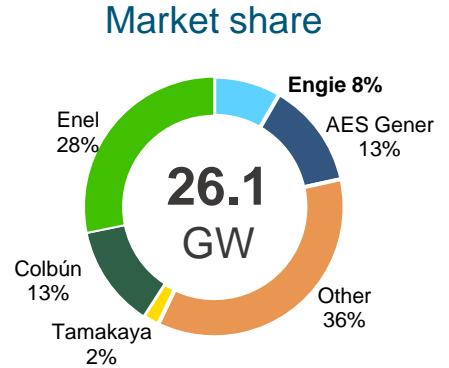
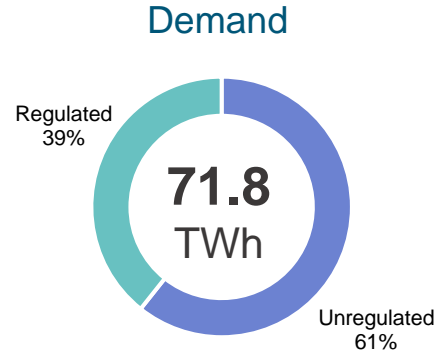
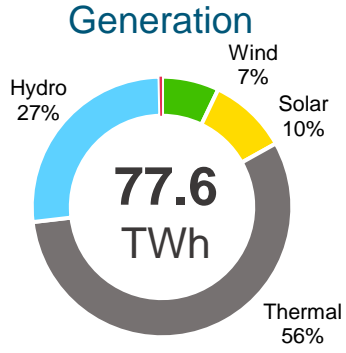
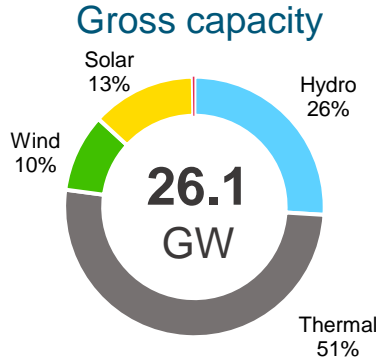
14,300 employees  
 €5.3bn in revenue  
 19.7GW installed capacity and 1.1GW under construction

# Industry and company highlights

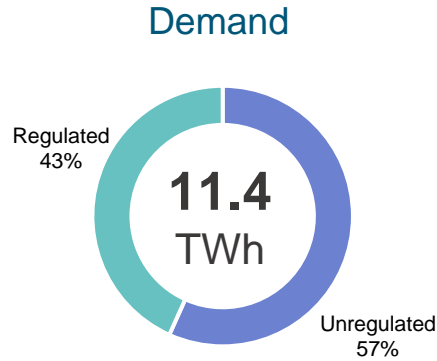
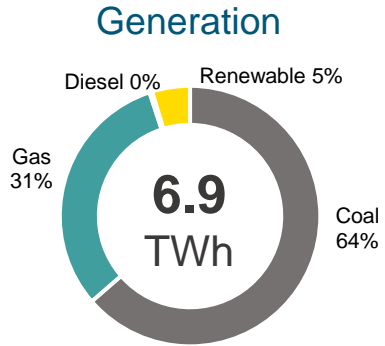
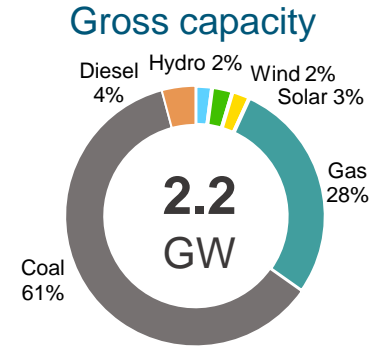
As of December 31, 2020, or for the full year 2020



SISTEMA ELÉCTRICO NACIONAL (SEN)



ENGIE ENERGÍA CHILE (EECL)



**ENGIE ENERGÍA CHILE**

- 60%** owned by ENGIE
- 4th** largest generation co.
- 3rd** largest transmission co.
- 11-yr** average remaining PPA life

Source: CNE  
Gross capacity and market share as percentage of gross capacity as of 31-Dec-2020  
Generation and demand in 2020

# ENGIE Energía Chile

A diversified asset base in Chile's mining region

## Our operations

### Generation

4<sup>th</sup> largest GenCo in Chile  
**2.2 GW** gross capacity  
**0.6 GW** renewables in construction  
**11.4 TWh** sold under PPAs in 2020

### Transmission

3<sup>rd</sup> largest Transmission operator  
**2,330 kms** Transmission lines  
**23** substations – **844 MVA**  
**600 kms** in TEN 50% JV with REE

### Gas

**1,066 kms** gas pipelines  
**L.T. LNG supply** agreements

### Ports

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

## Our sites

**TOCOPILLA**  
 Coal (269MW)  
 Gas (399MW)  
 Port

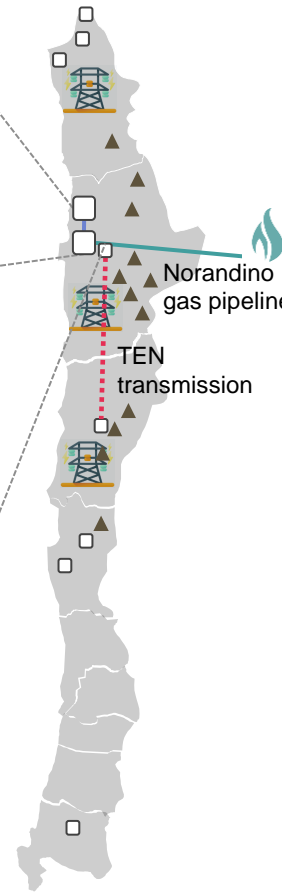
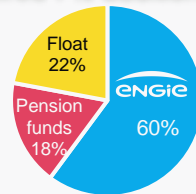
**MEJILLONES**  
 Coal (711MW)  
 Coal-CFB (355MW)  
 Gas (246MW)  
 Port  
 LNG Terminal (GNLM)\*

**OTHER SITES**  
 Renewable (156MW)  
 Diesel (back-up) (14MW)

**IN CONSTRUCTION**  
 Renewable (558MW)  
 Transmission (4 SSs)

## Our shareholders

ENGIE acquired 7% additional stake in 2020



▲ Mining Operations

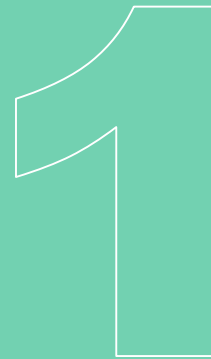
## Our largest clients

**Mining**

**Distribution**



(\* ) GNL Mejillones (GNLM) is a related company through the controlling shareholder, ENGIE Latam S.A.



# Key Messages

# Key messages



## Resilience in COVID-19 context

Results in low end of pre-COVID guidance



## Building our future together with our clients

AMSA PPA renegotiation + new green corporate PPAs



## Advancing in our energy transformation plan

4 renewable projects in construction, EMR acquisition, development pipeline



## Robust and flexible capital structure

Rating upgrade to BBB+ / 1.8x Net debt/EBITDA

# 2020: Working on our reconversion

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



## OUR PERFORMANCE




| 2018                                      | 2019  | 2020  |
|---|-------|-------|
| ENERGY SALES (TWh)                        |       |       |
| 9.72                                      | 11.10 | 11.41 |
| ENERGY SALES (TWh)<br>REGULATED PPA (SIC) |       |       |
| 1.64                                      | 3.14  | 3.22  |
| EBITDA                                    |       |       |
| 376                                       | 535   | 455   |
| NET RECURRING INCOME                      |       |       |
| 156                                       | 244   | 181   |



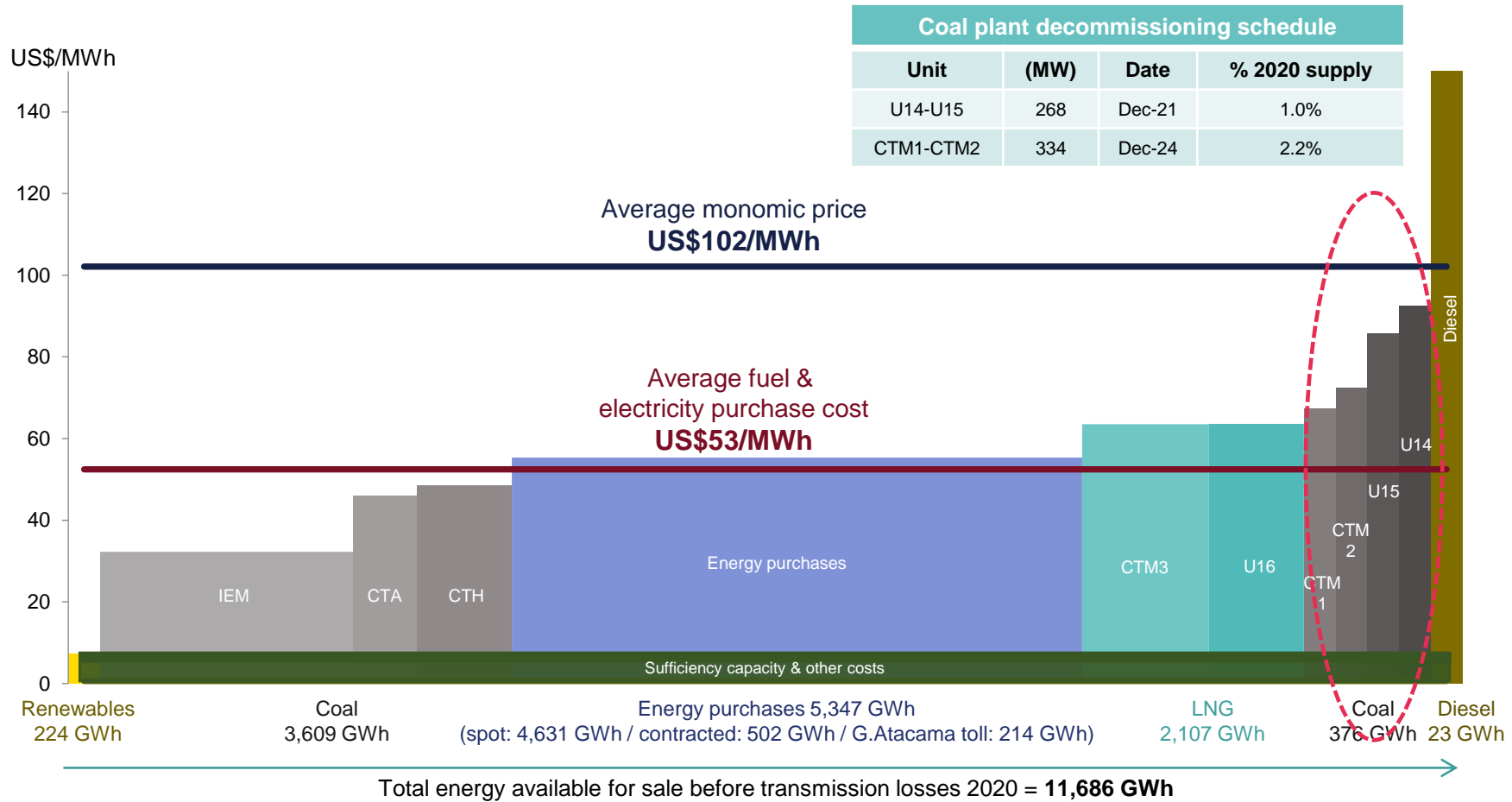
# Regulated demand impacted by COVID-19

EBITDA decrease explained by one-off revenue in 2019

|                                     | 2019    | 2020    | Variation |
|-------------------------------------|---------|---------|-----------|
| Operating Revenues (US\$ million)   | 1,454.5 | 1,351.7 | -7%       |
| EBITDA (US\$ million)               | 534.9   | 455.3   | -15%      |
| EBITDA margin (%)                   | 36.8%   | 33.7%   | -3.1 pp   |
| Net income (US\$ million)           | 110.8   | 163.5   | +47%      |
| Net income-recurring (US\$ million) | 244.4   | 181.0   | -26%      |
| Net debt (US\$ million)             | 682.7   | 799.0   | +17%      |
| Spot energy purchases (GWh)         | 5,520   | 4,631   | -16%      |
| Contracted energy purchases (GWh)   | 500     | 502     | 0%        |
| Physical energy sales (GWh)         | 11,103  | 11,409  | +3%       |

- High EBITDA comparison base: 2019 includes liquidated damages for delayed completion of IEM project
- Energy price decrease: lower fuel prices and PPA renegotiations
- Physical sales increase: mining demand recovery , share of regulated PPAs , COVID-19 
- Net income impacted by coal unit impairments in 2019

