# Enel Américas

## Corporate Presentation

September 2021

# Enel Américas as part of Enel Group

## Enel Group is leading the new energy world…

**1st network operator[1]**

**49 GW Renewable capacity[2]**

World's largest private player in **renewables**

**39 GW Conventional capacity[3]**

Leading **decarbonization process**, phasing out of coal production

**6 GW Demand response**

New services enable decarbonization and electrification of consumption

**70 mn customers[4]**

Largest retail **customer** base in Europe

(1) By number of end users. Publicly owned operators not included; (2) By installed capacity. Includes managed capacity; (3) It includes nuclear; (4) Includes customers of free and regulated power and gas markets

# Enel Américas at a glance

*Diversified investment vehicle with ESG principles integrated in our long-term strategy*

## Company data

**Strong presence** in key countries in **Latin America**

Part of **Enel Group**

**Largest market cap** in **Chile**

Enel SpA' stake: **82.3%**

## Sustainability

**67%** renewable installed capacity **+3.9 GW** vs PY

**6.7 mn** people involved in our social projects

**Strong governance policies** to support our **long-term strategy**

Commited to **ESG goals** and **sustainability**

Latin America's **largest private power company**

## Key KPIs

| | |
|---|---|
| EBITDA (1) | US$ 3.2 bn |
| Net Income (1) | US$ 0.8 bn |
| Staff (1) | 16,731 people |
| Installed Capacity (2) | 15.2 GW |
| Total Clients (2) | 25.9 mn |
| Charging stations (2) | 1,874 |

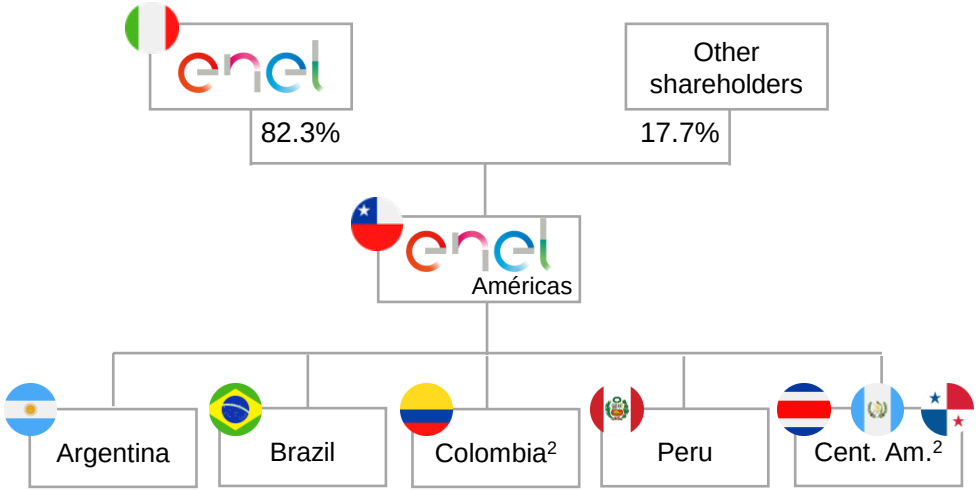
## Liquidity & ratings

| | |
|---|---|
| Net Debt(2) | US$ 5,663 mn |
| Net Debt/EBITDA(2) | 1.7x |
| Moody's | **Baa2 / Stable** (July 2021) |
| S&P Global Ratings | **BBB- / Stable** (May 2021) |
| Fitch Ratings | **A- / Stable** (August 2021) |

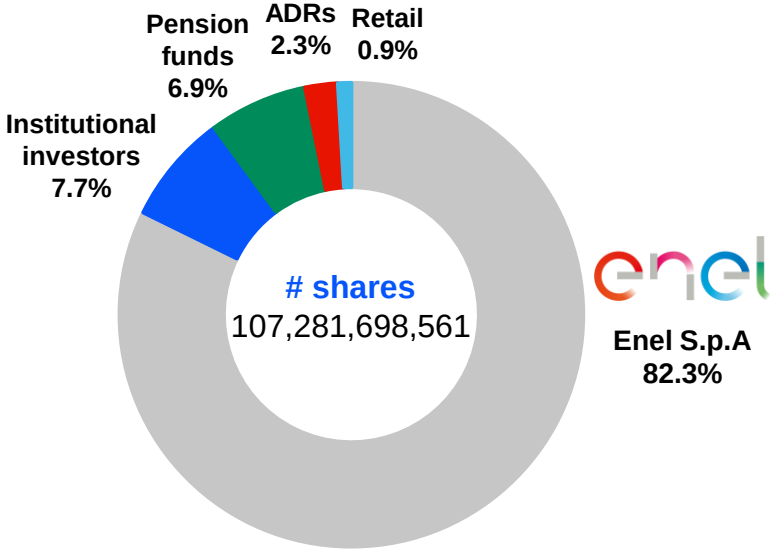
(1) Key financial figures as of December 31, 2020 (2) Figures as of June 30, 2021

