

# ENGIE ENERGÍA CHILE

Investor presentation 1Q 2023



# Summary

---

**1Q23 Results and view for the full year**  
1Q2023 results **1.0**

**Additional information**  
EECL and its transformation **2.0**

**Energy transition**  
Project development and construction status **2.1**

**Transmission**  
A glance at EECL's transmission business **2.2**

**Introduction to EECL and market information**  
Company and industry highlights **2.3**



1.0

## 1Q23 RESULTS & VIEW FOR THE FULL YEAR

# Following a challenging 2022

## Actions to reduce spot market exposure explain 2023 recovery prospects

### Challenges of the period

#### Fuel prices falling from record highs and persistent drought

Generation based on 2022 record high coal prices added to poor hydro generation => high generation costs and spot electricity prices

#### LNG supply issues

Failure by LNG supplier to deliver 13.3 TBtu of committed LNG supply

#### Lower availability of efficient power plants

IEM and other plant maintenance, failures and closures => lower coal generation

#### Transmission bottlenecks

Congestion in certain nodes => curtailment of renewables production

#### PEC & MPC law

Liquidity affected by inability to collect bills for **US\$440 million through 31-Mar-23**

### What can we expect for 2023

#### Tariff increases

Higher fuel prices captured with certain lag in PPA tariffs => increased average realized prices

#### Increased renewable generation and back-up PPAs

New 0.8 GW in operation plus 0.5 GW Wind & BESS projects under construction +1.2 TWh additional back-up PPAs in 2023

#### LNG sourcing

EECL sourced approx. 14 TBtu of LNG for 2023 to replace volumes not delivered by LNG supplier

#### Improved hydrology prospects and falling fuel prices

=> lower marginal costs in 2H23

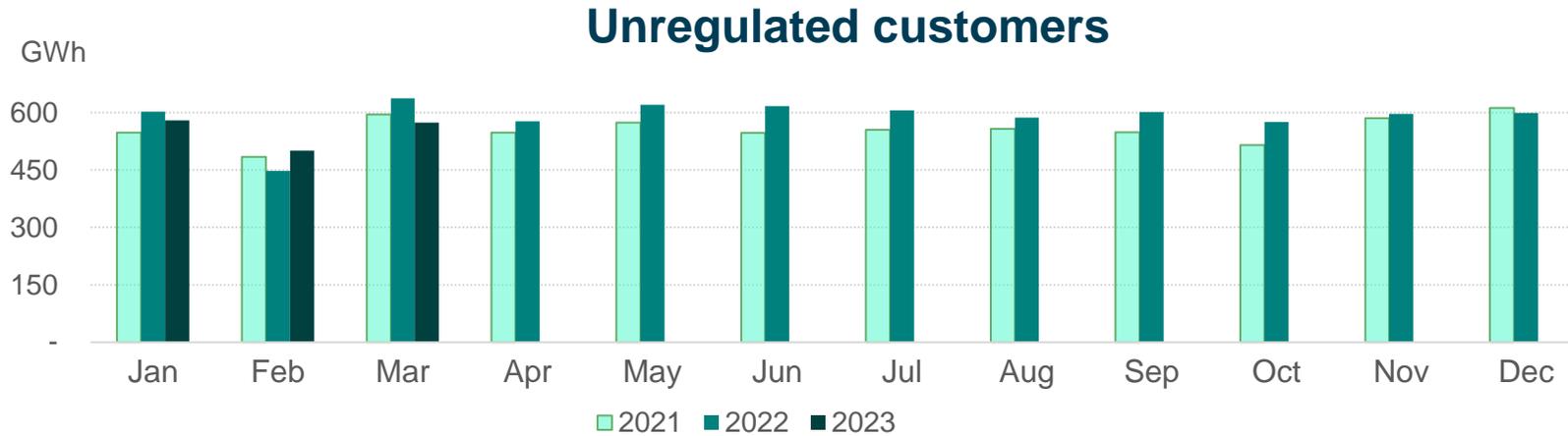
#### PEC & MPC law

Monetization of uncollected bills through a new securitization program



# Contracted physical sales grew 3% in 1Q23

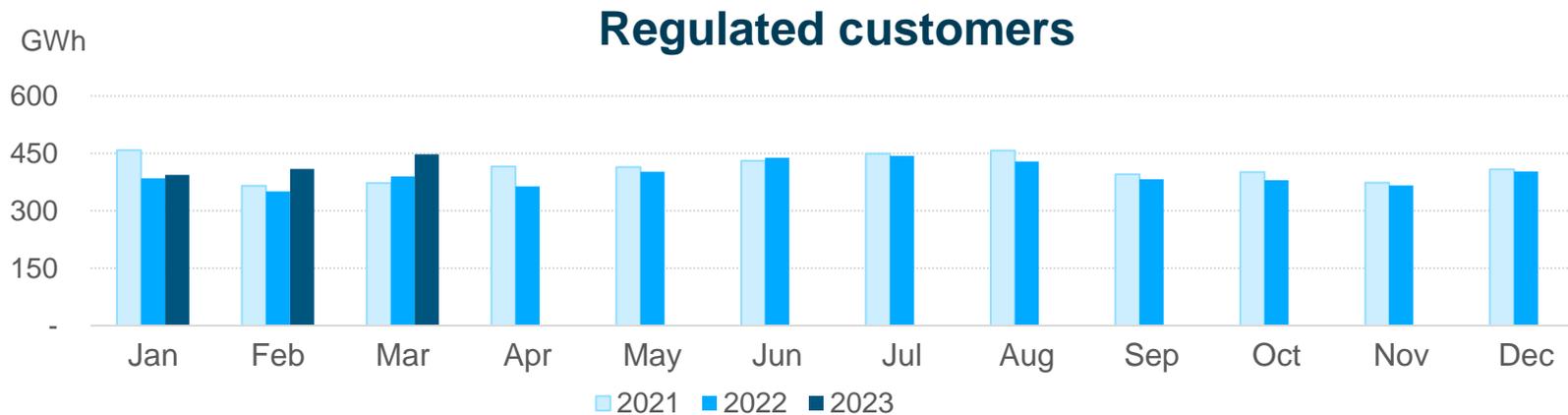
## 2% drop in free customer sales; 11% growth in regulated customers



### Unregulated customers

**2% decrease (1Q23 vs 1Q22)**

- Decrease explained by maintenance at Chuquicamata mining operation



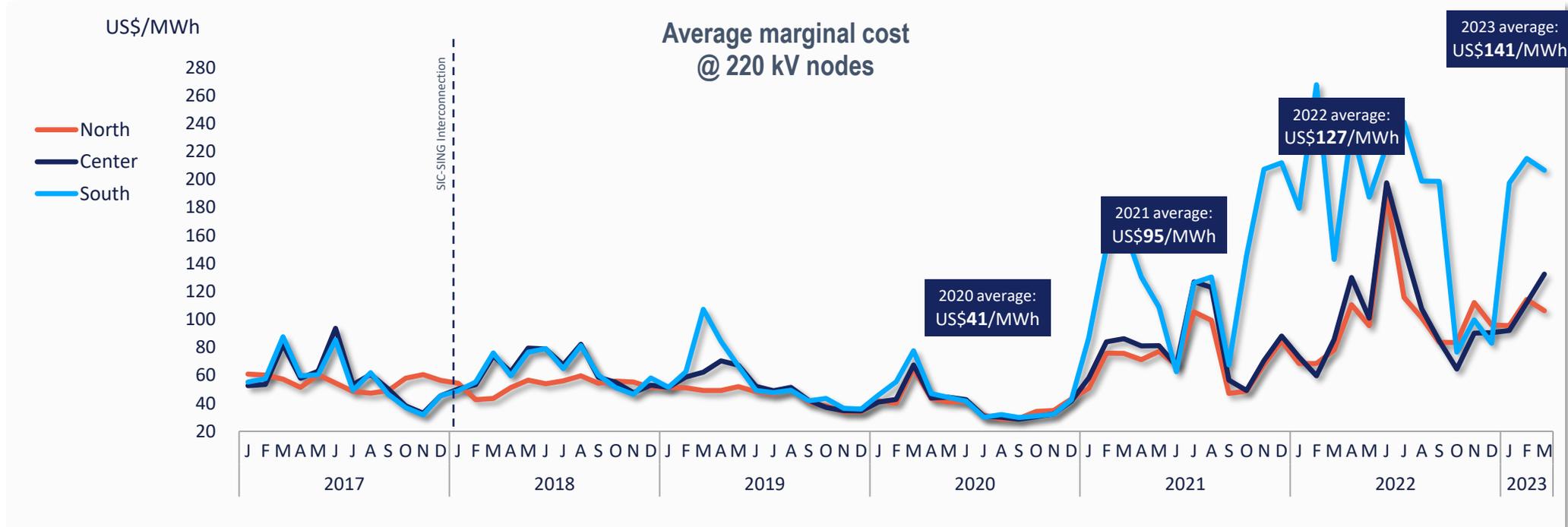
### Regulated customers

**11% increase (1Q23 vs 1Q22)**

- Increase in physical sales explained by higher pro-rata in pool of regulated contracts and return of free clients to regulated space

# Marginal costs remain at highest levels in 7 years

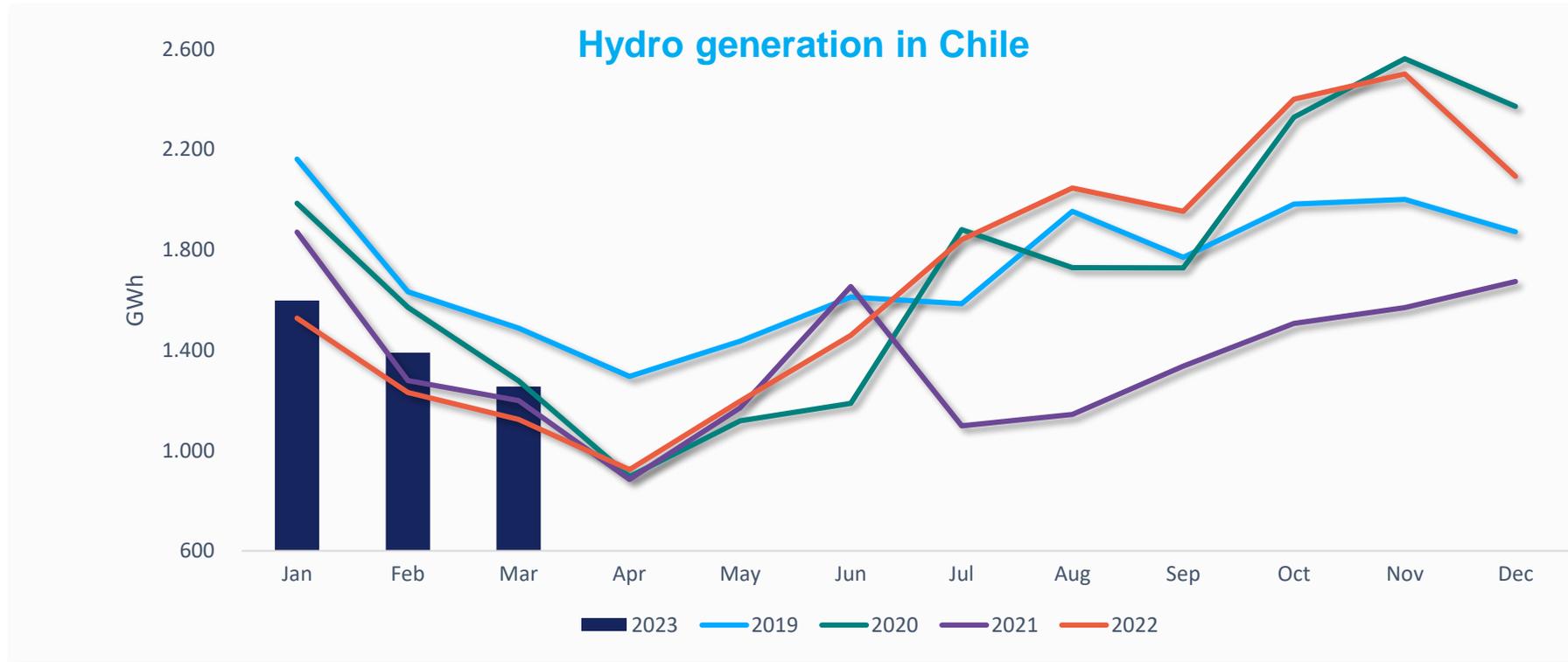
Extreme drought, high fuel prices, transmission congestions => high spot prices



- Dry first quarter w/low hydro generation, still high, though declining fuel prices, and thermal and hydro plant failures continue to press marginal costs.
- Prices at the southern Puerto Montt node (~6% of EECL's energy withdrawals) remain high given water use restrictions at the Chapo reservoir and transmission bottlenecks. Acquisition of wind farm in Chiloé seeks to reduce exposure to spot market in the area.
- 3.3 TWh/y of PPAs with other generation companies provide an effective hedge against marginal cost fluctuations
- Argentine gas imports have alleviated the pressure on marginal costs, with volumes rising to 5.3 – 5.8 MMm3/d for 1Q23
- Although the Apr-22-Mar-23 hydrological year has been dry (87.5% exceedance probability up to Feb-23), a short thaw helped spot prices to decrease in central and south Chile in 4Q22.

# April 22 – March 23: A very dry year following one of driest years in over 60 years

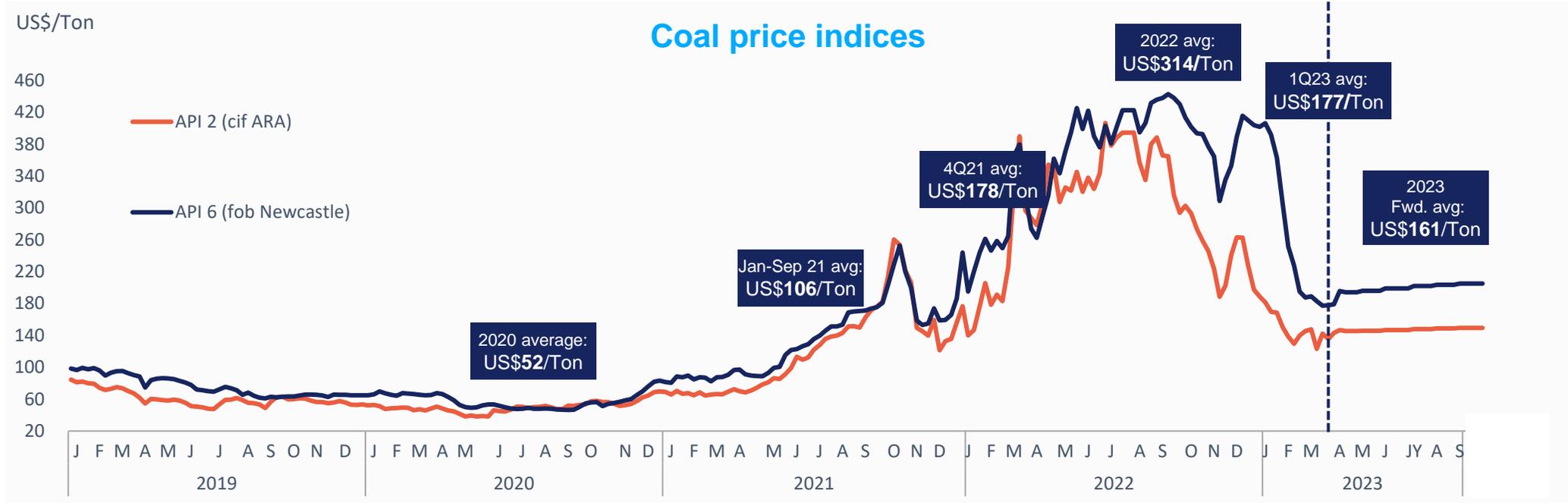
## Hydro generation might recover in 2H23



- In terms of hydraulic generation, as of April the estimated probability of exceedance for the April 2022-March 2023 hydrological year was 87%, representing an equivalent of approximately 21.5 TWh of energy; that is, 3.4 TWh more than last year. Compared to the same date of last year, energy stored in reservoirs increased by an estimated 0.5 TWh.