# Demand met w/generation and energy purchases



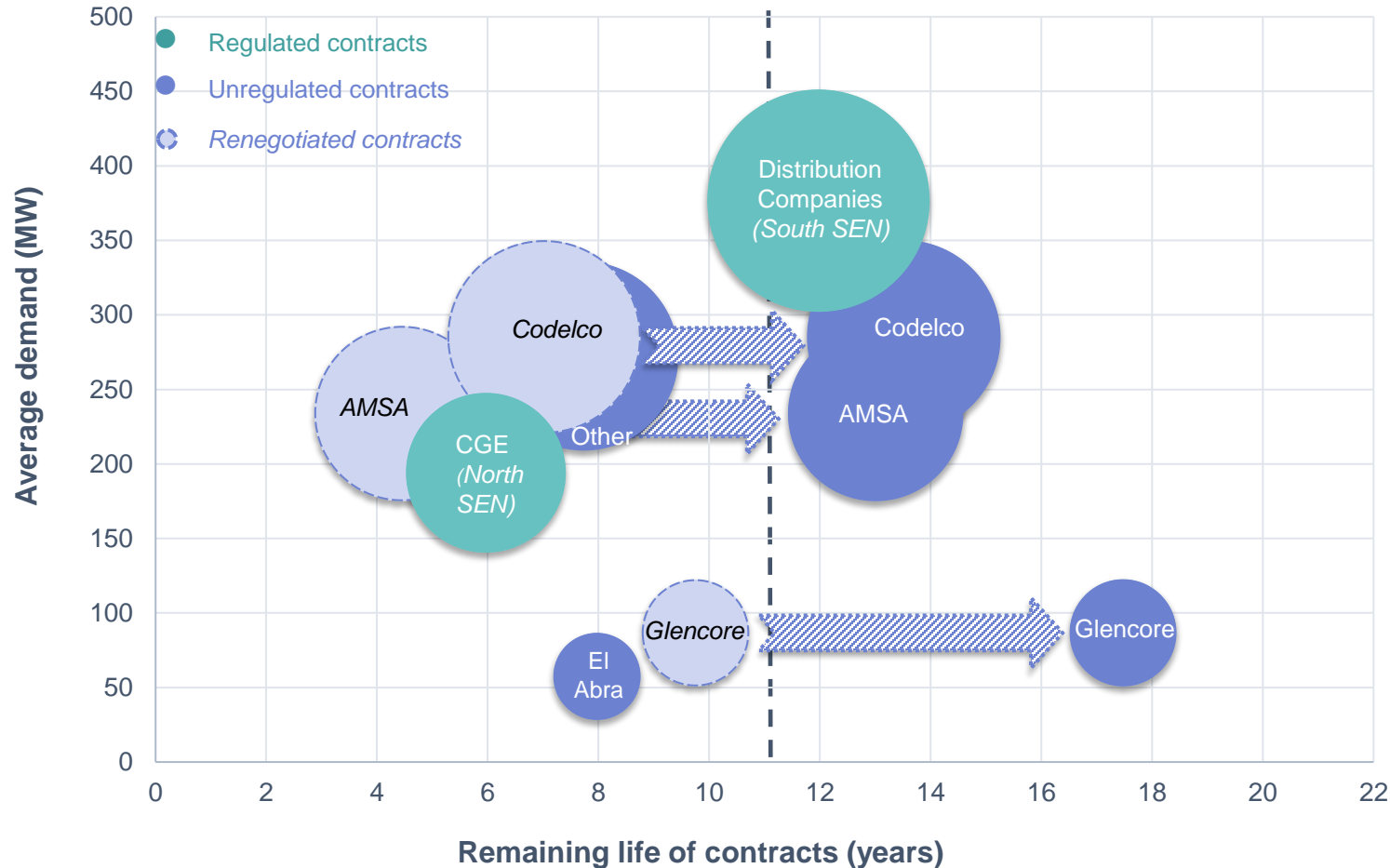
Average realized monomic price, spot purchase costs and average cost per MWh based on EECL's accounting records and physical sales per EECL data.

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

Sufficiency capacity provision amounted to US\$6.3/MWh; the sum of other system and fixed costs, including ancillary services, averaged US\$1 per each MWh withdrawn by EECL to supply PPA demand

# PPA life extension and decarbonization

Sound contract portfolio with average remaining life of 11 years

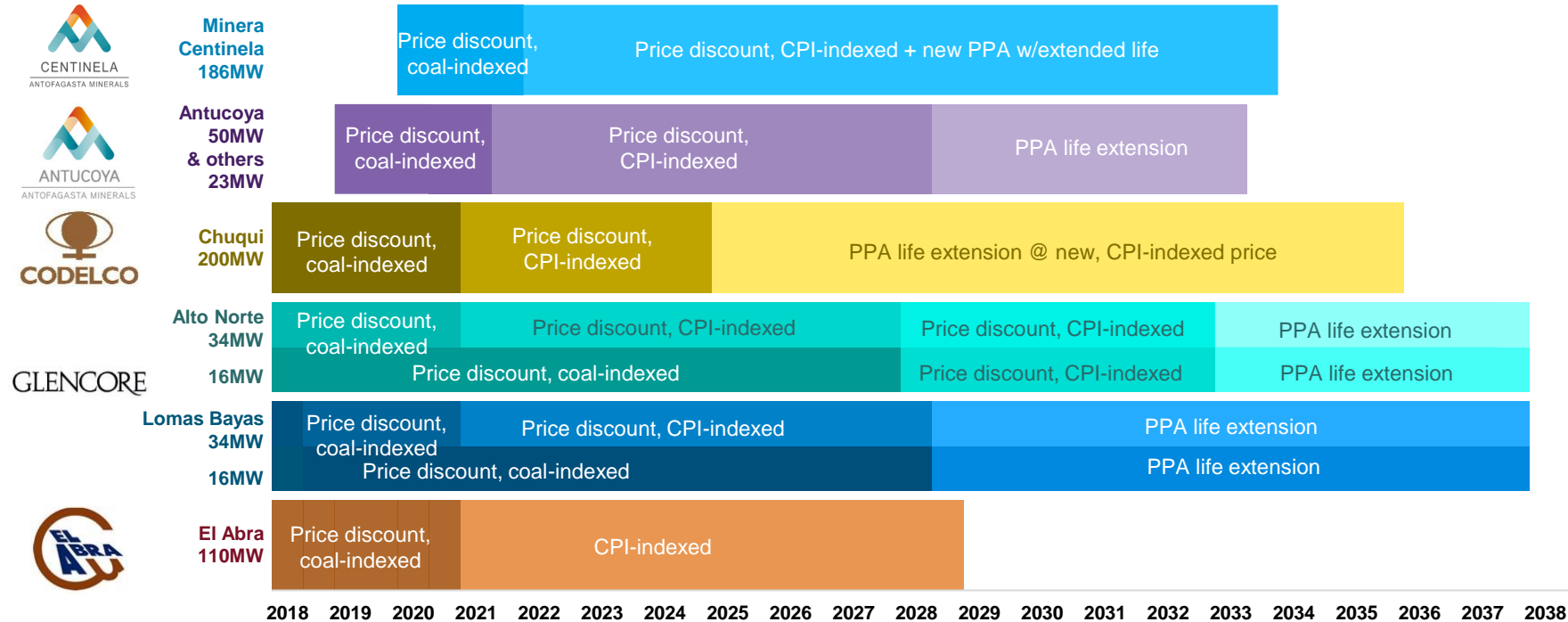


**Clients' credit ratings (S&P/Moody's/Fitch):**

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

# PPA life extension and decarbonization

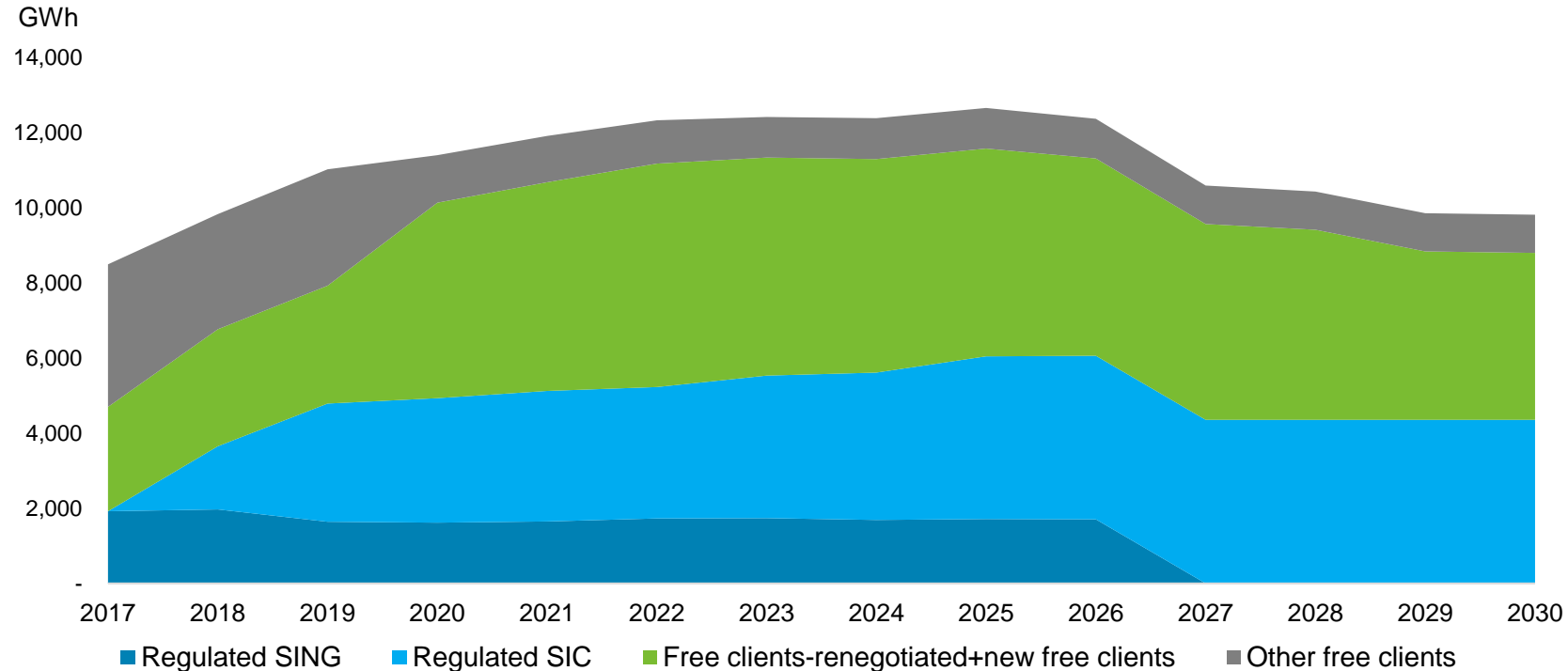
Greening our customers: 75% of mining PPAs already transformed



- 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

# Contracted demand: our vision through 2030

Renegotiated PPAs (extended lives and decarbonized tariffs) and new green corporate PPAs

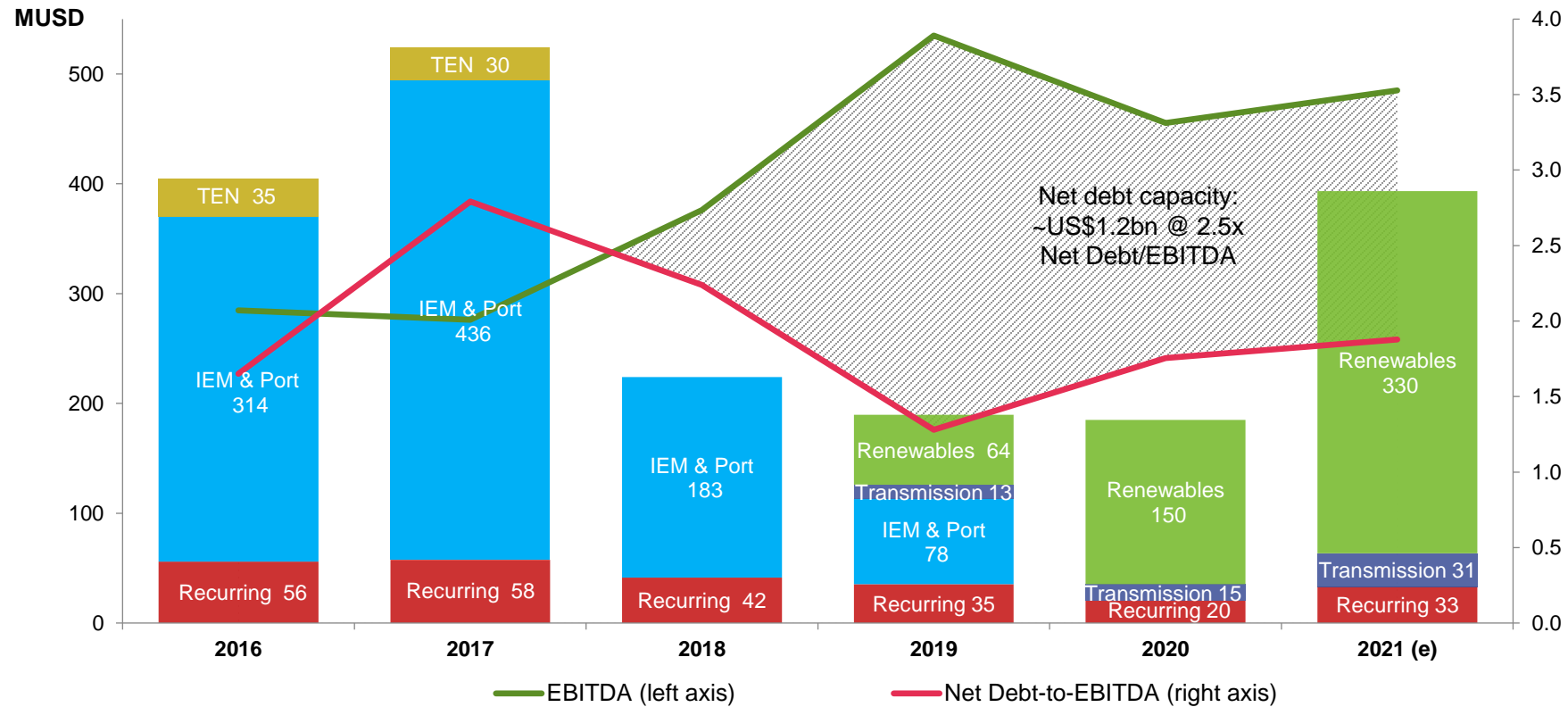


- Expanding the green area: in 2020 we renegotiated 1.2 TWh/y and signed 0.85 TWh/y of new green corporate PPAs
- Advancing in the renegotiation of the remaining 1.1 TWh/y unregulated coal-linked PPA

Source: Engie Energía Chile: Average expected demand under existing contracts

# 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 the first projects of the Asset Rotation Plan and the acquisitions of the Los Loros & Andacollo PV plants in 2019 and Eólica Monte Redondo in 2020