# Corporate and ownership structure

## Business structure[1]




## Ownership structure[3]

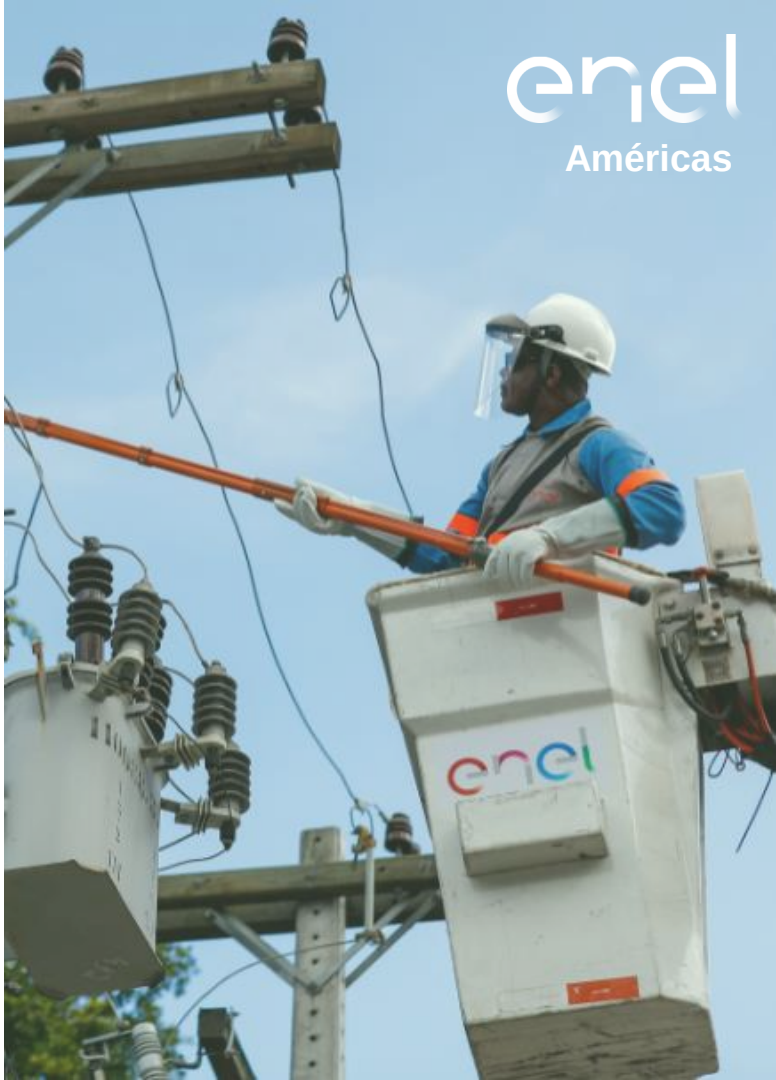



**Market Cap[4]: US$ 14.2 bn**

(1) Simplified company structure; (2) Central America's assets will be merged with Emgesa and Codensa to create Enel Colombia; (3) As of June 30, 2021; (4) As of September 8, 2021

# Key investment considerations

- Diversified investment vehicle in the region with ESG principles integrated in our long-term strategy
- Proven M&A track record with accretive results
- Distribution: Regulated business with attractive returns
- Generation: Renewable portfolio with growth through non-conventional renewables sources
- Supporting our efforts in energy transition through Enel X and Retail businesses
- Strong liquidity and sound financial policies



# Diversified investment vehicle in the region

*Enel Américas is Latin America's largest private power company*

| | | Argentina | Brazil | Colombia | Peru | Central America[1] |
|---|---|---|---|---|---|---|
| GENERATION | Installed capacity (MW)[2] | 4,419 | 4,291 | 3,589 | 2,292 | 606 |
| | Energy sales (TWh) | 13.9 | 25.3 | 17.5 | 10.3 | 0.9 |
| | Market share | 11% | 5% | 25% | 21% | - |
| DISTRIBUTION | End users (mn) | 2.5 | 18.1 | 3.6 | 1.5 | N/A |
| | Energy sales (TWh) | 15.9 | 77.9 | 13.8 | 7.6 | N/A |
| | Market share | 15% | 16% | 20% | 27% | N/A |
| | | 6% EBITDA contribution | 42% EBITDA contribution | 37% EBITDA contribution | 15% EBITDA contribution | |

Figures as of December 31, 2020. (1) Includes Costa Rica, Guatemala and Panama, where we only have generation assets. Figures for Q2 2021. (2) Installed capacity as of Q2 2021.

# Proven M&A track record with accretive results

*Expansion of operations in the region through inorganic growth…*

**Largest Private Utility in LatAm** → **Inorganic growth trough M&A: Consolidation in Dx & Gx businesses** → **Strong financial position** → **NEW GROWTH PHASE**

**2016**

**Spin-off: Enel Américas (former Enersis)**

**2017**

**Generation business**

Volta Grande acquisition

**Distribution business**

Enel Distribution Goiás acquisition (ex Celg)

**2018**

**Distribution business**

Enel Distribution Sao Paulo acquisition (ex Eletropaulo)

**2019**

**Capital increase of US$ 3.0 bn**

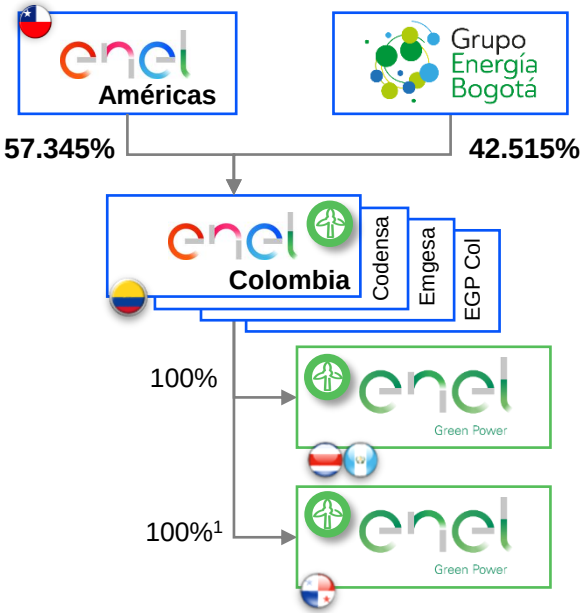
**2020-21**

**A fully integrated vehicle prepared to be a natural leader in an Energy Transition scenario in Latin America**

# Corporate structure simplification: Enel Colombia

*Agreement with GEB paves the way for future growth in Colombia & Central America*

## New structure for Colombia & Central America




## Benefits from new agreement

- **Distribution of back dividends** and a **new dividend policy** for Enel Colombia
- **Improved corporate governance** and dispute settlement mechanisms
- New **long-term growth opportunities through** entry into the **renewables business**
- **Greater geographic diversification** that opens up opportunities for growth and new business in **Central America**

## Next steps

| | | |
|---|---|---|
| 1 | Shareholders' Meeting approvals (Emgesa, Codensa, EGP Colombia, ESSA 2) | **July 27, 2021** |
| 2 | Bondholders' Meeting for Emgesa and Codensa | **Aug-Oct 2021** |
| 3 | Filing for clearance from the Corporate Supervisor in Colombia | **October 2021** |
| 4 | Completion of the merger and launch of Enel Colombia | **Q1 2022** |

(1) 51% stake in Enel Fortuna

# Generation

# Portfolio mainly represented by renewable technologies

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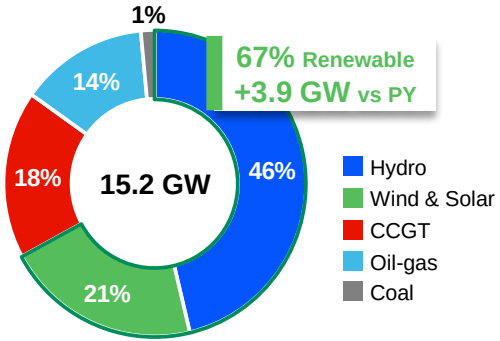
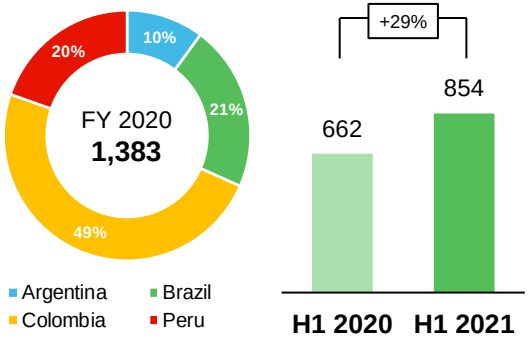
## Installed Capacity[1]