# Coal prices hit all-time highs in 2022

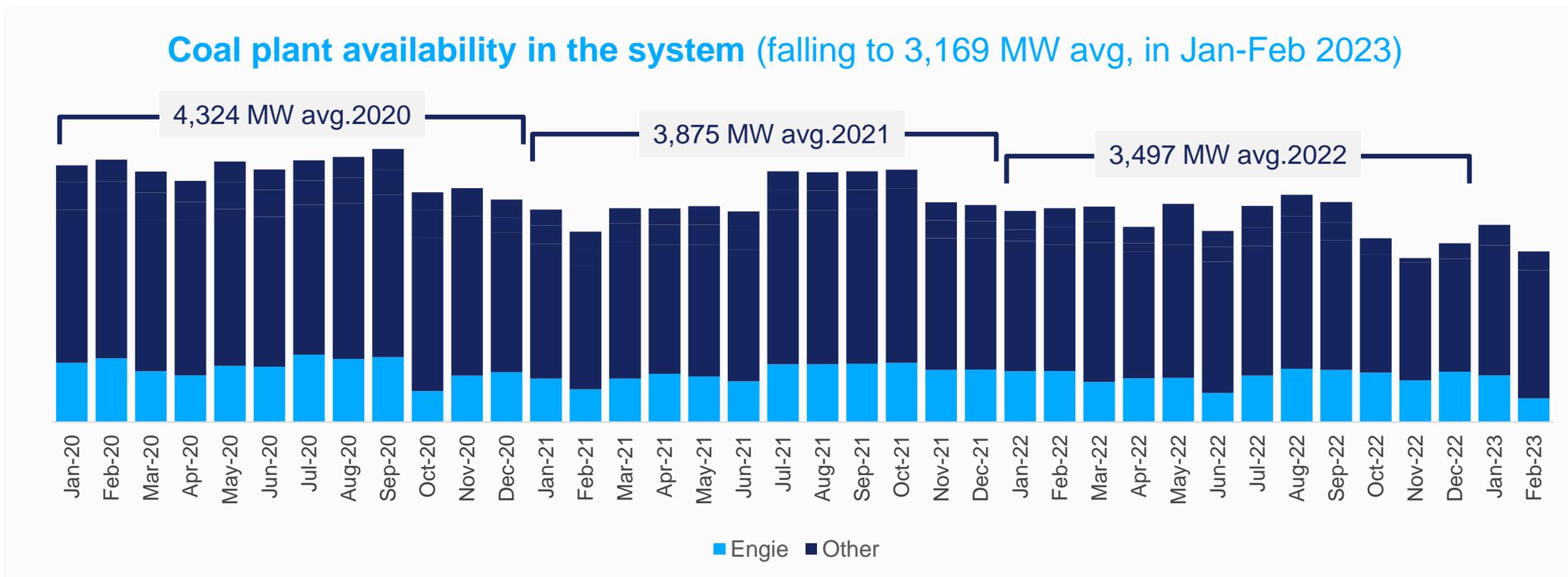
## Significant coal price decline in spot and forward prices for 2023



- Reduced investment in coal mining expansion projects due to climate policies have kept prices higher than historical levels.
- Nevertheless, prices declined during the first two months of 2023 due to higher stocks accumulated during the last quarter of 2022 coupled with a milder winter in the northern hemisphere.
- Lower Natural Gas prices due to higher availability of NG volumes have displaced demand for coal also pressuring prices further down

# Declining coal plant availability in the system

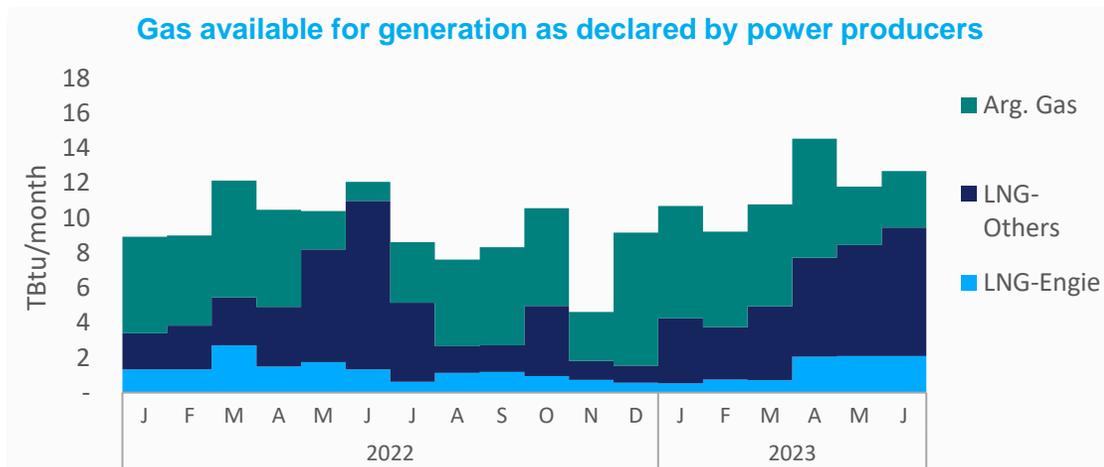
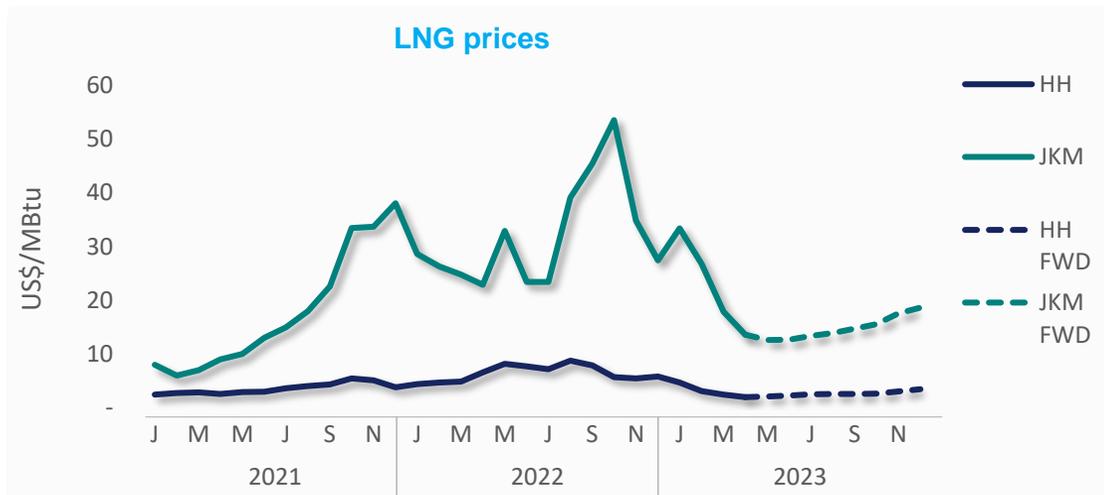
## Plant closures, limitations, planned and forced outages



The average unavailability for 2023 to February (YTD) calculated as the difference between the maximum capacity of all the coal units in the system vs the average available capacity (YTD), was ~ -1,277 MW-month

# Natural gas availability in the Chilean system

## High volatility due to the Russia-Ukraine conflict & rising demand



### LNG international markets

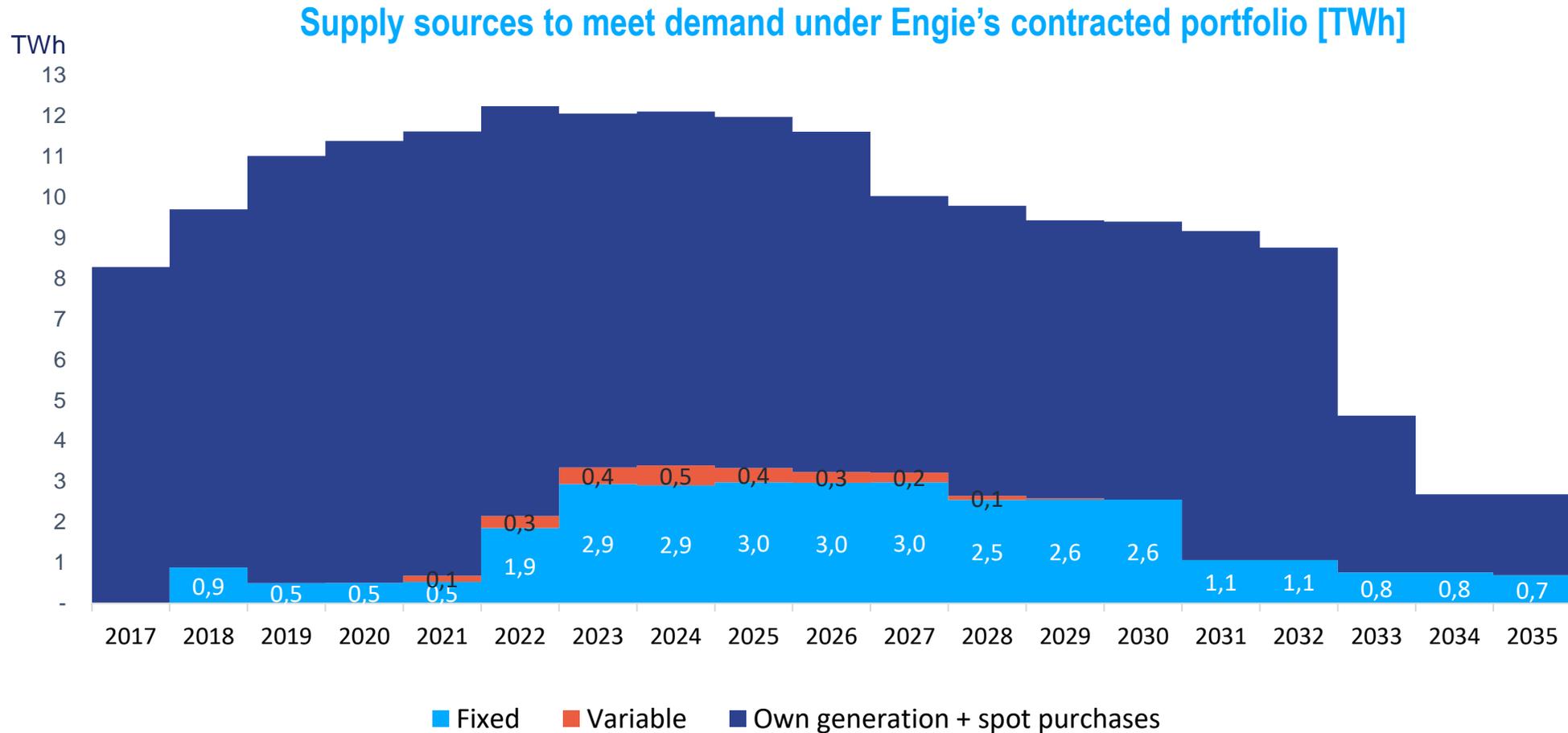
- In 2022 the supply-demand imbalance, aggravated by the Russia-Ukraine war, led countries to struggle to re-build stocks and secure energy supply. Gas became scarce and expensive
- The trend to move away from fossil fuels towards greener energy supplies has hindered producers' ability to quickly deliver more supply
- In the first two months of 2023, high inventory build-ups, coupled with a milder than expected winter in the northern hemisphere, reduced LNG prices considerably

### LNG and natural gas in Chile

- ENGIE has long-term supply contracts indexed to Henry Hub (23.1 TBtu p.a.) with Total. 13.8 TBtu of supply for 2023 has not been confirmed. EECL is exercising its rights under the SPA and applicable law to seek redress from the supplier
- Argentine gas supply on interruptible terms represented around 60% of average gas supply in 2H22. Injections of 7-8 MMm<sup>3</sup>/d for the Jan-Mar-23 period, 2 MMm<sup>3</sup>/d for the May-Jun period and 3 MMm<sup>3</sup>/d for the Jul-Sep period are expected.
- EECL has secured spot LNG volumes for approx. 14.5 Tbtu through July 2023 (Annual 2023 LNG supply of ~24 Tbtu)

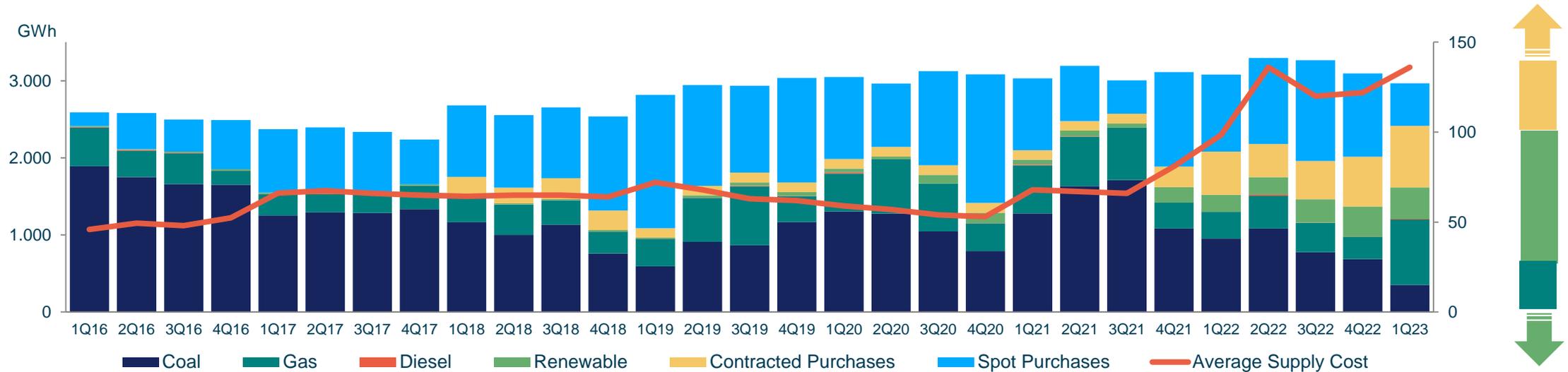
# Closing the gap through back-up PPAs

## Contracted energy purchases climbing to 3.3 TWh in 2023 (28% of contracted demand)



# Portfolio balancing strategy seeks to increase renewables, storage + back-up PPAs while phasing out coal, mitigating intermittence & curtailment and reducing spot exposure

