

A woman in black leggings is seen from behind, standing next to a silver car at a public charging station. A red charging cable is plugged into the car's charging port. The background is a blurred city street with trees and buildings.

Enel Chile S.A. Report on Operation between Related Parties

Under article 147 of Law No. 18,046 on Public Corporations.

Reliance Restricted

22 March 2022



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Directors and Shareholders
Enel Chile S.A.
Santa Rosa 76, Santiago
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Report on Operation between Related Parties

22 March 2022

Dear directors and shareholders:

In accordance with our Statement of Work and the conversations held, EY Consulting SpA (EY Chile) is pleased to present to Enel Chile S.A. (“Enel Chile” or “the Client”) the report on Operations between Related Parties (“Report” or “OBRP”) regarding the potential sale of a majority stake between Enel Chile and Enel SpA of the e-mobility business (“the Business” or “Blaze Chile”) currently carried out by Enel X Chile S.A. (“Enel X”), as well as the potential impacts for the Business and its shareholders, in the context of a corporate reorganization.

This Report is intended for the exclusive use of Enel Chile. No copies of this Report should be made or distributed without our express consent.

Please note that this Report correspond to a translation of the original version in Spanish. For all purposes, please relied on the Spanish version.

Respectfully submitted,

Fernando Parga Ariztia
Partner
EY Chile

Table of Contents

1
Introduction

Page 4

2
Executive
summary

Page 7

3
Understanding the
Operation

Page 9

4
Macroeconomic
environment a ...

Page 12

5
The companies
involved

Page 22

6
Valuation
methodologies

Page 26

7
Benefits

Page 29

8
Valuation results

Page 32

9
Conclusions

Page 34

10
Appendices

Page 36

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Introduction

5 Report background and scope

Report background and scope

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Background

According to conversations held with Management, our understanding of the background to the report can be summarized as follows:

- ▶ Enel Chile is evaluating the sale of its interest in the creation of a new electric car, which will participate in Chile's growing market for electric vehicles. This business line includes cargo vehicles and electricity supply solutions for zero emission vehicles. The Client is analyzing the convenience of carving out its e-mobility services, which are currently being developed through the subsidiary Enel X Chile. The idea is to transfer this business to a new company in which Enel SpA would participate, either directly or indirectly, jointly with Enel Chile S.A. (hereinafter, the "Operation"). This initiative has been called the "Blaze Project".
- ▶ The objective of this Operation is to deliver all the public electricity charging infrastructure of Enel X Chile to a new company ("Blaze Chile"), which will operate and maintain this infrastructure. The Operation also includes the transfer of workers. The resulting company will sell and install supply and software solutions to all types of customers. To do so, Blaze Chile will enter into a management contract (called "CPO as a service") with Enel X Chile, under which Blaze Chile will be responsible for the management, collection and maintenance of public and private-open-to-the-public supply contracts that have already been signed by Enel X Chile with third parties. Blaze Chile will be also responsible for the implementation, collection and maintenance of new contracts and assets within the business line.
- ▶ The Operation will be carried out through a division of Enel X Chile SpA, which will result in the incorporation of a new company (Blaze Chile). All e-mobility assets will be made available to this new company, as well as all the employees of the aforementioned business line and certain contracts. Enel X Chile will hold ownership of all the electric mobility assets, including chargers for electric vehicles and supply infrastructure. In turn, Enel SpA (the controller) will acquire control of the new company.
- ▶ The Client has requested advisory service from EY Chile that includes the preparation of an independent evaluator's report regarding this Operation between Related Parties (hereinafter "OBRP"), under article 147 of Law No. 18,046 on Public Corporations.