## EBITDA (US$ mn)




## Main KPIs

| | 2019 | 2020 | H1 2021 |
|---|---|---|---|
| Net production (TWh)[2] | 41.8 | 40.5 | 44.2 |
| Energy Sales (TWh)[2] | 72.6 | 67.0 | 72.4 |
| Free Market sales (%) | 50 | 44 | 45 |

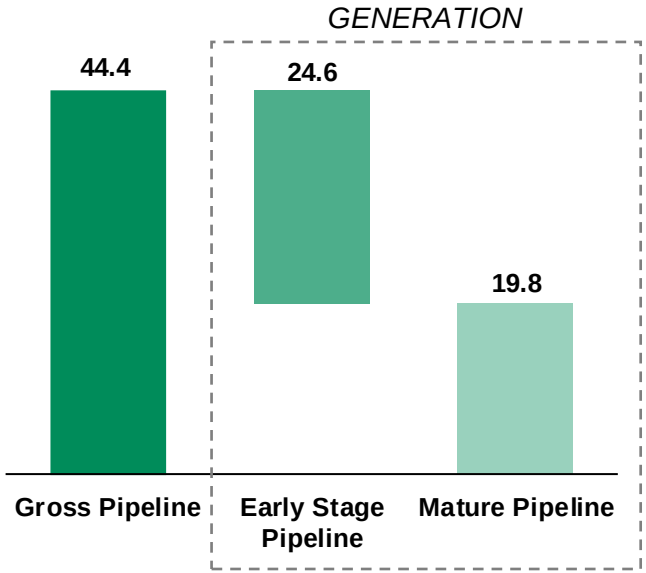
## Strategic actions

- **Clear path to organic growth** in renewable power generation
- **Solid pipeline** to enable continue value creation
- **Accelerate positioning within the energy transition**

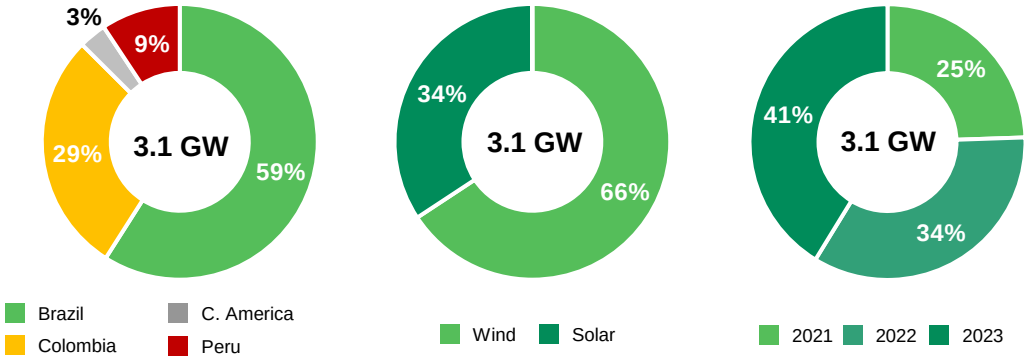
(1) Figures as of June 30, 2021; (2) LTM figures for H1 2021

# With a sizeable long-term pipeline and projects in execution

## Pipeline (GW)[1]




## Projects in execution[1-2]



(1) As of June 30, 2021. Pipeline does not include 5 MW project of storage capacity in Colombia.
(2) Considers projects under construction with a COD of 2021, 2022 and 2023.

# Regulated business with attractive returns

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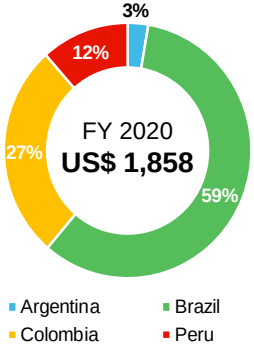
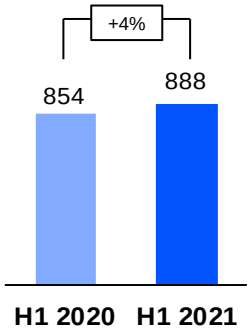
## Main KPIs

| | 2019 | 2020 | H1 2021 |
|---|---|---|---|
| End users (mn) | 25.2 | 25.6 | **25.9** |
| Energy distributed (TWh)[1] | 120.6 | 115.2 | **118.5** |
| SAIDI (hours) | 12.4 | 10.8 | **10.3** |
| SAIFI (times) | 5.8 | 5.2 | **5.0** |
| Energy Losses (%) | 12.1 | 13.0 | **13.1** |
| Smart Meters (#) | 87 th | 95 th | **102 th** |

**No pending tariffs reviews** for our Dx companies until 2022

## EBITDA (US$ mn)




## Strategic actions

**Ensure the highest level of quality** at the lowest cost across all grids

**Improving the digitalization channels** in order to reach the clients needs

**Keeping the support to our clients** on critical periods

(1) LTM figures for H1 2021

# With clear parameters for our concessions

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| | Argentina | Brazil | Colombia | Peru |
|---|---|---|---|---|
| Business model | **Price cap** | **Price cap** | **Revenue cap** | **Price cap** |
| WACC real pre tax | **12.46%** | **12.26%[2]** | **11.50%** | **12.0%** |
| Next Regulatory Period | **2023[1]** | **2023** | **2024** | **2022** |
| Regulatory Period Length (years) | **5** | **5** (Rio, Goias)<br>**4** (Ceará, São Paulo) | **5** | **4** |
| Metering Ownership | **Owned by DSO** | **Owned by DSO** | **Who bought it** | **Owned by users** |
| Inclusion in RAB | **Yes** | **Yes** | **No** | **No** |

Updated August 2021.(1) Next Regulatory Period 2023 - extended one year by pandemic. (2) WACC applied in the tariff reviews of our Dx companies during 2018 and 2019. WACC applied in the tariff reviews during 2021 was 10.64%. The regulator defines a new WACC for each year.

