

# ENGIE ENERGÍA CHILE

Investor presentation 1H 2022



RESTRICTED



INTERNAL



SECRET







1

## Results and guidance

# Key messages



Challenging times: extreme drought, record high fuel prices and high marginal costs

1H22 results impacted by extraordinary events, and adverse market conditions persist



New supply sources: 151MW Calama wind farm and 114MWac Tamaya PV plant in operations; back-up PPA volumes tripled to 2.1 TWh/yr

Additional 268 MW renewable output to become operational in 2022



1.35 GW wind, solar & BESS projects under development

Permit requests filed and land secured for future wind and solar PV projects



Financial flexibility

Liquidity strengthened by true sale of receivables and committed bank facilities

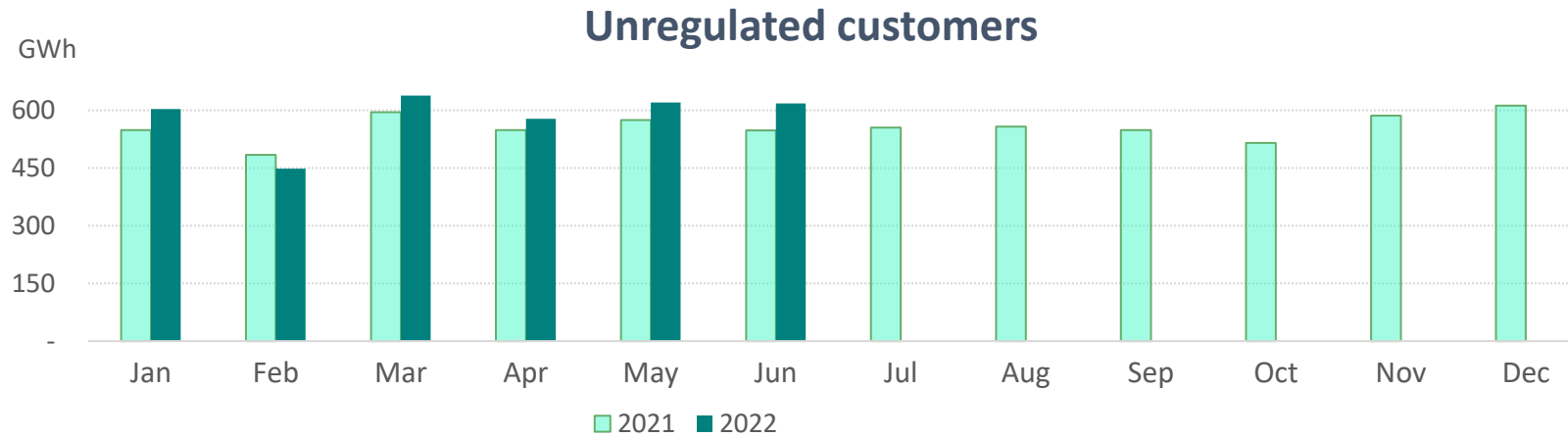


# Drought and high fuel prices posing continued challenges

	3Q20	4Q20	1Q21	2Q21	LTM 06-21	3Q21	4Q21	1Q22	2Q22	LTM 06-22	Var %
Operating revenues (MUSD)	338.7	365.3	332.2	388.5	1,424.7	365.7	383.4	417.9	481.4	1,648.4	16%
EBITDA (MUSD)	135.7	117.5	66.0	121.7	440.9	55.6	71.2	68.5	(8.0)	187.3	-42%
EBITDA margin (%)	40.1%	32.2%	19.8%	31.3%	30.9%	15.2%	18.6%	16.4%	-1.7%	11.4%	-19.5 pp
Net income (MUSD)	57.1	40.3	(17.6)	47.6	127.4	8.7	8.7	3.8	(44.2)	(23.0)	-118%
One-off items (MUSD)	0.0	(7.5)	(30.9)	(5.0)	(43.4)	(0.3)	0.0	(2.8)	0.0	(3.1)	-93%
Net income – before one-off items (MUSD)	57.1	47.8	13.3	52.6	170.8	9.0	8.7	6.7	(44.2)	(19.8)	-112%
Net debt (MUSD)	808.6	799.0	833.0	912.3	912.3	1,113.5	1,044.3	1,224.5	1,328.7	1,328.7	46%
Spot energy purchases (GWh)	1,079	1,668	932	716	4,395	375	1,215	1,014	759	3,363	-23%
Contracted energy purchases (GWh)	126	126	122	135	509	189	265	537	453	1,444	184%
Physical energy sales (GWh)	2,786	2,881	2,850	2,966	11,483	2,990	2,923	2,964	3,043	11,920	4%
Average realized price (USD/MWh)	103	104	101	115	106	109	122	123	145	125	18%

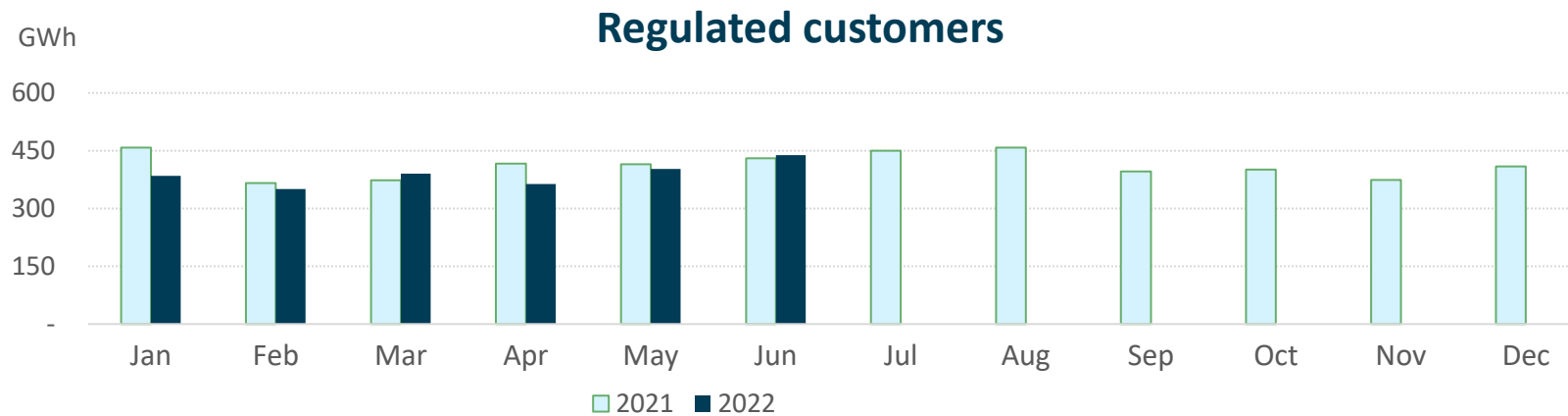
- EBITDA affected by higher generation costs and marginal costs due to drought, extremely high fuel prices and unavailability of thermal plants
- 4% physical energy sales increase mainly due to increased demand from mining clients
- 18% average realized price increase reflecting rising CPI and fuel prices
- Lower spot energy purchases; 184% increase in contracted energy purchases w/other generation Co's to mitigate exposure to spot market
- 2021 net income impacted by upfront recognition of financial expense on the sale of regulated receivables

# Physical sales evolution



### Unregulated customers

- Strong demand, with 2022 exceeding the three previous years due to recovery in mining activity and higher copper prices

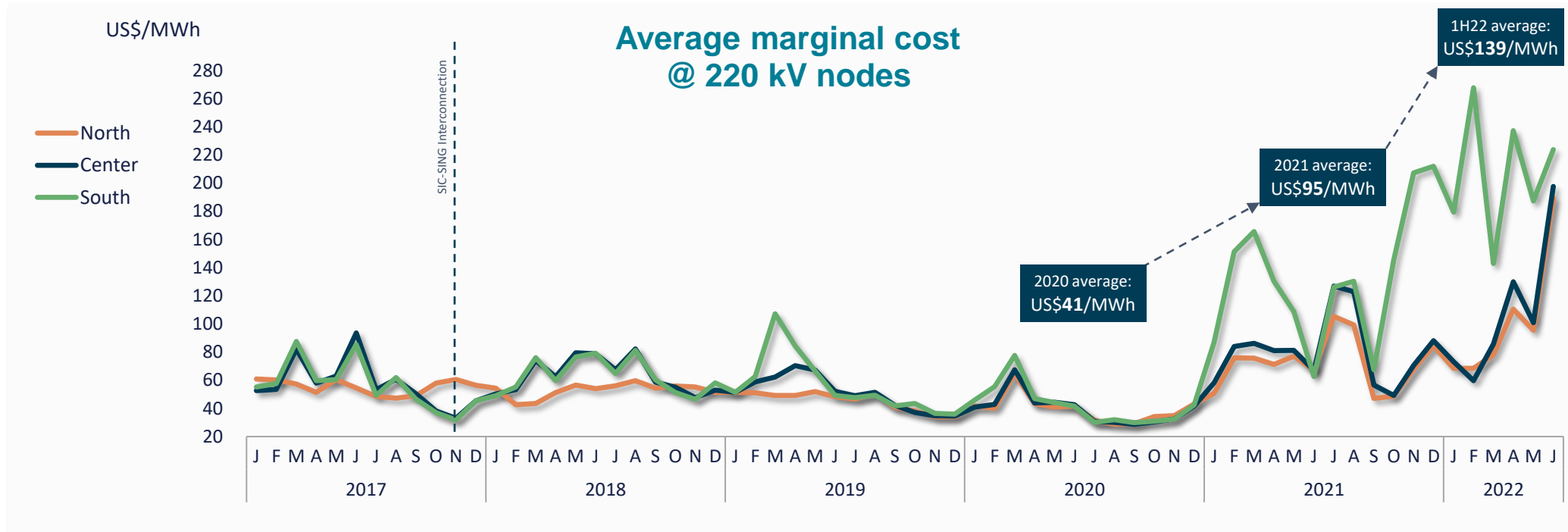


### Regulated customers

- Relatively flat physical sales
- 2022: Lower pro-rata in pool of regulated contracts
- End of 175 GWh regulated PPA at YE 2021

# Highest marginal costs in +5 years

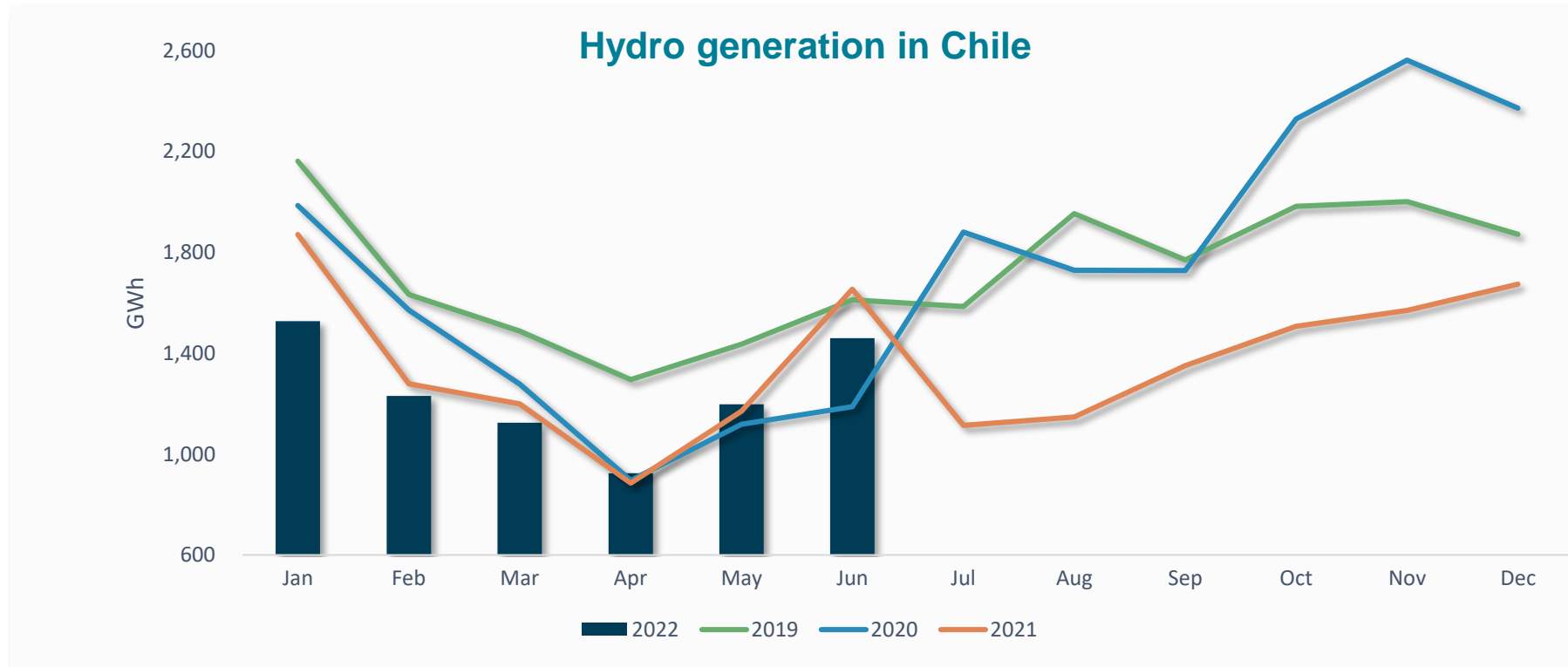
## Extreme drought, unprecedented fuel prices => high spot prices



- Marginal costs or spot prices have risen due to lower hydro generation and escalating fuel prices.
- Prices at the southern Puerto Montt node (~6% of EECL's energy withdrawals) have soared given water use restrictions at the Chapo reservoir and transmission bottlenecks
- 2.1 TWh of back-up PPAs with other generation companies provide an effective hedge against marginal costs fluctuations
- Argentine gas imports contributed to alleviate the pressure on marginal costs through Apr-22. Daily imports for ~6 million cubic meters per day ≈ 1,200 MW-avg/day
- Rain and snowfall in July are expected to reduce the pressure on marginal costs starting Aug/Sept-22

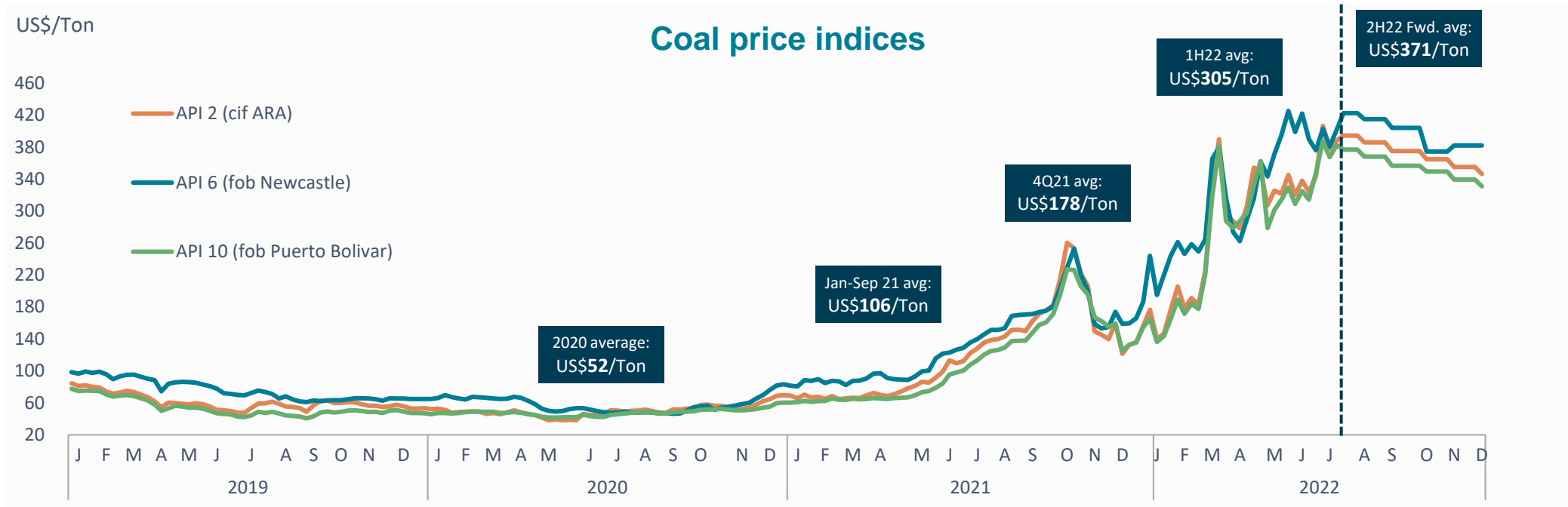
# April-21 – March 22: One of driest in +60 years