# Our guidance

2020 actual results in low-end of guidance range despite the pandemic

## Demand & prices

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

## Marginal cost risks

- Coal & gas price increases
- Dry hydrologic conditions

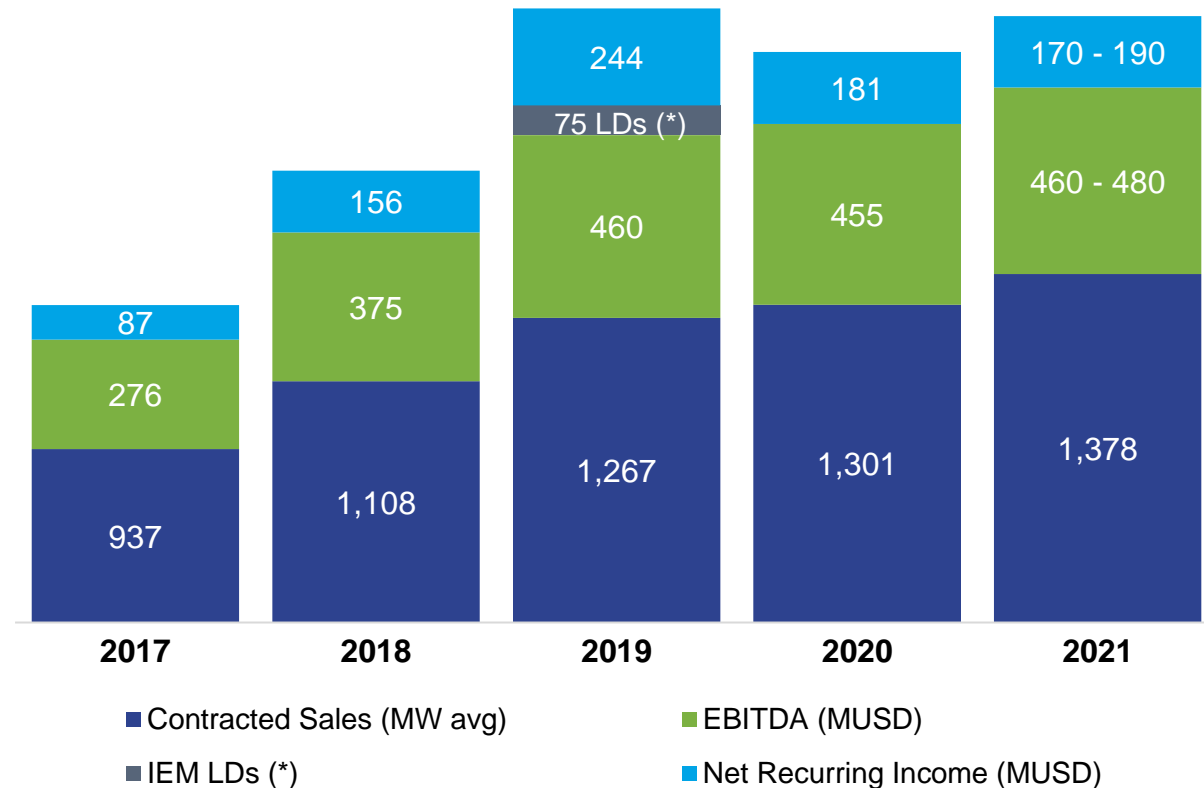
## Power supply

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

## Regulation

- Green taxes
- Ancillary services
- Other systemic costs

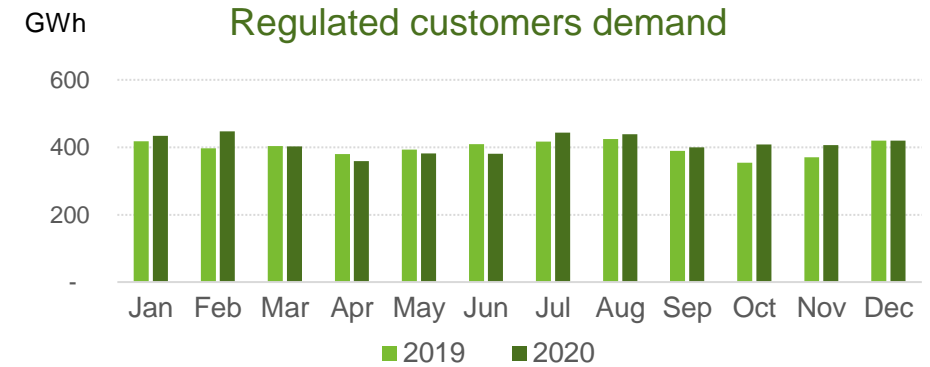
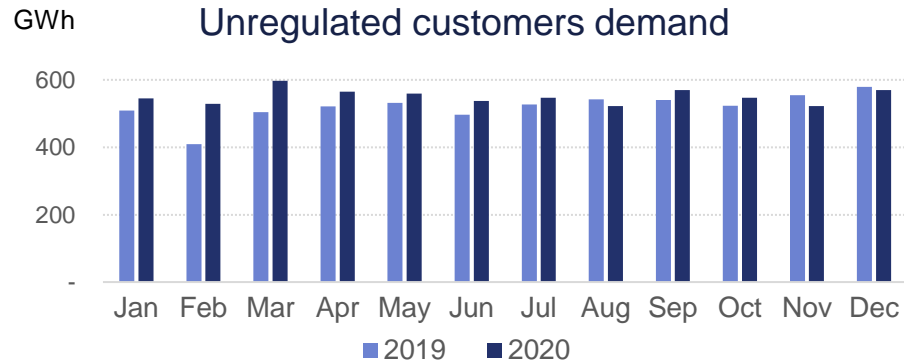
Source: Engie Energía Chile



(\*) 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.

# COVID-19 impacts on demand

Actual demand and sensitivities



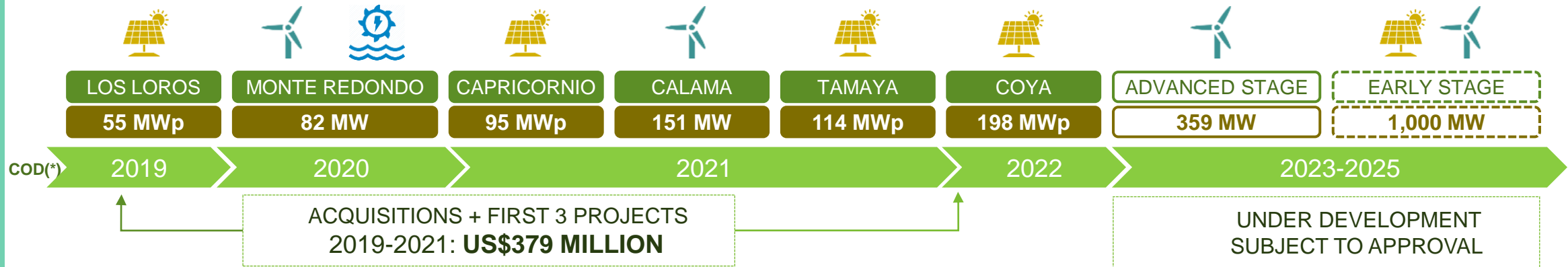
## Potential impact of demand decrease on EECL's EBITDA guidance (in US\$ millions)

| 2020<br>Estimated COVID<br>impact on<br>EBITDA (MUSD) | 2021<br>Demand drop assumptions |               | Impact on EBITDA (MUSD) |                | Effects of demand decrease:  |
|---|---------------------------------|---------------|-------------------------|----------------|--|
|   | Moderate case                   | Downside case | All PPAs                | Regulated PPAs |  |
| -25   | -5%                             | -7.5%         | -25                     | -15            | <ul style="list-style-type: none"> <li>Lower energy and capacity revenues</li> <li>Fuel cost savings</li> <li>Lower energy purchase costs</li> <li>Lower CO<sub>2</sub> tax, ancillary services</li> </ul> |
|   |                                 |               | -35                     | -20            |  |



# Asset rotation

**IN** 1 GW COMMITTED PIPELINE + 1 GW FURTHER GROWTH POTENTIAL



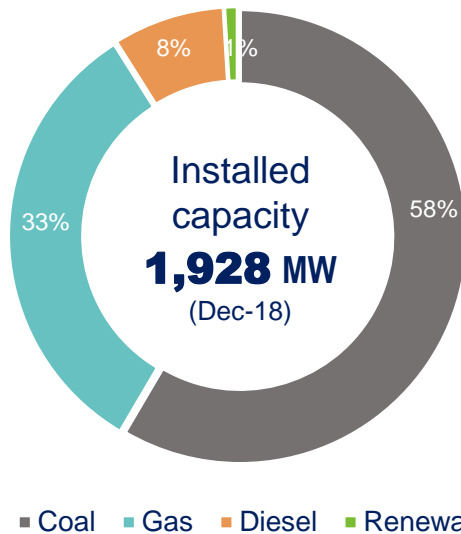
**OUT** 0.8 GW COAL



(\*) COD= Commercial operation date

# Asset rotation: first steps

Year-end 2018



**+ 1.0 GW Renewables**



**0.6 GW**

WIND



**0.4 GW**

SOLAR PV

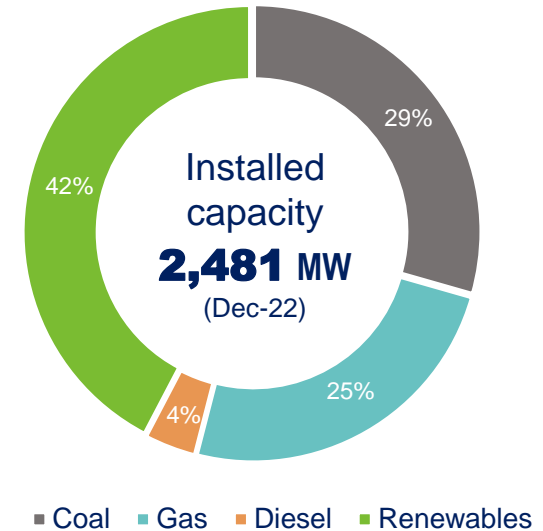
**- 0.8 GW Coal**



**0.8 GW**

COAL

Year-end 2022 (\*)



(\*) Includes projects in advanced stage of development. There is no guarantee that all of these projects will be built as they require a positive financial evaluation, environmental and social permits and prior board approval, among others.



2

# Current evolution

# Covid-19 pandemic

Focus on safety, operational continuity and reconversion strategy

## Safety first

- **+70%** home office
- Daily internal communications
- **Crisis committee**
- Strict **protocols**
- Site **sanitization**
- **Psychological** assistance line



## Operational continuity



## Projects in progress



## Caring for others



- US\$700k donation
- CLP179M 1+1 fund

## Emergency camps built



## Virus detection tests

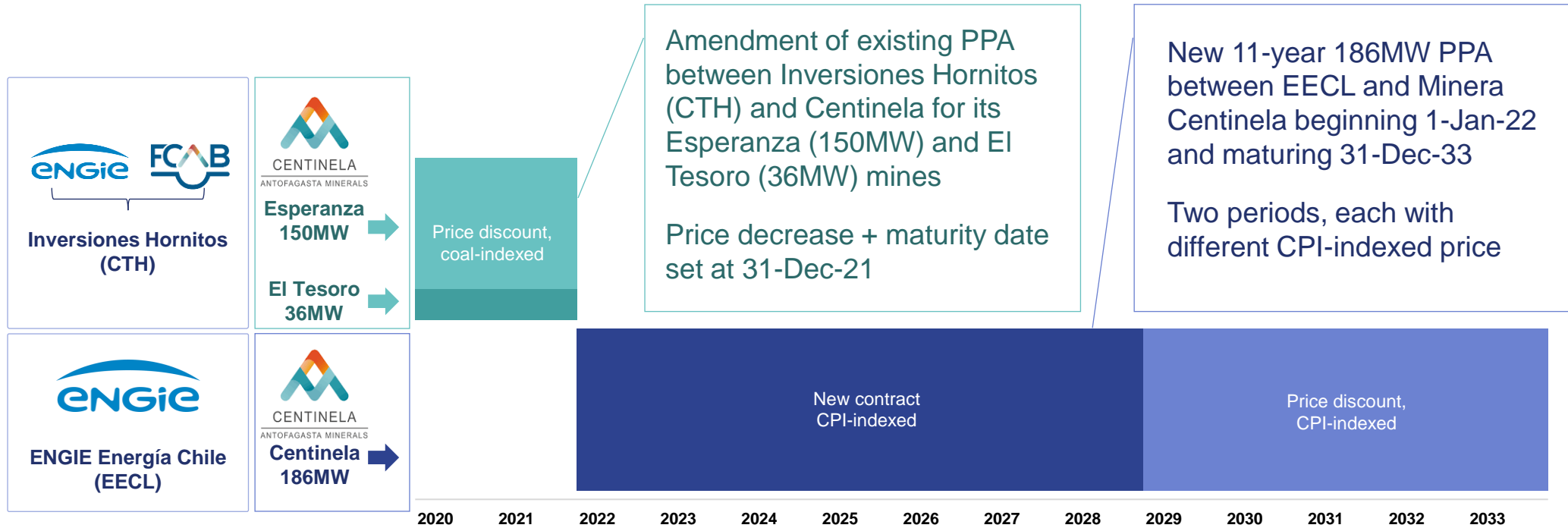


## Adapting plans for gradual return to new normality



# Commercial activity: AMSA (Centinela) PPA

Renegotiation of existing agreement + new green PPA signed on March 31, 2020



Amendment of CTH shareholders' agreement:

- CTH will not pay dividends and will use any cash surplus to repay debt with EECL
- **EECL will become 100% owner of CTH by 31-Dec-21**



# Commercial activity: New green corporate PPAs

In 2020: Ongoing commercial and development activity



**2,347-hectare land in Tal-Tal** awarded by Ministry of National Assets to develop up to **320 MW of renewable energy projects**.