# Enel X Retail

# Developing a portfolio to reach the electrification process of each client….

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**Mission Enel X**

- Assist customers in **decarbonization** and in a more efficient use of energy, through **electrification** and **digitalization**
- **Create new value** through the offer of new products and services

## ELECTRIFICATION

### Enel X

- Commodity
- e-Mobility
- Financial Services
- UBB

### B2C e-Home

Membership Home services, HVAC & Green Products, Smart Home solutions

### B2B e-Industries

Flexibility services, Distributed Energy, energy management systems

### B2G e-City

Public lighting, Smart cities services, public e-Transport

### Retail

**Market development through new capacity available to reach better conditions to free market clients**

Strategic actions

- **Focus on a customers-base model** to seize opportunities during an energy transition scenario
- **Capturing new clients** in the transition from a regulated market to free market

# With continuous improvement in our key KPIs

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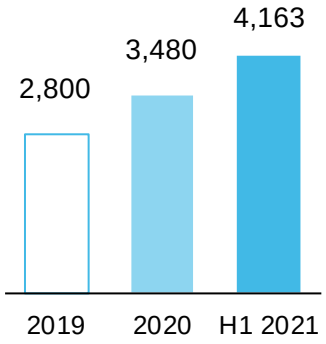
## Enel X

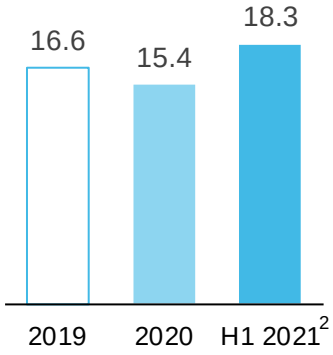
| | 2019 | 2020 | H1 2021 |
|---|---|---|---|
| Smart lighting (final light points, mn#) | 818 | 836 | 845 |
| Microinsurance (active contracts, k#) | 1,307 | 1,261 | 923 |
| Credit cards (Active credit cards k#) | 857 | 858 | 874 |
| PV (MWp installed) | 11.8 | 18.8 | 19.0 |
| Charging stations (#) | 564 | 1,766 | 1,874 |
| e-Buses | - | 121 | 878 |

## Retail[1]

*Delivery points (#)*

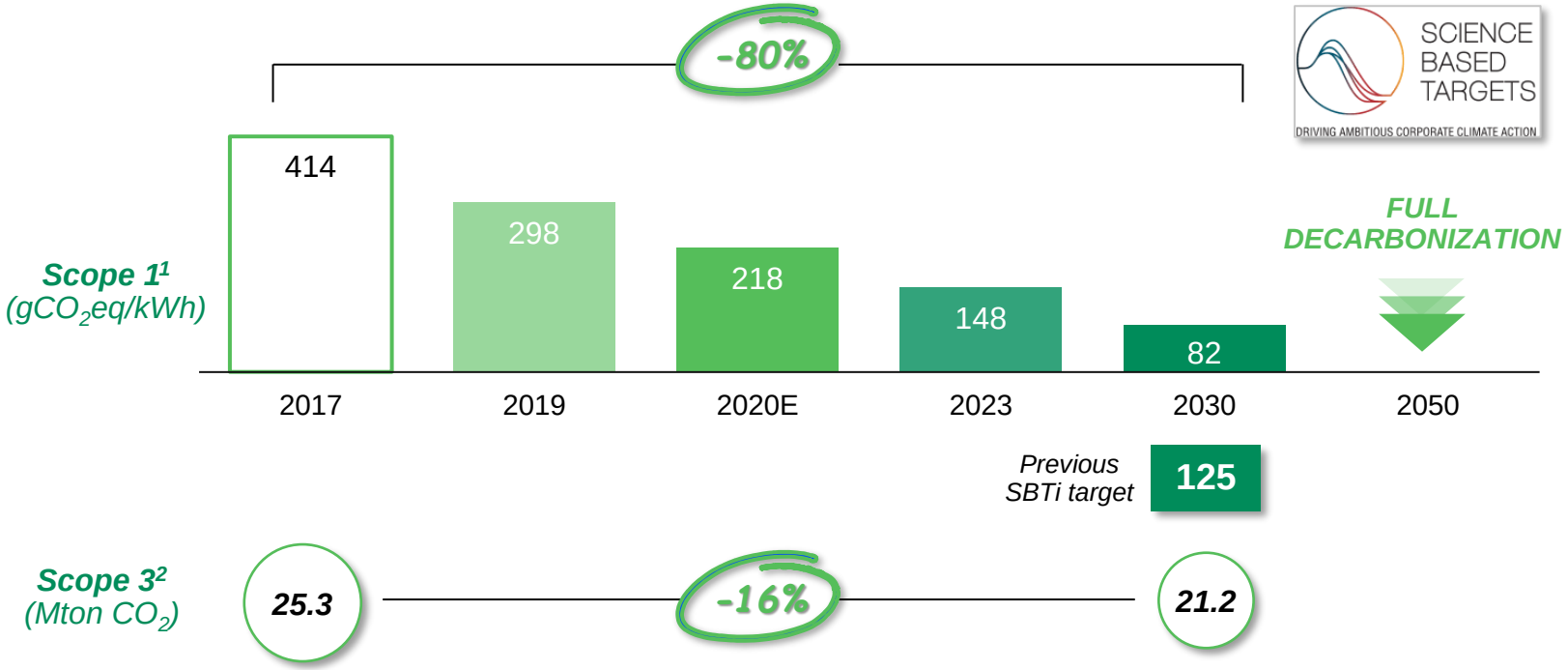



*Energy sold (TWh)*




(1) Only free market business. Figures do not include gas; (2) LTM figures for H1 2021

# Contributing to the Group reduction target in GHG emissions, in line with the 1.5° scenario






1. Scope 1 by 2030, consistent with the 1.5 pathway of the Science Based Target Initiative and the IEA 1.5 scenario
2. Scope 3 related to gas retail activities by 2030, consistent with the 2C pathway of the Science Based Target Initiative