## Lower hydro generation causes increased reliance on fossil fuels



- Apr-21 – Mar-22 hydrological year: ~96.8% exceedance probability; i.e., among the driest in more than 60 years
- Hydraulic generation fell 20% in 2021 compared to 2020, an already dry year, and 7% in 1H22 compared to 1H21
- Significant rain and snowfall in July will bring a relief in 2H22, although the drought has not been overcome
- 372 GWh hydro generation reduction due to hydro reserve build-up until May-22

# Coal prices hitting all-time highs

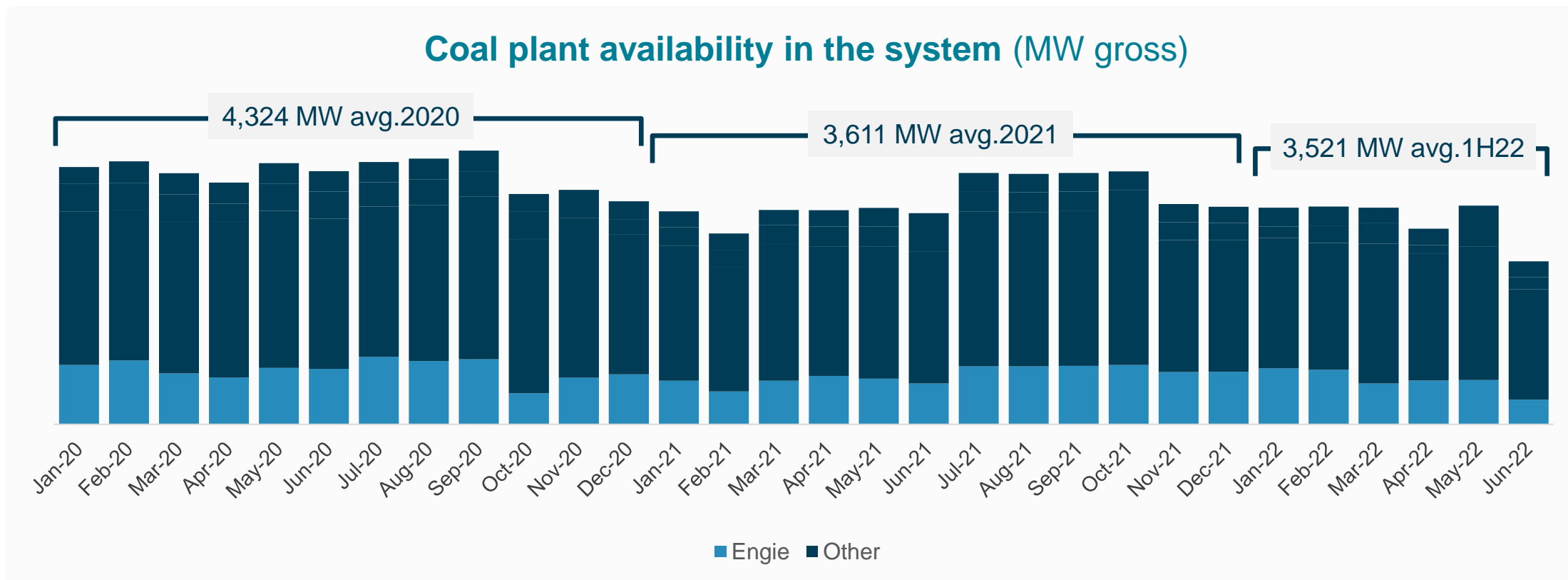


- Demand recovery from the pandemic
- Reduced investment in coal mining expansion projects due to climate policies
- Production problems, with producing countries prioritizing domestic supply: H&S issues in China, export bans in Indonesia, disruptions in Colombia
- Gas has become scarce and expensive due to demand increases for the energy transition and sanctions imposed on Russia



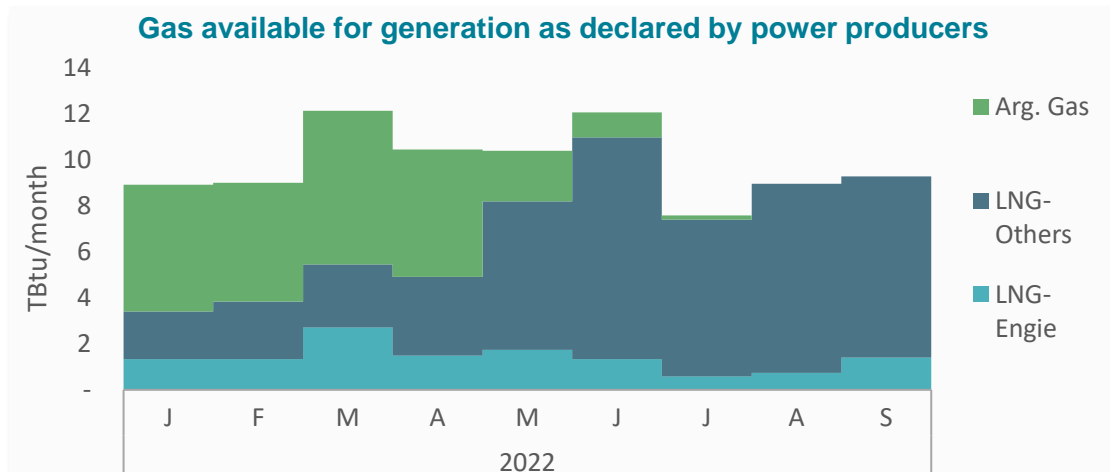
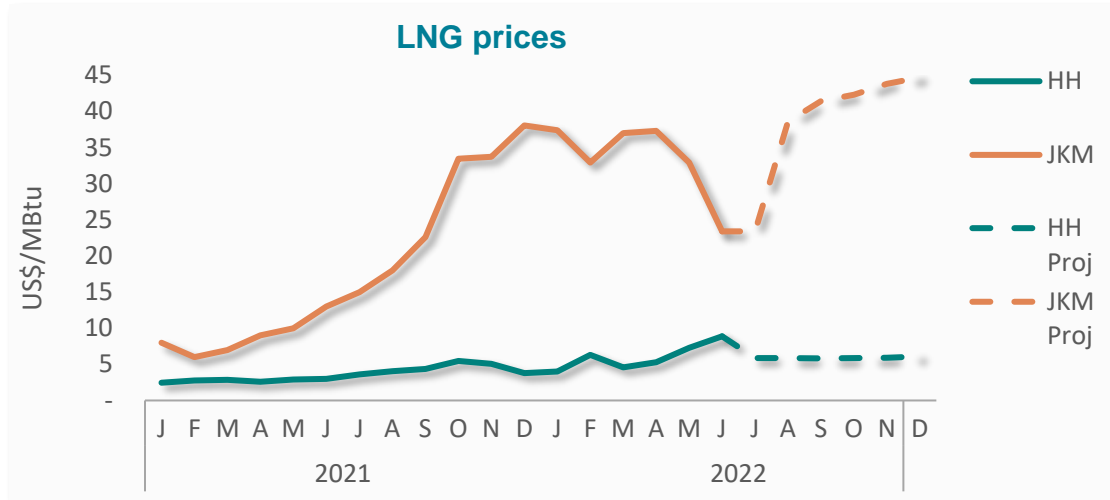
# Declining coal plant availability in the system

## Plant closures, limitations, planned and forced outages



# LNG prices at all-time highs

## Supply cuts due to Russia-Ukraine conflict & rising demand



### LNG international markets

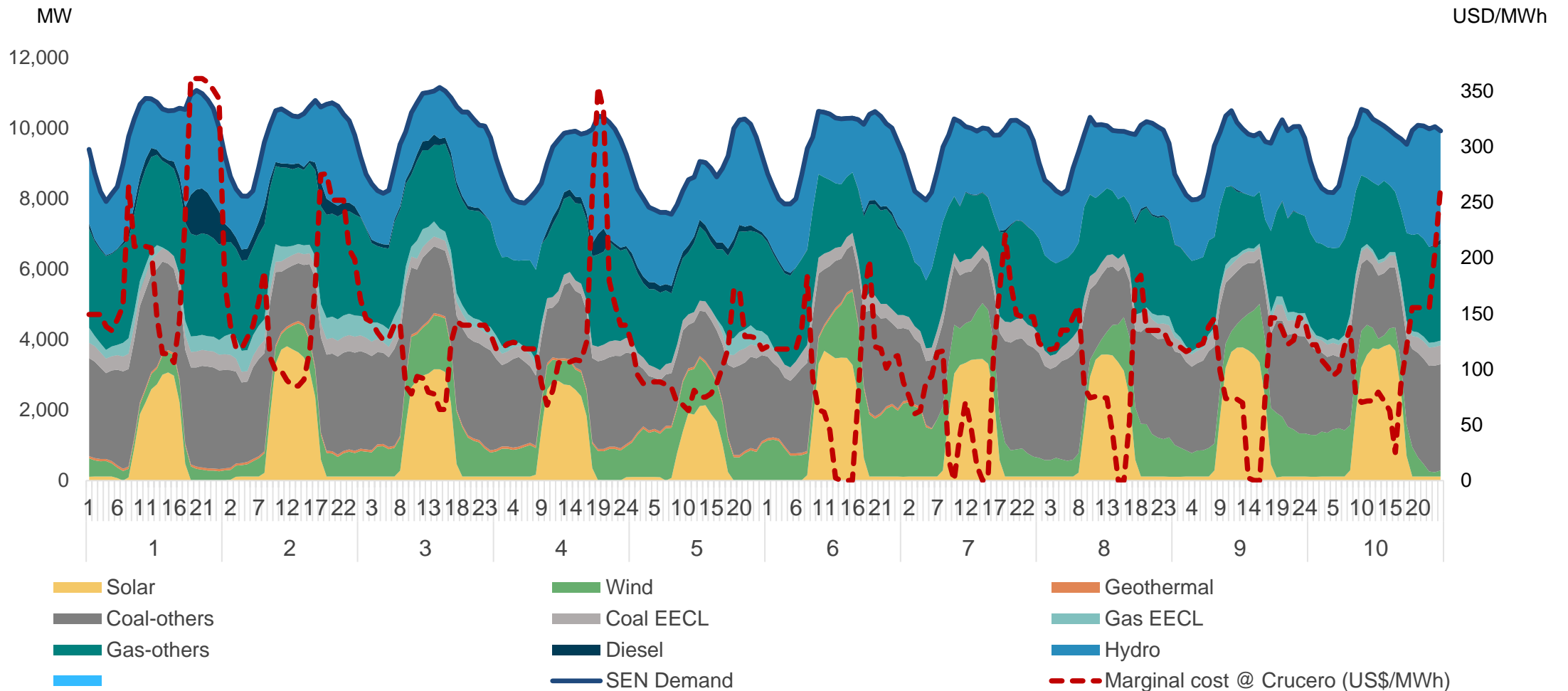
- COVID-19-containment measures led to record low spot LNG prices in May 2020 and delays in gas field maintenance and new investment
- Global demand has surged since then due to the end of confinement measures and preference of gas over coal for the energy transition
- The supply-demand imbalance, aggravated by the Russia-Ukraine war, has led countries to struggle to re-build stocks and secure energy supply
- The trend to move away from fossil fuels towards greener energy supplies has hindered producers' ability to quickly deliver more supply

### LNG and natural gas in Chile

- ENGIE has long-term supply contracts indexed by Henry Hub (23.7 TBtu p.a.). ENGIE accounted for 42% of LNG generation in 1Q22 and 18% in 2Q22 due to force majeure at Freeport terminal which led to cancellation of ~3.3TBtu LNG shipment
- Local generation companies secured spot LNG shipments to reduce power shortfalls in 2021; no spot purchases in 2022
- Argentine gas supply on interruptible terms returned in August 2021, representing 50% of gas supply in 4Q21, 54% in 1Q22, and 27% in 2Q22. Virtually no Argentine gas to be sent in 3Q22. Imports expected to resume (6.5 Mm<sup>3</sup>/day) for the period Oct 22-Apr 23 per commercial agreements signed by ENEL & Colbún

# High and volatile marginal costs

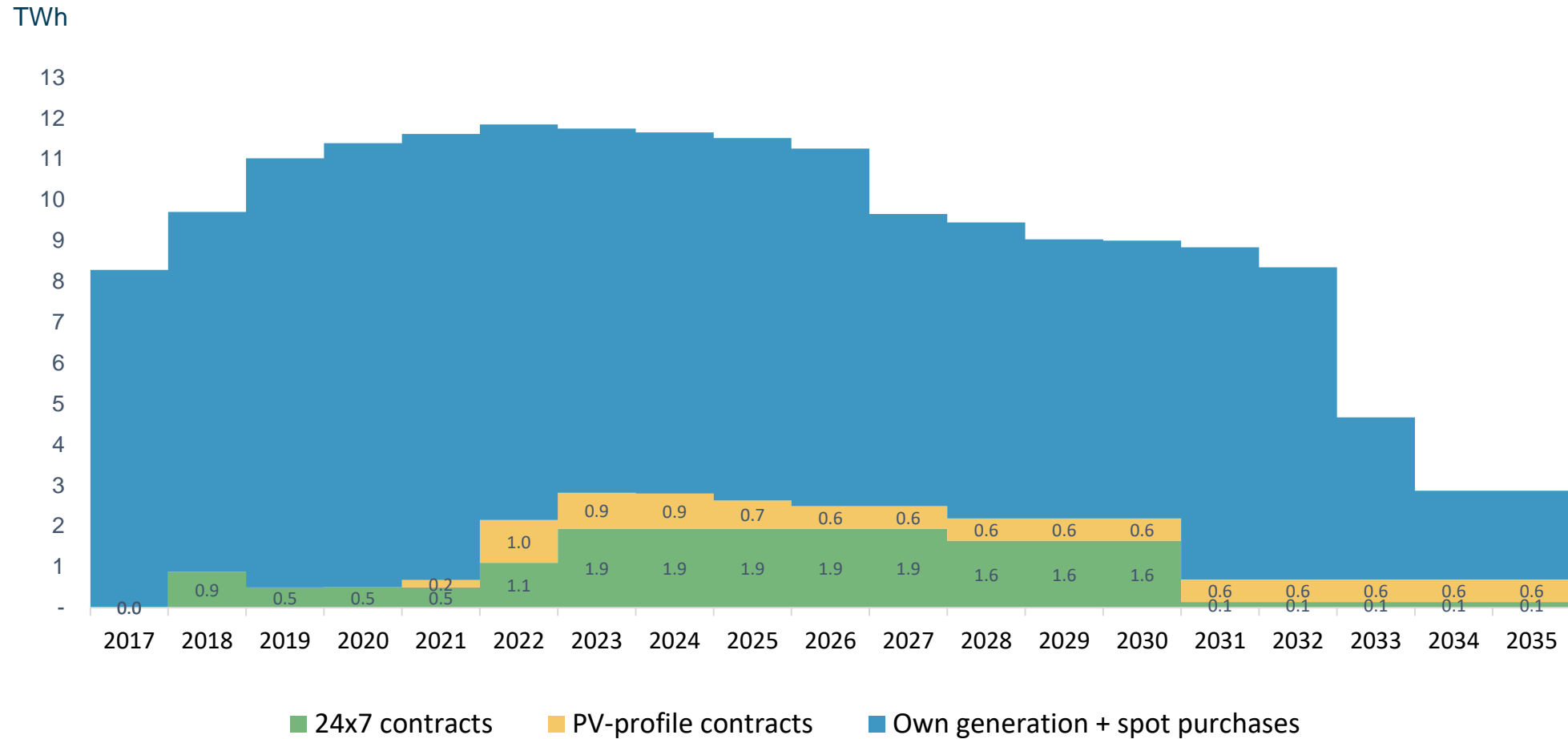
## A 10-day real example in the SEN grid (June 1 to 10, 2022)





# Managing supply risk

## Contracted energy purchases for ~25% of demand



# Demand met with generation and energy purchases

## Supply curve 1H22

US\$/MWh

250

200

150

100

50

0

1H22 Average monomic Price  
134 USD/MWh

1H22 Average fuel & electricity purchase cost  
118 USD/MWh

1H21: 108 USD/MWh

1H21: 66 USD/MWh

Renewables  
446 GWh

Coal (IEM)  
556 GWh

LNG (CTM3, U16+Maquila)  
866 GWh

Coal (CTA, CTH, CTM1+2, U14+U15)  
1,221 GWh

Spot energy purchases + Back-up PPAs  
2,015 GWh + 990 GWh

Diesel  
17 GWh

Total energy available before transmission losses = 6,111 GWh

### Coal units to be decommissioned

Unit	MW	Date	% 1H22 supply
U14	136	Jun-22 (*)	0.2%
U15	132	Sep-22 (*)	2.5%
CTM1-CTM2	334	Dec-24	5.6%

(\*) U14-U15 decommissioning postponed from Dec-21 to Jun-22 (U14) and Sep-22 (U15) for system security reasons

# 2022 Guidance

## 1H EBITDA US\$61 million

Hydrologic conditions: drought + hydro reserve Mar-May

Coal prices ~US\$200-350/ton

Argentine gas supply

LNG supply Force Majeure @ Freeport

Efficient plant outages (IEM + others)