**cAP**  
ACERO  
**420 GWh/y**  
**15 years**



  
Parque Arauco®  
**114 GWh/y**  
**5 years**



**Others**

**323 GWh/y**  
**4-year avg.**



# Asset rotation: Eólica Monte Redondo SpA

82MW of renewable capacity acquired on July 1, 2020

- Acquired from ENGIE Latam: US\$53 million+cash, on debt-free basis. Approved by independent board members (“Comité de Directores”)
- 275 GWh/yr PPAs w/CGE (100 GWh maturing Dec-2021 + 175 GWh/yr PPA maturing Dec-2023)
- Independent valuation: **Scotiabank**. Market valuation: **GTD**  Technical due diligence: **350** 

## MONTE REDONDO WIND FARM



- 48 MW (24 Vestas V90 WTGs<sup>(\*)</sup>), 80m hub height, 90m rotor diameter, 125m total height)
- 1,000 hectare site in Coquimbo region
- In operation since 4Q-2009

(\*) WTG = Wind turbine generator

## LAJA HYDROELECTRIC PLANT



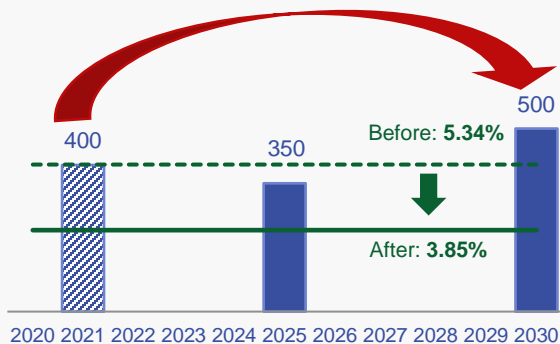
- 34MW run-of-river, 14Mm<sup>3</sup> reservoir
- ~60km of Los Angeles, Bío-Bío. Operating since 2015
- Powerhouse w/2 17.2MW Bulb-Kaplan units
- 26 mt-high concrete dam, 5 spillway radial gates, 2 gantry cranes
- Connected to SEN @ El Rosal SS. 17-km T line from Laja SS

# Financing activity

Securing liquidity and funding for our renewable projects

## Jan-2020 - Liability Management

- New 10-yr, 3.4%, US\$500mln 144A/RegS bond
- Early redemption of US\$400mln notes due Jan-2021



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

## Dec-2020 - IDBI Loan

- US\$125 million financing:
  - US\$110mln funded by IDBI w/9-yr. average life
  - US\$15mln 12-yr bullet funded by Clean Technology Fund
- Innovative structure designed to finance renewable projects contributing to accelerate coal units decommissioning
- Green certification
- Signed in Dec-20, not yet disbursed as of 31-Dec-20



## Jan-2021 – Monetization of PEC account receivables (“AR”)

- True sale to SPV of ARs related to price stabilization fund (*Law 21,185 and CNE Res.72*)
- SPV to be funded with proceeds of loans or bonds underwritten by Goldman Sachs and IDBI

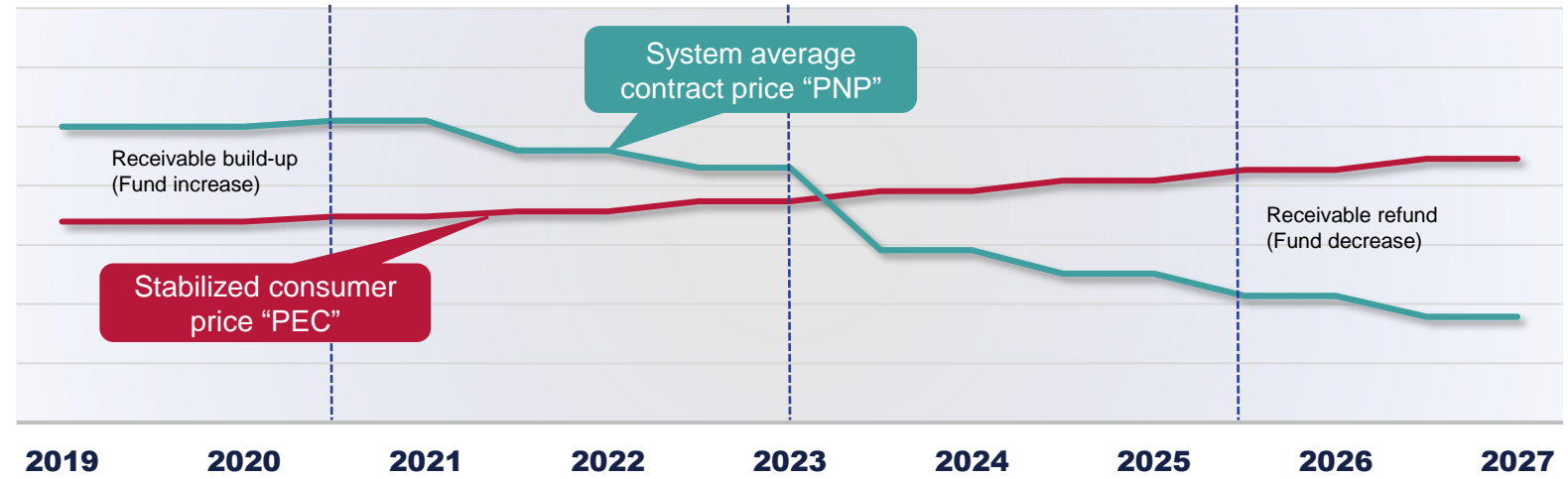


- Up to US\$265mln in total nominal value of ARs to be sold by EECL + EMR when PNP decrees are published (2021 until the fund reaches US\$1.35bn cap or Jul-23)
- **Pros:** Liquidity and resources to finance investment in renewables
- **Cons:** Financial discount to affect P&L statement.



# Regulation: Price stabilization mechanism

- Law #21,185 (Nov-19): Electricity price stabilization mechanism for regulated customers
- 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, PNP will fall below PEC and receivable will be repaid
- Generation co's to bear working capital cost. Monetization structure in place
- CLP/USD FX rate and demand volume: main variables affecting fund size and recovery pace
- EECL+EMR receivable at 31-Dec-20 US\$142 million



**PNP > PEC**  
 Generation Co's accrue account receivable ("Stabilization fund") from distribution Co's. Consumers pay at PEC while generators are entitled to charge PNP.

**Stabilization fund**  
 The Fund can grow until the first to occur: July 2023 or fund reaches US\$1,350 million cap.

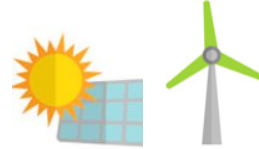
**PNP < PEC**  
 The account receivable begins to be refunded.

The fund accrues interest starting 2026.

# Regulatory initiatives in 2020

## GENERATION

- Energy transition
- Flexibility strategy
- Energy policy update – 2050 vision
- Emission compensation mechanism in green taxes
- LNG technical norm
- Hydrogen national strategy



## DISTRIBUTION

- Electric portability:
  - Energy dealer
  - New types of energy auctions
  - Information manager
- Basic services (contingency measures)
- Tariff fixing (VAD 2020-2024)
- Exclusive business line



## TRANSMISSION

- National and Zonal systems valuation for 2020-2023
- 2020 expansion plan



## OTHER

- Energy efficiency
- Superintendency of Electricity and fuels








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# Project Update

# Asset rotation plan

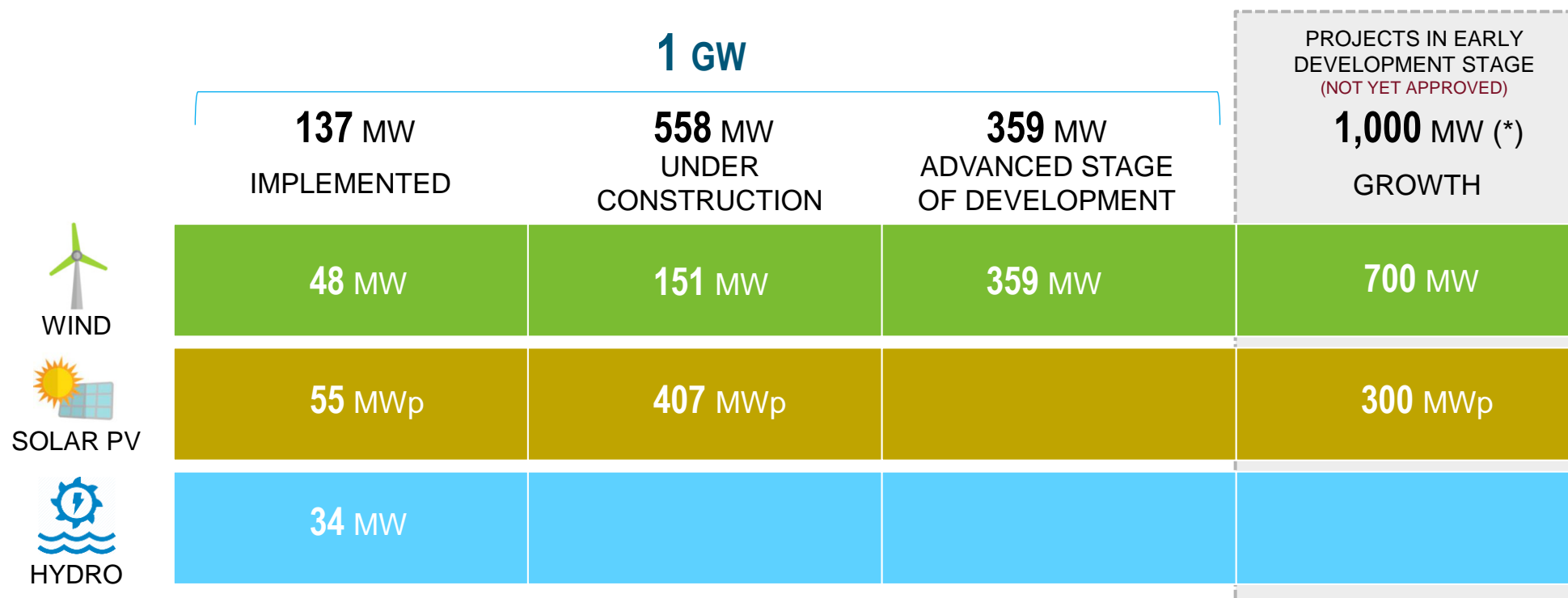
1 GW plus 1 GW growth projects under development

|  |  | 1 GW                          |                        |                               |                  | 1 GW (**)<br>PROJECTS IN EARLY DEVELOPMENT STAGE<br>(NOT YET APPROVED) |
|--|--|-------------------------------|------------------------|-------------------------------|------------------|--|
|  |  | 2019                          | 2020                   | 2021                          | 2022             | 2023-2025  |
| <b>COD/YEAR (MW)</b>   |  | 55                            | 82                     | 360                           | 557              | 1,000  |
| <br><b>WIND</b>     |  |                               | 48 MW<br>Monte Redondo | 151 MW<br>Calama              | 359 MW<br>ASD(*) | 700 MW   |
| <br><b>SOLAR PV</b> |  | 55 MWp<br>Los Loros Andacollo |                        | 209 MWp<br>Capricornio Tamaya | 198 MWp<br>Coya  | 300 MWp  |
| <br><b>HYDRO</b>    |  |                               | 34 MW<br>Laja          |                               |                  |  |
| <b>CAPEX (MUSD) &amp; ACQUISITIONS</b>   |  | 64                            | 206                    | 330                           | 306              |  |

(\*) ASD = Projects in advanced stage of development. We expect to announce start of construction in 2021.

(\*\*) This figure is provided as an indication of our development portfolio. There is no guarantee that these projects will be built. Projects under development require a positive evaluation, environmental and social permits and prior board approval, among others.

# Asset rotation plan



(\*) This figure is provided as an indication of our development portfolio. There is no guarantee that these projects will be built. Projects under development require a positive evaluation, environmental and social permits and prior board approval, among others.

# 151 MW Calama wind farm

US\$159 million CAPEX / COD: 3Q21

**Global advance: 75%**

Main milestones: 15 WTGs\* assembled. Commissioning started

Main contractors: Siemens Gamesa & GES



\*WTG = Wind turbine generator





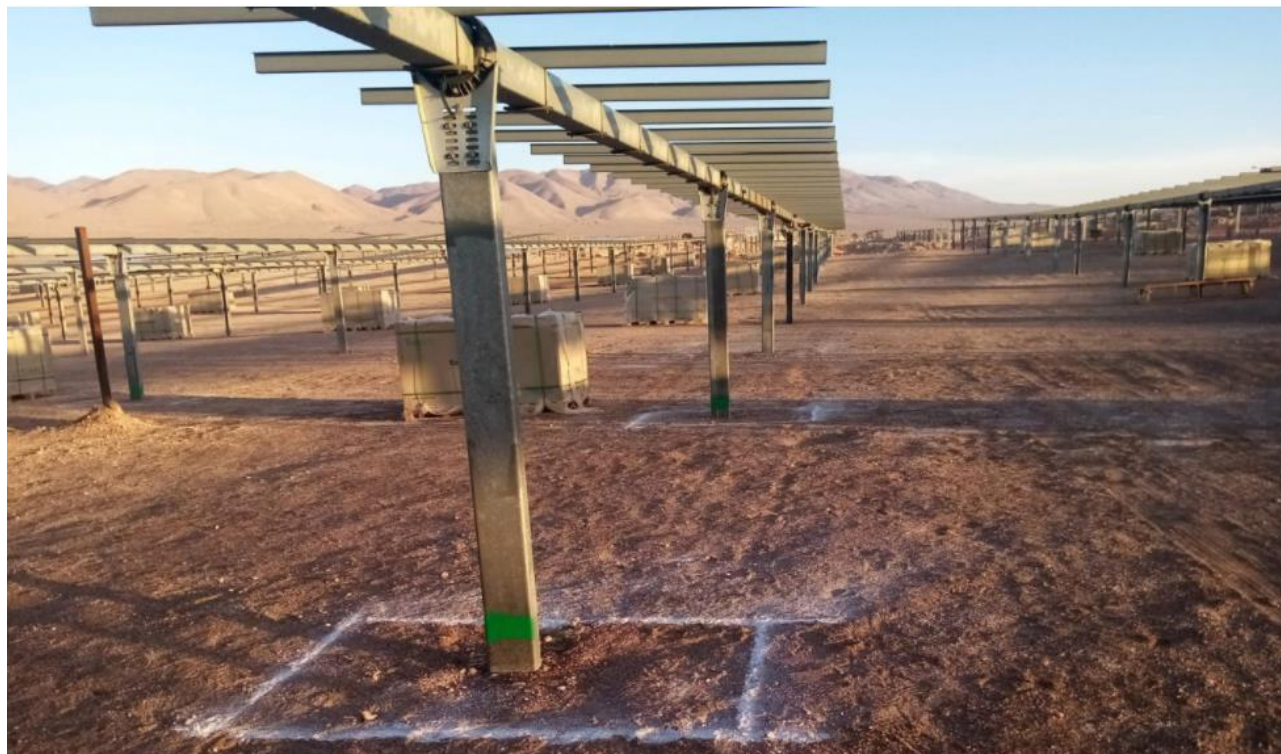
# 94.5 MWp Capricornio solar PV plant

US\$ 64 million CAPEX / COD: 2Q21

**Global advance: 86%**

Milestones: Main transformer installed. Civil Works control building finished

Main contractors: GES, Trina Pro, Sungrow



# 114 MWp Tamaya solar PV plant

US\$ 68 million CAPEX / COD: 2Q21

**Global advance: 78%**

Milestones: PV Works started; 100% supplies on site; power transformer shipped

Main contractors: Tozzi, Trina Pro, Sungrow





# 198.3 MWp Coya solar PV plant

US\$ 117 million CAPEX / COD: 1Q22

**Global advance: 0%**

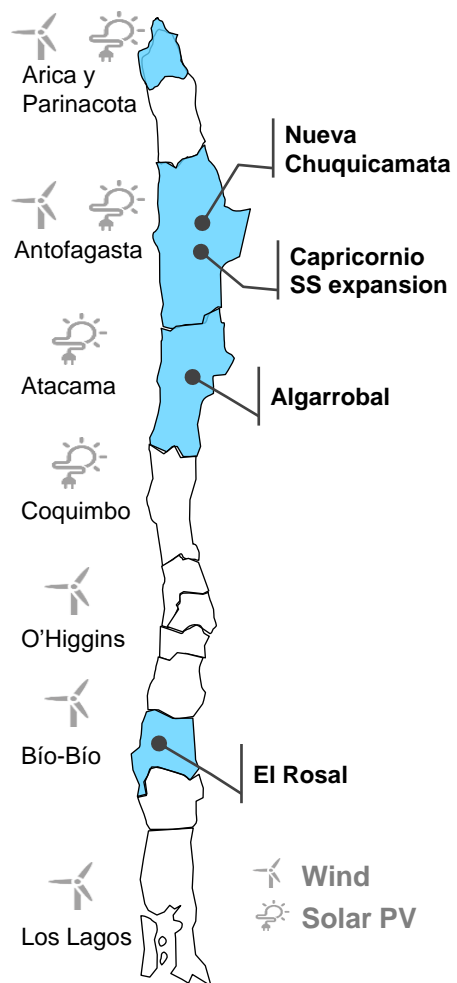
Milestones: NTP - Kick-off meeting w/consortium