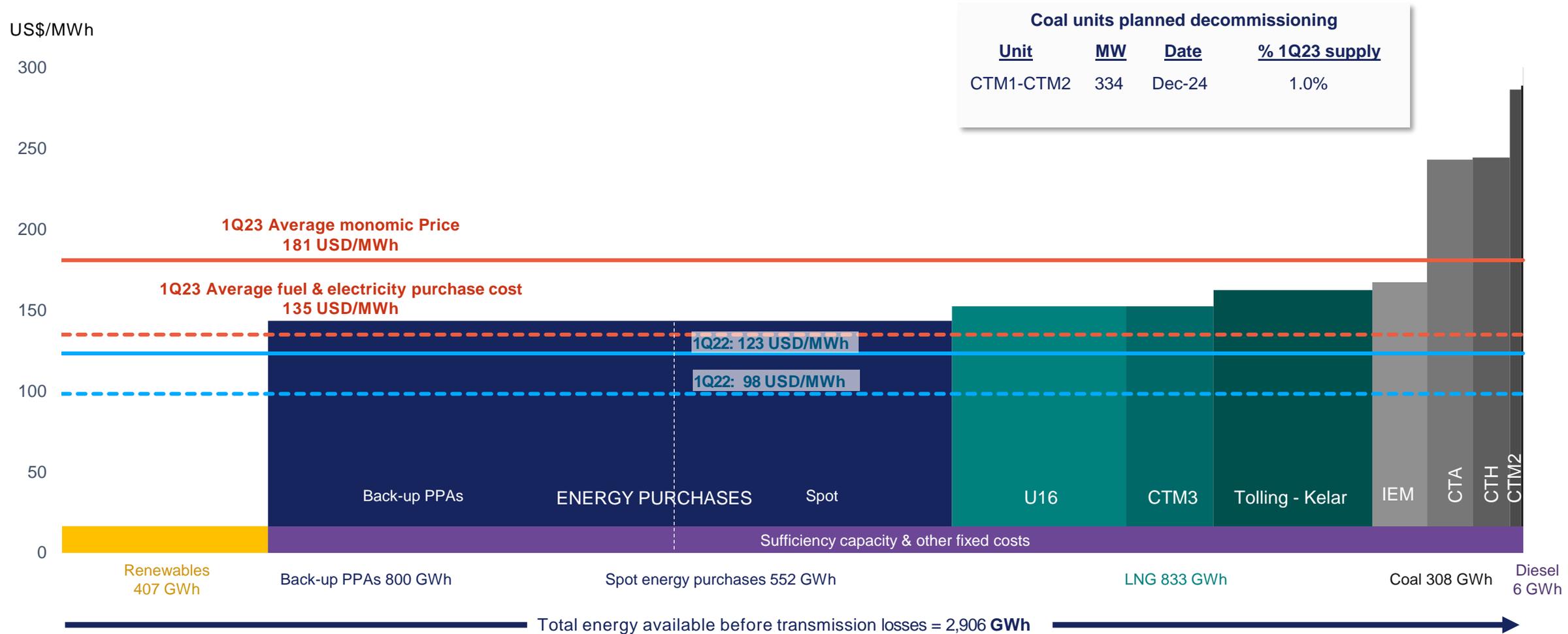
## Energy sources and average supply cost



The average cost of energy supplied has increased due to higher fuel prices and energy purchase costs

# 1Q23 supply: increased back-up PPA & LNG supply volumes, high coal prices, IEM outage

## Investment in renewables and portfolio balancing to lower future supply cost



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\$11.6/MWh; the sum of other system and fixed costs, including ancillary services, averaged US\$4.8 per each MWh withdrawn by EECL to supply PPA demand



# EECL's performance during the energy transition

## A closer look at 2023 results

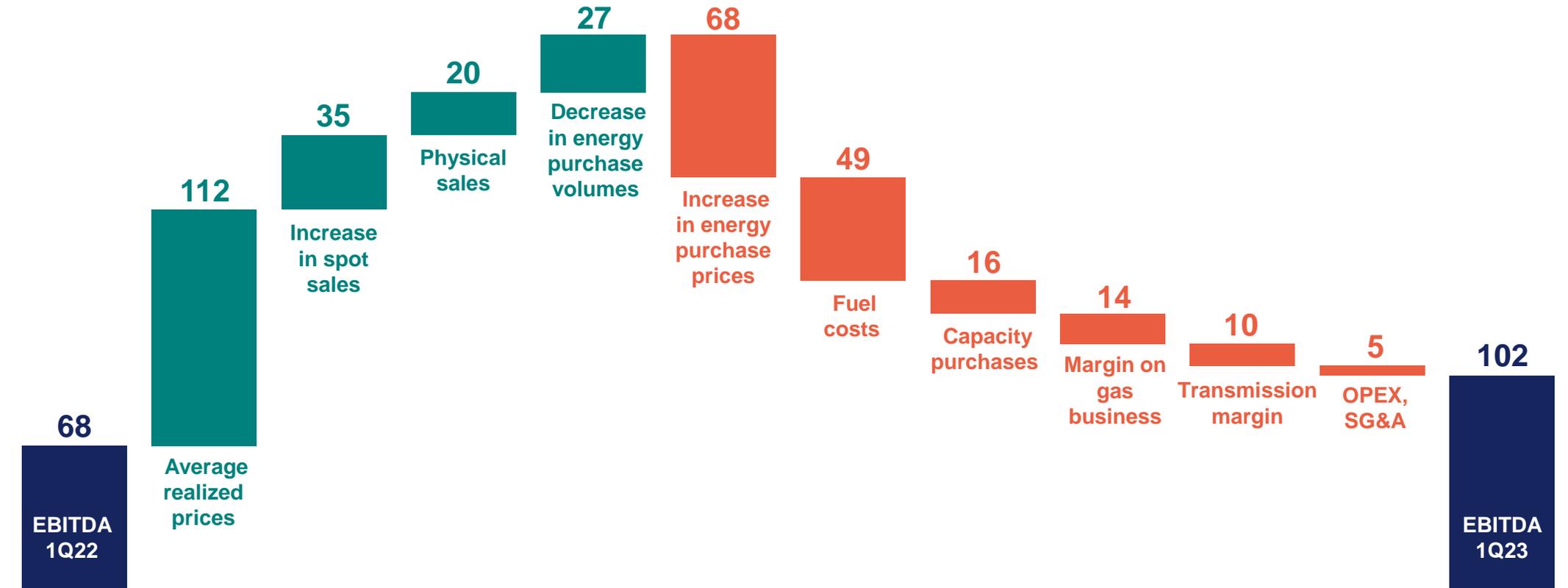
	1Q22	2Q22	3Q22	4Q22	FY-2022	1Q23	Var %
Operating revenues (MUSD)	417.9	481.4	499.7	521.3	<b>1,920.3</b>	587.8	41%
EBITDA (MUSD)	68.5	(8.0)	57.3	71.3	<b>189.0</b>	102.0	49%
EBITDA margin (%)	16.4%	-1.7%	11.5%	13.7%	<b>9.8%</b>	17.3%	0.9 pp
Net income (MUSD)	3.8	(44.2)	(17.8)	(330.6)	<b>(388.8)</b>	19.7	418%
One-off items (MUSD)	(2.8)	0.0	(8.6)	(325.0)	<b>(336.4)</b>	0.0	0.9%
Net income – before one-offs (MUSD)	6.7	(44.2)	(9.2)	(5.6)	<b>(52.4)</b>	19.7	194%
Net debt (MUSD incl. IFRS 16 leases)	1,224.5	1,328.7	1,612.7	1,840.6	<b>1,840.6</b>	1,915.3	56%
Spot energy purchases (GWh)	999	1,114	1,308	1,081	<b>4,501</b>	552	-45%
Contracted energy purchases (GWh)	561	430	497	646	<b>2,134</b>	800	43%
Physical energy sales (GWh)	2,964	3,043	3,100	2,940	<b>12,047</b>	2,938	-1%
Average realized price (USD/MWh)	123	145	149	165	<b>146</b>	181	47%

- EBITDA and electricity margin recovered as energy price increases offset the increase in fuel and energy purchase costs
- Average realized prices increased 47%, reflecting rising CPI and fuel prices
- The increase in contracted energy purchases w/other generation companies reduced the company's exposure to the spot market
- Net income showed a clear recovery mainly due to the increase in the electricity margin.
- The net debt increase is largely explained by slower cash generation due to price stabilization law and expansion CAPEX

# EBITDA improvement despite market and operational challenges

## Recovery explained by higher prices and reduced exposure to spot market

By main effect  
In US\$ Million



# Net income evolution

## Operating margin recovery with increase in interest expense

### Main variations

In US\$ Millions

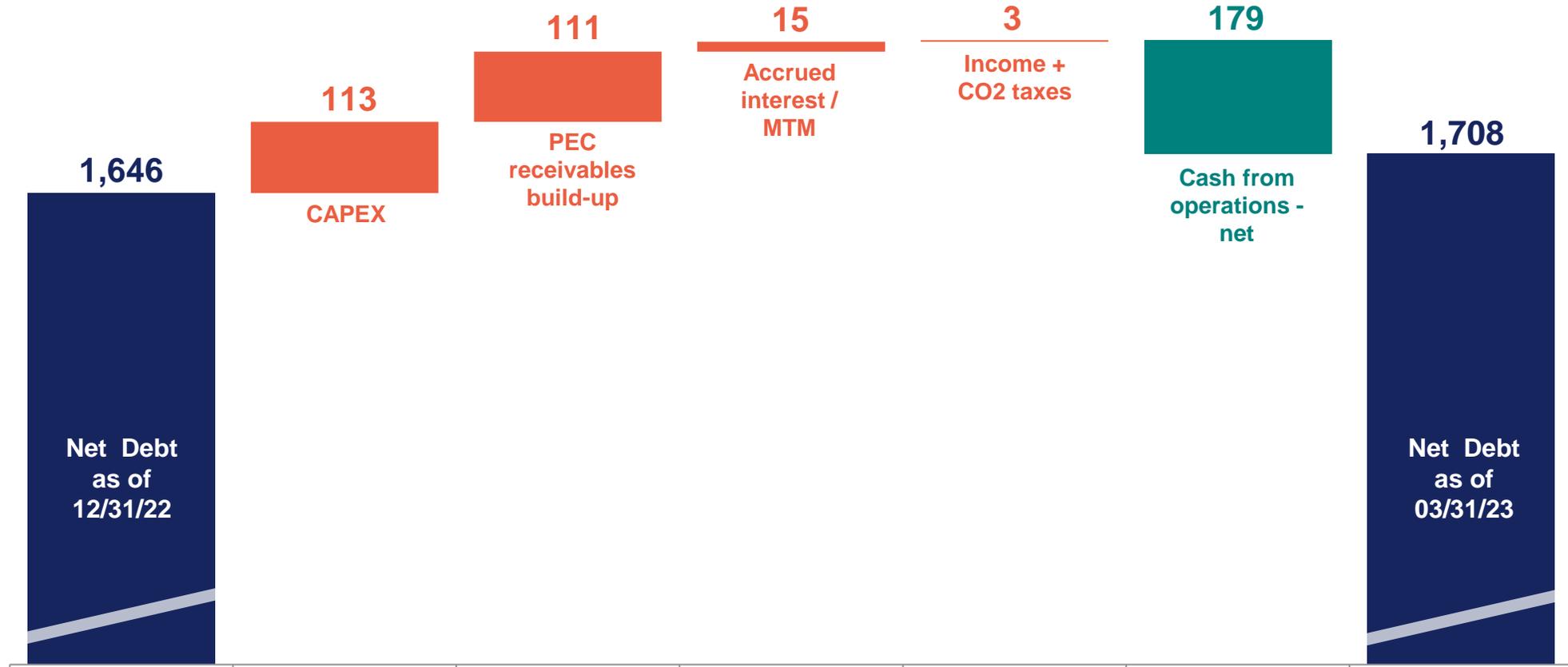


(\*) Financial discount on sale of long-term receivables from distribution companies resulting from the Price Stabilization Law enacted in 2019 to freeze tariffs to regulated clients.

# Net debt evolution

## Increase due to CAPEX financing and build-up of PEC receivables

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



(\*) Net debt excludes IFRS 16 financial leases (US\$207 million as of 03/31/23)

# Financial structure

## Current strategy geared to reducing ND/EBITDA and extending debt maturity profile

### Investment-grade ratings: BBB/BBB

#### International:

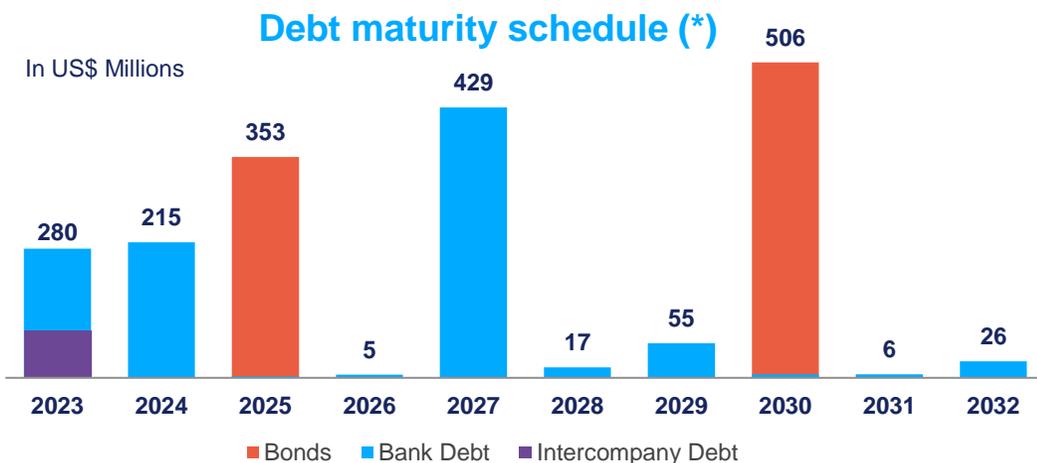
Fitch (Oct 2022): **BBB Stable**

S&P (Mar 2023): **BBB Negative**

#### National scale:

Fitch (Oct 2022): **AA- Stable**

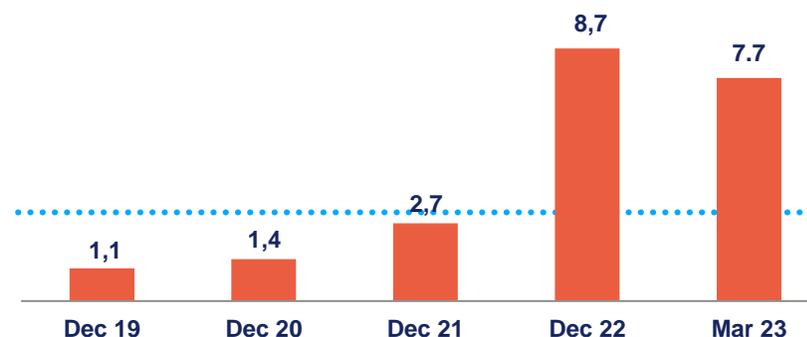
Feller Rate (Dec 2022): **AA- Stable**



(\*) as of April 30, 2023

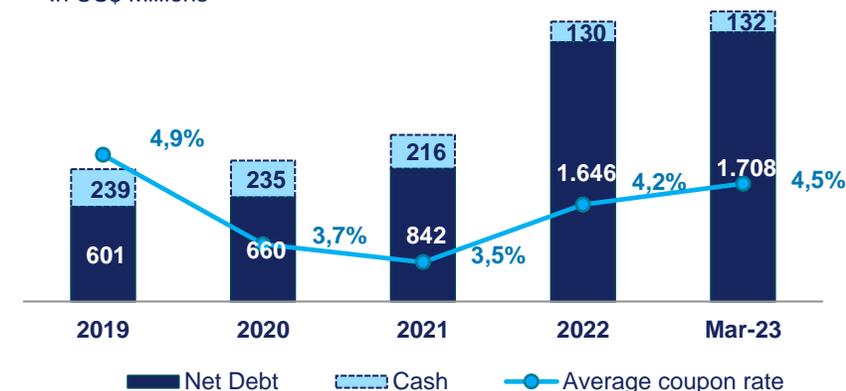
### Net Debt/EBITDA

excluding IFRS-16 leases



### Debt levels

In US\$ Millions



# EECL's performance during the energy transition

## Recent Events and Action Plans – Portfolio balancing to mark the road ahead

---

### Actions:

- 1** Increased gas generation: ~24 TBtu LNG supply secured + tolling w/3<sup>rd</sup> party CCGTs
  - 2** Accelerated IEM plant repair (ready as of early May, just waiting for CEN approval to synchronize)
  - 3** 3.2 TWh/y back-up PPAs in 2023, up from 2.2 TWh/y in 2022
  - 4** ~0.9 TWh additional renewable generation in 2023, including wind production in southern node
  - 5** NTP\* for 342 MW Lomas de Taltal wind and BESS Coya storage to reduce curtailment and intermittency
- => Spot market exposure reduced to less than 2 TWh in 2023 from ~4 TWh in 2022, leading to cost reductions and greater cash flow stability**