PPA tariff indexation

New renewables (151MW Wind+114 MWac PV)

## 2H EBITDA US\$130 – 150 million

Hydrologic conditions – reserve release – thaw period

Coal prices ~US\$350/ton

Argentine gas supply

FM effects LNG supply

Efficient plant outages (IEM + others)

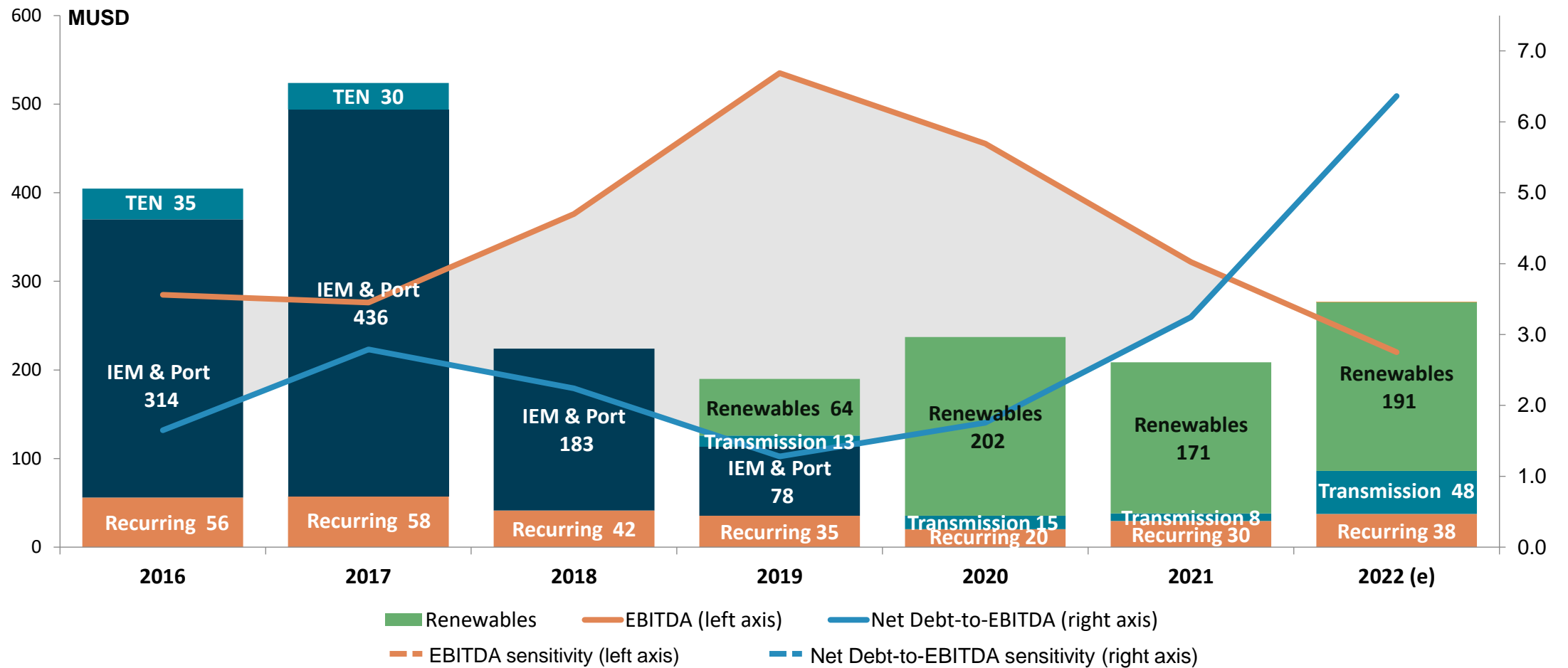
PPA tariff indexation

New renewables (+268 MWac PV)



# Investing activity

## ND/EBITDA rising exceeding targets in 2022



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

(\*\*) Renewables includes the first phase of the transformation plan (1GW): (i) the projects under construction; (ii) the acquisitions of the Los Loros & Andacollo PV plants in 2019 and Eólica Monte Redondo in 2020, (iii) wind projects in advanced stage of development

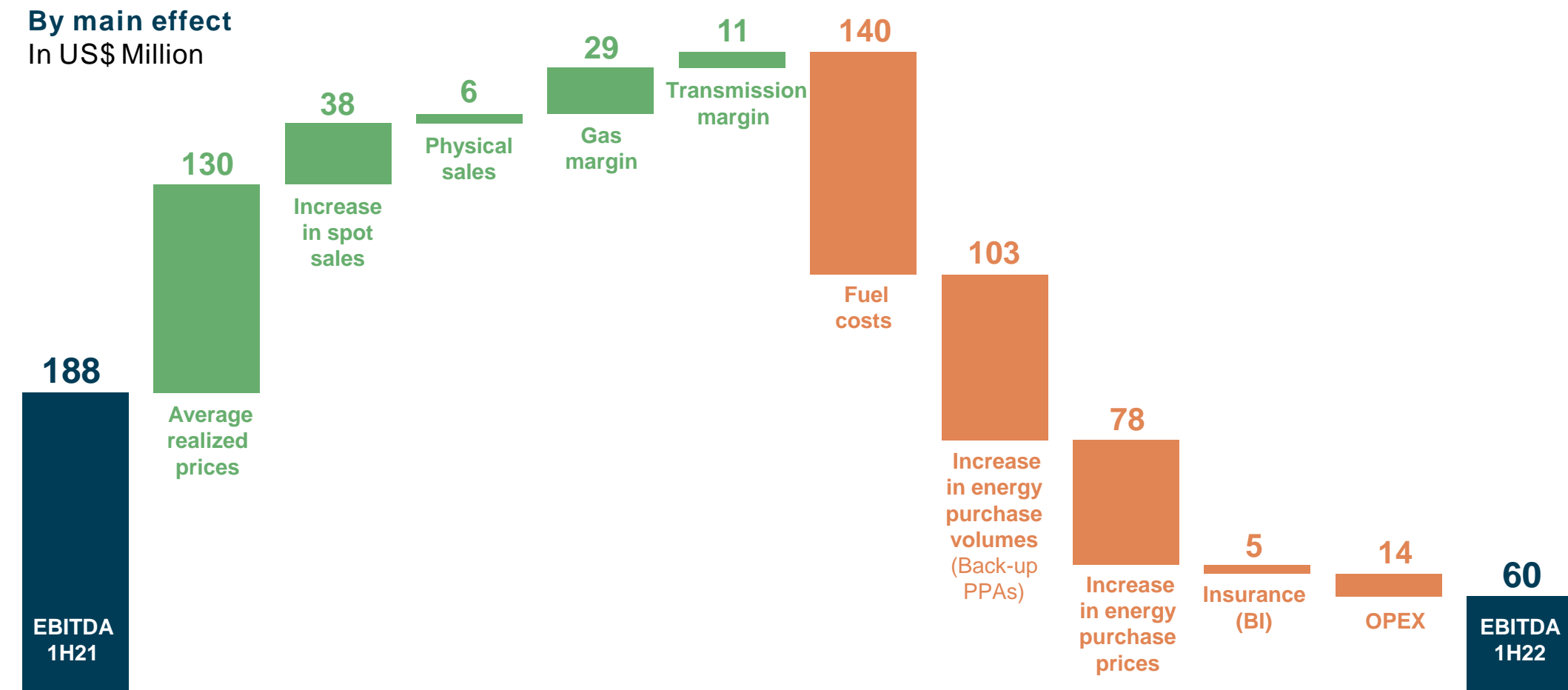


3

## Financial update

# EBITDA evolution

## Decline explained by higher marginal costs and fuel prices

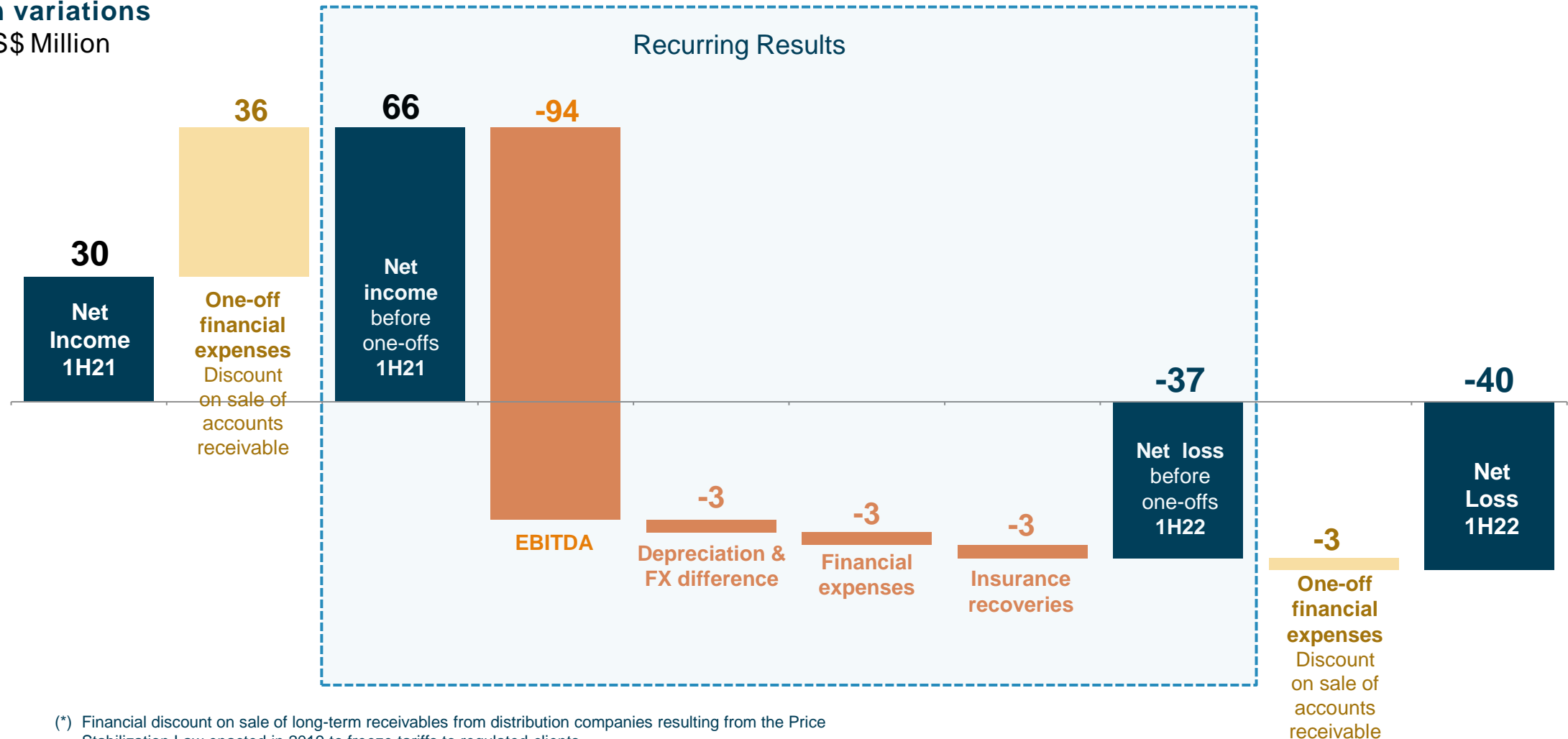




# Net income evolution

## Operating margin shrinkage and PEC-related financial expenses(\*)

Main variations  
In US\$ Million

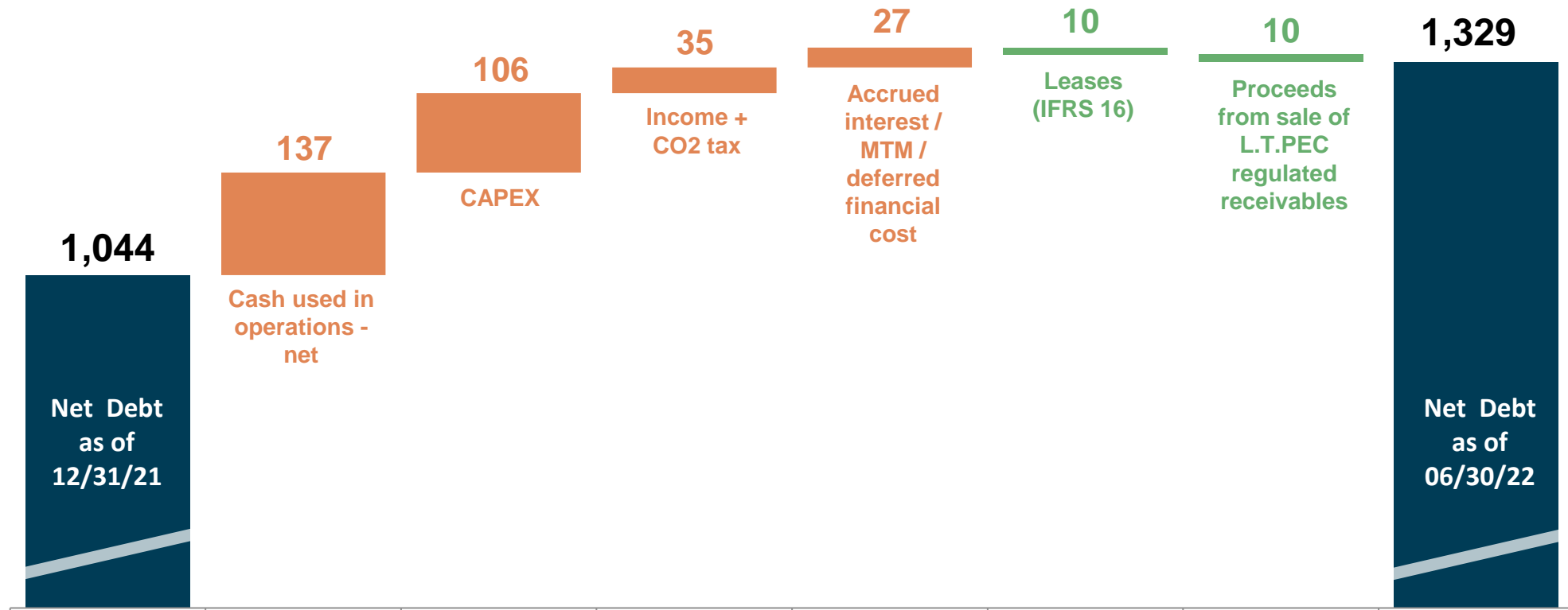


(\*) Financial discount on sale of long-term receivables from distribution companies resulting from the Price Stabilization Law enacted in 2019 to freeze tariffs to regulated clients.