Report background and scope

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Report objectives and scope

Based on Management's requests, our understanding of the general objective of the operation and EY Chile's previous experience in the matter, the scope of our services will include the following:

- ▶ Obtaining a proper understanding of the e-mobility business, the financial statements and future prospects from information provided by the Client and the Management team.
- ▶ Collecting and analyzing information related to the operation and financial performance of the e-mobility business.
- ▶ Making an estimate of the fair value of the e-mobility business. This estimate will be made based on analyses of financial, business and market information and the application of appropriate valuation methodologies.
- ▶ Analyzing the main benefits, effects and potential impacts of the Operation for the company and its shareholders.

IMPORTANT:

- ▶ It is the Company's responsibility to reconcile the financial information provided and the financial statements.
- ▶ The appraisal of assets of Property, Plant and Equipment, non-operational assets and other assets not specified in the Report are not included in the report scope.
- ▶ The business plan was provided by Management and has not been independently verified by EY Chile.

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Executive summary

8 Executive summary

Fair value recommendation

In accordance with the available information and that which was provided by Management, as well as the estimates and methodologies applied by EY Chile based on this information, the estimated range of values of Blaze Chile's economic equity as of December 31, 2021 (Date of Valuation), is presented below:

Economic equity value <i>in thousands of EUR</i>	Minimum value	Expected value	Maximum value
Asset value ¹	17,422	20,295	23,667
Cash surplus ²	4	4	4
Financial debt ³	(671)	(671)	(671)
Other non-operating assets ⁴	35	35	35
Other non-operating liabilities ⁵	(211)	(211)	(211)
Equity value	16,580	19,453	22,825

To determine the value of the Business, the Income Approach has been used, specifically, the Discounted Cash Flow methodology.

Finally, to obtain the range of values, we carried out a sensitivity analysis of the discount rate and the long-term growth rate applied to the expected scenario, considering a +/- 0.5% variation for both rates.

Based on the assumptions mentioned in the Report, the range of values presented corresponds to the fair value that a rational market participant would pay for the economic equity of the e-mobility Business on the Valuation Date.

In addition, according to the points presented in section 7: "Benefits", we conclude that the Operation contributes to the corporate interests of Enel Chile S.A.

About our recommendation

Our valuation analysis and estimate of range of values were based on historical and prospective information, as well as on financial data provided by Management.

We did not independently investigate or verify the data provided, and therefore, we do not express any opinion or offer any type of guarantee regarding the accuracy or completeness of that information.

We understand that any prospective financial information provided is based on competitive and economic expectations that could affect the future operations of the Company. We also understand that Management applied key assumptions during the estimated period and did not omit any factors that could be relevant to our valuation work. In turn, Management understands that any omissions (or errors) could significantly affect our valuation.

¹ Value calculated according to the Income Approach.

² This item corresponds to the "Cash and cash equivalents" account, based on the pro forma balance sheet of Blaze Chile provided by Management.

³ This item corresponds to the loan included in the account "Accounts payable to related entities, current", based on the pro forma balance sheet of Blaze Chile provided by Management..

⁴ This item corresponds to the account "Trade and other accounts receivable, non-current", based on the pro forma balance sheet of Blaze Chile provided by Management.

⁵ This item corresponds to the account "Employee benefit provisions, non-current", based on the pro forma balance sheet of Blaze Chile provided by Management..