Main contractors: Siemens-Ingecoz, OHL (BOP), Sungrow, Soltec, Longi



# National / zonal transmission projects in execution

US\$ 53 million Total Investment Value



Source: Engie Energía Chile



## Nueva Chuquicamata (National)

- Substation + 2 x 220 kV transmission line
- COD: SS: Mar. 2021 / TL: Apr. 2021



## El Rosal (National)

- 220 kV sectioning substation
- COD: Mar. 2021



## Algarrobal (National)

- 220 kV sectioning substation
- COD: Mar. 2021

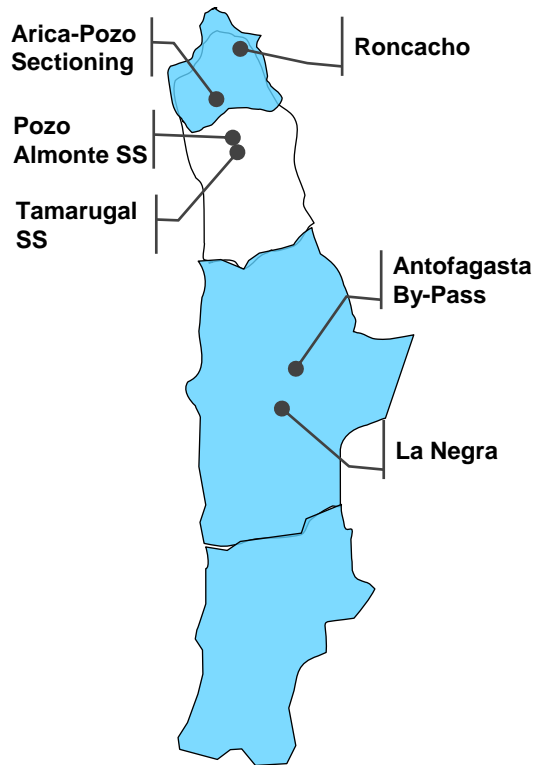


## Capricornio SS expansion (Zonal)

- 220 kV sectioning substation
- COD: Nov. 2021

# National / zonal transmission projects awarded

US\$ 43 million Total Investment Value



## Antofagasta By-Pass

- Zonal
- Multi-circuit transmission line 2x110 kV, 1x220 kV.
- COD: 2023
- Awaiting Decree issuance
- Development engineering in bidding process

## La Negra

- Zonal
- Substation + 2 x 220 kV transmission line
- COD: 2023
- Awaiting Decree issuance
- Development engineering in bidding process

## Pozo Almonte SS Expansion

- Zonal
- 110 kV Substation
- COD: 2023
- Awaiting Decree issuance
- EPC: Cobra

## Tamarugal SS expansion + 1x66 KV TL Pozo Almonte - Tamarugal

- Zonal
- Substation + 1x66kV T.line
- COD: 2023
- Awaiting Decree issuance
- EPC: Cobra

## Arica - Pozo Almonte TL sectioning at Dolores SS

- Zonal
- 220 kV Substation
- COD: 2023
- Awaiting Decree issuance
- Development engineering in bidding process

## Roncacho Substation

- Zonal
- 220 kV sectioning Substation
- COD: 2023
- Awaiting Decree issuance
- Development engineering in bidding process

Source: Engie Energía Chile





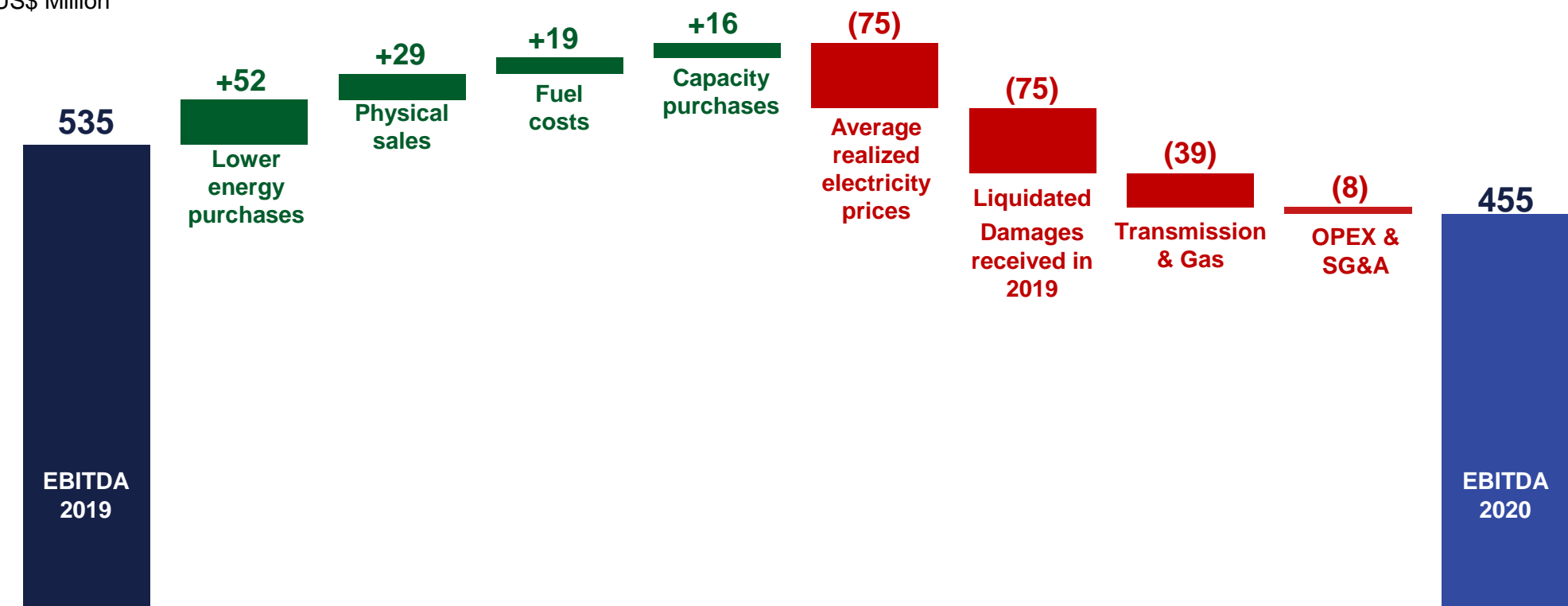
4

# Financial update

# EBITDA evolution

Decrease primarily explained by liquidated damages received in 2019

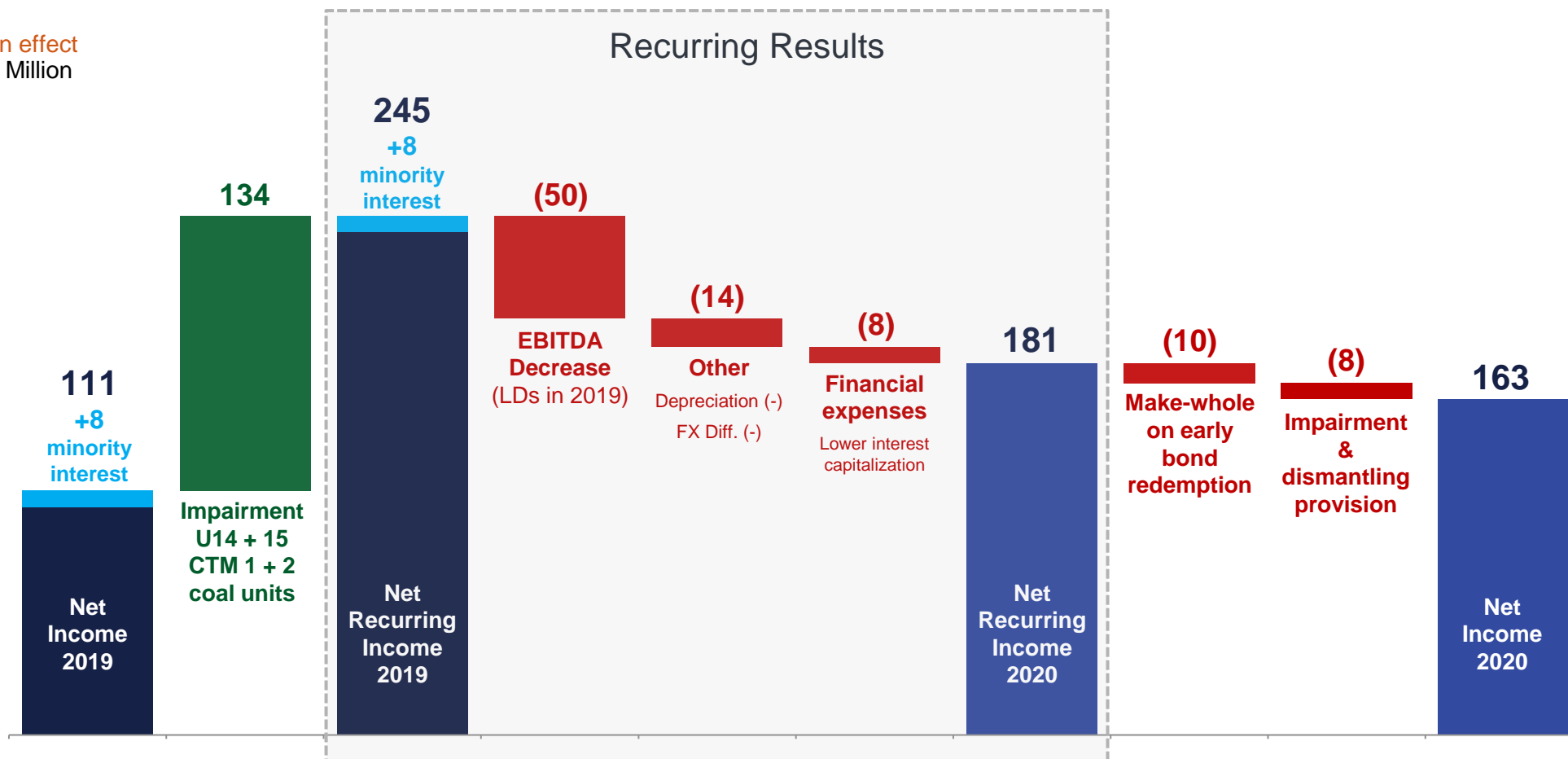
By main effect  
In US\$ Million



# Net income evolution

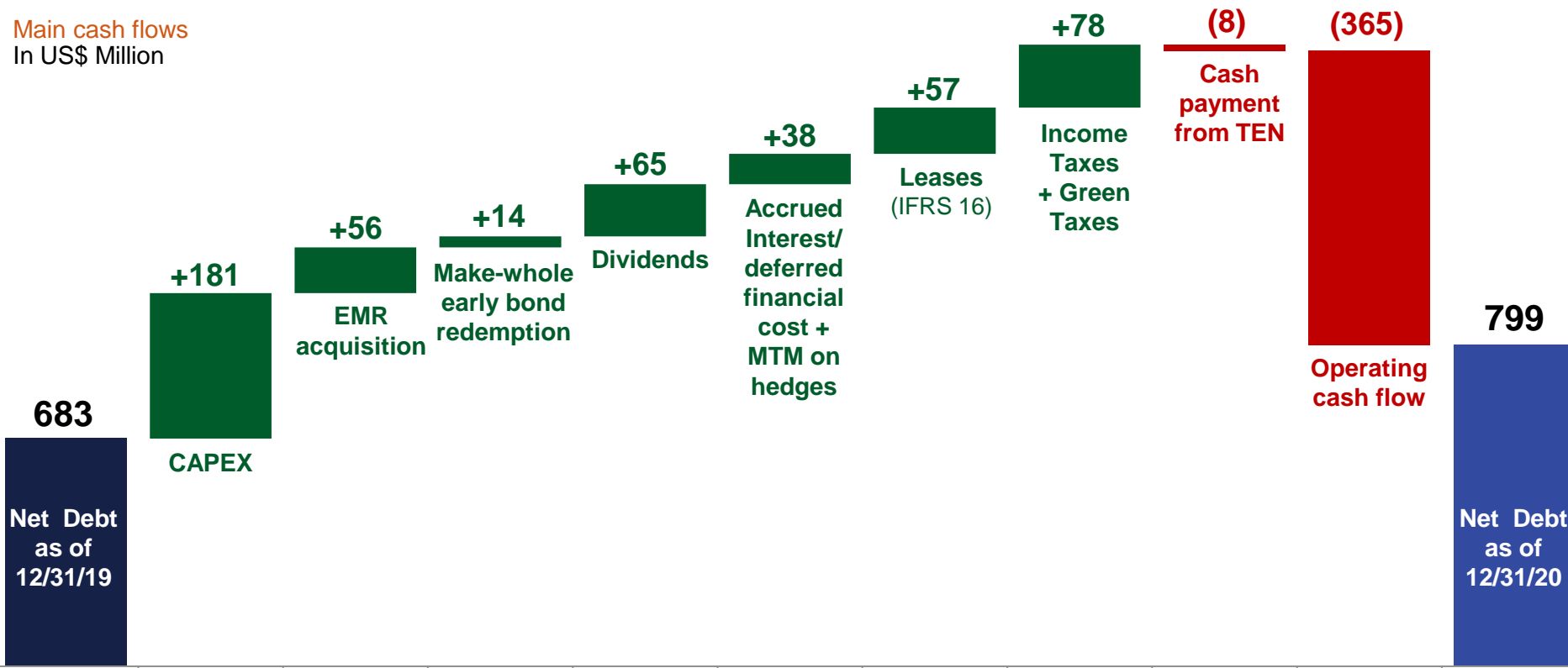
2019: Impairments + income from LDs    2020: Make-whole on early bond redemption