# Net debt evolution

## Increase due to financing of CAPEX and operations

Main cash flows + net debt variations  
In US\$ Million



# Financial structure

## Investment-grade ratings: BBB+/BBB

### International:

Fitch (Jun 2022): **BBB+ Stable**

S&P (Jun 2022): **BBB Stable**

### National scale:

Fitch (Jun 2022) **AA Stable**

Feller Rate (Dec 2021): **AA- Stable**

## Debt details

### US\$ 850 million 144-A/Reg S Notes:

3.40%, US\$500 million 2030 (YTM = 4.647% at 03/31/22)

4.50%, US\$350 million 2025 (YTM = 3.337% at 03/31/22)

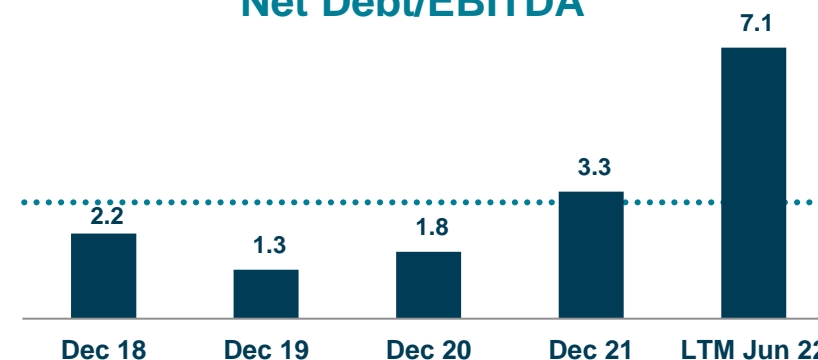
### US\$280 million 1-yr. loans (Scotiabank, BCP, Santander, BCI, Itaú)

### US\$125 million, 12-yr IDB/CTF loan facility

### US\$55 million 20-yr. financial lease w/TEN for dedicated transmission assets

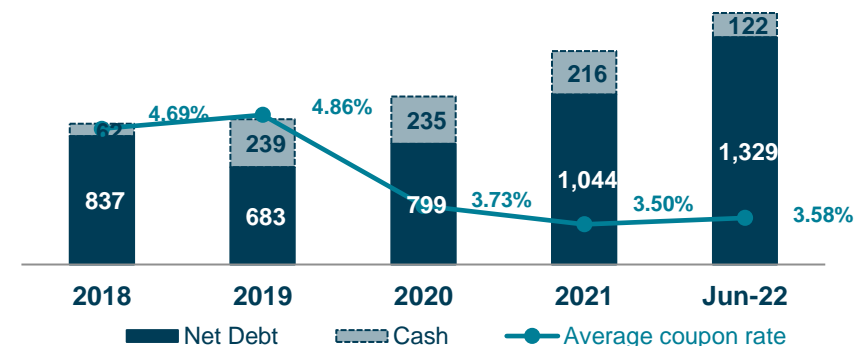
### US\$159 million financial leases per IFRS 16

## Net Debt/EBITDA



## Debt levels

In US\$ Millions

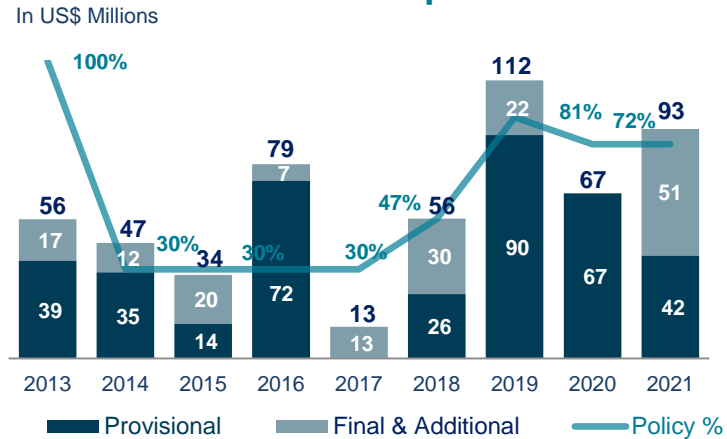




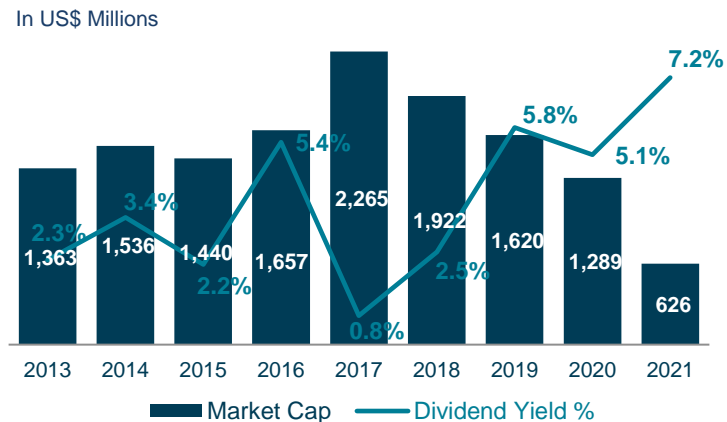
# US\$93 million dividends paid in 2021

## No dividends paid in 2022

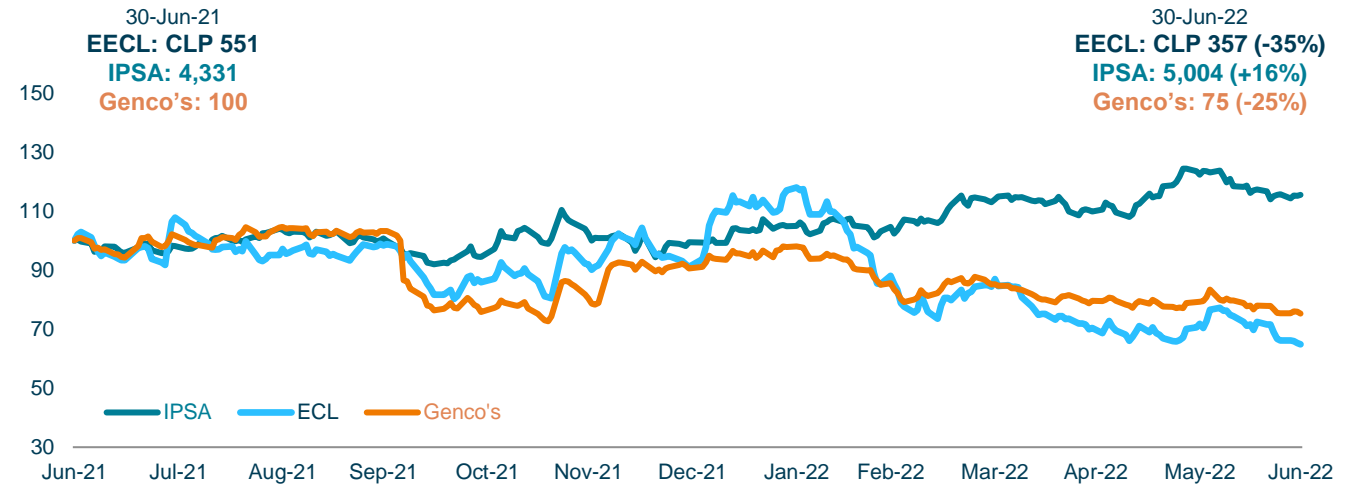
### Dividends paid



### Market cap & dividend yield (\*)



### Share price evolution



Includes dividends

In addition to industry trends, AES Andes' stock price has been affected by a stock purchase offering from its parent AES; and Colbún's stock price was affected by the sale of its transmission business and subsequent dividend payment

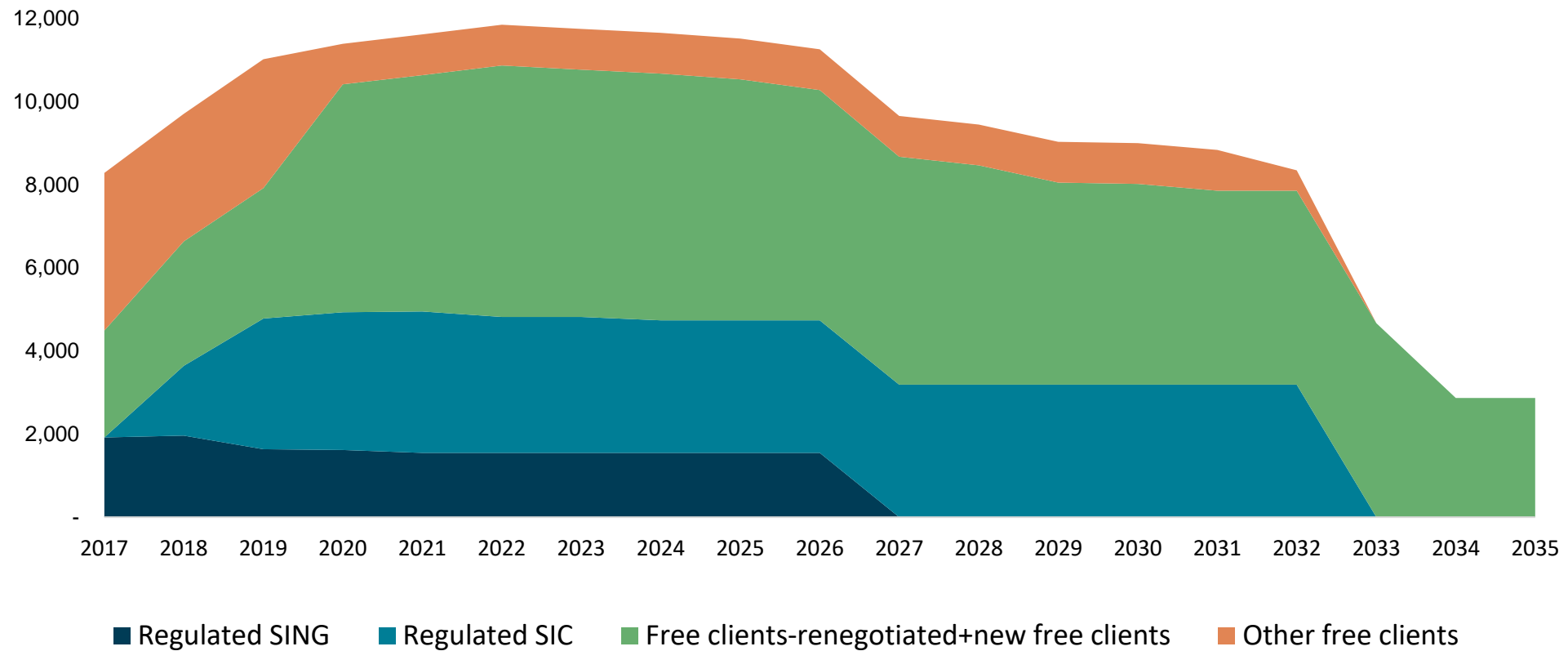


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## Our transformation

# Contracted demand through 2035

## ~12 TWh with 10-year average remaining life



# Our transformation

## A four-track road

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### Greening existing corporate PPAs

Restructuring 800 MW/y of long-term corporate PPAs with mining customers

### Closing Old Coal Units

Closing 0.8 GW of coal power plants between 2019 and 2024

### Converting Newer Coal Units

Remaining 3 coal power plants with 0.7 GW capacity shifting to biomass and natural gas

### Developing Wind, Solar and Storage

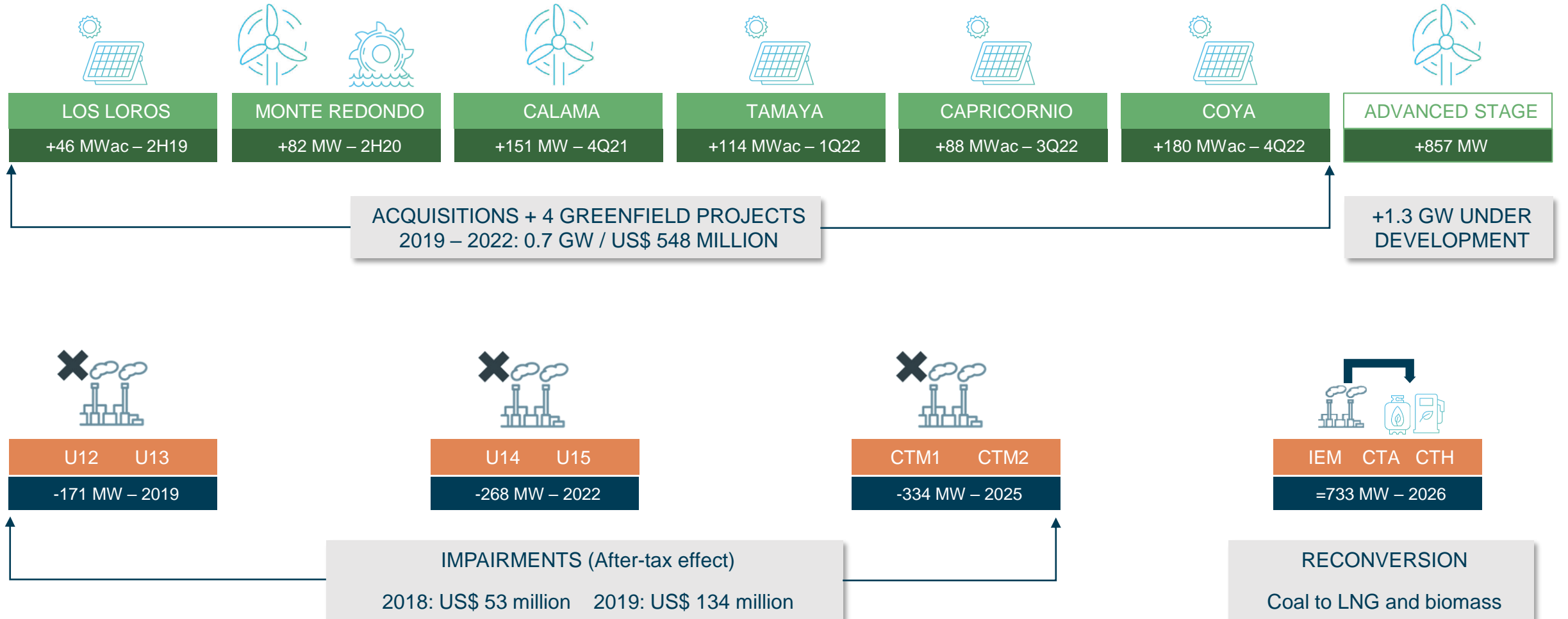
2GW of wind, PV and batteries

### Positioned for a profitable renewable transformation:

An organic transformation of EECL viewed as the best path in terms of value protection and implementation feasibility.

# Our transformation

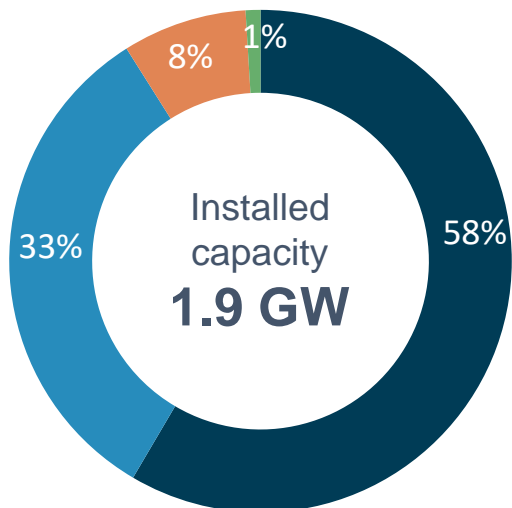
## +2 GW renewables -1.5 GW coal phase out / reconversion





# Generation portfolio transformation

2018



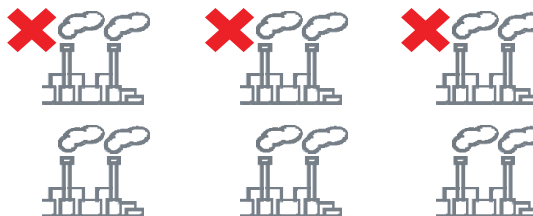
■ Coal ■ Gas ■ Diesel ■ Renewables



2.0 GW Renewables



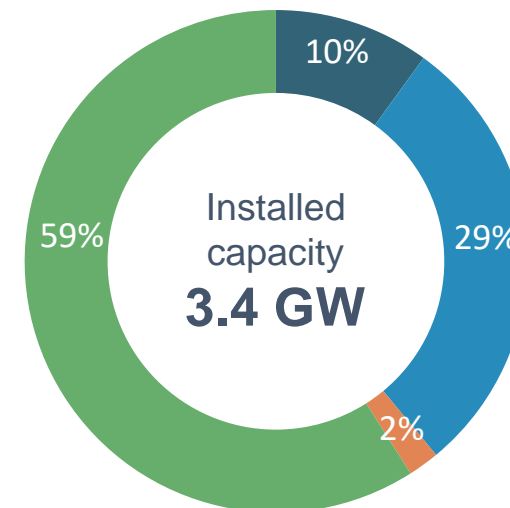
0.8 GW Coal disconnection



0.7 GW Conversion



2025

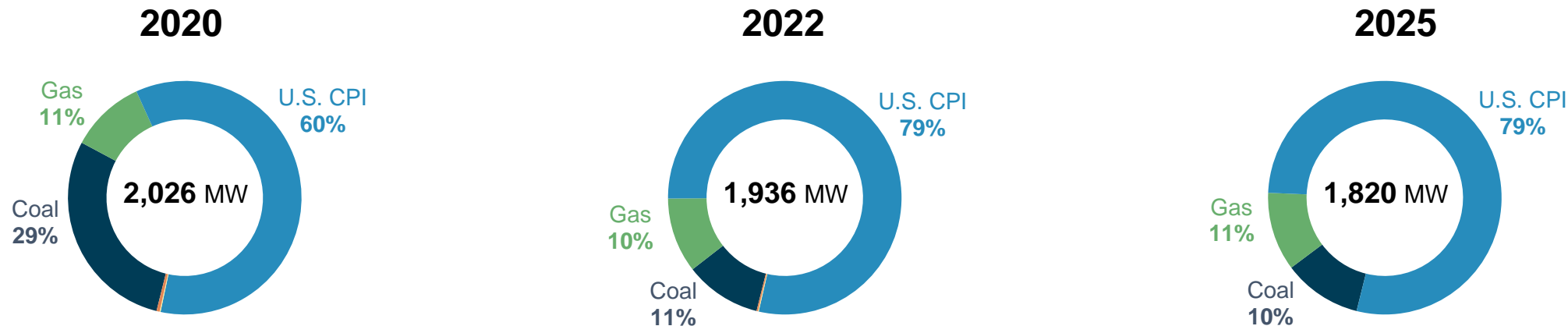


■ Biomass ■ Gas ■ Diesel ■ Renewables

# Greening our PPA portfolio

## Shifting away from coal price indexation

Indexation applicable to contracted electricity and capacity sales (\*)



### Free clients' PPAs: Tariff adjustment every month




- Energy tariffs adjusted by indices agreed to in the PPA
- Capacity tariff per node price published by the National Energy Commission ("CNE")