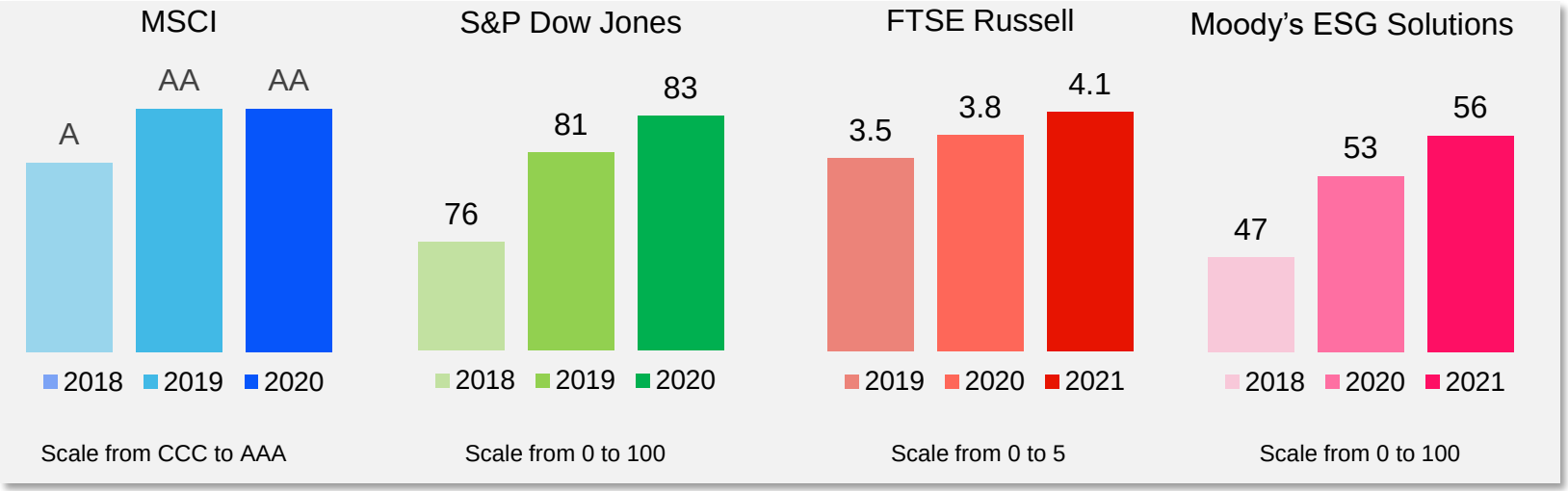
# Circular economy – new initiatives

## Circular economy

## New initiatives

| *GBLs* | *Proyect* | *KPIs* | *CE Pillar* |
|---|---|---|---|
| | Through Ecoenel, customers of our DSO in Brazil can **exchange their recyclable waste for bonus energy bills** | Waste collected (t): **4.071**<br>Ecopontos (#): **303** | |
| | **Improve water use performance** in cooling towers through an **input control system** | Decrease in water use: **20km3** | |
| | Selling **aluminum and copper** to companies that separate them and sell them for **reuse** | Material sold: **85.6 Ton** | |
| | Usage of **recycled polycarbonate** to manufacture **new meters**, both from the market and from old meters | - | |

# With yearly improvements in our ESG scores




Indexes and Ratings

MSCI: Universal and Focus ESG Indexes
Morningstar: Emerging Markets Sustainability Indexes
DJSI Chile, DJSI Mila Pacific Alliance and DJSI Emerging Markets
S&P IPSA ESG Tilted Index
FTSE Emerging Markets and Latin America Indexes
Vigeo: ranking Best Emerging Markets Performers

# H1 2021 Results

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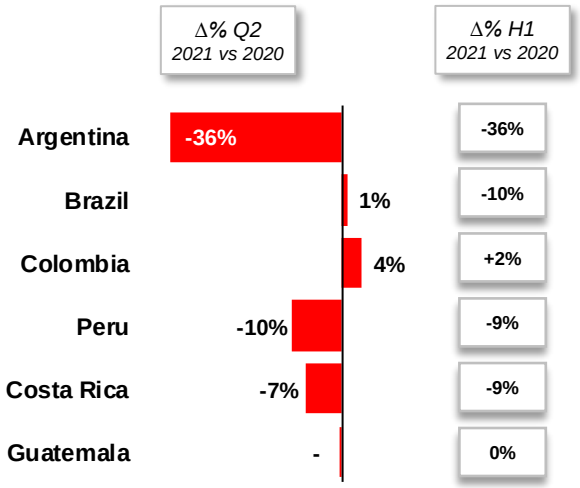
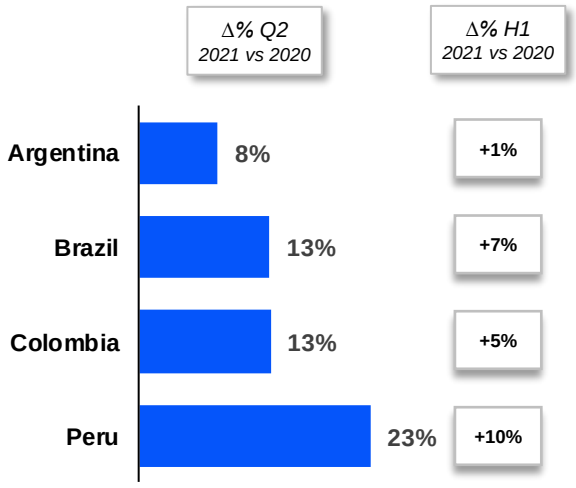
# Macro-scenario

*Recovery of electricity distributed to pre-pandemic levels*

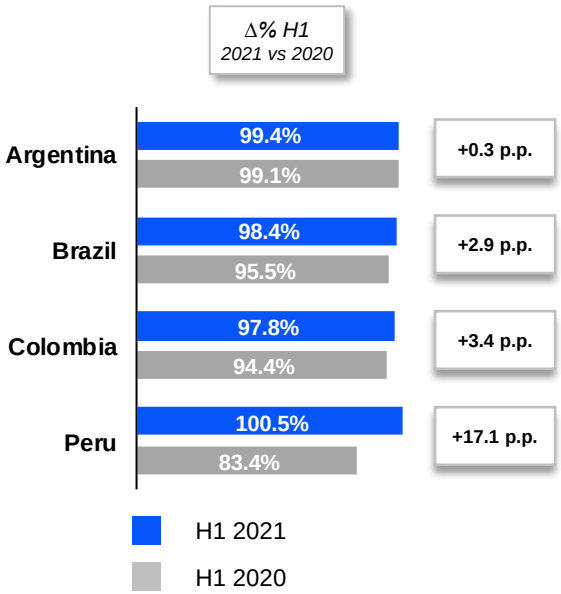
## Currencies vs USD[1]




## Electricity distributed




## Collection[2]




(1) Average Fx of the period, except for Argentina, which uses end-of-period FX. Panama is a dollarized economy, (2) Collected income / billed income

# Financial highlights (US$ mn)

*Significant improvement of adjusted EBITDA due to operational results*

| | Q2 2020 | Q2 2021 | Δ% YoY | H1 2020 | H1 2021 | Δ% YoY |
|---|---|---|---|---|---|---|
| Reported EBITDA | 623 | **951** | 52.7% | 1,471 | **1,692** | 15.0% |
| Adjusted EBITDA[1] | 623 | **841** | 35.1% | 1,471 | **1,662** | 12.9% |
| OPEX | -361 | **-410** | 13.6% | -808 | **-820** | 1.4% |
| Total net income | 166 | **256** | 53.8% | 476 | **544** | 14.3% |
| Reported Group net income[2] | 89 | **175** | 95.8% | 297 | **358** | 20.6% |
| FFO | 335 | **302** | -9.8% | 462 | **488** | 5.6% |
| Net debt (H1 2021 vs FY 2020) | | | | 4,426 | **5,663** | 27.9% |