# Accelerating investment in renewables to match new portfolio indexation

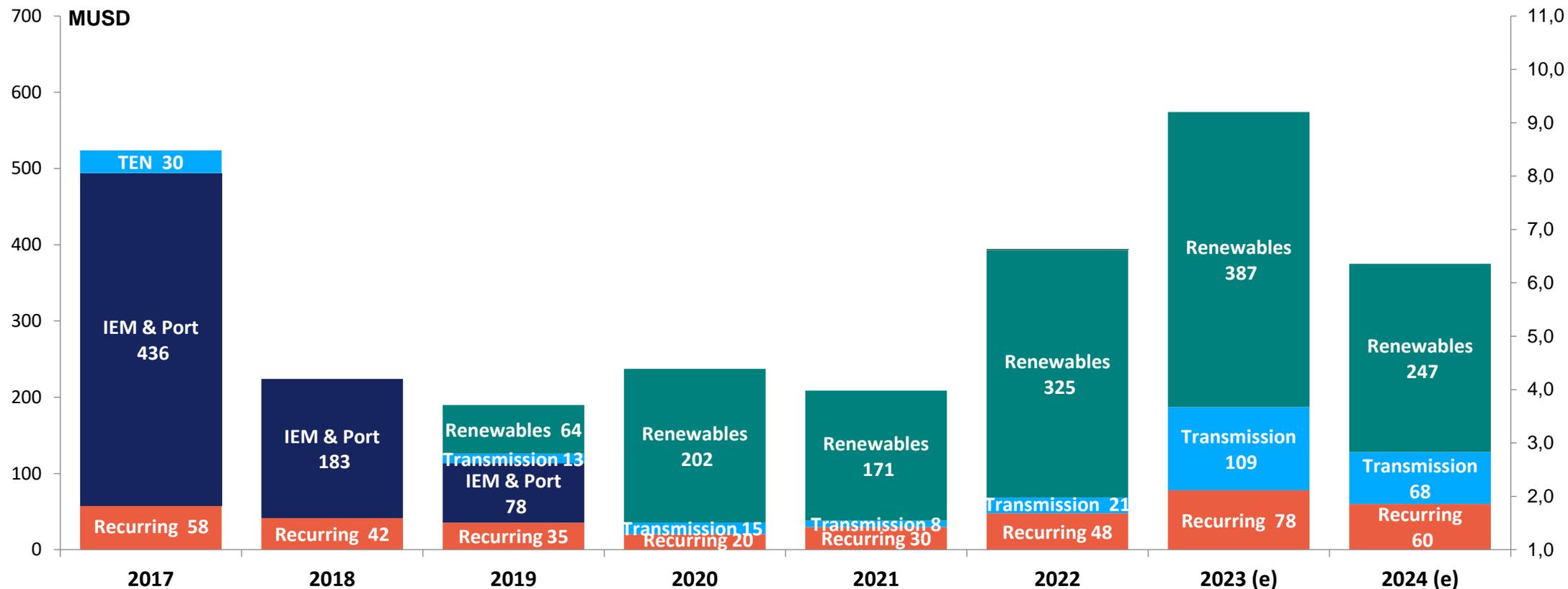
## 2.1 GW renewable investment pipeline, 0.8 GW already done

	0.8 GW Already in portfolio				0.5 GW Under Construction	0.8 GW* Under Development
	2019	2020	2021	2022	2023-2024	2025-2027
<b>MW in operation</b>	46	82	265	369	481	860
 <b>WIND</b>		<b>48</b> MW Monte Redondo	<b>151</b> MW Calama	<b>101</b> MW San Pedro	<b>0.4</b> GW Lomas de Taltal	
 <b>SOLAR PV</b>	<b>46</b> MWac Los Loros Andacollo		<b>114</b> MWac Tamaya	<b>268</b> MWac Coya Capricornio		
 <b>HYDRO</b>		<b>34</b> MW Laja				
 <b>BATTERIES</b>					<b>0.2</b> GW BESS Coya	
<b>CAPEX (MUSD) &amp; ACQUISITIONS</b>	64	202	171	325	634	1,100

\* Projects under development have not yet been approved, and their financing will be decided in due course.

# Accelerating investment in renewables

## US\$1.4 bn investment in renewables / US\$0.2 bn investment in transmission through 2024



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

(\*\*) Renewables includes (i) the projects under construction; (ii) acquisitions: Los Loros & Andacollo PV plants in 2019, Eólica Monte Redondo in 2020, and the San Pedro wind assets in 2022 (US\$116 million cash outflow for shares and debt payments + US\$80 million take-over of debt) (iii) wind and battery projects in early construction stage

# EECL's performance during the energy transition

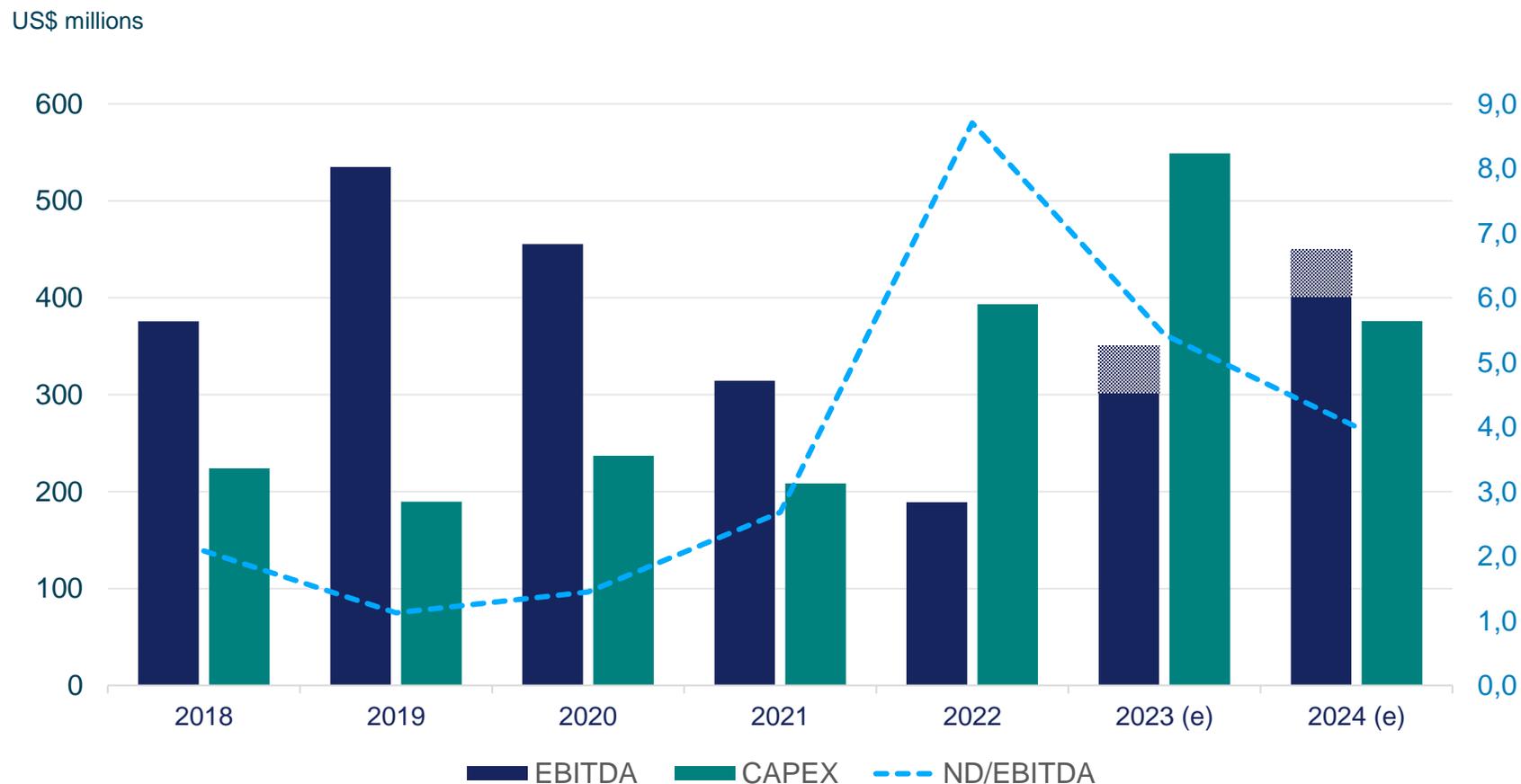
## Our guidance for 2023 remains in line with our reduced exposure to the spot market

### Variables affecting EBITDA

- + Coal & gas price decreases
- + Improved hydrologic conditions
- + Argentine gas availability
- LNG contract supply
- + Spot LNG availability
- Coal plant unavailability
- + Renewable generation increase
- + BESS storage investment
- + Back-up PPAs

### Variables affecting Net Debt

- + ~US\$0.4bn PEC monetization
- ~US\$0.9bn CAPEX



# Financing plan focused on reducing ND/EBITDA and extending debt maturity profile

## While providing funds for CAPEX program

---

### Expected EBITDA recovery

- 1H23 PPA prices capturing 2022 fuel price increases
- Decrease in fuel prices
- Increased renewable production
- Increased LNG purchase volume despite curtailment of contracted supply
- Increased Argentine gas supply to Central Chile reducing pressure on spot prices
- Increased back-up PPA volumes
- Accelerated return to operations of IEM plant after failure in late Jan-23

### MPC law (“PEC-2”)



- True sale of certificates of payment issued by Chilean Treasury for >US\$300 million in 2023
- Cash resources to finance CAPEX and/or refinance short-term

### Mandate for US\$400 million term loan



- Super green loan to finance renewable projects and refinance debt
- A/B1 loan structure supporting EECL’s decarbonization efforts
- 10-year amortizing loan

# Key Messages and Action Plans

---

## **Re-balancing portfolio through renewable additions, back-up PPAs and LNG generation**

0.9 TWh of new renewable capacity, 3.3 TWh of Back Up PPAs and LNG volumes secured for 2023

## **Moving forward with energy transition with strong CAPEX in renewables for 2023-2024**

BESS Coya storage project and Lomas de Taltal Wind Farm project under construction

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

Additional BESS projects for PV plants plus additional renewable projects to reduce exposure to spot market

## **Liquidity and financing needs**

Monetization of PEC receivables under way and US\$400 million long-term Super Green Loan with IFC for 2023



## Additional Information

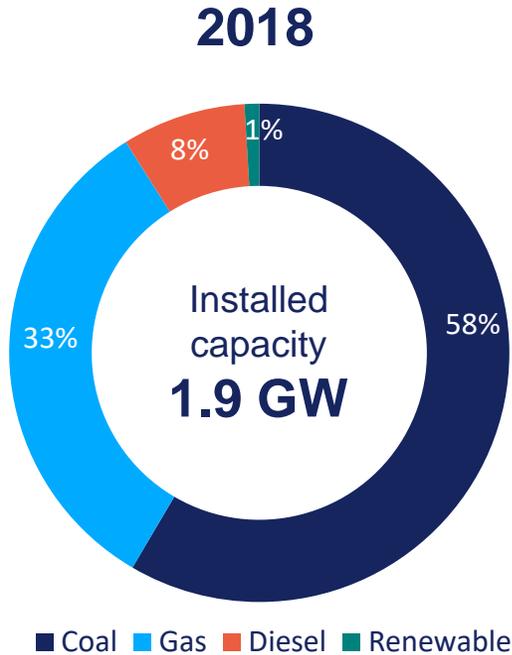


2.1

## Energy transition

# Energy transition

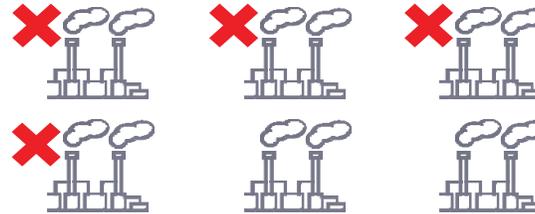
## EECL is embarked on a profound generation portfolio transformation