### Distribution company PPAs: Tariff adjustment every 6 months

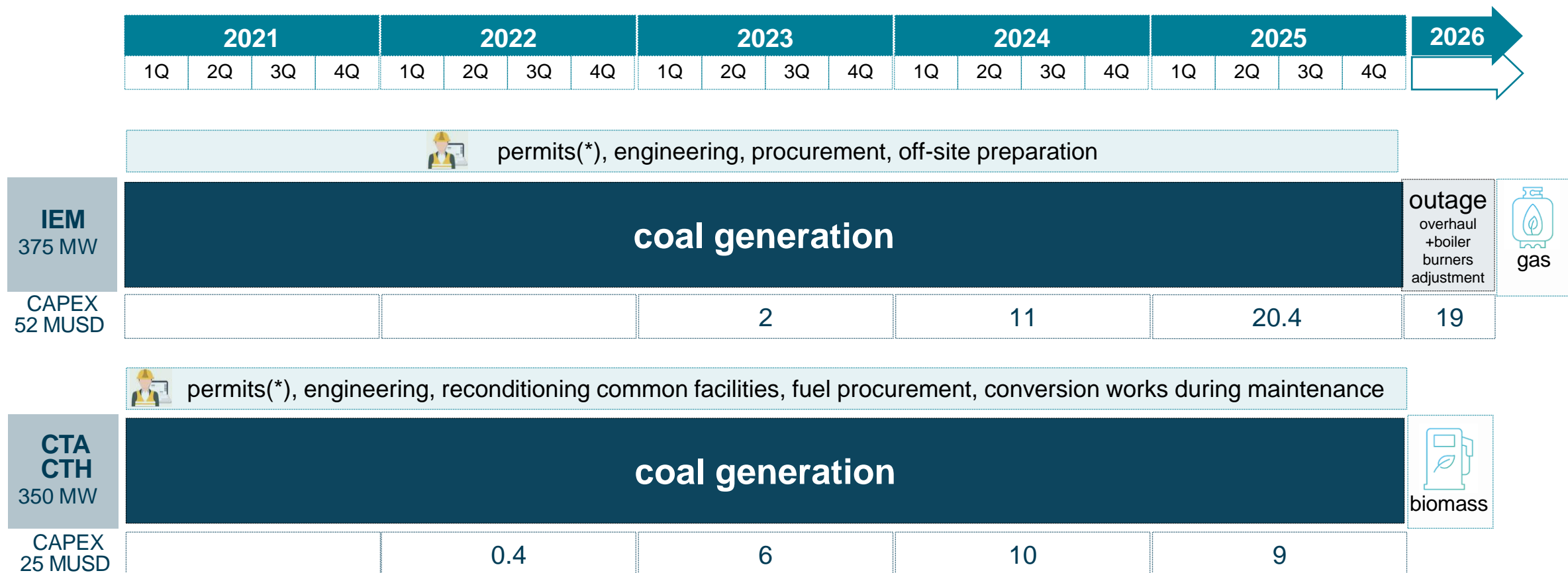
- Energy tariff north SEN: ~40% US CPI, ~60 % Henry Hub gas price:
- Based on average HH reported in months n-3 to n-6
- Energy tariff center-south SEN: ~66.5% US CPI, ~22% coal, 11.5% HH gas:
- Based on average HH reported in months n-3 to n-8
- Immediate adjustment triggered in case of any variation of 10% or more
- Capacity tariff per node price published by the National Energy Commission ("CNE")
- Actual collections under these contracts are subject to price stabilization mechanism

# Renewables acceleration

## 0.7GW in full production by YE-22 + 1.3GW in development

	0.7 GW				1.3 GW Under development	
	2019	2020	2021	2022	2023-2026	
<b>MW in operation</b>	46	82	265	268	1.3 GW	
 <b>WIND</b>		48 MW Monte Redondo	151 MW Calama		1.1 GW	
 <b>SOLAR PV</b>	46 MWac Los Loros Andacollo		114 MWac Tamaya	268 MWac Coya Capricornio	0.2 GW	
 <b>HYDRO</b>		34 MW Laja				
<b>CAPEX (MUSD) &amp; ACQUISITIONS</b>	64	202	171	191	1,300	

# Unit conversion



# 151 MWac Calama wind farm

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- In operation since 2H 2021
- 36 WTGs (wind turbine generators)
- 150.4 GWh injected to SEN in 1H22
- 160.3 GWh injected to SEN in 2021
- Main contractors:
  - WTGs: Siemens Gamesa
  - BOP: GES

**Calama wind farm**  
**US\$ 160 million investment**  
**COD = 29-Oct-21**





# 114 MWac Tamaya solar PV plant

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- In operation since 4Q 2021
- 100% connected to the grid since 22-Nov-21
- 141.0 GWh injected to SEN in 1H22
- 57.1 GWh injected to SEN in 2021
- Main contractors:
  - Trackers: Trina Pro
  - Inverters: Sungrow
  - BOP construction staff: Inneria

**Tamaya solar PV plant**  
**US\$ 84 million investment**  
**COD = 14-Jan-22**



# 88 MWac Capricornio solar PV plant

- Global advance: 99.74%
- Substation energized 8-Mar-22
- 5.8 GWh injected to grid in 2Q22
- 11 of 13 subfields energized
- Main contractors:
  - Trackers: Trina Pro
  - Inverters: Sungrow
  - BOP construction staff: Inneria
  - HV connection: EMEC

**Capricornio solar PV plant**  
**US\$ 97 million investment**  
**Scheduled COD: 4Q22**





# 180 MWac Coya solar PV plant

- Global advance: 92.09%
- Energization planned for July
- 100% of solar panels on site
- Main contractors:
  - Trackers: Soltec
  - Inverters: Sungrow
  - Panels: VSun
  - BOP: OHL
  - HV connection: Siemens-Ingcoz

**Coya solar PV plant**  
**US\$ 149 million investment**  
**Scheduled COD: 4Q22**



# Land concessions for the development of renewable projects

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- Potential to develop hybrid projects with up to 1.45 GW capacity:
  - Up to 560 MW: Wind
  - Up to 636 MWac: PV
  - Up to 255 MW: BESS (up to 6-hour storage)

**Pampa Fidelia and Pampa Yolanda  
Land-use concessions in Taltal  
awarded in 2021 public auction**





# Environmental permit requests

## Preparing the ground for future projects

- **Wind farms with approved RCA:**
  - Lomas de Taltal: 353.4 MW (57 WTGs x 6.2 MW)
  - Vientos del Loa: 204.6 MW (33 WTGs x 6.2 MW)
- **Wind farm w/EIA under assessment (to be resubmitted 4Q22):**
  - Loma Verde: 173.6 MW (28 WTGs x 6.2 MW)
- **PV plants with EID/EIA submitted:**
  - Pampa Camarones 2 (EID): Up to 300 MWac Bifacial panels + 180 MW BESS (up to 6-hr storage)
  - Libélula (EIA): 199.2 MWac PV-bifacial panels 80MW/480MWh storage system
- **BESS with pertinence letter submitted:**
  - BESS Coya: Up to 100 MW / 5 hours
  - BESS Tamaya: 68 MW / 5 hours
  - BESS Capricornio: 47 MW / 5 hours (to be submitted end Jul-22)
- **Transmission projects with submitted/approved EID:**
  - Roncacho + La Negra substations / Antofagasta by-pass (to be resubmitted Aug-22)
  - Desalant substation: RCA approved May-22
- **Coal plant conversions with approved RCA:**
  - IEM: 377 MW coal to gas
  - CTA + CTH: 355 MW coal to biomass







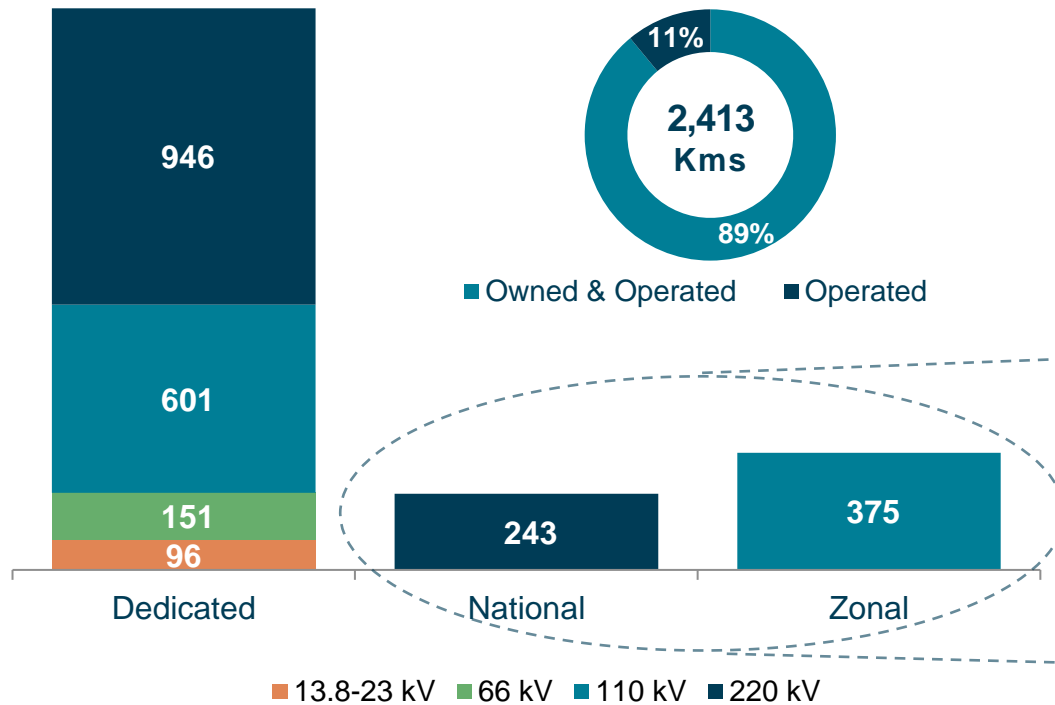
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## Transmission

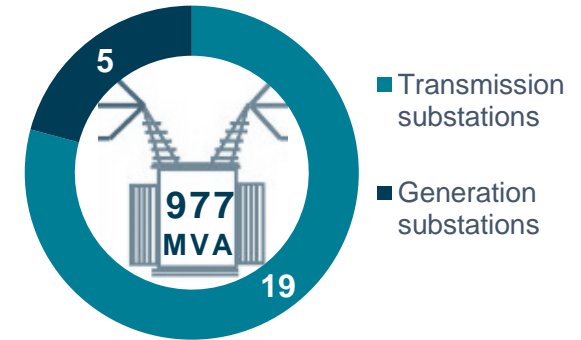
# EECL: A relevant player in transmission

## 2,413 Kms. transmission lines, 24 substations, 50% share in TEN

### ENGIE'S transmission lines

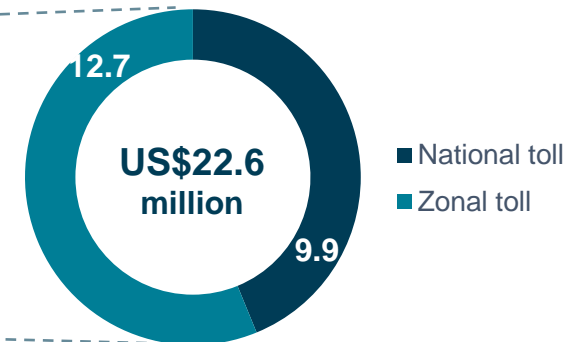


### Substations



### AVI + COMA for National & Zonal systems

In millions of US\$



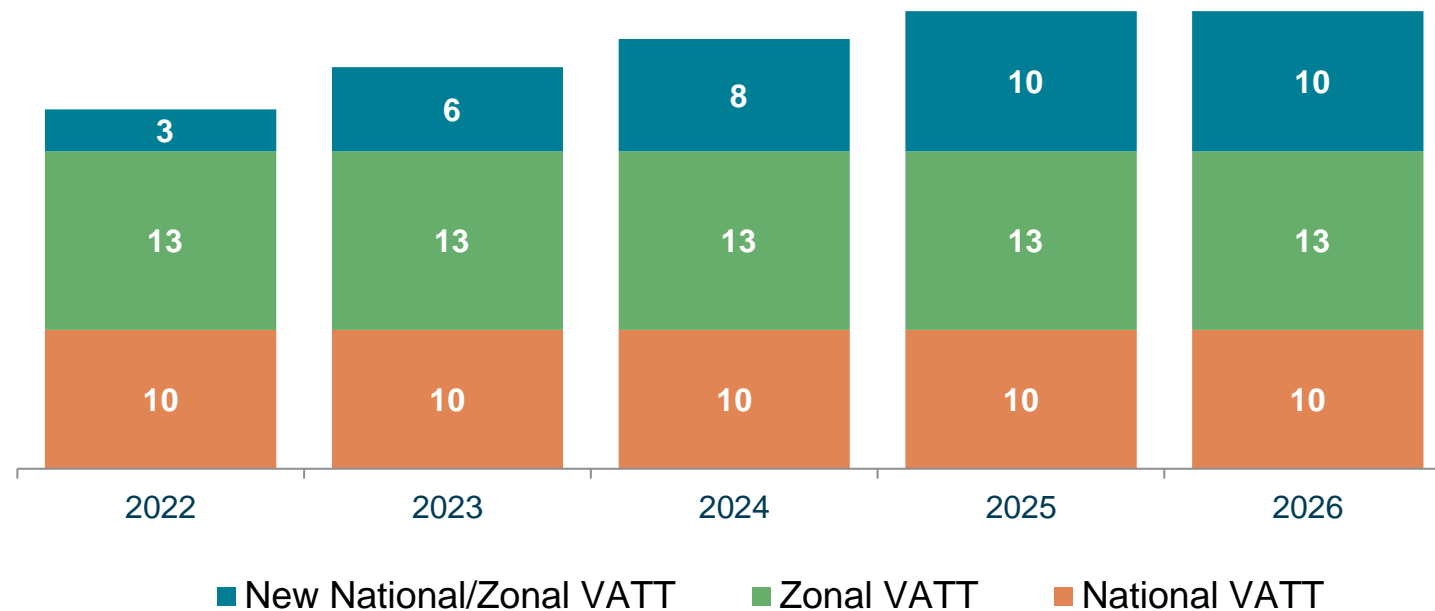
# Expansion into regulated transmission

## New regulated projects to contribute +US\$10mln EBITDA p.a.

### Expansion CAPEX 2020-2026:

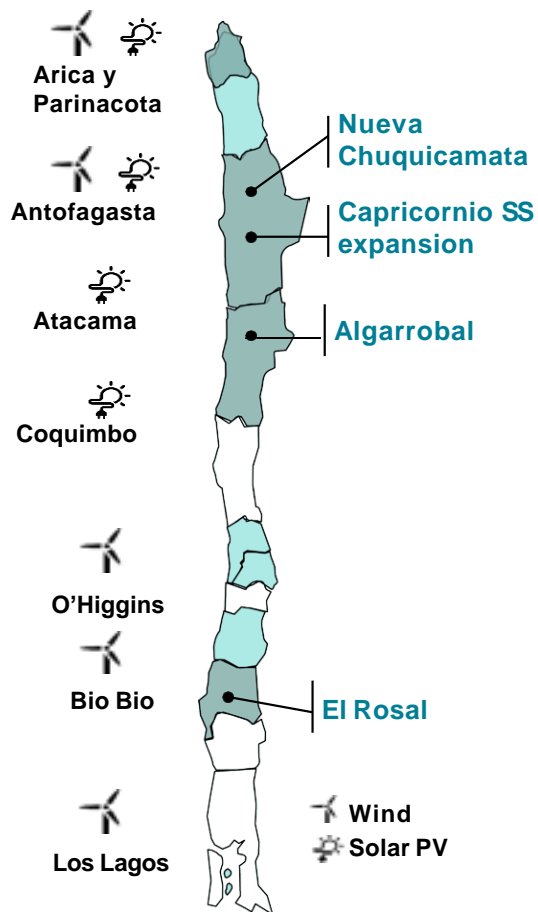
- National:  
~US\$67 million
- Zonal:  
~US\$83 million