Quarter highlights

**EBITDA improvement** due to **better operational results** and **strong performance of EGPA**

**Group net income recovery** boosted by **better results** and **EGPA**

**Lower FFO** due to higher NWC and taxes

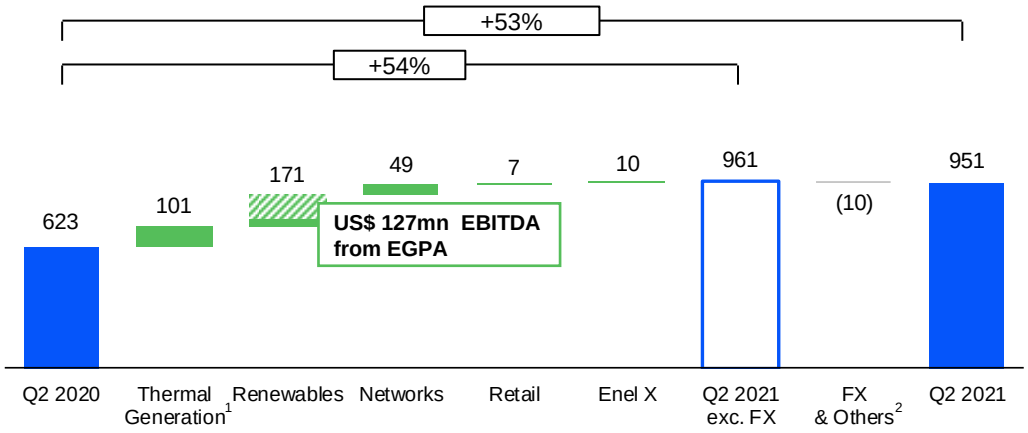
Excluding EGPA, **Net debt increased 13% vs PY**

(1) Q2'21: Excludes Fx impact (- US$ 17 mn) and EGPA (+ US$ 127 mn); H1'21: Excludes Fx impact (- US$ 97 mn) and EGPA (+ US$ 127 mn); (2) Attributable net income to controlling shareholders

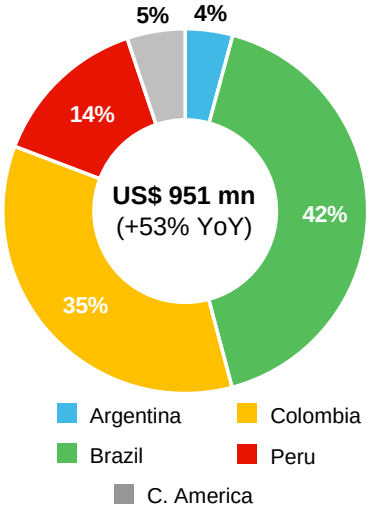
# EBITDA breakdown: Q2 2021 results

*Recovery in all our business lines*

## EBITDA evolution by business line (US$ mn)




## EBITDA by country (US$ mn)




(1) Thermal generation business' includes trading business (2) Q2 2021 - Fx effect: US$ -17 mn. Services & Others: US$ 7 mn

# Industrial Growth: Gross CAPEX

*Significant increase in Renewables CAPEX dedicated to EGPA's new capacity*

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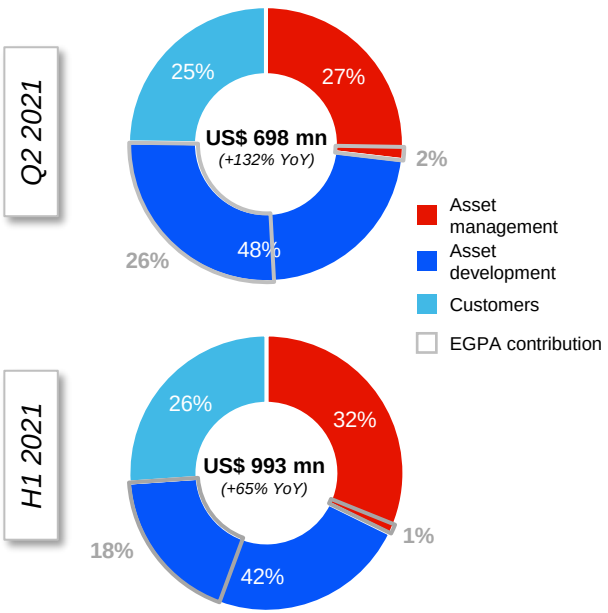
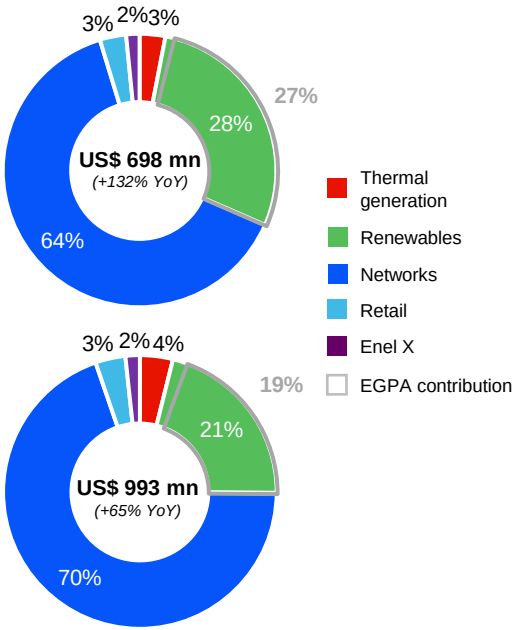
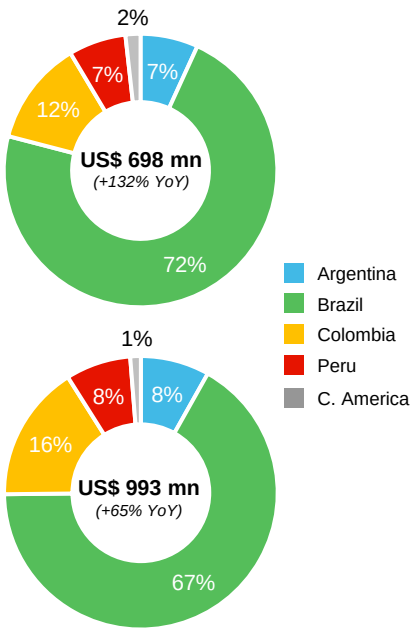
## Total CAPEX by nature[1]




## Total CAPEX by business[2]




## Total CAPEX by country



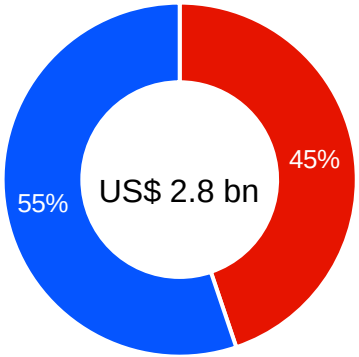

96% of total CAPEX SDGs related

(1) **Asset management** - CAPEX related to investments for recurring asset maintenance; **Asset development** - Growth investments in generation and networks (quality programs smart metering); **Customers** - CAPEX related to customers ( Enel X (e Home, e-Industries), Network connections); (2) Thermal generation business' includes trading business.