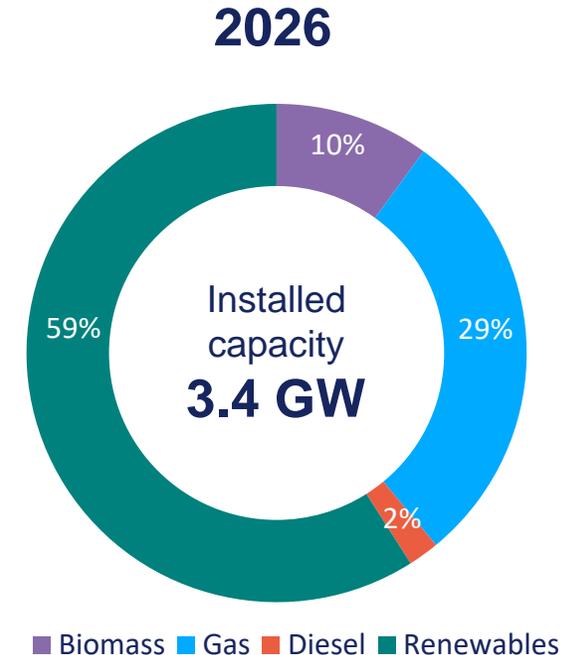
**2.1 GW Renewables**



**0.8 GW Coal disconnection**



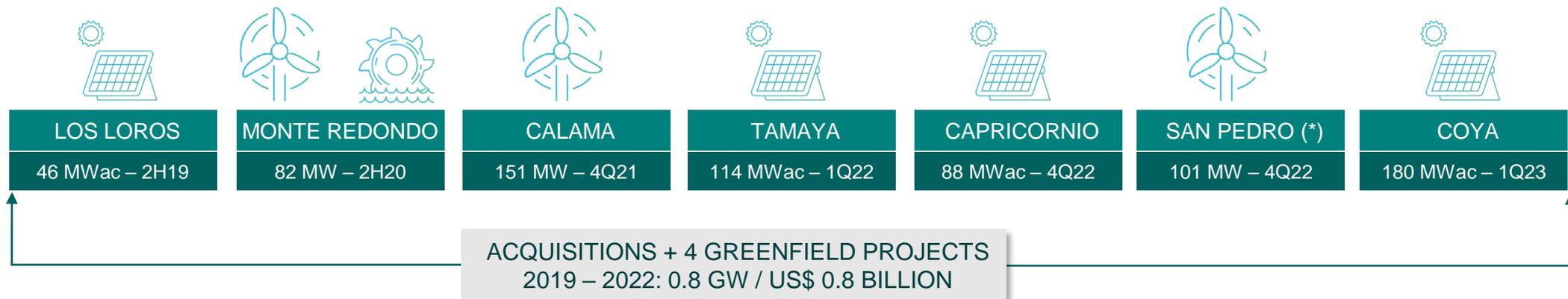
**0.7 GW Conversion**



# Generation portfolio transformation

## Addition of 2.1 GW renewables

### 0.8 GW / US\$0.8 bn already done



### 0.5 GW / US\$0.6 bn under construction

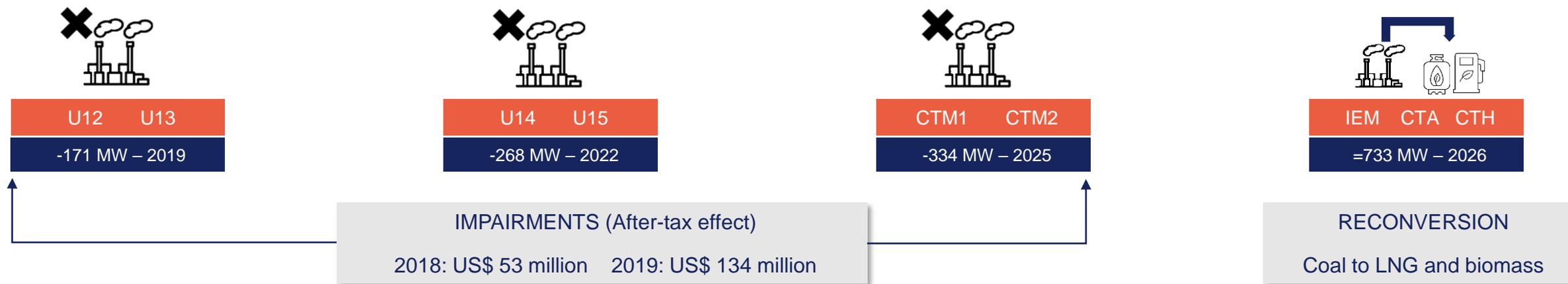


### 0.8 GW under development



# Generation portfolio transformation

## 0.8 GW of coal capacity to be closed by YE-2024

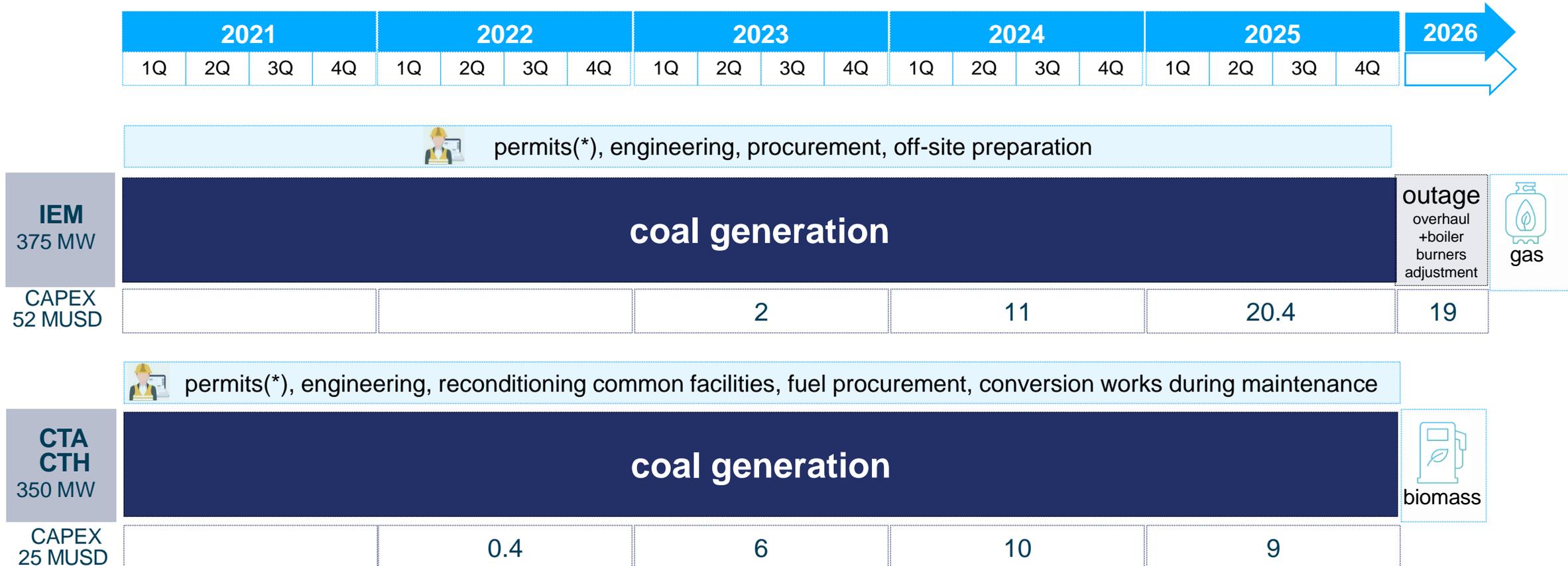


### Impairment test (IAS 36): US\$ 325 million non-recurring impact on 2022 financial results

- The cash flow generating capacity of existing assets has been impaired by the decarbonization process. Hence, equity value, calculated using the discounted cash flow method, was lower than book value in an amount of US\$436 million.
- EECL is considered a single cash generating unit. According to accounting norms, the impairment was allocated: 1<sup>st</sup> to goodwill (US\$25 million), 2<sup>nd</sup> to capitalized development costs (US\$30 million), and 3<sup>rd</sup> to affected assets, pro-rata according to their size (i.e., thermal assets) (US\$381 million).
- The net impact was US\$325 million after discounting US\$111 million deferred tax.

# Generation portfolio transformation

## 0.7 GW of newer coal capacity to be converted



# 463 MW Renewable projects added since 4Q21

## 350 GWh<sup>(\*)</sup> generated in 1Q23 (723 GWh in FY 2022)

---



COD: 29-Oct-21

### **151MW Calama wind farm**

US\$160 million investment



COD: 14-Jan-22

### **114MWac Tamaya PV**

US\$84 million investment



COD: 21-Nov-22

### **88MWac Capricornio PV**

US\$100 million investment



Acquired: 15-Dec-22

### **101MW San Pedro wind farms**

~US\$180 million investment

# 180 MWac Coya PV full year of operations in 2023

## 481 MW wind and battery projects under construction

---



COD: 24-Mar-23

### 180MWac Coya PV

US\$160 million investment



COD: 4Q24

### 342MW Lomas de Taltal Wind

US\$433 million investment



COD: 1Q24

### 139MW / 638MWh BESS Coya (storage)

US\$191 million investment



COD: 1Q24

### 34MW Central Laja substation

US\$33 million investment

# Land concessions for the development of renewable projects

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

## **Pampa Fidelia and Pampa Yolanda**

**Land-use concessions in Taltal awarded in 2021 public auction**



# Renewable projects

## Environmental permit requests

---

### – Approved RCA:

- PV Pampa Camarones II: Up to 300 MWac Bifacial panels + 180 MW BESS (up to 6-hr storage) (Approved Sep-22)
- Wind Lomas de Taltal: 353.4 MW (57 WTGs x 6.2 MW)
- Wind Vientos del Loa: 204.6 MW (33 WTGs x 6.2 MW)

### – EID/EIA submitted:

- PV Libélula (EIA): 199.2 MWac PV-bifacial panels 80MW/480MWh storage system
- Wind Pemuco (EID): 180 MW
- Wind Fidelia (EID) 330 MW (submitted Nov-22)

### – Pertinence letter approved:

- BESS Coya: Up to 100 MW / 5 hours (Feb-22)
- BESS Tamaya: 68 MW / 5 hours (Jul-22)
- BESS Capricornio: 47 MW / 5 hours (Sep-22)
- Wind Lomas de Taltal (PL1) (Sep-22)



(1) RCA = Resolución de Calificación Ambiental => Environmental authority's qualification of the Project's impact following the review of the EIA or EID  
(2) EIA = Environmental Impact Assessment (Estudio de Impacto Ambiental)  
(3) EID = Environmental Impact Declaration (Declaración de Impacto Ambiental)

# Network projects

## Environmental permit requests

---

### – Approved RCA:

- Dolores substation (Approved Sep-22)
- Roncacho substation (Approved May-22)
- Desalant substation (Approved May-22)
- La Negra substation (Approved April-22)
- Algarrobal substation (Pertinence letter approved Feb-22)
- Pozo Almonte substation (Approved Dec-21)

### – EID/EIA submitted:

- Antofagasta by-pass (EID) (17-Oct-22)
- Nueva Chuquicamata-Calama 2<sup>nd</sup> circuit, 2x220 kV line (EID 17-Nov-22)

### – EID/EIA under assessment (to be resubmitted):

- Tamarugal substation expansion [Resubmitted 16-Dec-22](#)
- La Ligua substation [Resubmitted: 18-Jan-23](#)



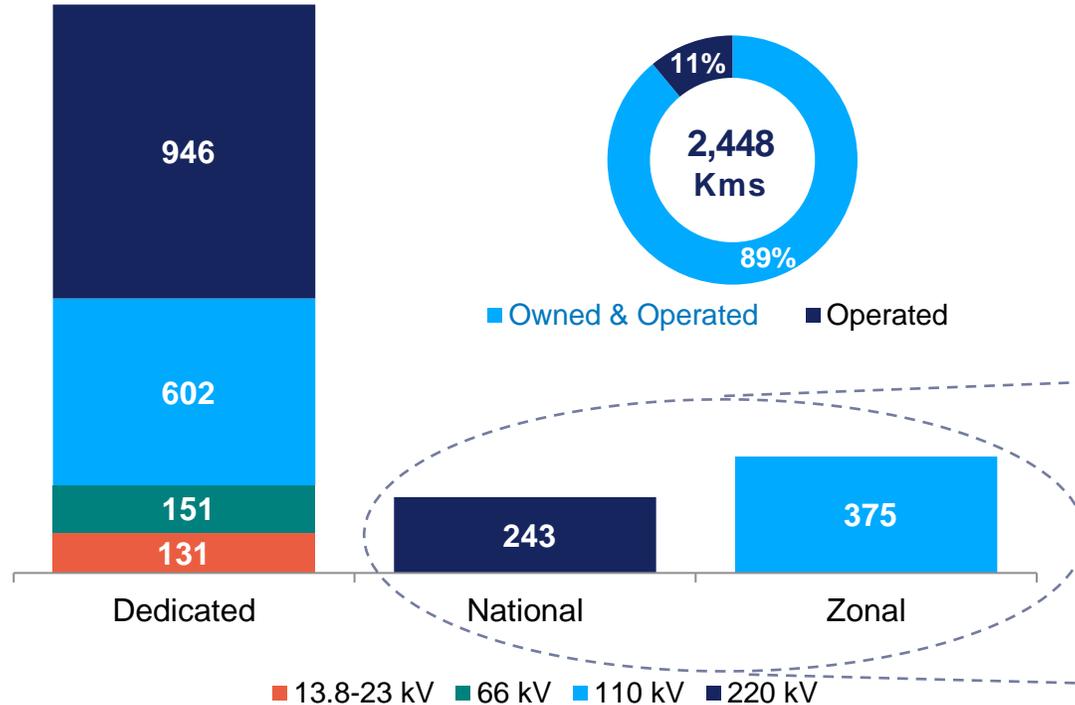


# Transmission

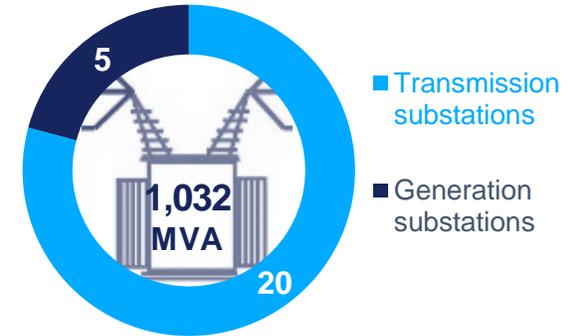
# EECL: A relevant player in transmission

2,448 Kms. transmission lines, 25 substations and 50% share in TEN

## ENGIE'S transmission lines

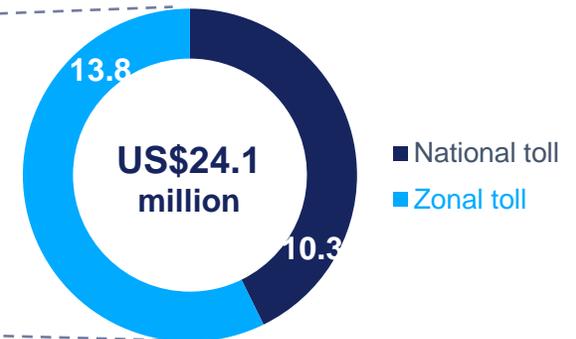


## Substations



## AVI + COMA for National & Zonal systems

In millions of US\$



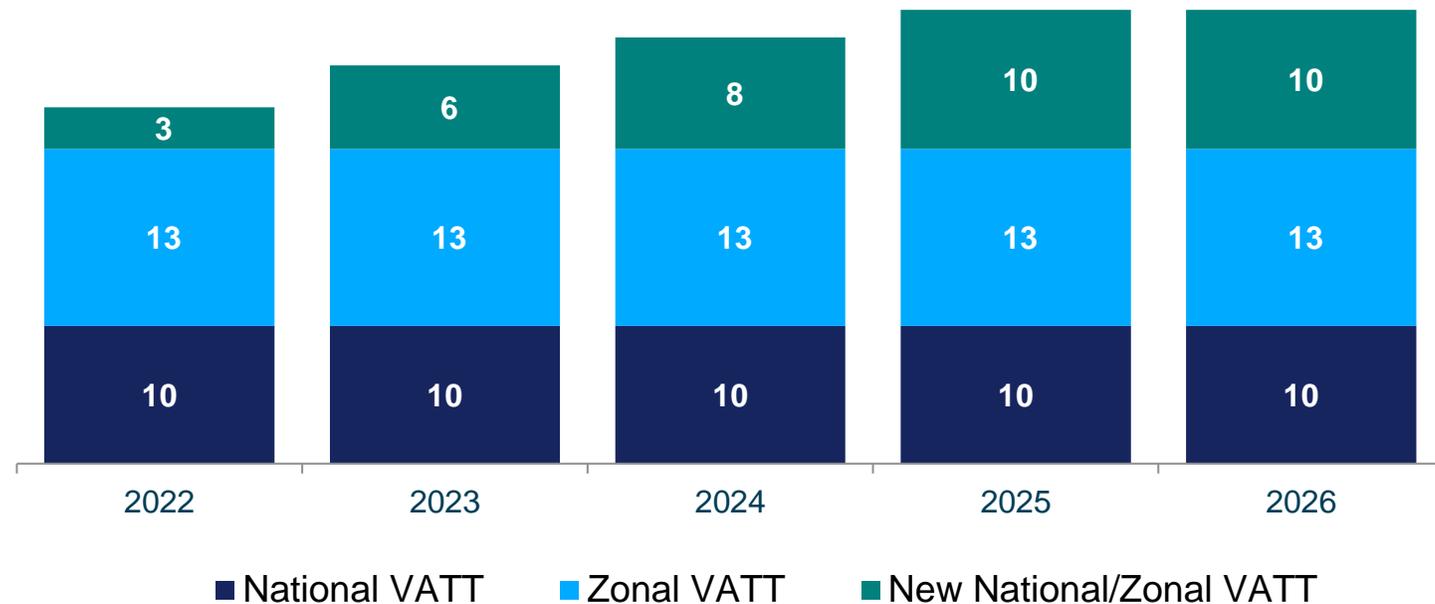
# Expansion into regulated transmission

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

### Expansion CAPEX 2020-2026:

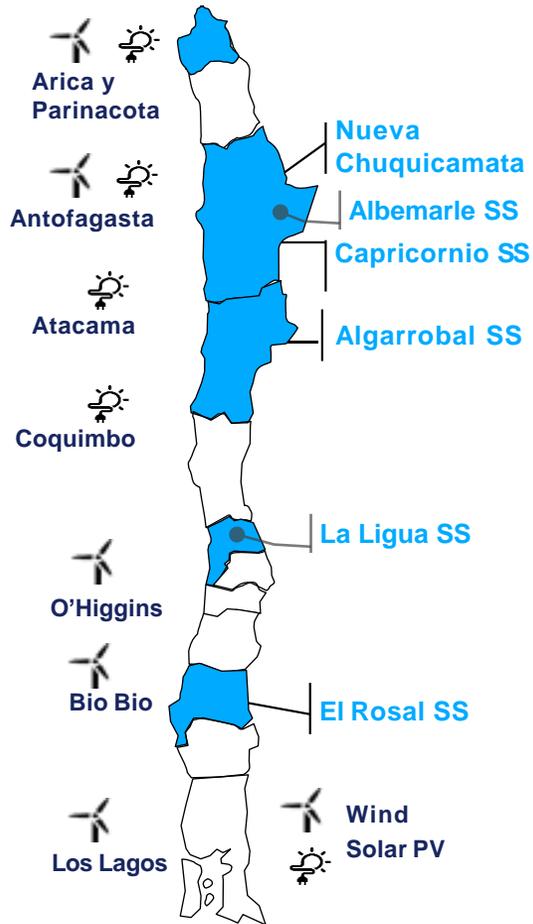
- National:  
~US\$67 million
- Zonal:  
~US\$83 million