Regulated assets VATT in US\$ millions



# National / zonal transmission projects completed

## US\$2.4 million annual revenue (VATT) / US\$41.5 million CAPEX



### Nueva Chuquicamata 06-Dec-21

Substation + 2x220 kV transmission line

US\$22 million CAPEX



### Algarrobal 06-Jul-21

National 220 kV sectioning substation

US\$13 million CAPEX



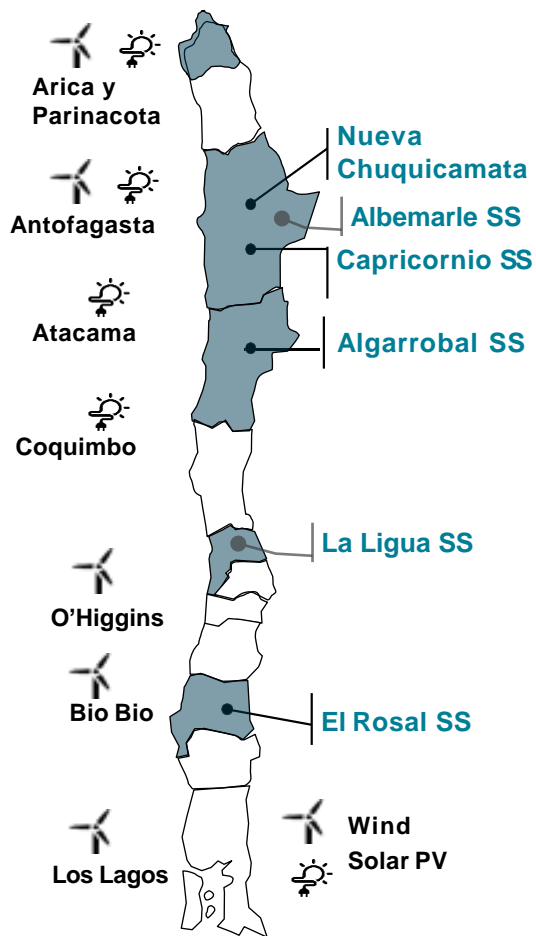
### El Rosal 06-Mar-21

National 220 kV sectioning substation

US\$7 million CAPEX

# National / zonal transmission projects awarded

## US\$110 million CAPEX



### Antofagasta By-Pass Jan-21 decree

Zonal, multi-circuit  
2x110 kV TL  
COD: 3Q23 -> 1Q25  
CAPEX: 26.5 MUSD  
RCA expected Aug-22  
EPC tender in process

### Algarrobal SS expansion

National, 220 kV  
Substation expansion  
COD: Jan-23  
CAPEX: 7.7 MUSD

### Capricornio SS expansion

Zonal, 220 kV  
sectioning substation  
COD: TBD  
CAPEX 13.5 MUSD

### La Negra Jan-21 decree

Zonal, Substation +  
2x220 kV TL  
COD: 1Q24  
CAPEX: 31.1 MUSD  
RCA: Approved  
EPC tender in process

### Pozo Almonte SS expansion Apr-21 decree

Zonal, 110 kV  
substation  
COD: 2Q23  
CAPEX: 10.2 MUSD  
Detailed engineering

### Roncacho Substation Jun-21 decree

Zonal, 220 kV  
sectioning substation  
COD: 2Q23  
CAPEX: 18.8 MUSD  
DIA w/construction  
limitations  
EPC tender in process

### Albemarle West tap-off SS expansion

Zonal, Substation +  
1x66kV TL  
COD: 2Q23  
CAPEX: 29.5 MUSD

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

Zonal  
COD: 2Q23  
CAPEX: 6.1 MUSD  
DIA in process

### Interconnection CH Laja – Nueva El Rosal SS

Zonal, Substation  
COD: 1Q23  
CAPEX: 3.6 MUSD

### Arica-Pozo Almonte TL sectioning at Dolores SS Apr-21 decree

Zonal, 110 kV  
sectioning substation  
COD: 2Q23  
CAPEX: 8.9 MUSD  
DIA Addendum in  
process  
Detailed engineering

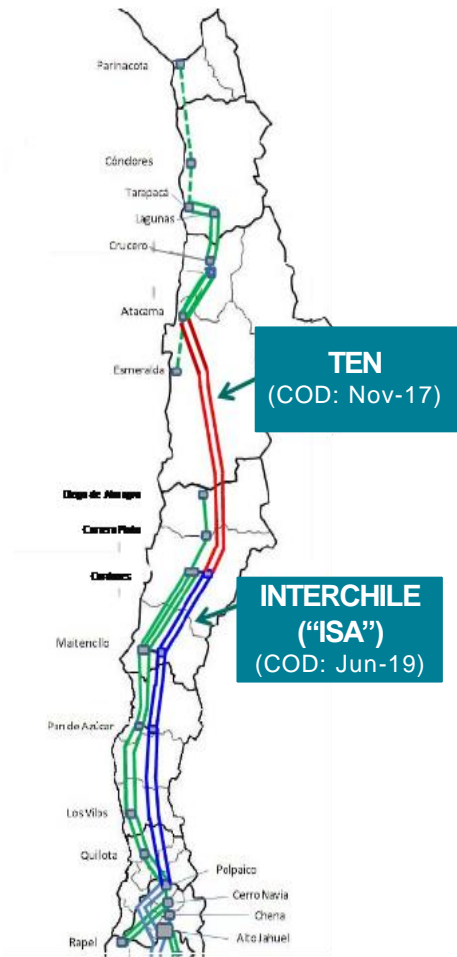
### La Ligua Apr-22 decree

Zonal, Substation + 2  
sectioning TLs  
COD: 1Q25  
CAPEX: 23.7 MUSD  
Engineering tender

Source: Engie Energía Chile



# Transmisora Eléctrica del Norte S.A. (“TEN”) 600 km-long, double circuit 500kV national transmission system



**50%**  
owned by  
**ENGIE**

National HVAC transmission system interconnecting SIC and SING grids since Nov. 24, 2017

## National system in 500 kV:

### - Substations:

- Los Changos (220 and 500 kV)
- Cumbre (500 kV)

### - Transmission lines (600 km x 2 (double circuit)):

- Los Changos – Cumbre
- Cumbre – Nueva Cardones

### - Connection at Nueva Cardones Substation (500 kV).

## Dedicated system in 220 kV:

### - Substation:

- TEN-GIS

### - Transmission line (13 km x 2 (double circuit)):

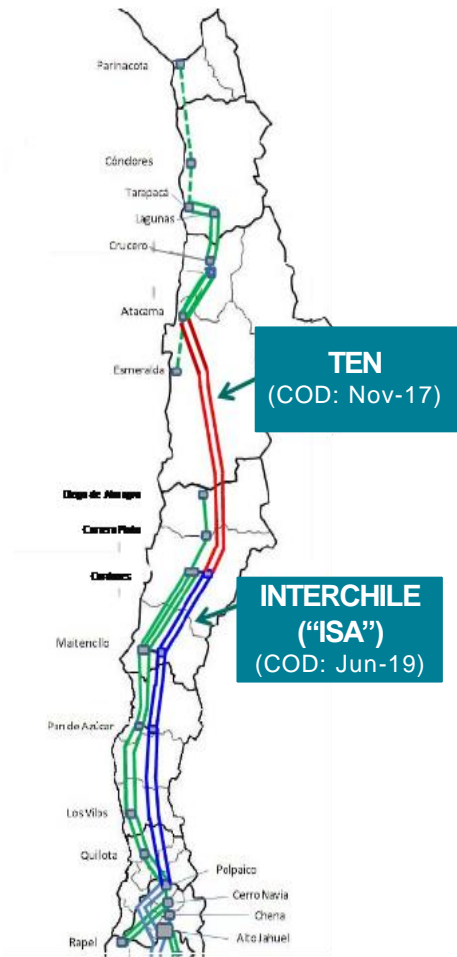
- Mejillones – Los Changos

Used by EECL under 20-yr financial lease agreement



# Transmisora Eléctrica del Norte S.A. (“TEN”)

## A new tariff decree for the 2020-23 period pending publication



**50%  
owned**



**Project  
financed**

Regulated revenues on “national assets” (AVI) + contractual toll with EECL on “dedicated assets”

New tariff scheme with retroactive effect to 1-Jan-20 to be enacted upon publication of new Tariff Decree. Definitive technical report issued by CNE in Mar-22 pending publication by Ministry of Energy and acknowledgment by Country Comptroller

New VATT ~24% below previous VATT

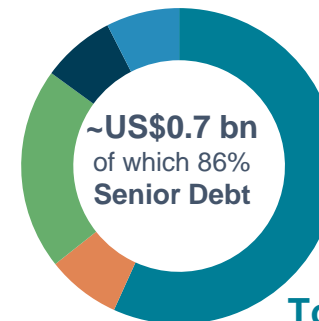
### TEN: Annual estimated revenue per CNE Technical Report

(in millions of US\$ @ 30-Jun-22 FX rates)

<b>AVI</b> (VI annuity):	<b>49</b>
<b>+COMA</b> (O&M cost):	<b>11</b>
<b>+AEIR</b> (tax adjustment):	<b>7</b>
<b>=VATT</b>	<b>67</b>
<b>+Toll</b> (paid by EECL):	<b>~7</b>

AVI = annuity of VI (investment value) providing at least 7% post-tax return beginning 2020.

### Project Finance status as of 30-Jun-22



- 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**

# Key take-aways

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**Difficult times due to extreme drought and challenging international environment w/demand-supply imbalance in fuel and equipment markets**

Results challenged by unprecedented fuel prices

**268MW Coya & Capricornio PVs to become operational in 2H22**

Renewables and contracted power supply to support the transition to decarbonization

**Accelerating development of renewable projects and storage systems**

To reduce dependence on fuel prices and marginal costs during the transition

**Liquidity**

Long-term financing plan in progress; green term loan committed; ongoing true sale of accounts receivable to cope with negative impacts of price-stabilization laws



5

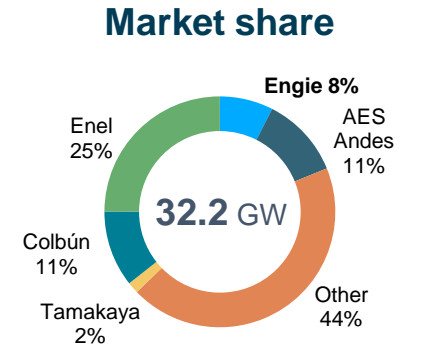
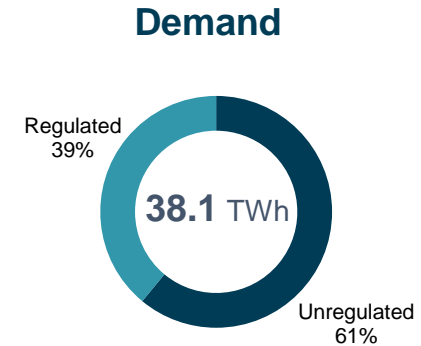
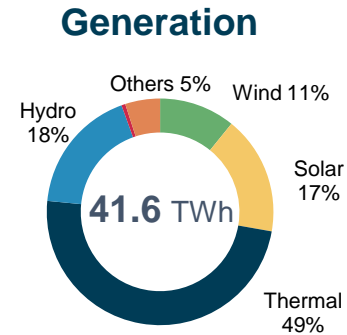
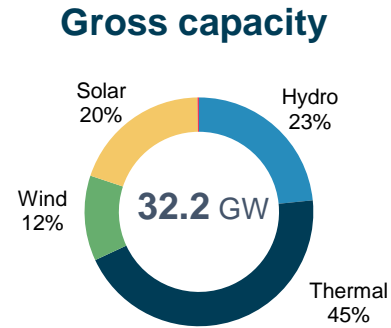
## Addenda

# Industry and company highlights

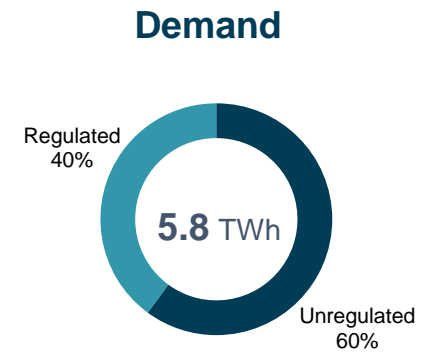
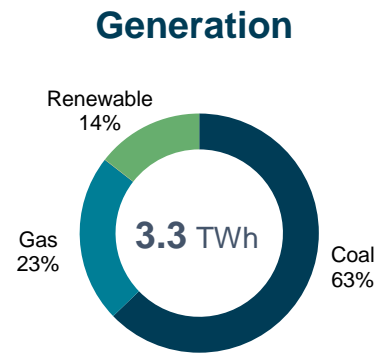
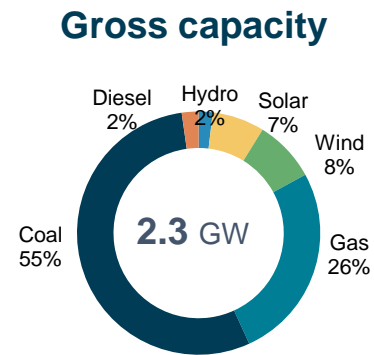
## For the first half of 2022




SISTEMA ELÉCTRICO NACIONAL (SEN)



ENGIE ENERGÍA CHILE (EECL)





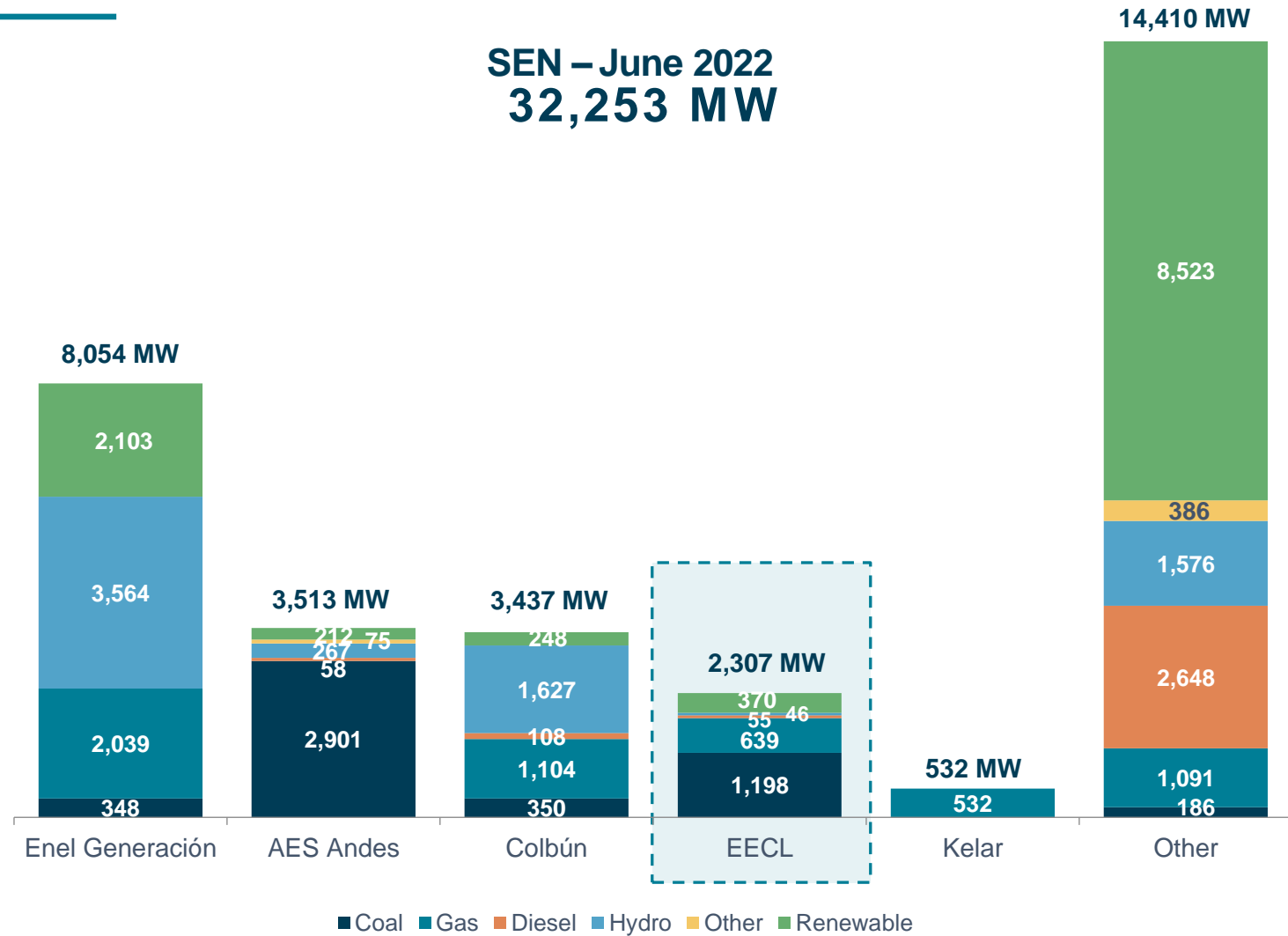
**ENGIE ENERGÍA CHILE**

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

# Sistema Eléctrico Nacional - SEN



SEN – June 2022  
32,253 MW



# ENGIE Energía Chile S.A.

## A diversified asset base in Chile's mining region

### Our operations

**4th** largest GenCo in Chile  
**2.3 GW** gross capacity  
**0.3 GW** renewables in construction  
**11.6 TWh** sold under PPAs in 2021

**3rd** largest Transmission operator  
**2,407 kms** Transmission lines  
**24** substations – 977 MVA  
**600 kms** in TEN 50% JV with REE