By main effect  
In US\$ Million



# Net debt evolution

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



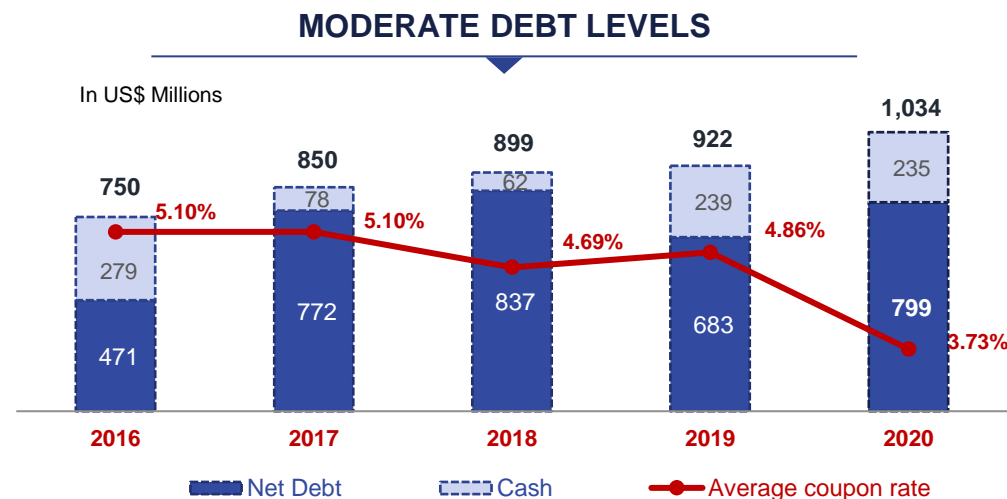
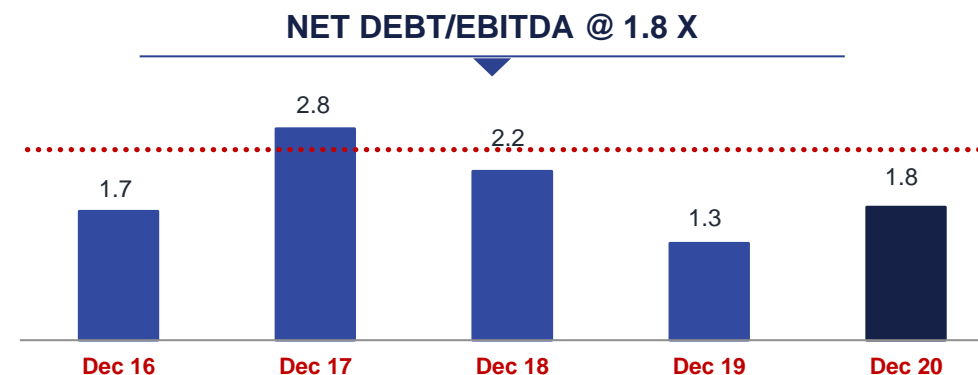
# Robust financial structure

## Fitch: Rating upgraded to BBB+ Feller: Positive outlook

- International:
  - Fitch (Jun 2020): **BBB+ Stable**
  - S&P (Jan 2020): **BBB Stable**
- National scale:
  - Fitch (Jun 2020) **AA Stable**
  - Feller Rate (Jan 2021): **AA- Positive**

## Debt details:

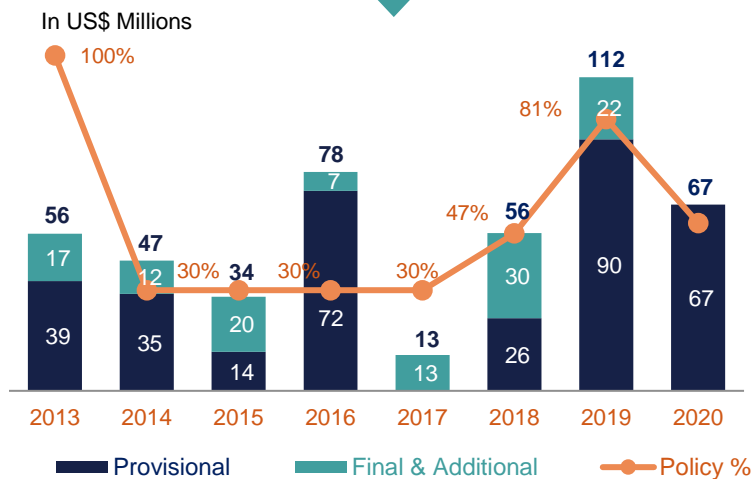
- US\$ 850 million 144-A/Reg S Notes:
  - 3.40%, US\$500 million 2030 (YTM=2.309% at 12/31/20)
  - 4.50%, US\$350 million 2025 (YTM=1.656% at 12/31/20)
- US\$50 million 1-yr. loan w/Banco Estado
- US\$56 million 20-yr. financial lease w/TEN
  - for dedicated transmission assets
- US\$83 million financial leases per IFRS 16
- US\$125 million, 12-yr IDF/CTF loan facility
  - undrawn as of 12/31/2020



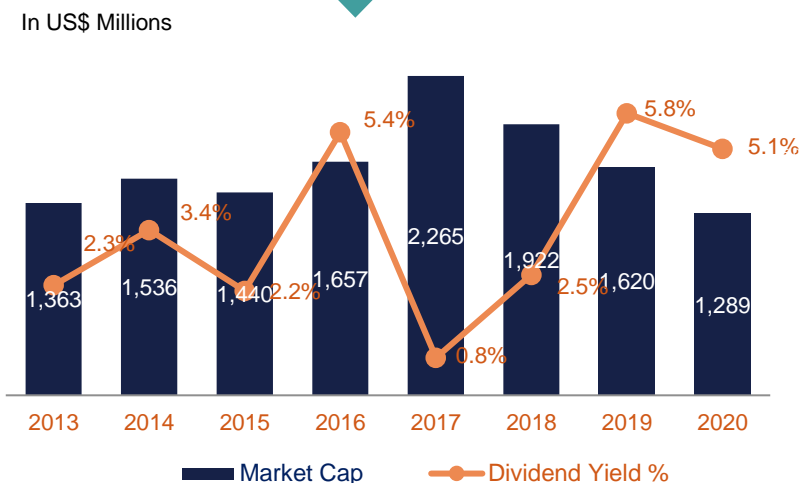


# US\$67 million provisional dividend 30-Nov-20

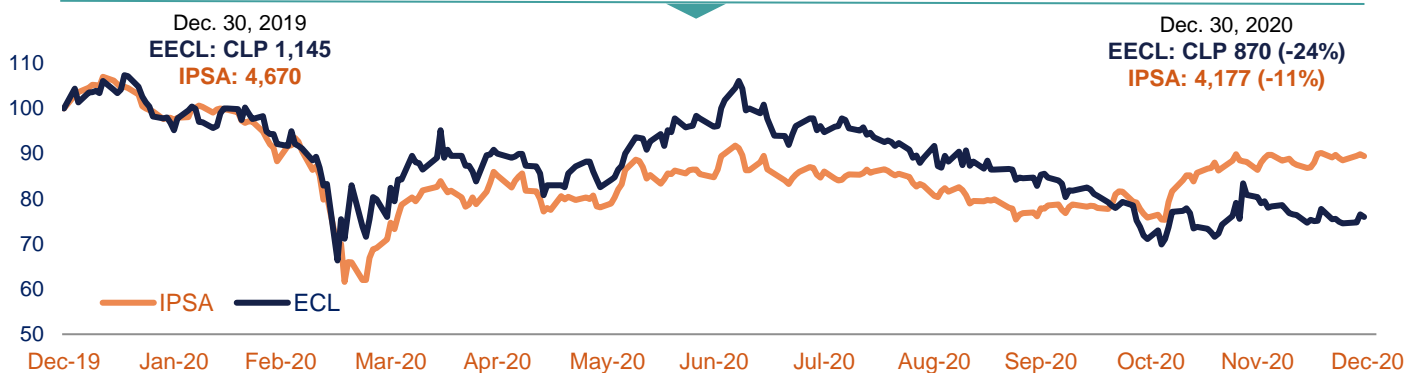
DIVIDENDS PAID



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

# Key take aways

## Resilience in COVID-19 context

Results within low end of pre-COVID guidance  
Caring for our stakeholders: health and safety above all

## Building our future together with our clients

AMSA PPA renegotiation + new green corporate PPAs signed in 2020  $\approx$  2 TWh/y  
Advanced renegotiation of 1.1 TWh/y coal-linked PPA

## Advancing in our energy transformation plan

First 0.6 GW of renewables close to completion. 0.4 GW to be announced soon.  
Additional 1 GW growth in our development pipeline