Regulated assets VATT in US\$ millions



# National / zonal transmission projects awarded

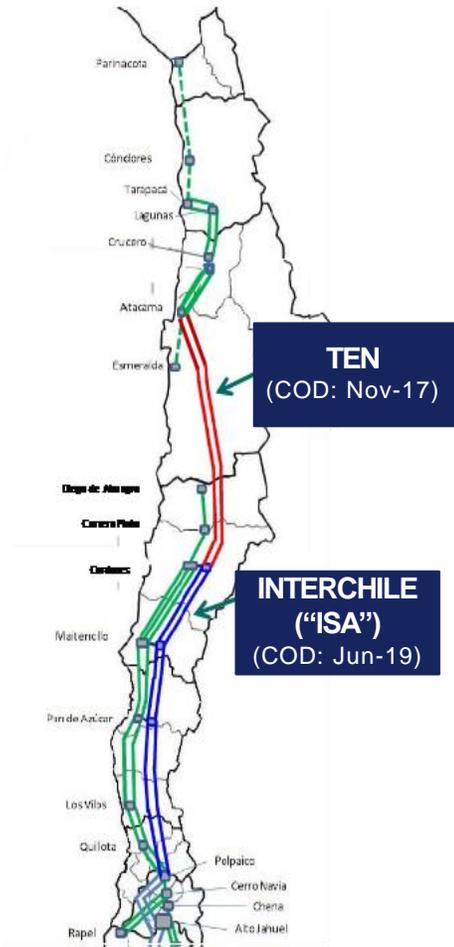
## US\$171 million CAPEX



New Works	CAPEX (MUSD)	COD
Nueva La Negra substation	32	1Q24
Roncacho substation	19	1Q24
La Ligua substation	24	2Q25
Totihue new sectioning + new Totihue 2x66 kV transmission line	40	4Q25
Antofagasta by-pass (on hold)	31	4Q26
Expansion works	CAPEX (MUSD)	COD
Nueva Chuquicamata – Calama 2 <sup>nd</sup> circuit	8	4Q24
Charrúa line capacity increase	3	2Q25
Pozo Almonte substation	5	2Q24
Dolores substation	4	3Q24
Tamarugal substation	5	4Q24
BOOT		COD
Albemarle West tap-off substation + West-Salar tap-off		1Q23
Algarrobal substation – Bay construction Cox Energy		1Q24
Desalant substation		2Q24
Nuevo Desafío: Algarrobal substation – Pacific Hydro Chile		1Q25

# 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:

Used by EECL under 20-yr financial lease agreement

#### - Substation:

- TEN-GIS

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

- Mejillones – Los Changos

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

## A new tariff decree for the 2020-23 period published with delay in February 2023

### TEN revenue scheme

- Regulated revenues on “national assets” (AVI)
- Contractual toll with EECL on “dedicated assets”

#### TEN: Annual estimated revenue

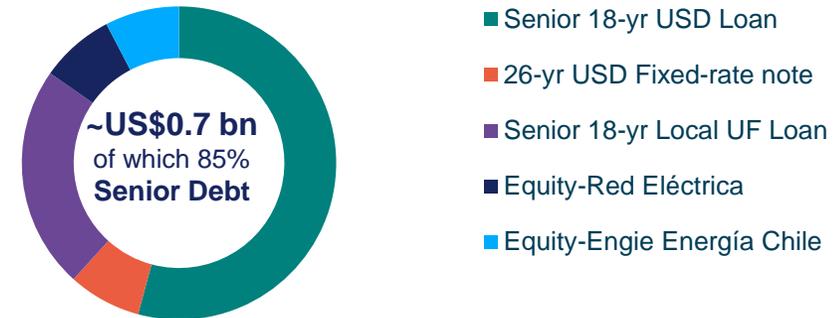
(in millions of US\$ @ 31-Dec-22 FX rates)

<b>AVI</b> (VI annuity):	<b>49</b>
<b>+COMA</b> (O&M cost):	<b>10</b>
<b>+AEIR</b> (tax adjustment):	<b><u>8</u></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.

**New tariff scheme published in February 2023 enacted with retroactive effect to 1-Jan-20**

### Project Finance status as of 31-Mar-23



**Total senior debt ≈ USD 0.6 bn**



## EECL and Market Information

# Introduction

## ENGIE Energía Chile S.A. (“EECL”)

---

**60% owned by ENGIE S.A., a leading international player in the energy transition, seeking to achieve Net Zero Carbon target by 2045**

4<sup>th</sup> largest electricity generation company in Chile, 3<sup>rd</sup> largest transmission player

Embarked on a profound transformation into a renewable energy producer, aligned with ENGIE’s global transition goals

### ENGIE S.A.

- **+100 GW** of installed generation capacity, with ambitious goals for the energy transition
- To add **+4GW** p.a. of renewables capacity on average by 2025 and **+6GW** on average per year from 2026
- To phase out coal activities by 2027

### ENGIE Energía Chile S.A.

- **2.4 GW** of installed generation capacity, 7% market share
- **12 TWh/y** contracted sales, 16% market share
- Energy transition by 2026: **Closing 0.8 GW** and **converting 0.7 GW** of coal capacity; **adding 2.1 GW** renewables

# ENGIE Energía Chile S.A.

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

### Our operations

**4th** largest GenCo in Chile  
**2.5 GW** gross capacity  
**0.5 GW** renewables added 2022  
**12.0 TWh** sold under PPAs in 2022

**3rd** largest Transmission operator  
**2,448 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**  
 Gas (394MW)  
 Port



**MEJILLONES**  
 Coal (1,059MW)  
 Gas (245MW)  
 Port  
 LNG Terminal (GNLM)\*

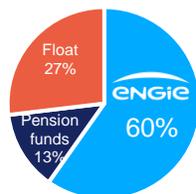


**OTHER SITES**  
 Renewable (610MW)  
 Diesel (back-up) (55MW)  
 Bess (2MW)



**IN CONSTRUCTION**  
 Renewable (650MW)  
 Transmission (4 SSs)

### Our shareholders



### Our largest clients

#### Mining



#### Distribution



(\*) GNLM is a sister company

# Industry and company highlights – 1Q2023

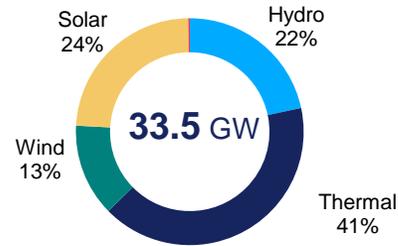
EECL has 7% market share in terms of installed capacity and 15% in terms of electricity sales



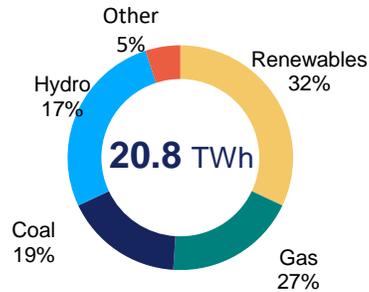
SISTEMA ELÉCTRICO NACIONAL (SEN)



Gross capacity



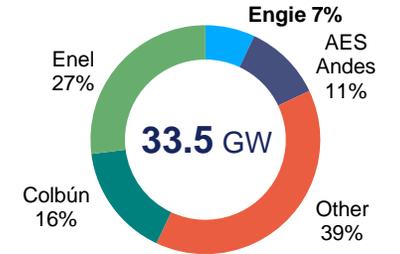
Generation



Demand



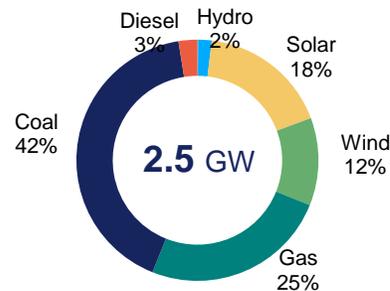
Market share



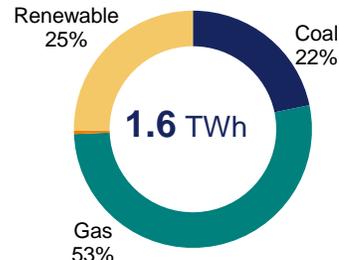
ENGIE ENERGÍA CHILE (EECL)



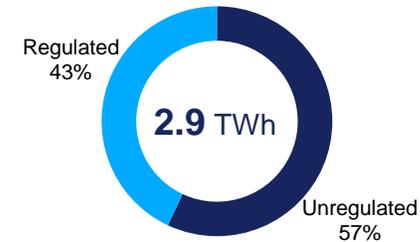
Gross capacity



Generation



Demand



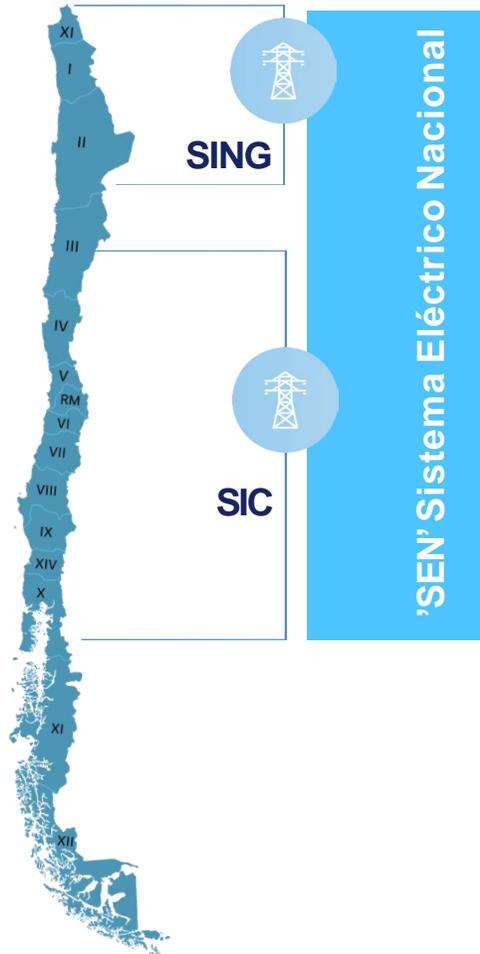


**ENGIE ENERGÍA CHILE**

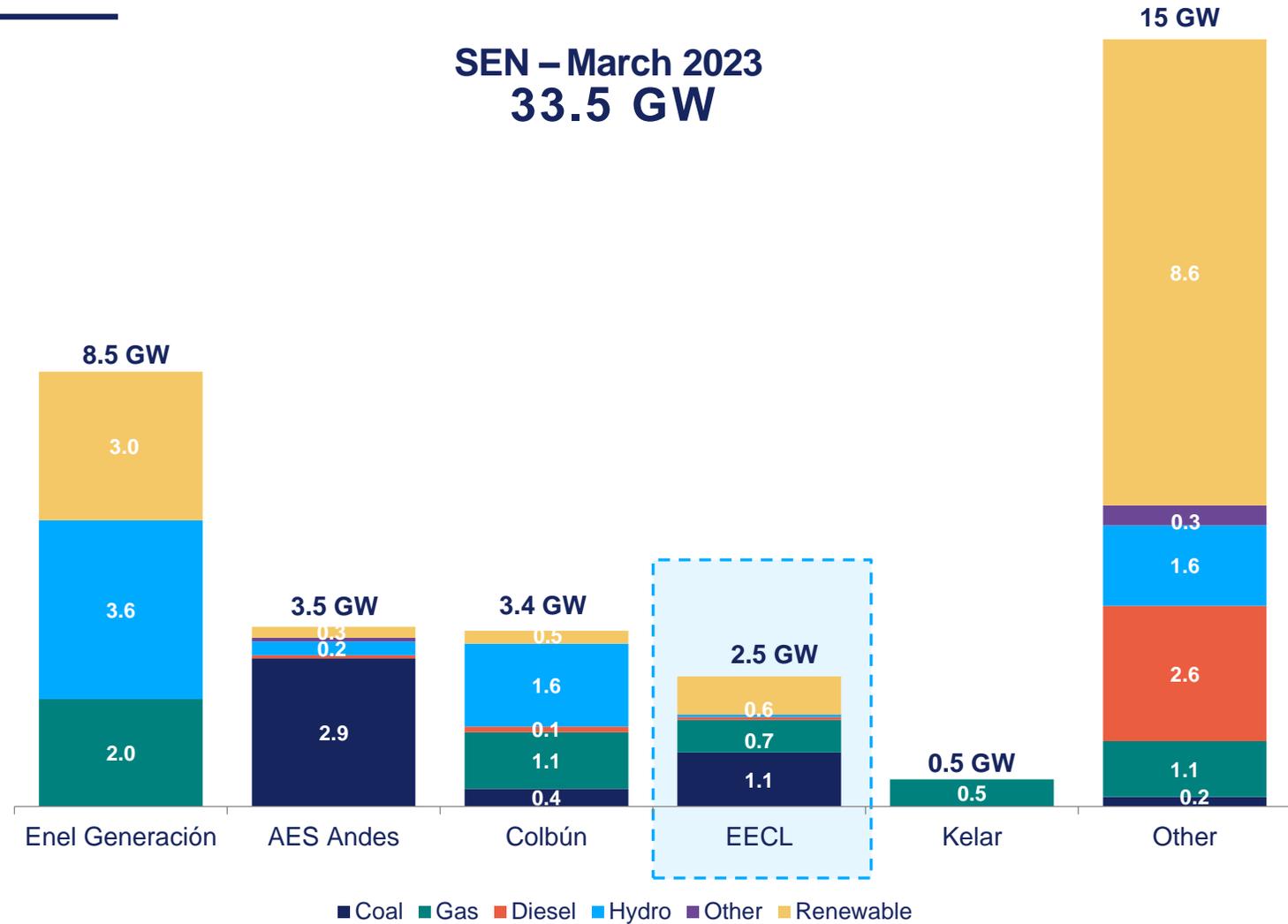
- 60%** owned by ENGIE
- 4th** largest generation co.
- 3rd** largest transmission co.
- 9-yr** average remaining PPA life