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

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

### Our sites



**TOCOPILLA**  
 Coal (133MW)  
 Gas (394MW)  
 Port



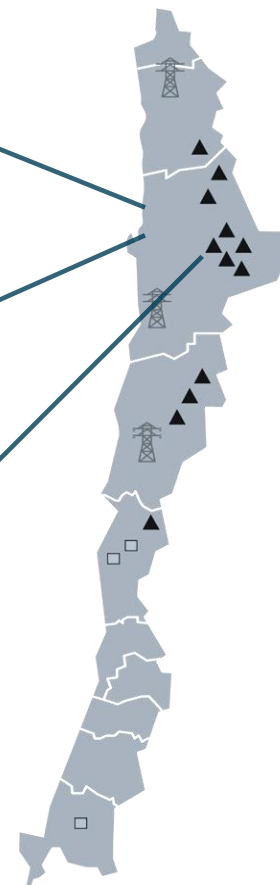
**MEJILLONES**  
 Coal (711MW)  
 Coal-CFB (354MW)  
 Gas (245MW)  
 Port  
 LNG Terminal (GNLM)\*



**OTHER SITES**  
 Renewable (416MW)  
 Diesel (back-up) (55MW)

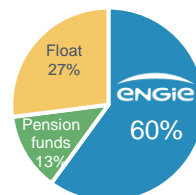


**IN CONSTRUCTION**  
 Renewable (268MW)  
 Transmission (4 SSs)



▲ Mining Operations

### Our shareholders



### Our largest clients

#### Mining



#### Distribution





# Working in our transformation

## To become greener and reduce supply costs

### Reshaping our PPA portfolio with green corporate PPAs

- ~12 TWh/y contracted portfolio w/10-year average life
- Balanced regulated vs. unregulated portfolio

### Phasing out coal generation

- 0.8 GW closed + committed coal plant closures by YE 2024
- 0.7 GW coal plant conversions by YE 2025

### Accelerating addition of 2GW of renewables

- 0.7 GW renewables operating or under construction
- More than 1.3 GW additional development portfolio

### Managing risks during transition

- Signing Back-up PPAs with other generation companies
- Securing LNG supply
- Securing liquidity and financing sources

### Our performance

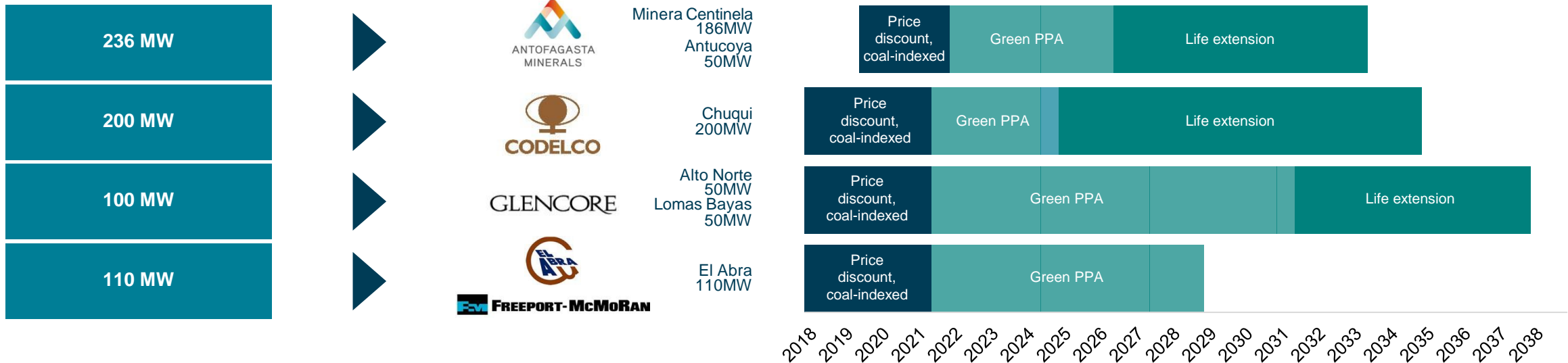
	2020	2021	LTM 06-2022
Total energy sales (TWh)	<b>11.41</b>	<b>11.73</b>	<b>11.84</b>
Unregulated PPAs (TWh)	<b>6.46</b>	<b>6.68</b>	<b>6.88</b>
Regulated PPAs (TWh)	<b>4.93</b>	<b>4.95</b>	<b>4.82</b>
EBITDA (MUSD)	<b>455</b>	<b>315</b>	<b>187</b>
Net recurring income (MUSD)	<b>181</b>	<b>47 (*)</b>	<b>(23) (*)</b>

# Greening existing corporate PPAs

## 75% of mining PPAs extended for more sustainable mining

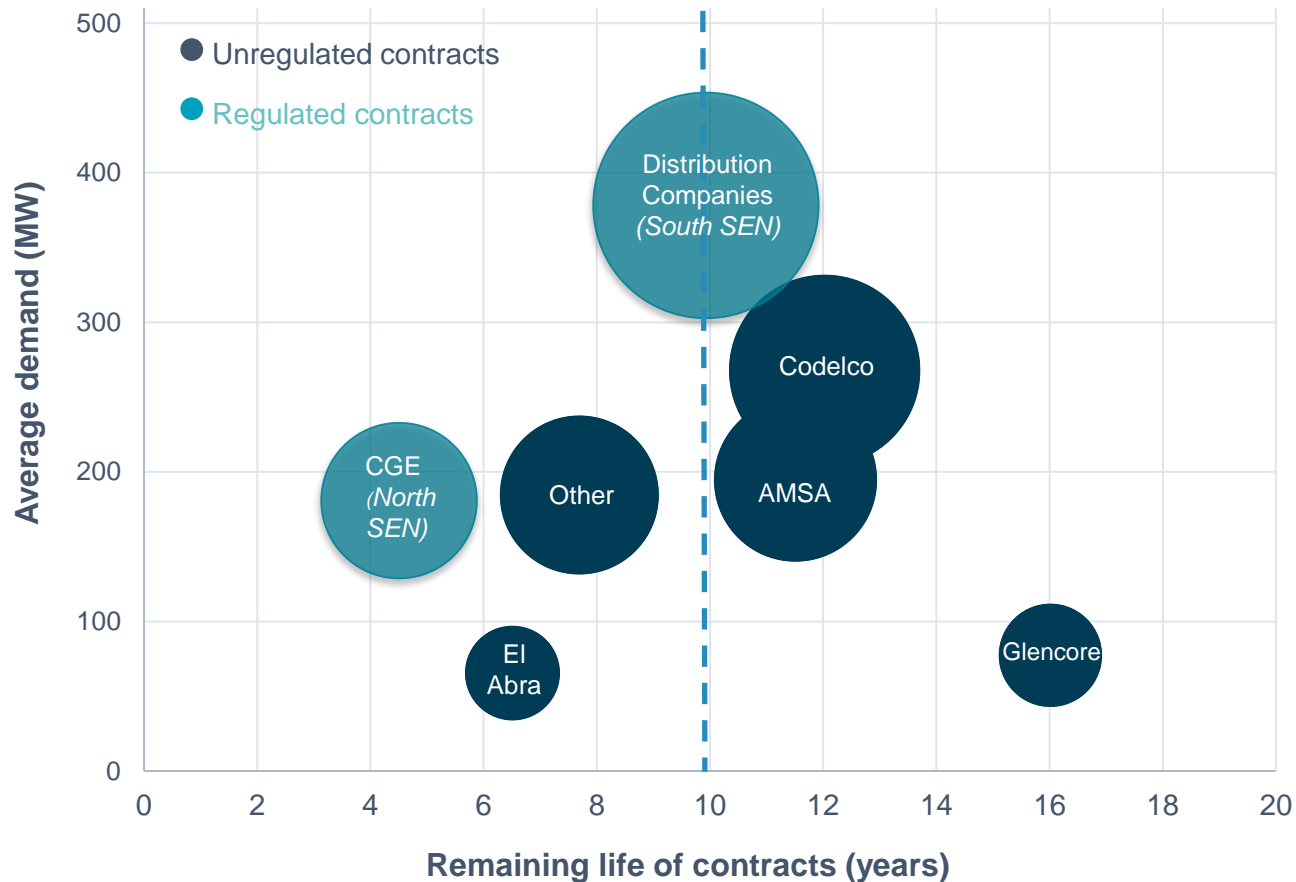


Transformed  
PPAs:  
4.8 TWh/y



# PPA portfolio with 10-year average remaining life

Free clients: 11 yrs. Regulated clients: 9 yrs.



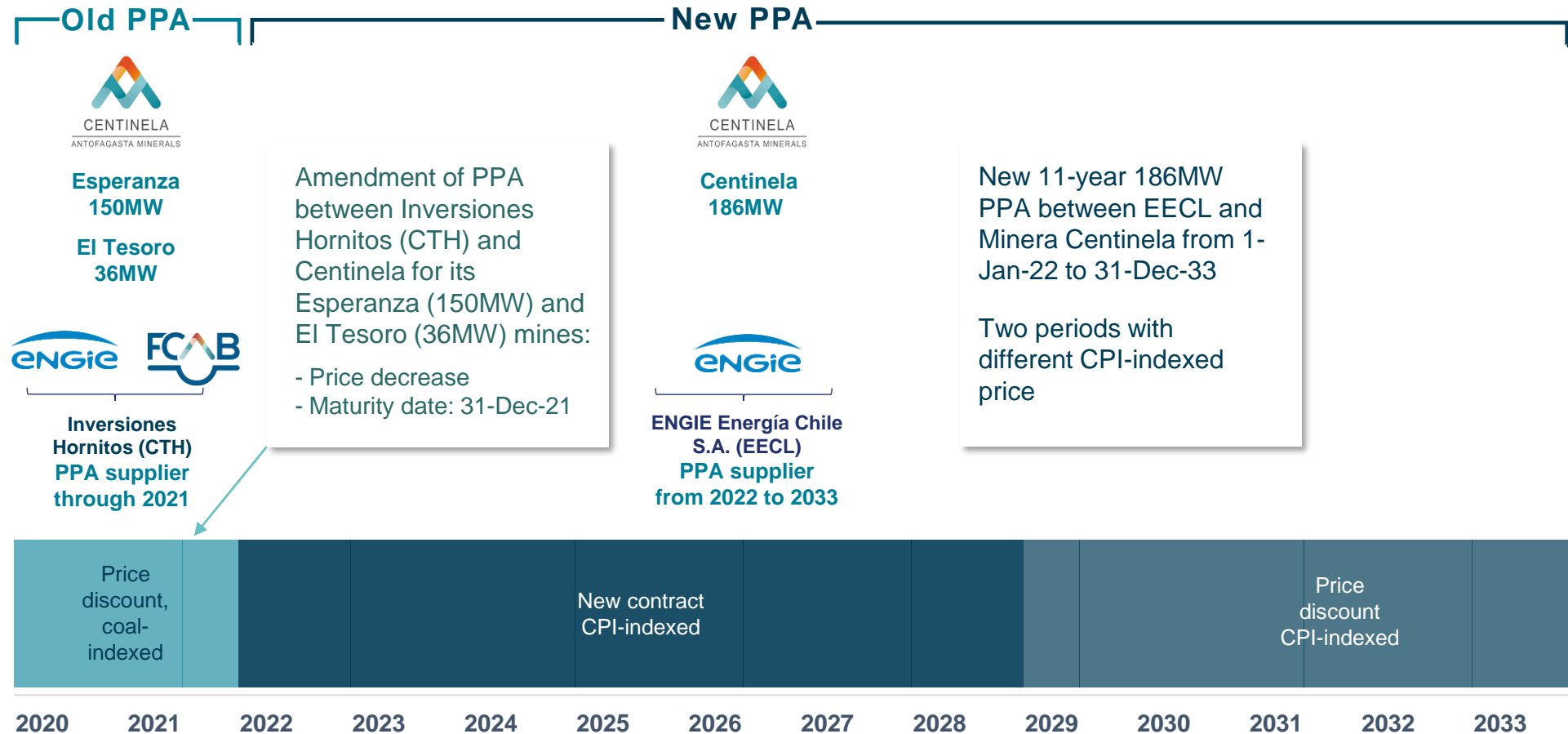
## Clients' credit ratings

(S&P/Moody's/Fitch):

- Codelco: A/A3/A-
- Freeport-MM (El Abra): BB+/Baa3/BBB-
- Antofagasta PLC (AMSA): BBB/--/BBB+
- Glencore (Lomas Bayas, Alto Norte): BBB+/Baa1/--
- CGE: A+(cl) (Fitch) / AA(cl) (Feller)

# AMSA (Centinela) PPA

## PPA renegotiation + new green PPA signed March 31, 2020



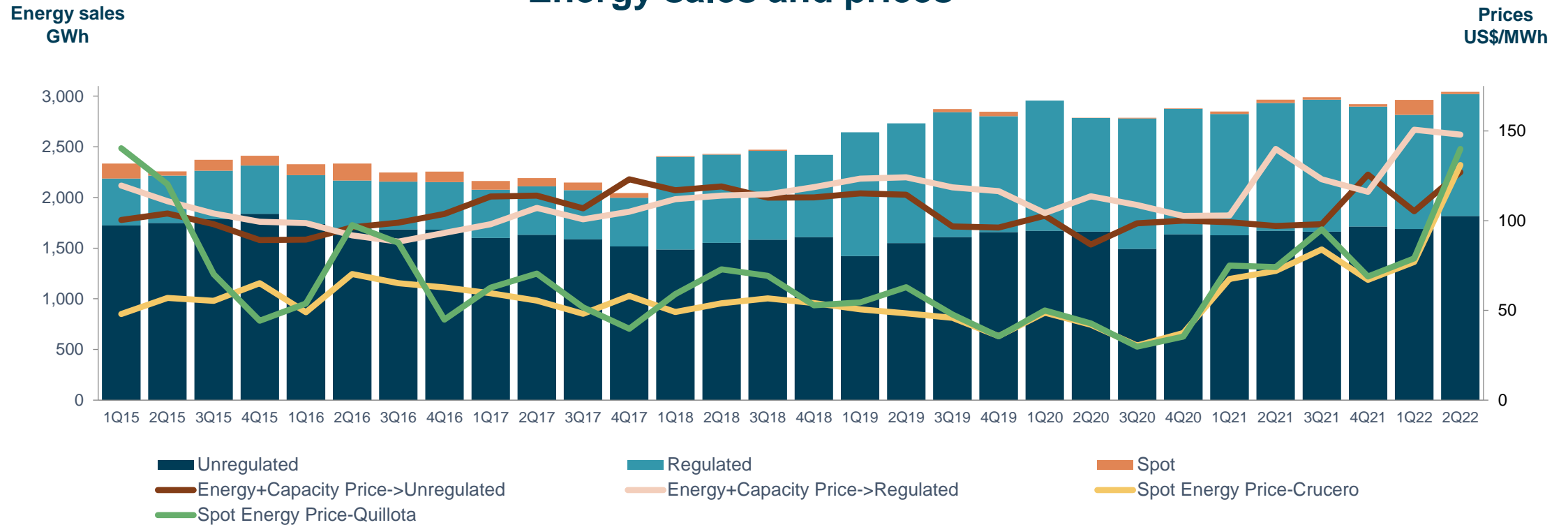
**Amendment of CTH shareholders' agreement:**

US\$ 60 million equity increase in CTH to repay intercompany debt with EECL: US\$ 24 million cash contribution from Centinela + US\$ 36 million debt capitalization by EECL  
 EECL became 100% owner of CTH on 31-Dec-21

# Long-term PPAs: the basis for stable sales revenue

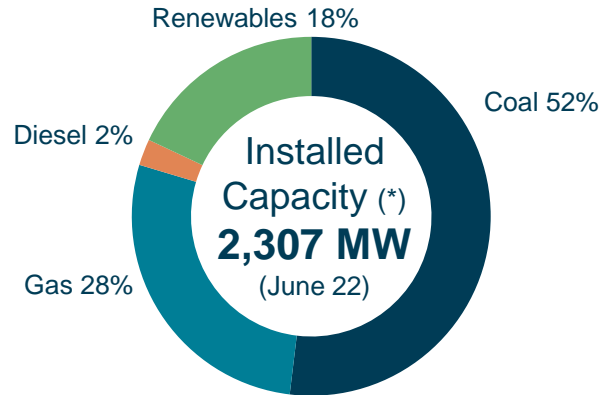
## Prices are on the rise

### Energy sales and prices

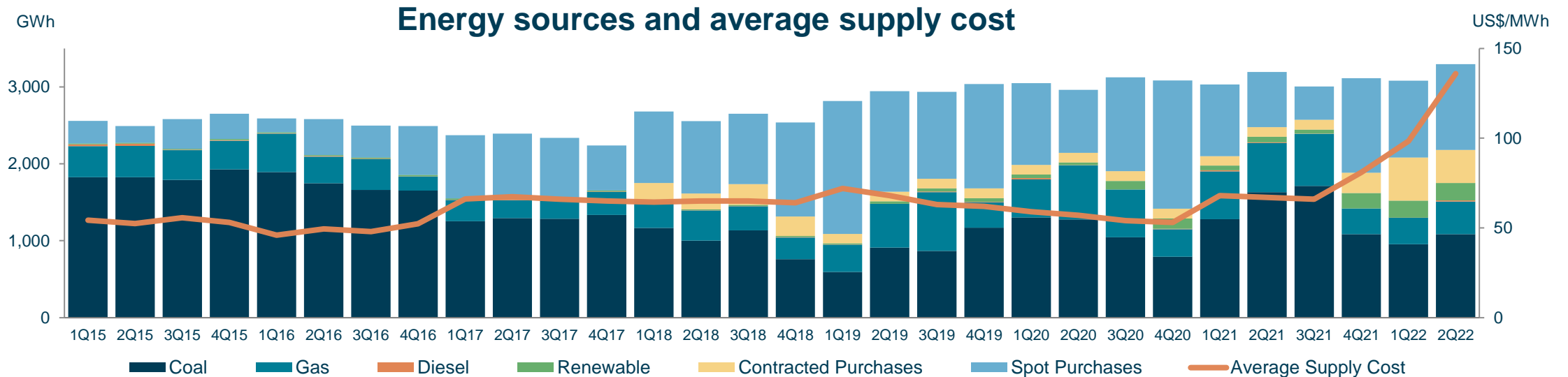


# Demand supplied with own generation and energy purchases

## Our installed capacity is our physical hedge



Average supply cost depends on fuel prices, power demand, gas supply, transmission congestions, renewable output, plant performance and hydrologic conditions.