## Robust and flexible capital structure

Rating upgrade to BBB+  
US\$ 67 million provisional dividend



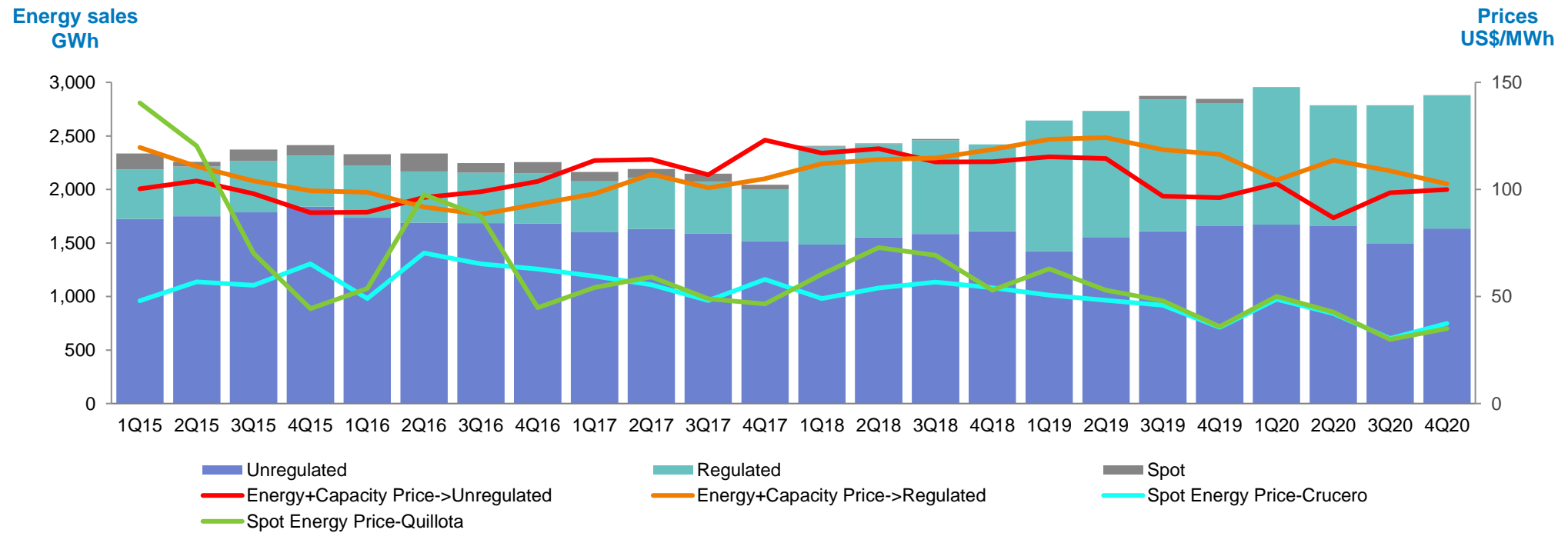
5

**Addenda**

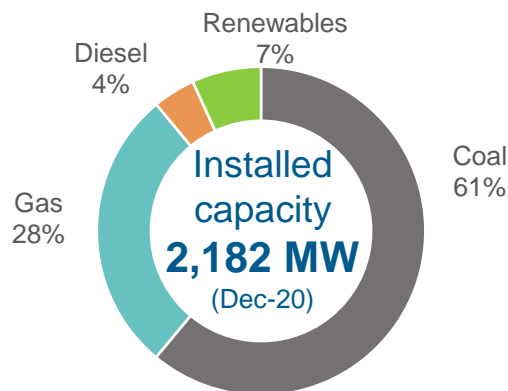
# Long-term contracts

The basis for stable sales and prices

## ENERGY SALES AND PRICES

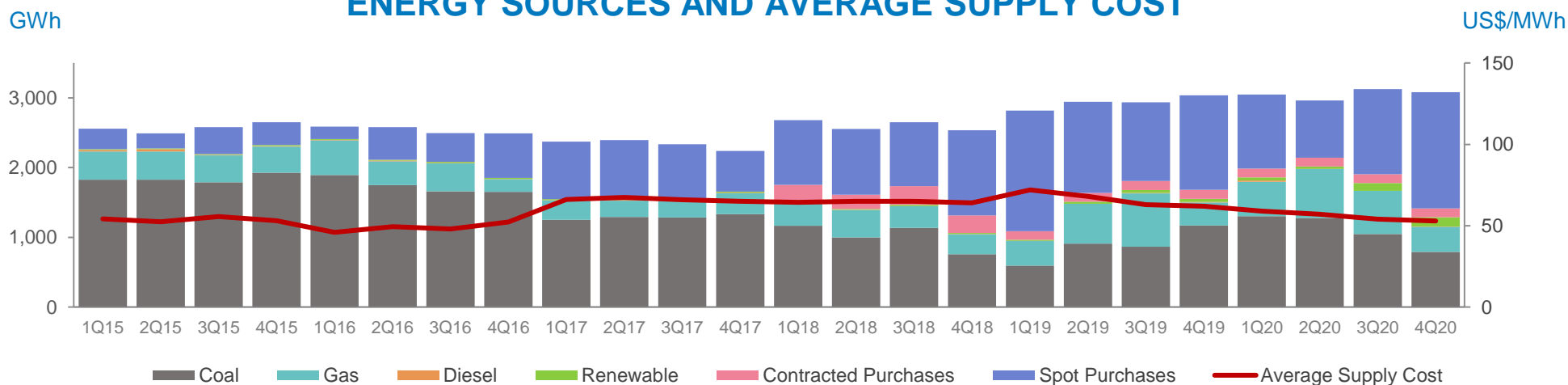


# Demand supplied with own generation and energy purchases hedged by our installed capacity



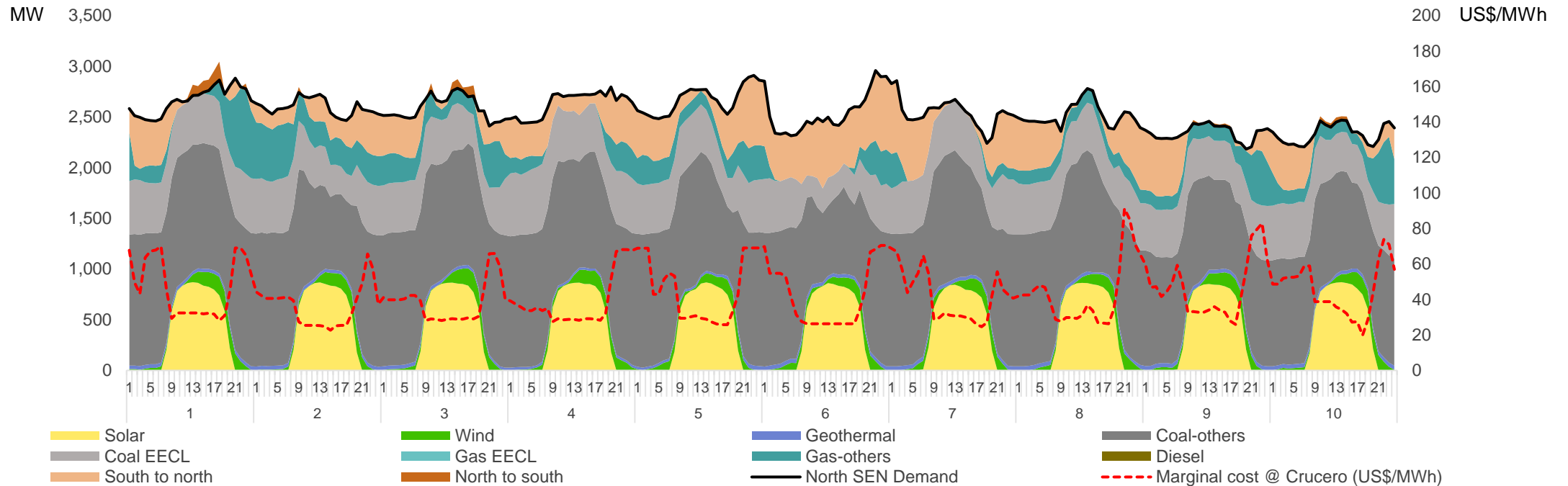
- Energy purchases decreased due to IEM, but remain high due to (i) efficient capacity additions in the grid and (ii) PPA with distribution companies in central Chile
- Average supply cost depends on fuel prices, power demand, gas supply, transmission congestions, renewable output, plant performance and hydrologic conditions

## ENERGY SOURCES AND AVERAGE SUPPLY COST



# Regulatory and grid coordination challenges

Generation North SEN – December 1 to 10, 2020



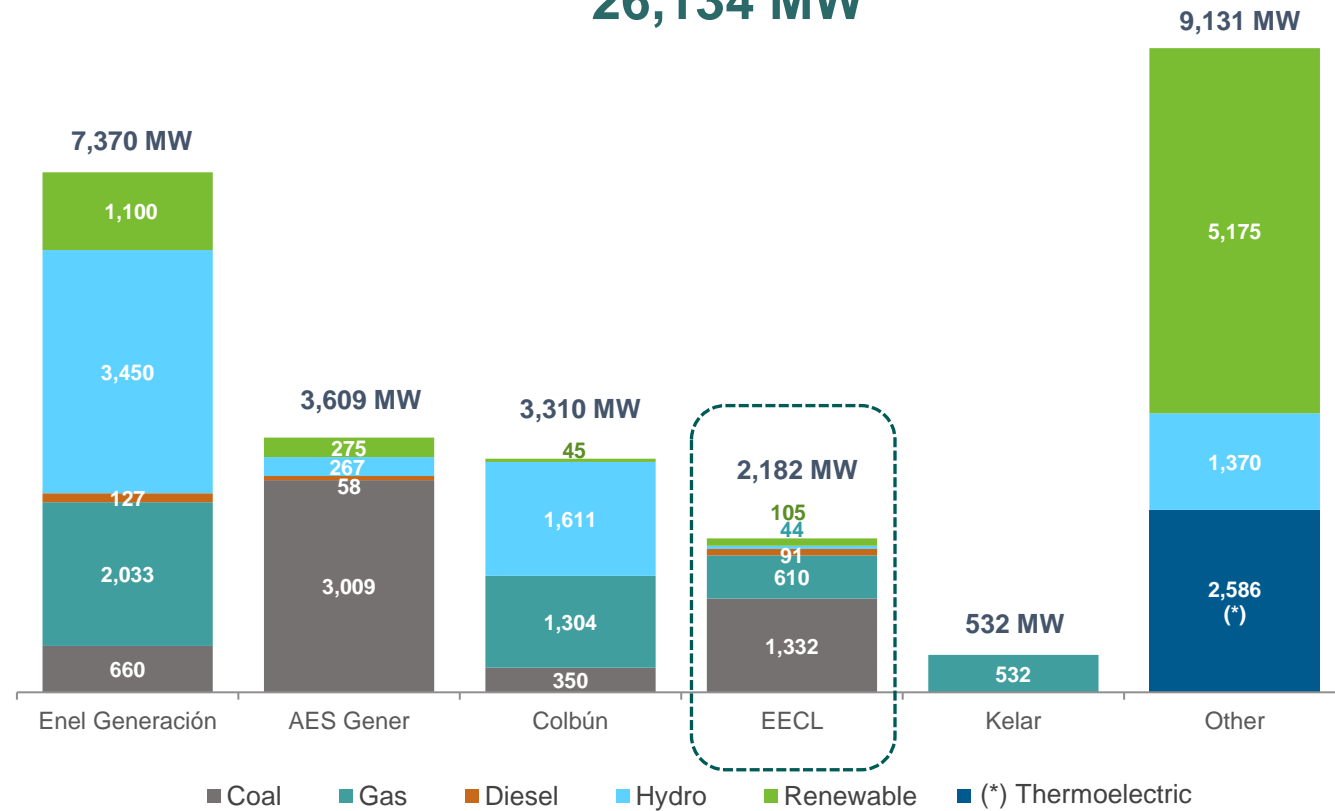
## Full interconnection since end May-2019, at timeslack of gasmus inflexible LNG supply, better hydrology in 2<sup>nd</sup> half of 2020

- In 2020 marginal costs averaged US\$40/MWh due to greater gas supply, lower regulated demand, and better hydrologic conditions in the 3<sup>rd</sup> + 4<sup>th</sup> quarters. The exception was March 2020, when extended unavailability periods of large plants and low reservoir levels caused marginal costs at the Crucero note to average US\$64/MWh.

# Sistema Eléctrico Nacional - SEN



SEN – December 2020  
**26,134 MW**



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



# IEM and Puerto Andino

## Puerto Andino

- Mechanized port. 6 million TPY transfer capacity, 3,000 TPH unloading speed => lower demurrage costs
- Conventional & tubular conveyor belts => better environmental standards
- Diversification opportunities
- US\$122 million investment at CTA subsidiary



## IEM

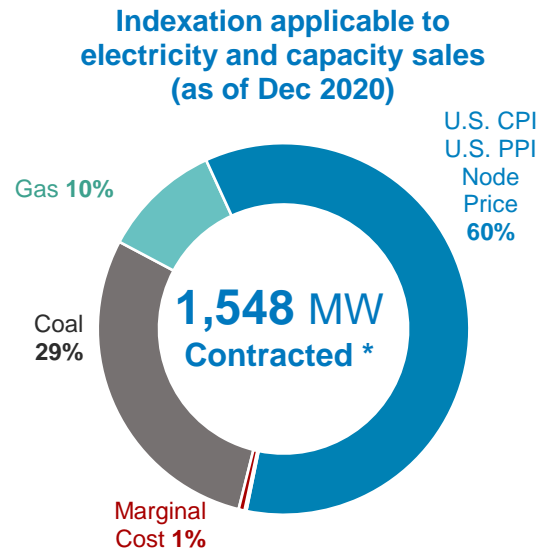
- 377MWe gross capacity => 348MWe net base-load capacity
- Pulverized coal-fired plant w/ strict environmental standards
- EPC contractor: SK Engineering & Construction (Korea)
- Commercial operation date: **May 16, 2019**
- US\$0.9 billion investment



Source: Engie Energía Chile

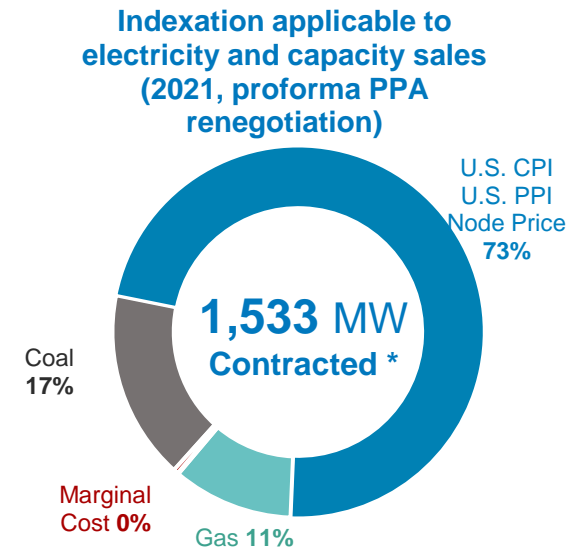
# PPA portfolio indexation

Shifting away from coal



(\*) Projected average annual demand over the life of the contracts outstanding as of December 30, 2020

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



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

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

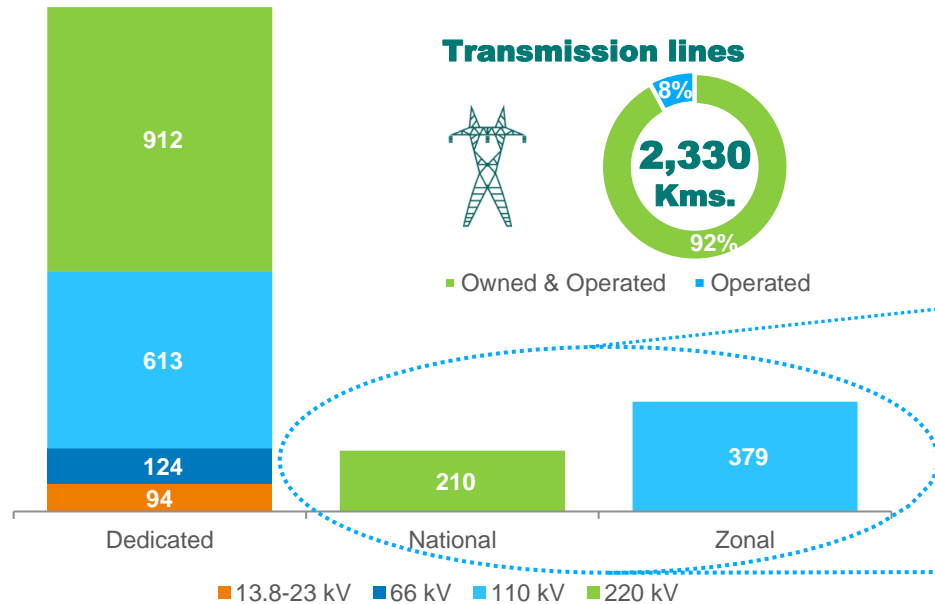
- Energy tariff: ~40% US CPI, ~60 % Henry Hub gas price:
  - Based on average HH reported in months n-3 to n-6
  - Immediate adjustment triggered in case of any variation of 10% or more
- Capacity tariff per node price published by the National Energy Commission (“CNE”)
- Actual collections under this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

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

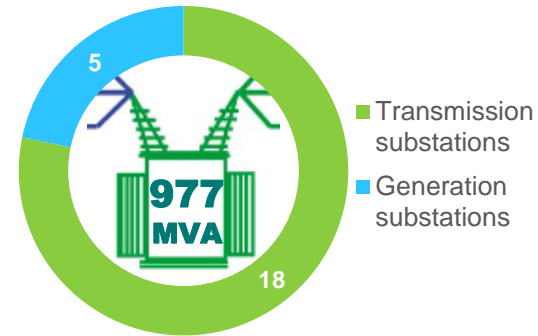
- Energy tariff: ~66.5% US CPI, ~22% coal, 11.5% HH gas:
  - Based on average HH reported in months n-3 to n-8
  - Immediate adjustment triggered in case of any variation of 10% or more
- Capacity tariff per node price published by the National Energy Commission (“CNE”)
- Actual collections under this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