# Sistema Eléctrico Nacional – SEN

## Growing participation of renewables and smaller market players

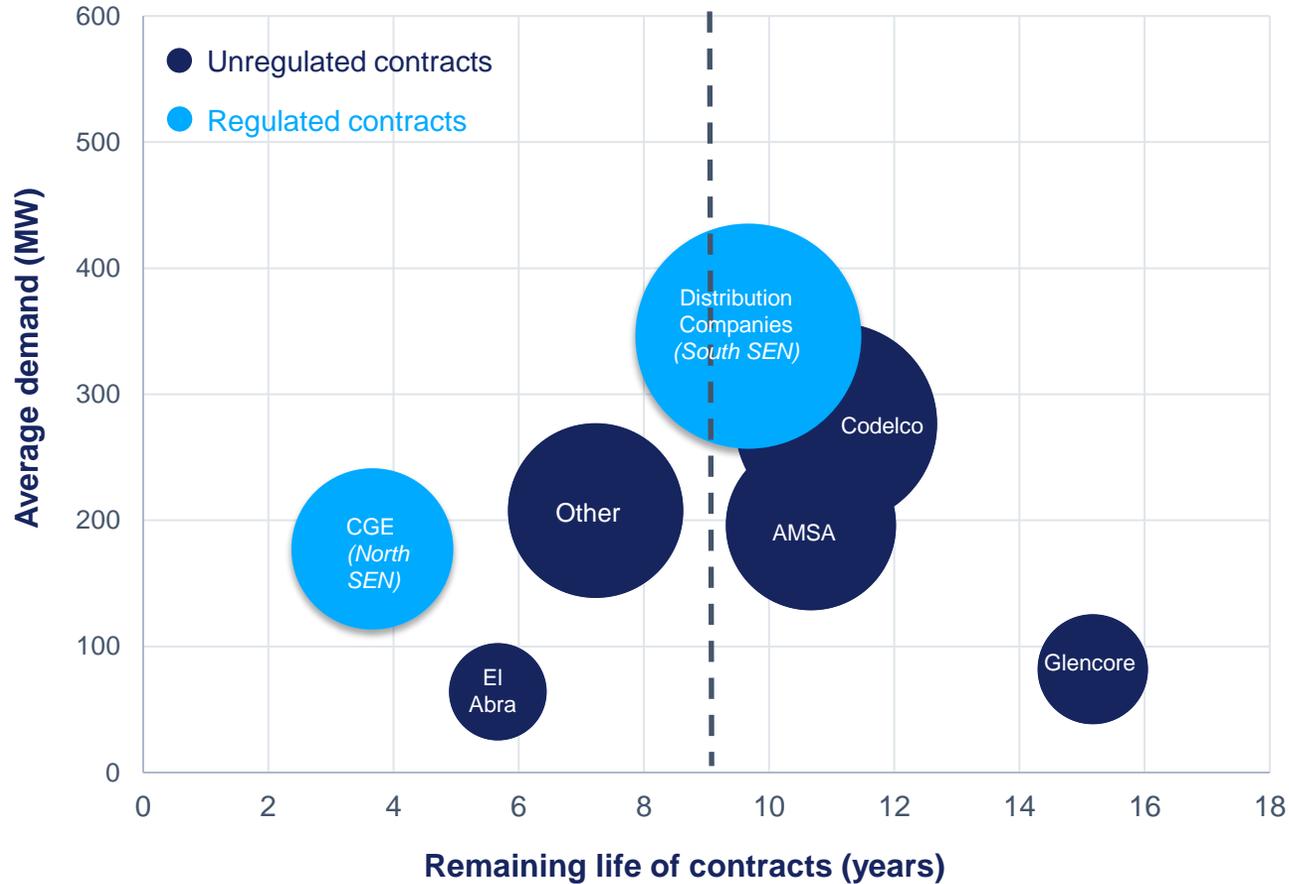


SEN – March 2023  
33.5 GW



# PPA portfolio with 9-year average remaining life

Free clients: 10 yrs. Regulated clients: 8 yrs.



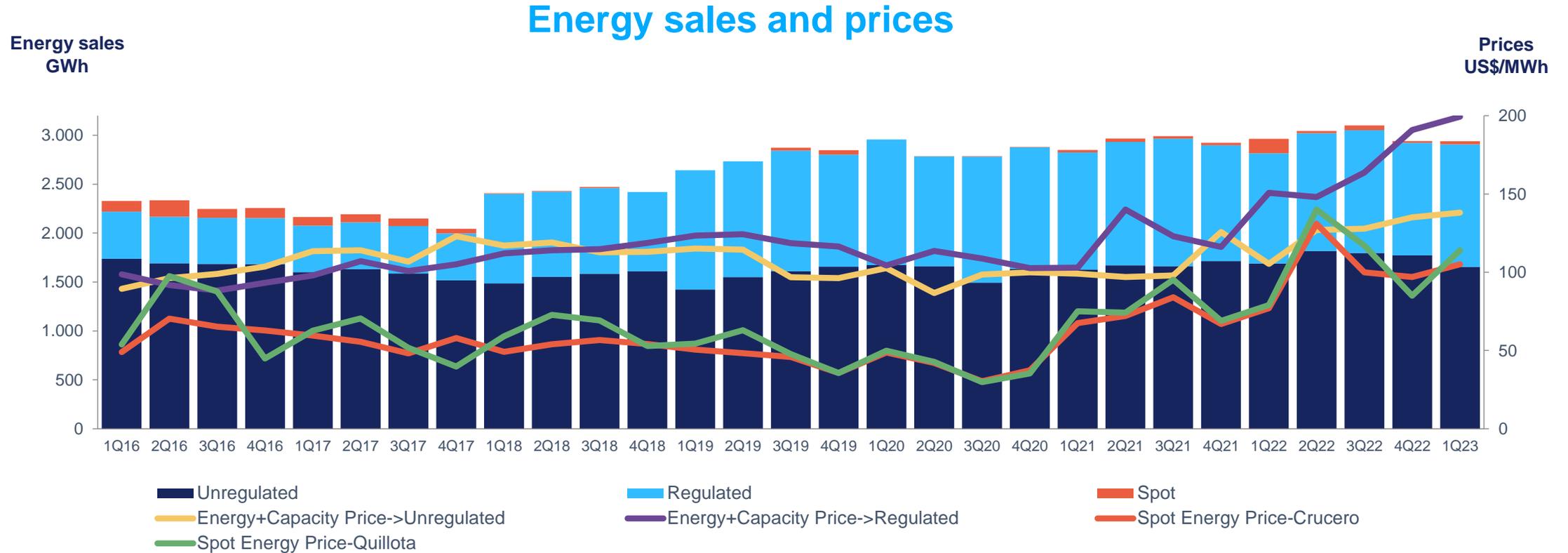
## Clients' credit ratings

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

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

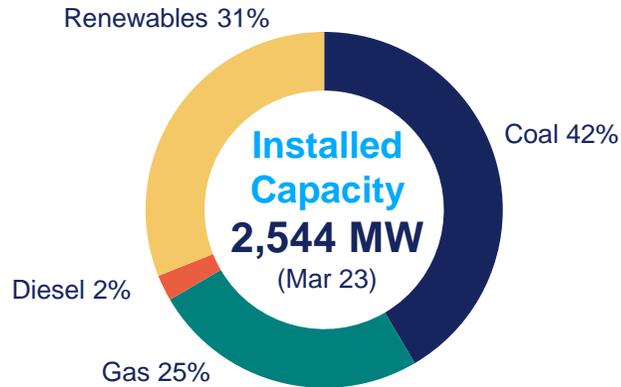
# EECL's heavily contracted position provides the basis for stable sales revenue

## PPA prices on the rise as they capture fuel price increases



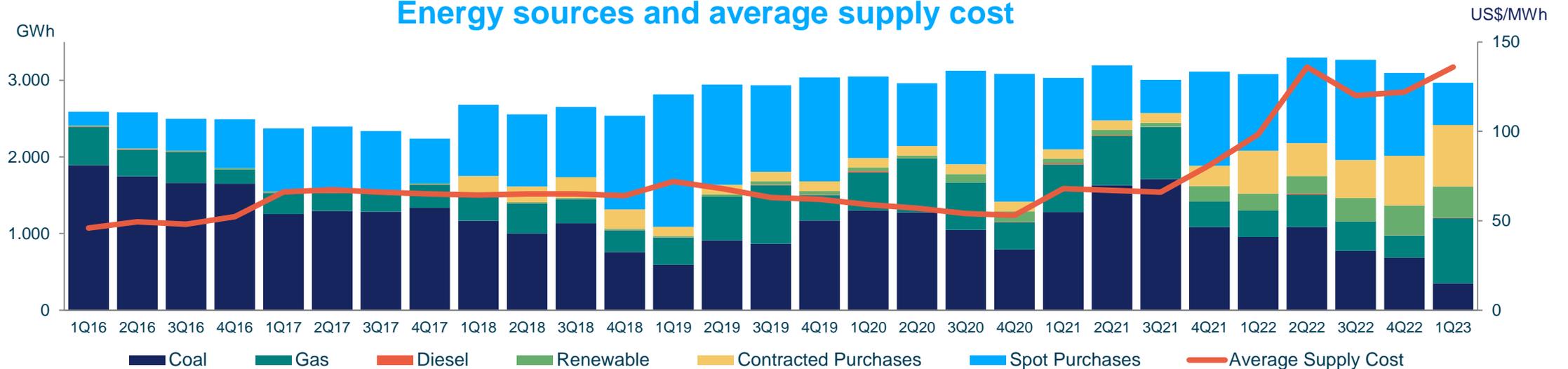
# Demand supplied with own generation and energy purchases

## Our installed capacity and contracted energy purchases provide a physical hedge



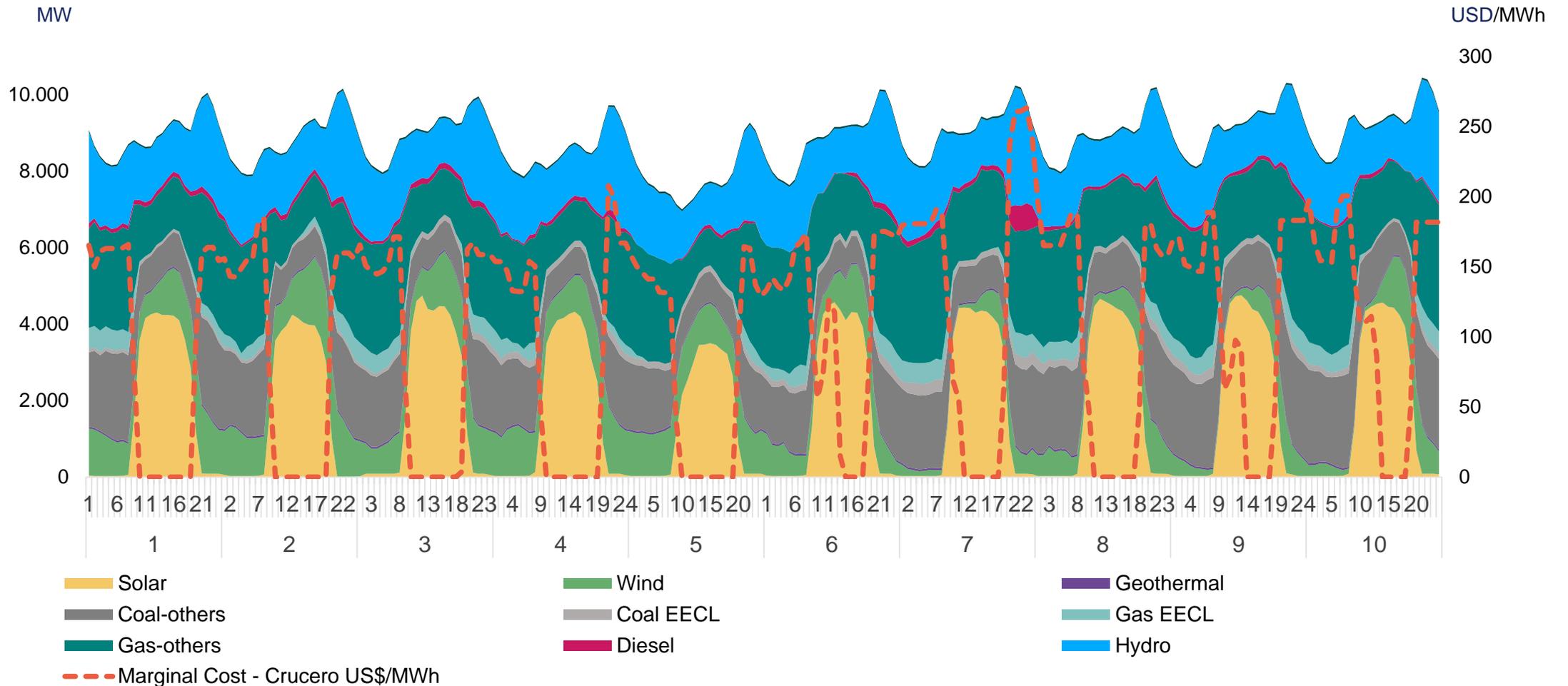
Average supply cost depends on fuel prices, power demand, gas supply, transmission congestions, renewable output, plant performance and hydrologic conditions.

### Energy sources and average supply cost



# High and volatile marginal costs affected by renewable intermittency and diesel dispatch

## A 10-day real example in the SEN grid (Mar. 1 to 10, 2023)



# EECL's performance during the energy transition

## Portfolio balancing measures

### Short position during transition

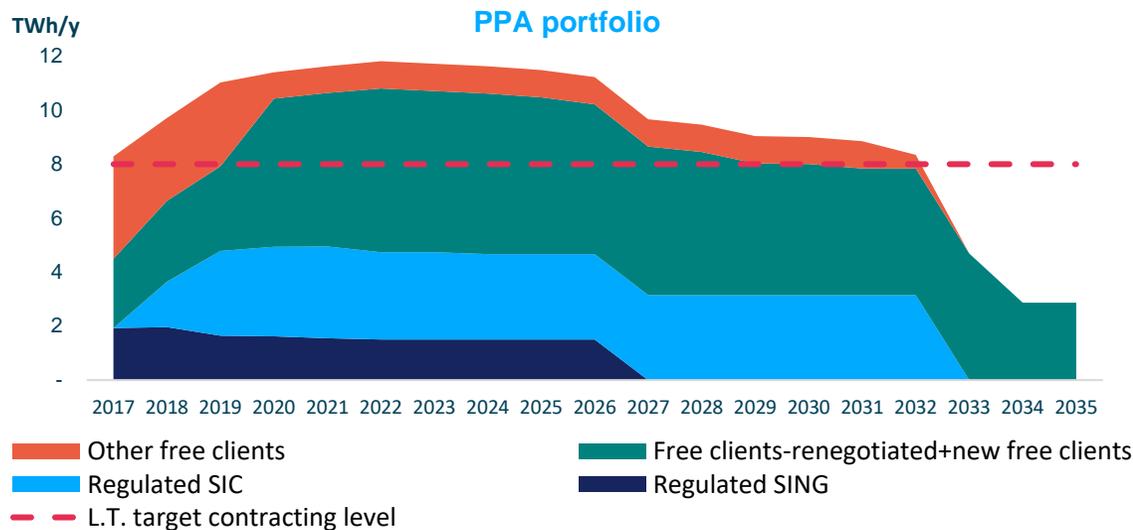
Current contracted sales for ~12 TWh/y, falling to ~10 TWh/y starting 2027

Supply (generation + back-up PPAs) at ~8 TWh/y in 2022 => ~4 TWh/y exposure to the spot market on the cost side falling to ~2 TWh/y in 2023



### Portfolio balancing strategy

- 1.4 GW of renewable newbuild to be delivered by 2027 (0.9 GW wind, 0.3 GW BESS, 0.1 GW solar PV)
- Additional back-up PPA volumes 3.3 TWh/y in 2023, up from 2.1 TWh/y in 2022
- Increased LNG supply for gas generation at own facilities and through tolling agreements w/ other producers
- BESS storage and gas generation at night to cope with renewable intermittence and curtailment
- Geographic portfolio rebalancing at each of five distinct zones of the Chilean grid to secure supply/demand balance
- Re-contracting activity postponed until portfolio balance is achieved in 2028
- Long-term target: contracted sales of ~8 TWh/y, and 20% long position



# Regulatory initiatives



## GENERATION

- Battery Storage Promotion
- Accelerated retirement of coal-fired units
- Risk mitigation for suppliers
- Operational flexibility
- Emission compensation mechanism in green taxes
- Price Stabilization mechanism
- Bill to promote renewable energy
- Decarbonization Plan development