# Financial position

*Solid liquidity and debt metrics*

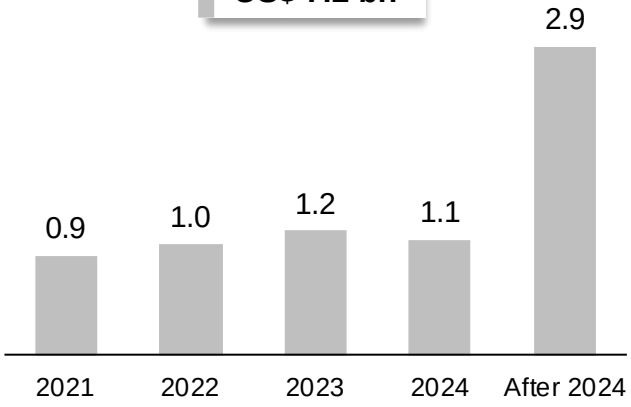
## Current liquidity[1]




- Committed credit lines
- Cash and cash equivalents

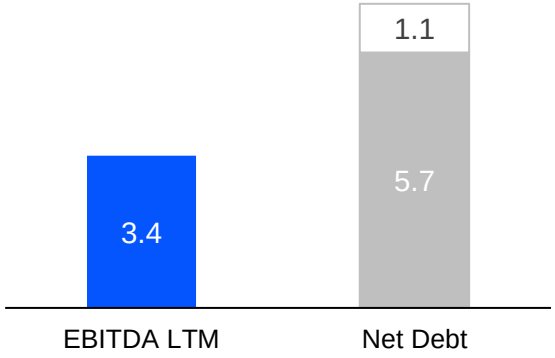
## Debt amortization[1] (US$ bn)

Gross debt
**US$ 7.2 bn**




## Net debt/EBITDA[1]

Net debt/EBITDA
**1.7x**




- EBITDA (Last 12 months)
- Net debt
- Leverage capacity[2]

(1) As of June 30, 2021, (2) Assumes Net debt/EBITDA = 2.0x

# Contact us

Américas

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# Thank you.

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## Annexes

August 2021

# Regulation Update H1 2021

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- ENRE N° 106/2021 – Increase in Edesur's tariff, translating into a 21.8% VAD increase
- SE 440/21 – Updated generation remuneration by +29% (linear adjustment, retroactive to February 2021)

- On June 29, 2021 ANEEL's board of directors approved the new values of the tariff flags: Yellow 1,874 BRL per 100kWh, Red-1 3,971 BRL per 100kWh and Red-2 9,492 BRL per 100kWh. These values are ~50% higher than previous one for flag Red-2.
- Normative Resolution 895/2020 was amended to include the possibility that hydroelectric plants that have already renegotiated the hydrological risk in 2015, under the terms of the old legislation, may do so due to the new regulation.

- Res. 40172/2021 - Proposes a maximum tariff increase for the remuneration of projects to expand coverage, which shall not exceed 1% of the distribution charge.
- Res. 40179/2021 - Long-term contracting auction for electric power generation projects and the parameters for its application are defined.

- COES Technical Procedure N° 31 was modified by Osinergmin Resolution N° 092-2021-OS/CD changing natural gas prices declaration to audited prices including all natural gas supply chain (production, transport and distribution).

- **Panama** - Participation in the subcommittees of the National Assembly on electricity sector issues: Bill 258 - Self-Supply System (Approved in First Debate), and Law 162 on Electric Mobility (Approved in First Debate).
- **Panama** - Participation in the working groups of the Energy Secretariat for the development of the Energy Transition Strategy.
- **Costa Rica** - Review of Resolution RE-0143-JD-2021

# Operating exhibits – H1 2021

*Net installed capacity and Total net production: Breakdown by source and geography*

| Net installed capacity (MW) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| MW | Large Hydro | Hydro EGPA | Wind | Solar | Oil-Gas | CCGT | Coal | Total |
| Argentina | 1,328 | 0 | 0 | 0 | 1,169 | 1,922 | 0 | **4,419** |
| Brazil | 1,038 | 234 | 1,628 | 1,072 | 0 | 319 | 0 | **4,291** |
| Colombia | 3,097 | 0 | 0 | 86 | 180 | 0 | 226 | **3,589** |
| Peru | 792 | 0 | 132 | 179 | 730 | 457 | 0 | **2,292** |
| Central America | 0 | 545 | 0 | 62 | 0 | 0 | 0 | **606** |
| **Total** | **6,256** | **778** | **1,760** | **1,399** | **2,079** | **2,698** | **226** | **15,197** |

| Total net production (GWh) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| GWh | Large Hydro | Hydro EGPA | Wind | Solar | Oil-Gas | CCGT | Coal | Total |
| Argentina | 1,084 | 0 | 0 | 0 | 213 | 5,650 | 0 | **6,947** |
| Brazil | 1,594 | 289 | 1,781 | 389 | 0 | 355 | 0 | **4,408** |
| Colombia | 6,229 | 0 | 0 | 28 | 6 | 0 | 122 | **6,384** |
| Peru | 2,521 | 0 | 150 | 95 | 549 | 1,142 | 0 | **4,457** |
| Central America | 0 | 687 | 0 | 21 | 0 | 0 | 0 | **708** |
| **Total** | **11,428** | **975** | **1,931** | **533** | **768** | **7,147** | **122** | **22,904** |