# EECL, a relevant player in transmission

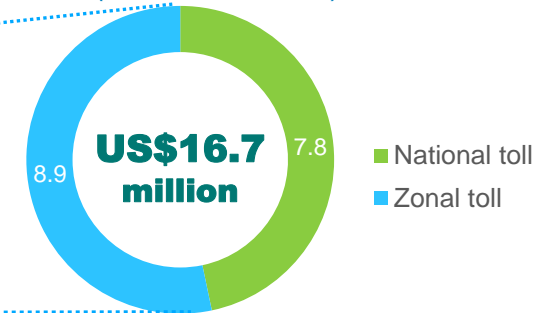
**2,330 kms**  
**23 substations - 977 MVA**  
**US\$ 16.7 million regulated revenue p.a.**



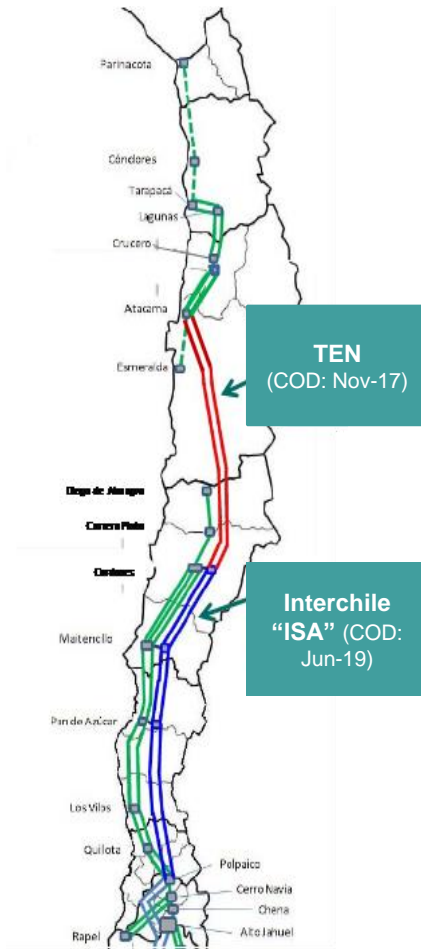
**Substations**



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



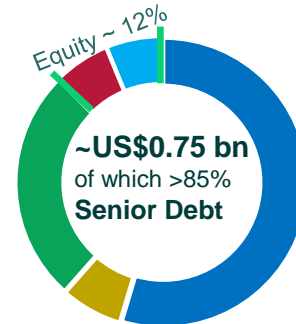
# Transmisora Eléctrica del Norte (« TEN »)



- 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\$ 84 million
- New tariff scheme with retroactive effect to 1-Jan-20 to be enacted upon publication of new Tariff Decree

|  |             |
|--|-------------|
| <b>TEN annual revenue per old decree:</b>  |             |
| <i>(in USD millions at Dec 30, 2020 FX rates)</i>  |             |
| AVI (VI annuity):  | <b>76.7</b> |
| + COMA (O&M cost):   | <b>9.1</b>  |
| <hr/>  |             |
| = VATT   | <b>85.8</b> |
| + Toll (paid by EECL):   | <b>~7.0</b> |
| AVI = annuity of VI (Investment value) providing 10% pre-tax return on assets (at least 7% post-tax return beginning 2020) |             |

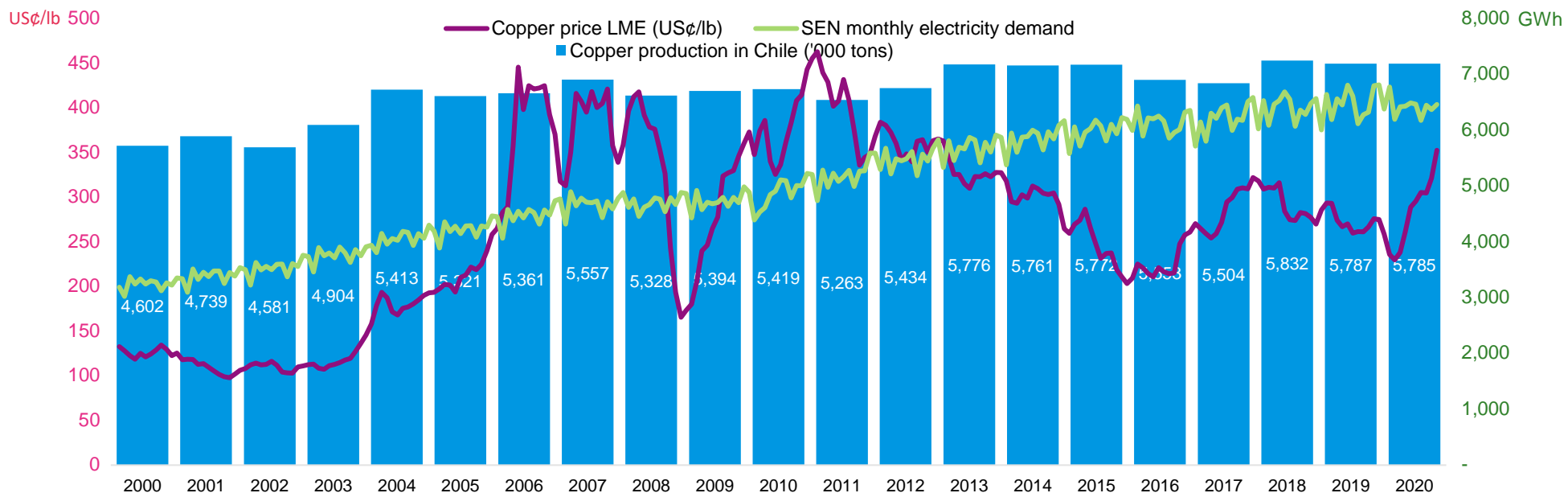
### Project Financing as of 31-Dec-20



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

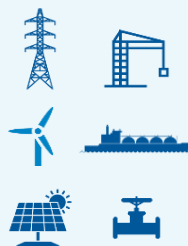
**Total senior debt ≈ USD 0.65 bn**

# 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.

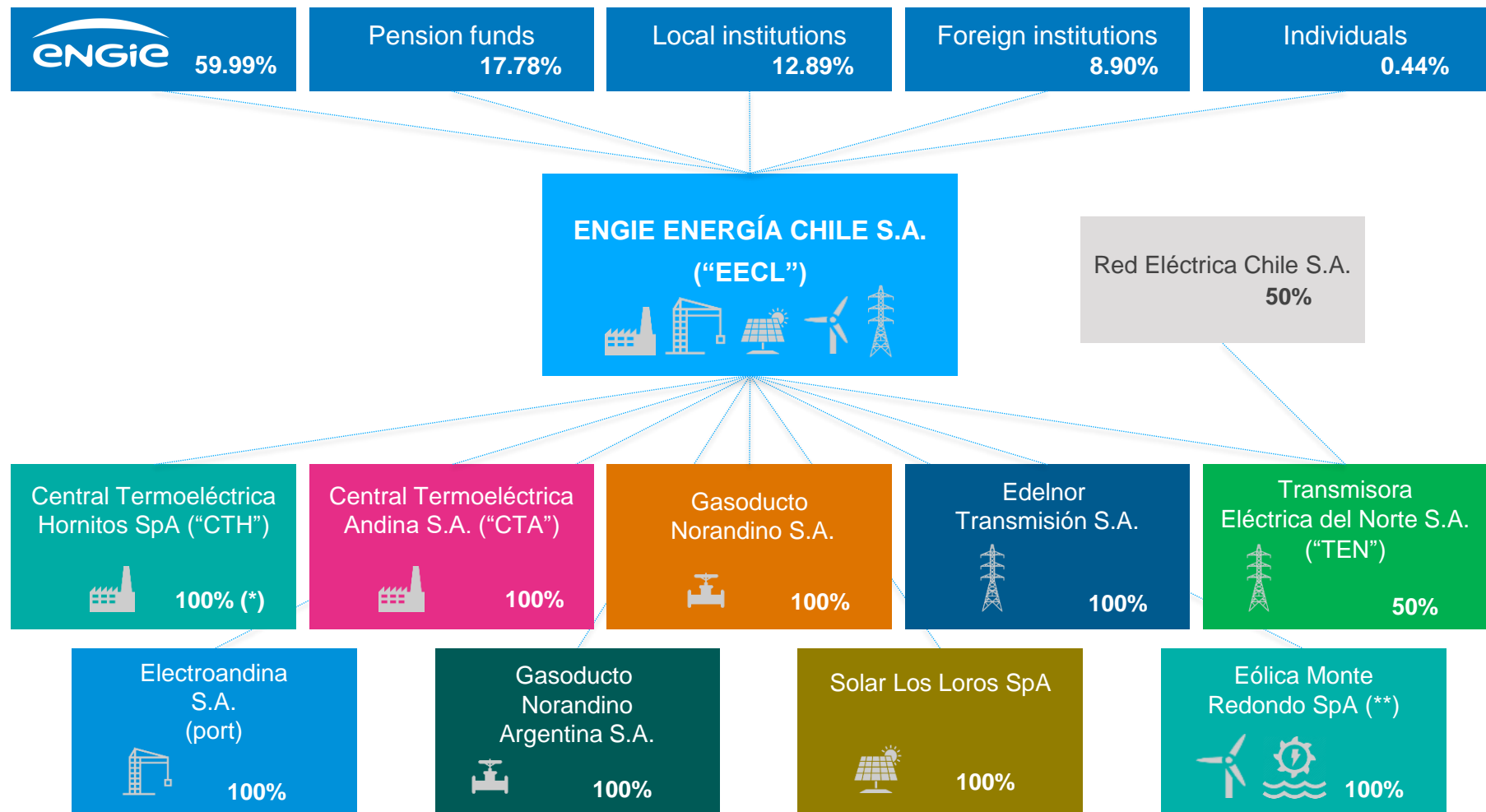


### Engie is prepared to help our clients:

- 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

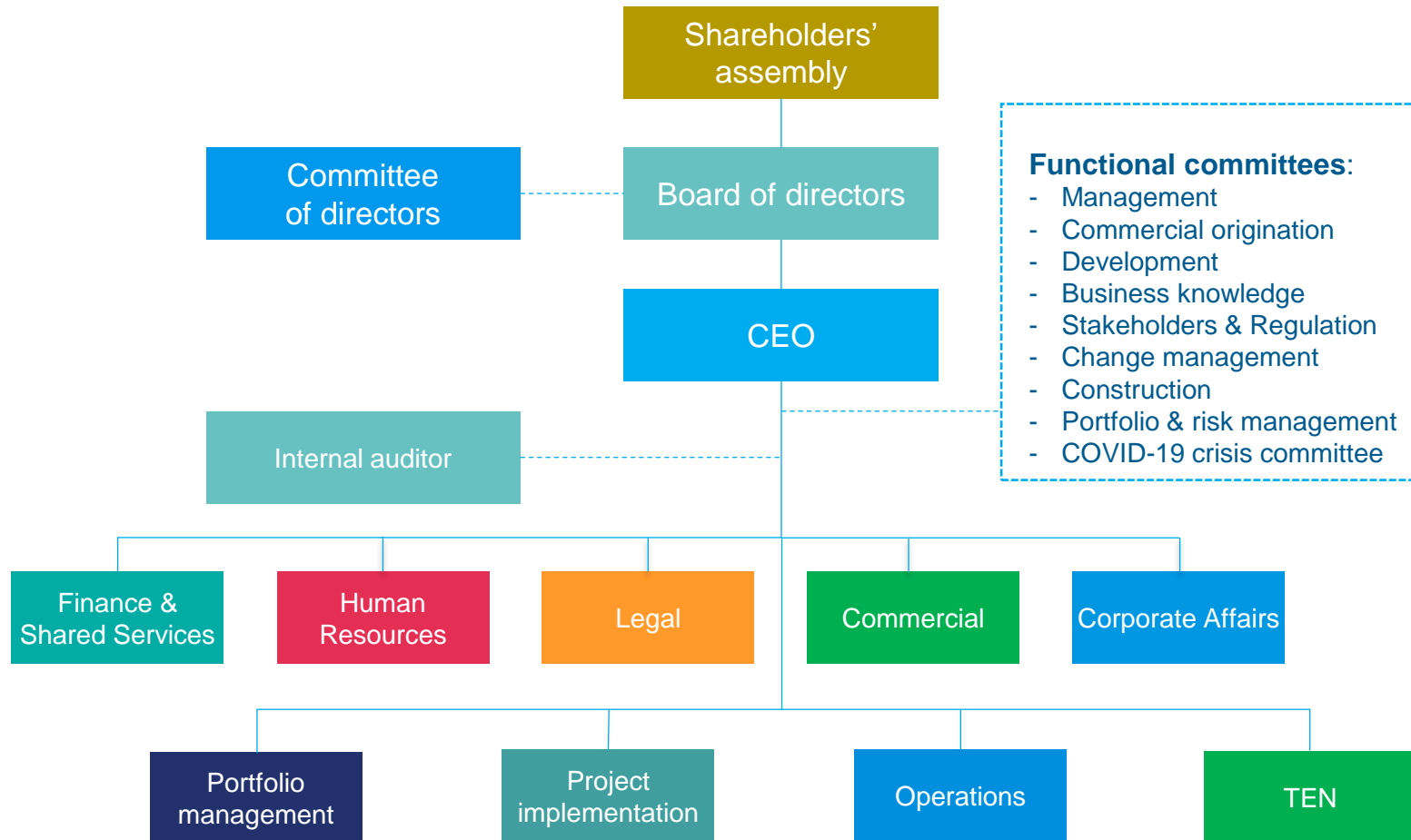


(\*) Beginning March 31, 2020, EECL has control over Inversiones Hornitos and consolidates 100% of the Company in its financial statements.

(\*\*) On July 1, 2020, EECL acquired 100% of Eólica Monte Redondo SpA.



# 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

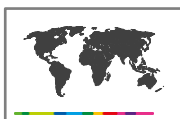


inversionistas@engie.com

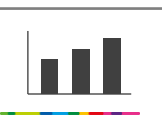


<http://www.engie-energia.cl>

## MORE INFORMATION ON 4Q 2020 RESULTS IN OUR WEB PAGE



Presentation



Addenda



Press  
Release



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conference  
audiocast

4Q 2020

Financial  
report



Analyst  
pack

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## Forward-Looking statements

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