## TRANSMISSION

- Bill to energy transition (transmission issues/Planification process)
- National and Zonal systems valuation for 2024-2027
- 2022 expansion plan
- Transmission facilities qualification



## DISTRIBUTION

- Tariff fixing (VAD 2020-2024)
- Technical standard for ServiceQuality in distribution System under review



## OTHER

- Superintendency of Electricity and fuel
- Ministry for the Environment Decrees:
  - Thermoelectric emissions standards
  - Noise standard for fixed sources
  - Liquid waste discharges
  - Requirements for High Voltage Electrical Installations (NTSyCS)

# Price stabilization mechanism (“PEC-1”)

## Last sale of US\$51 million PEC-1 receivables (US\$38 million cash proceeds on 12-May-23)

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 2021-2023: US\$273 million ARs sold and US\$196 million cash received

EECL’s financial cost of monetization  
2021+2022: US\$64 million  
2Q23: US\$13 million

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

Dec 2020

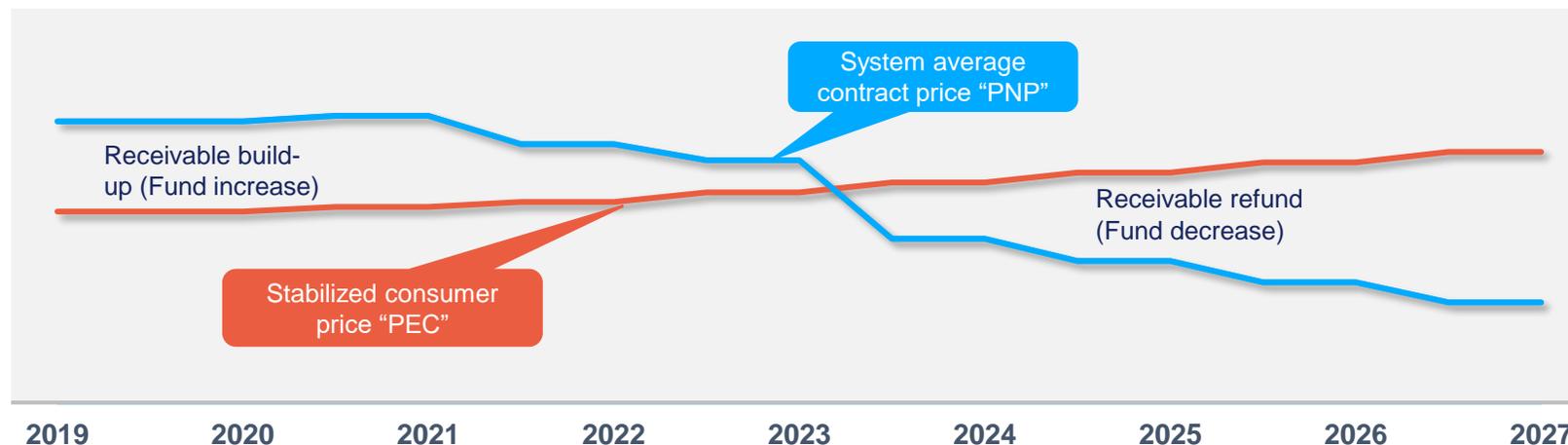
**PEC** = Fixed price to consumers in CLP adjusted for inflation

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.

# Mechanism for the protection of end users (MPC law or “PEC-2”) to stabilize consumer prices beyond PEC-1 (~US\$390 million accrued through 31-Mar-23)

The MPC Law (Aug-22) seeks to stabilize electricity tariffs to final consumers according to a differentiated scale depending on consumption rates.

The difference between Stabilized prices (SP) and PPA prices will be paid by the MPC fund, to be managed by the Chilean Treasury, which will issue Certificates of Payment (CPs) for up to US\$1.8 billion.

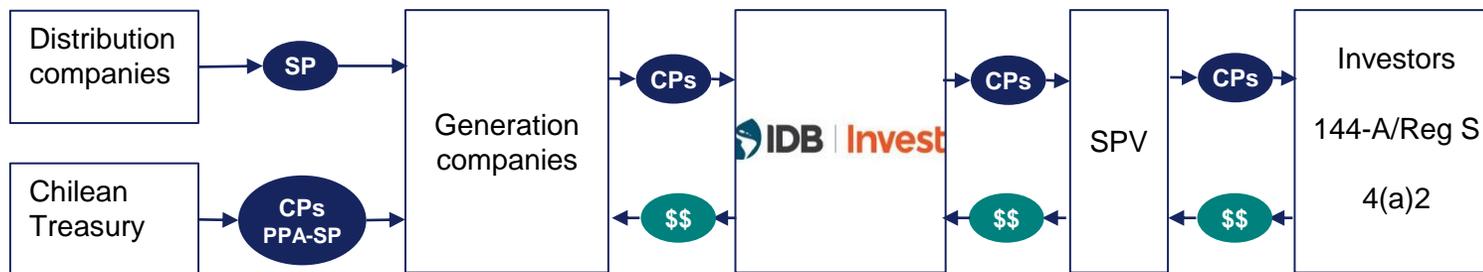
Regulated users will pay the amounts stated in the Certificates of Payment in full by December 31, 2032. The proceeds for the repayment will come from the difference between Stabilized Prices and average PPA prices once these fall below Stabilized Prices.

The full repayment of the Certificates of Payment is secured with a top-up guarantee from the Government of Chile.

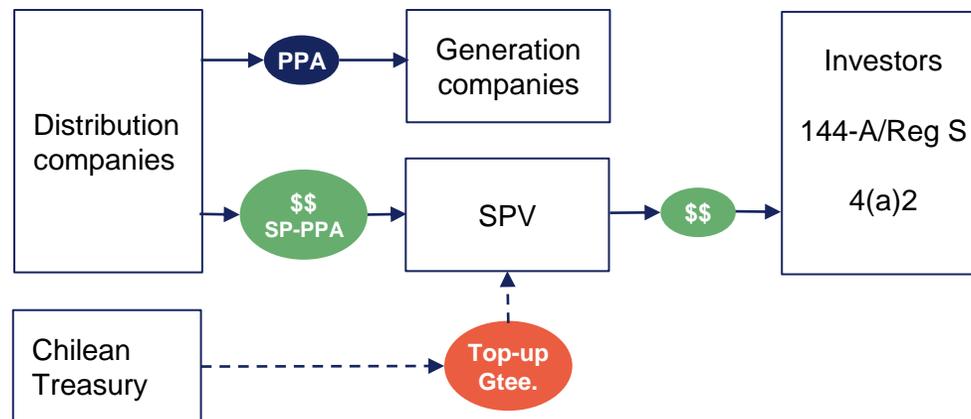
IDB Invest is structuring a financial solution for the purchase of the Certificates of Payment from the generation companies.

Goldman Sachs has been selected to accompany IDB Invest in the financial structuring. Financing will provide for the periodic true sale of the Certificates of Payment from IDB Invest. The price will include interest so that the generation companies receive the face value of the Certificates of Payment.

## 1.- True sale by Generation Companies of Certificates of Payment issued by Chilean Treasury (CPs)



## 2.- Repayment of Certificates by Distribution Companies when PPA prices fall below Stabilized Price



- PEC-2 will restore liquidity to generation companies
- CPs will bear interest; i.e., generation companies should receive full nominal amount
- Full repayment by YE2032 guaranteed by Chilean government
- PEC-2 ensures repayment of PEC-1

# Financing activity

## Securing liquidity and funding for our transformation

### Dec-2020 – IDB green loan



#### US\$125 million financing

- US\$110mln funded by IDBI. 9-yr avg
- US\$15mln 12-yr bullet funded by Clean Technology Fund
- Innovative financing contributing to accelerate coal units decommissioning
- Signed in Dec-20, fully disbursed on 27-Aug-21



### 2021/23 Monetization of PEC-1 receivables (“ARs”)



#### US\$196 million received on US\$273 million of monetized ARs US\$77 million financial expense

- True sale to SPV of ARs related to price stabilization fund
- SPV funded with US\$489mln 144-A/Reg S bond & US\$419mln 4a2 delayed draw notes
- Liquidity with no debt increase

### Jul-2022 – Scotiabank green loan



#### US\$250 million 5-year loan

- US\$250mln 5-year bullet loan to finance renewable projects
- US\$150 mln disbursed in Jul-22
- US\$100 mln disbursed in Sep-22
- 70% hedged through interest-rate swaps with Banco de Chile

### Dec-2022 – Santander green loan



#### US\$170 million 5-year syndicated loan

- To finance acquisition of San Pedro wind farms in Chiloé
- US\$77 mln disbursed in Dec-22
- US\$93 mln disbursed in Feb-23
- 70% hedged through interest-rate swaps

### Short-term loans booked in 2022-1Q23



#### US\$420 million loans

- 1-yr to 18-month maturities
- To be renewed or refinanced with proceeds of PEC-2 receivables monetization or other long-term funding

### 2023/24 Monetization of PEC-2 certificates of payment (“CPs”)



- True sale of Certificates of Payment related to MPC price stabilization law
- >US\$300mln liquidity expected in 2023 with no debt increase

### IFC Mandate – Long-term loan



- Mandate for US\$400mln A/B1 amortizing term loan signed
- Corporate financing for renewable projects

### Apr-2023 – ENGIE Austral credit line



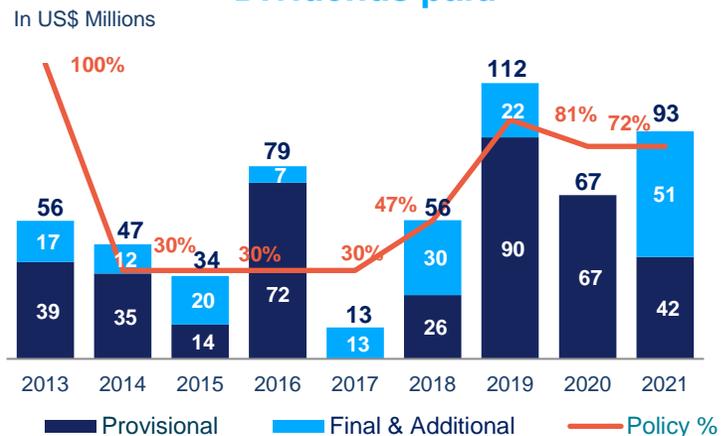
#### US\$150 million short-term liquidity line

- US\$75 million funded 14-Apr-23
- To be repaid with proceeds of PEC-2 receivables monetization or other long-term funding

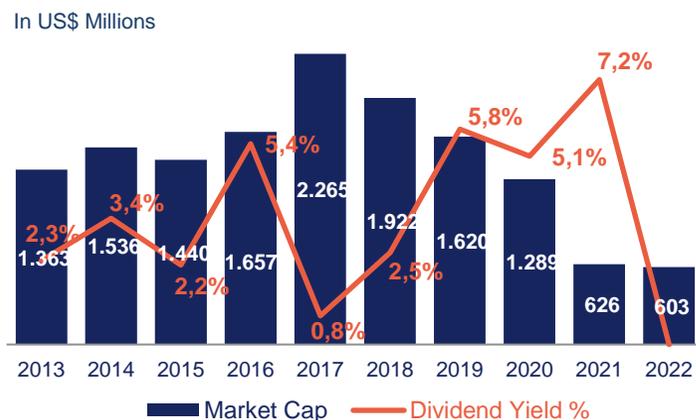
# 22% stock price recovery in last twelve months

## No dividends paid on account of 2022 results

### Dividends paid



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

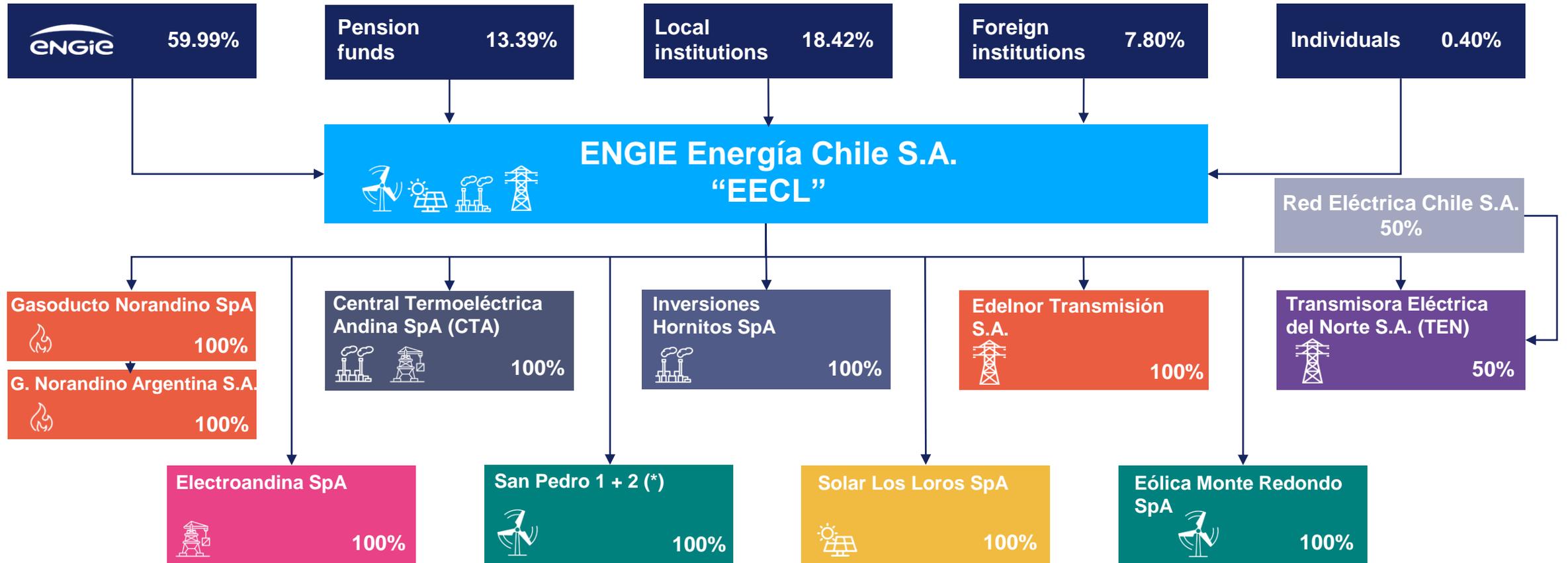


### Share price evolution



Includes dividends

# Ownership structure



# For more information about ENGIE Energía Chile



**+562 2353 3200**



**inversionistas@engie.com**



**<https://engie-energia.cl/inversionistas/>**

**More information on 1Q2023 results in our web page**



**Presentation**



**Addenda**



**Press Release**



**Recorded  
conference  
audiocast**



**Financial  
Report**



**Analyst pack**

# Disclaimer

Forward-Looking statements



This presentation may contain certain forward-looking statements and information relating to ENGIE Energía Chile S.A. (“EECL” or the “Company”) that reflect the current views and/or expectations of the Company and its management with respect to its business plan. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like “believe”, “anticipate”, “expect”, “envisage”, “will likely result”, or any other words or phrases of similar meaning. Such statements are subject to a number of significant risks, uncertainties and assumptions. We caution that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation. In any event, neither the Company nor any of its affiliates, directors, officers, agents or employees shall be liable before any third party (including investors) for any investment or business decision made or action taken in reliance on the information and statements contained in this presentation or for any consequential, special or similar damages. The Company does not intend to provide eventual holders of shares with any revised forward-looking statements of analysis of the differences between any forward-looking statements and actual results. There can be no assurance that the estimates or the underlying assumptions will be realized and that actual results of operations or future events will not be materially different from such estimates.

This presentation and its contents are proprietary information and may not be reproduced or otherwise disseminated in whole or in part without EECL’s prior written consent.