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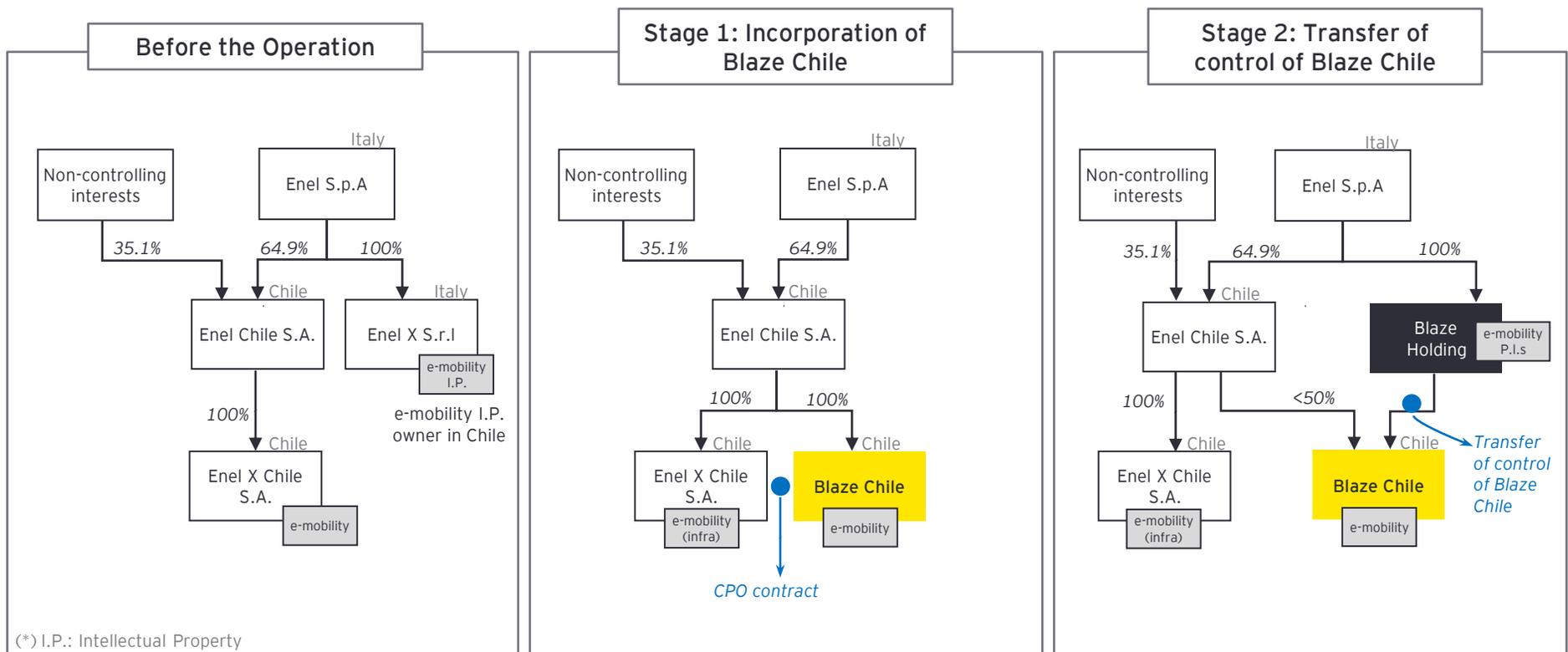
Understanding the Operation

- 10 Operation background
- 11 Regulatory framework

Operation background

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

- ▶ Enel Chile is currently analyzing whether it would be advisable to carve out the e-mobility business that is currently being developed by the subsidiary Enel X Chile S.A. and transfer it to a new company in which both Enel S.p.A and Enel Chile S.A. participate.
- ▶ All public supply infrastructure will be owned by Enel X Chile, who will require the new company to operate and maintain it. The new company will sell and install supply and software solutions to several types of customers. To do so, it will enter into a management contract (called "CPO as a service") with Enel X Chile.
- ▶ The Operation will be carried out through a division of Enel X Chile SpA, which will result in the incorporation of a new company called "Blaze Chile".