# Operating exhibits – H1 2021

*Distribution companies*

| Distributor | Clients | Energy sold (GWh) | SAIDI (hours) | SAIFI (times) | Energy losses (%) | City, Country | Concession area ($km^2$) | Next tariff review |
|---|---|---|---|---|---|---|---|---|
| Edesur | 2,526,437 | 15,888 | 14.7 | 4.9 | 20.1% | Buenos Aires, Argentina | 3,309 | 2023 |
| Enel Dx Rio | 3,008,447 | 11,228 | 10.0 | 5.4 | 21.6% | Niteroi, Brazil | 32,615 | 2023 |
| Enel Dx Ceará | 4,028,883 | 11,866 | 13.6 | 5.1 | 15.8% | Fortaleza, Brazil | 148,921 | 2023 |
| Enel Dx Goiás | 3,252,777 | 14,469 | 16.3 | 8.6 | 11.1% | Goias, Brazil | 336,871 | 2023 |
| Enel Dx São Paulo | 7,967,801 | 40,350 | 7.2 | 3.6 | 10.5% | Sao Paulo, Brazil | 4,526 | 2023 |
| Enel-Codensa | 3,662,936 | 13,834 | 6.5 | 5.3 | 7.7% | Bogota, Colombia | 26,093 | 2024 |
| Enel Dx Perú | 1,472,721 | 7,578 | 6.8 | 2.4 | 8.6% | Lima, Peru | 1,602 | 2022 |
| **Total** | **25,920,002** | **115,213** | **-** | **-** | **-** | **-** | **-** | **-** |

# Financial exhibits – H1 2021

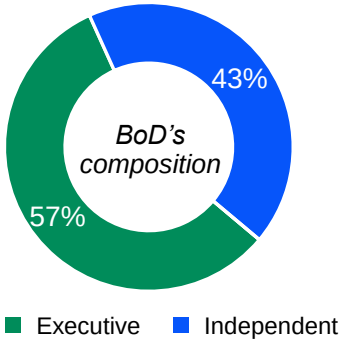
*Liquidity and credit profile*

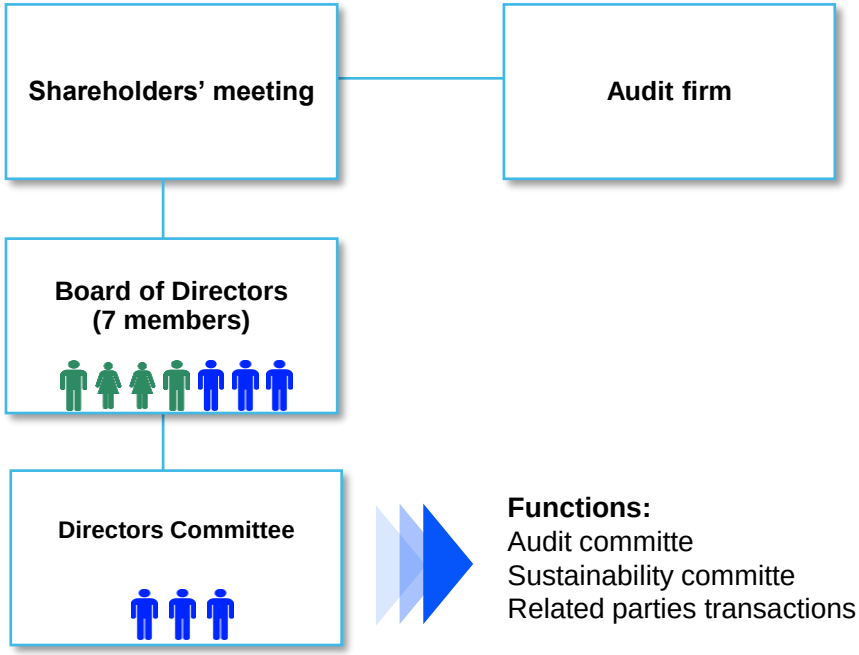
| Liquidity (US$ m) | Total | Used | Available |
|---|---|---|---|
| Committed credit lines | 1,361 | 120 | 1,242 |
| Cash and cash equivalents [1] | 1,529 | 0 | 1,529 |
| **Total liquidity** | **2,890** | **120** | **2,771** |

| Credit Profile as of June 2021 | S&P | Fitch | Moody's |
|---|---|---|---|
| LT international debt | BBB- | A- | Baa2 |
| LT local debt | - | - | - |
| Outlook (Int'l) | Stable | Stable | Stable |
| Shares | - | 1st Class Level 1 | - |

(1) Include cash and cash equivalents for more than 90 days

# Corporate governance structure



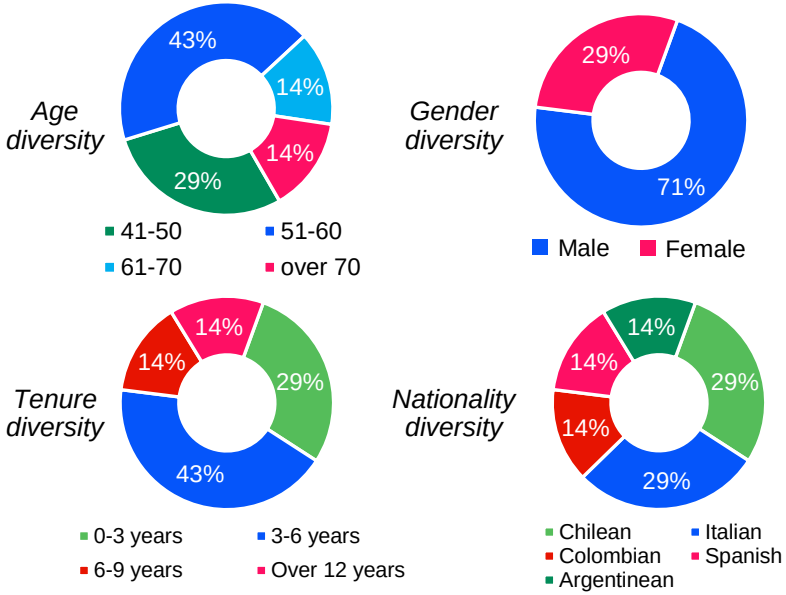



# Board composition

| Board of Directors | |
|---|---|
| Borja Acha Besga | Chair |
| Francesca Gostinelli | Director |
| Giulia Genuardi | Director |
| José Antonio Vargas | Director |
| Hernán Somerville Senn | Directors' Committee (C)<br>Director |
| Patricio Gómez Sabaini | Directors' Committee<br>Director |
| Domingo Cruzat | Directors' Committee<br>Director |

Executive Independent

## Board of Directors' diversity[1]



# CEO’s short-term variable remuneration

| Type of Target | Objective | *Weight* | *Range* |
|---|---|---|---|
| Profit Economic | Net Income Latin America | 25% | Maximum 120% |
| Financial | FFO Latin America | 15% | Maximum 120% |
| Business | Customer's operations | 20% | Maximum 120% |
| Business | Claims (Commercial operations) | 20% | Maximum 120% |
| Safety | Safety in the workplace | 20% | Maximum 120% |

Américas