# Regulatory initiatives under way

## GENERATION



Energy transition

Flexibility strategy

Accelerated retirement of coal-fired units

Emission compensation mechanism in green taxes

Price stabilization mechanism

Rationing decree



## TRANSMISSION

Transmission facilities  
qualification

National and Zonal systems  
valuation for 2024-2027

2021 expansion plan



## DISTRIBUTION

Electric portability:

- Energy dealer
- New types of energy auctions
- Information manager

Tariff fixing (VAD 2020-2024)



## OTHER

Long-term Energy Planning (PELP 2021-2027)

Superintendency of Electricity and Fuel

Ministry for the Environment Decrees:

- Thermoelectric emissions standards
- Noise standard for fixed sources
- Liquid waste discharges
- Seismic requirements for High Voltage Electrical Installations (NTSyCS)





# Price stabilization mechanism (“PEC”)

## US\$53 million financial cost so far

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

CLP/USD FX rate, demand volume and fuel prices: main variables affecting fund size and recovery pace

EECL monetized accounts receivable in 2021+1Q22: US\$181 million ARs sold and US\$128 million cash received

EECL’s financial cost of monetization 2021+1Q22: US\$53 million

**PEC** = Fixed price to consumers in nominal CLP @ 1H19 levels

Dec 2020

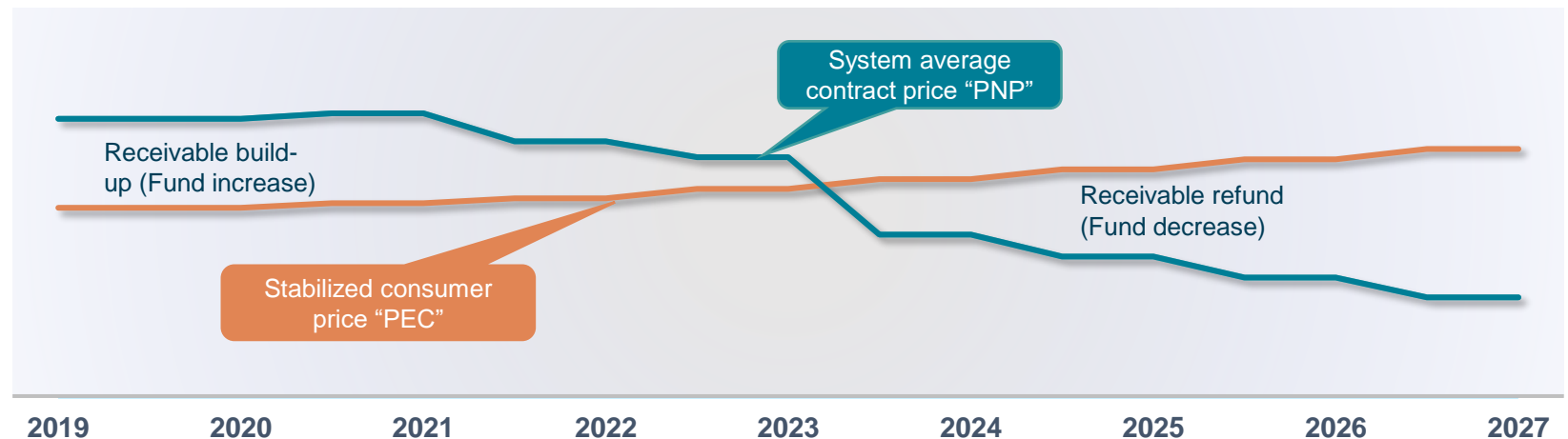
**PEC** = Fixed price to consumers in CLP adjusted for inflation

Jul 2023

**PEC** = Adjusted upwards if necessary to avoid breaching US\$1,350 million fund cap

Dec 2025

**PEC** = Adjusted upwards if necessary to permit full fund repayment in USD by YE 2027



**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.

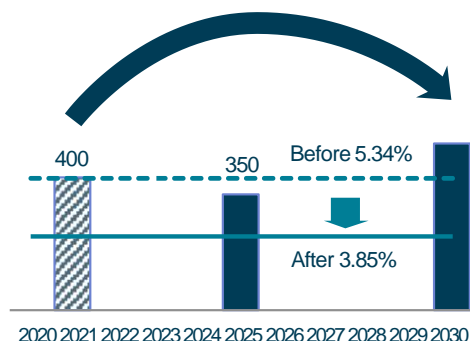
# Financing activity

## Securing liquidity and funding for our transformation

Jan-2020 - Liability Management

10-yr, 3.4%, US\$500 million  
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; 9-yr average life
- US\$15mln 12-yr bullet funded by Clean Technology Fund
- Innovative structure to finance renewable projects contributing to accelerate coal units decommissioning
- Signed in Dec-20, fully disbursed on 27-Aug-21
- Green certification 

2021/22 – Monetization of PEC receivables (“AR”)

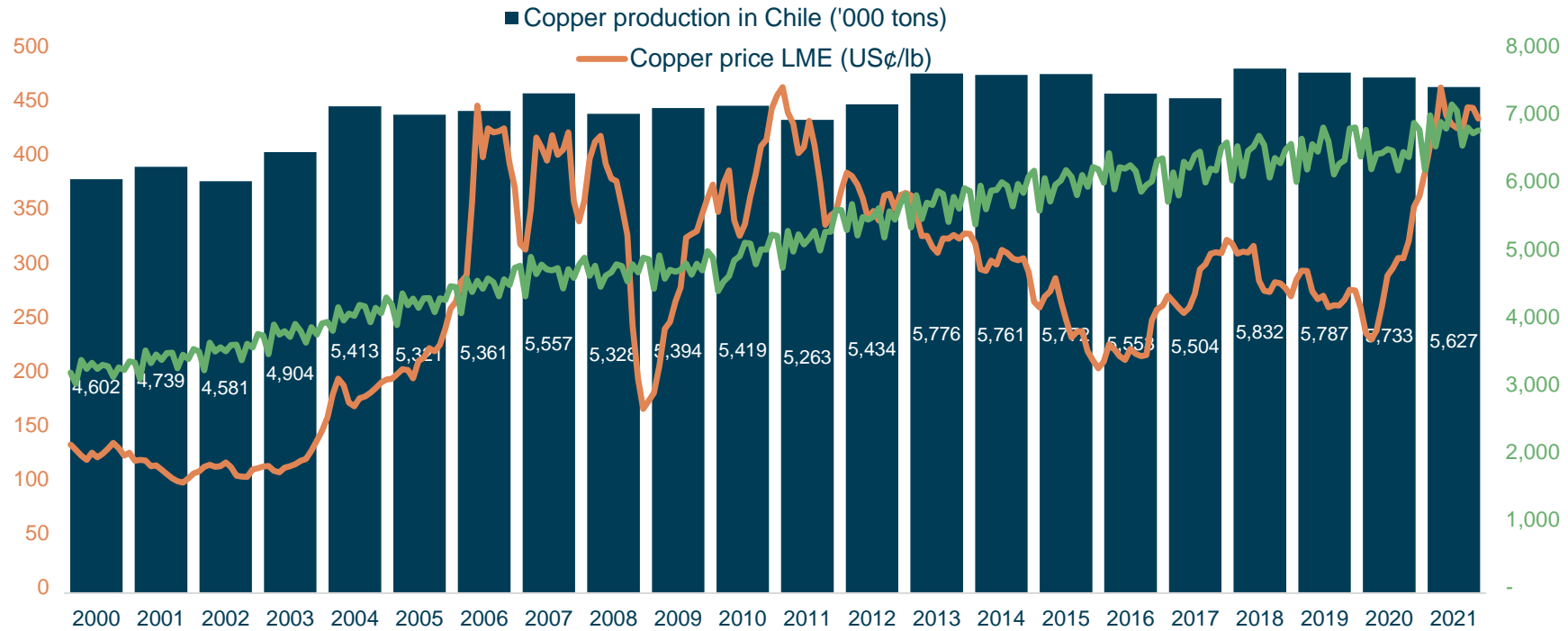


US\$128 million received on  
US\$181 million of monetized ARs

- True sale to SPV of ARs related to price stabilization fund (Law 21,185 and CNE Res.72)
- SPV funded with
  - US\$489mln 144-A/Reg S bond issued Jan-21 to fund 1st two receivable purchases from 4 generation co’s.
  - US\$419mln 4a2 delayed draw notes to fund AR purchases from 4 generation co’s. until July 2023
- Up to US\$265million in ARs to be sold by EECL +EMR in total
- 2021+1Q22: US\$53 million financial expense
- Liquidity with no debt increase

# Copper

## A resilient industry representing ~50% of EECL's physical sales



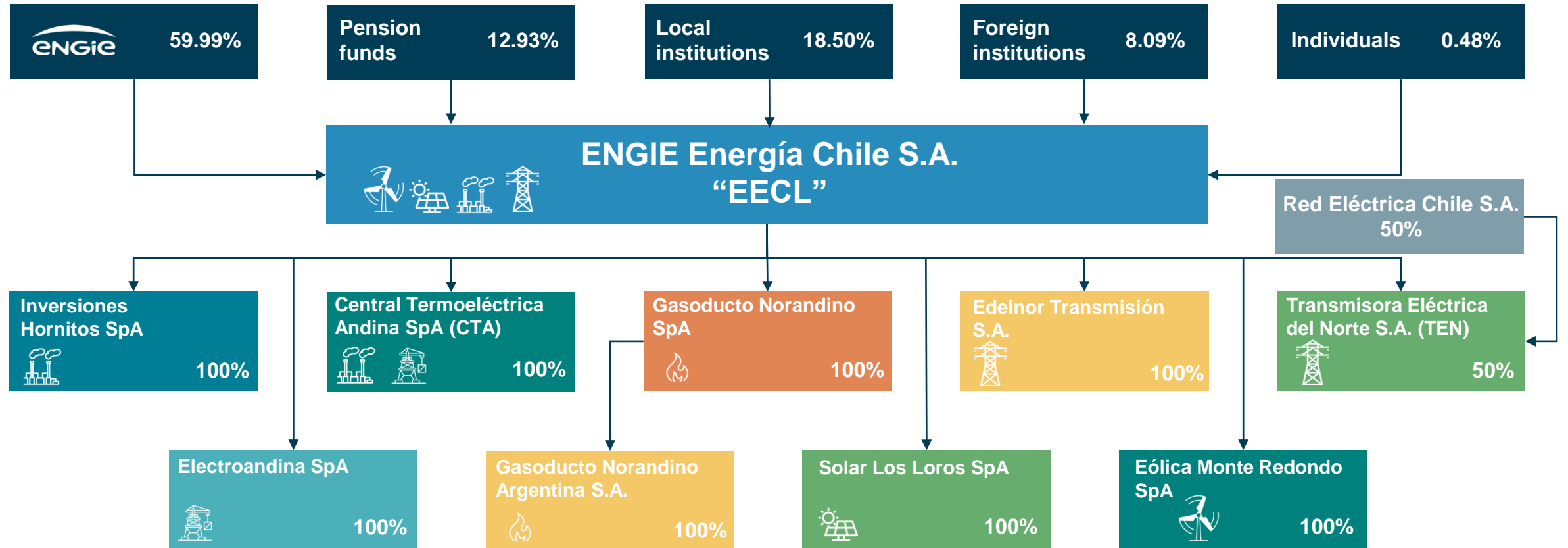
### Chile's world-class copper industry is facing challenges

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;  
Potential constitutional and tax changes

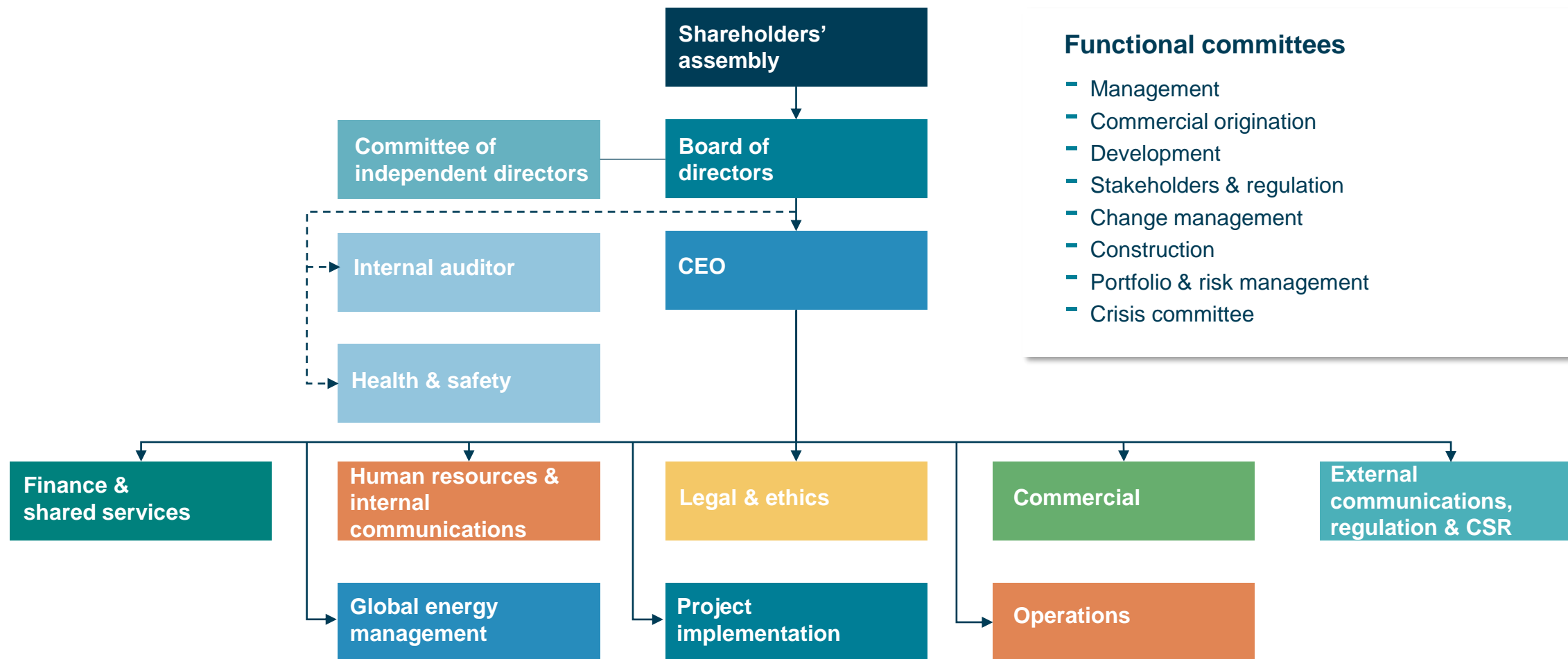
### Engie, a strong partner for the mining business

Power production & transmission; group expertise in the water business;  
Available port infrastructure;  
Asset rotation and decarbonization program supporting carbon footprint reduction.

# Ownership structure



# Organizational structure



## Functional committees

- Management
- Commercial origination
- Development
- Stakeholders & regulation
- Change management
- Construction
- Portfolio & risk management
- Crisis committee



# For more information about ENGIE Energía Chile



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<http://www.engie-energía.cl>

More information on 1H 2022 results in our web page



Presentation



Addenda



Press Release



Recorded  
conference  
audiocast



Financial  
Report



Analyst pack

# Disclaimer

Forward-Looking statements



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