Regulatory framework

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

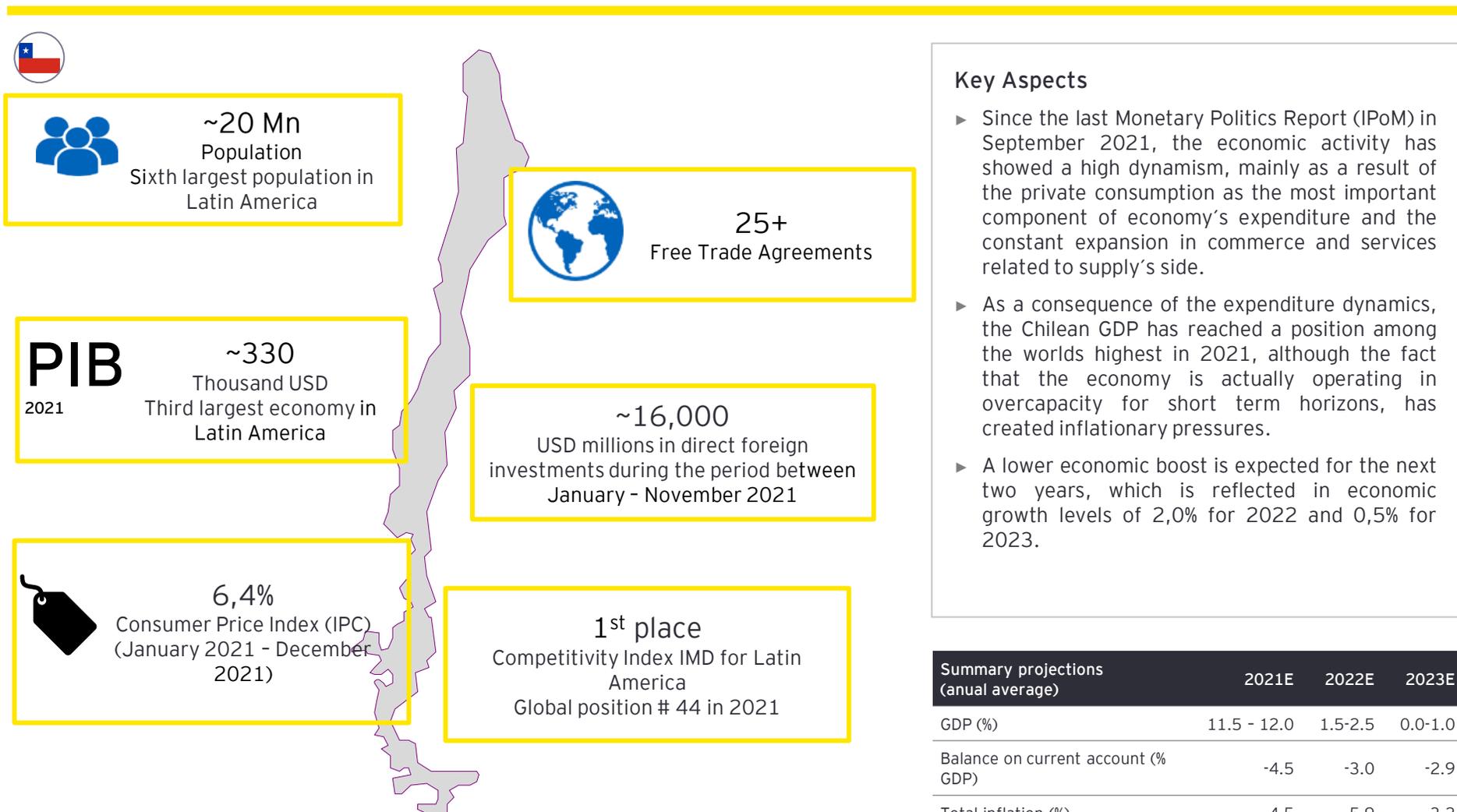
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- ▶ Given the nature of the Operation, the requirements of Title XVI of the Chilean Law on Public Corporations (called “Operations with Related Parties in Public Corporations and their subsidiaries”) is applicable. Article 147 of this Law states that "A public corporation may only enter into transactions with related parties when their aim is to contribute to the corporate interest, and when the price, terms and conditions of the transaction are in line with those prevailing in the market...".
 - ▶ Article 147, number 5, of the Law establishes that “if an extraordinary shareholders’ meeting is called to approve the operation, the board of directors will appoint at least one independent evaluator to inform the shareholders regarding the conditions of the operation, its effects, and the potential impact on the company. In this report, the independent evaluator(s) must also comment on the points for which the directors' committee has expressly requested their opinion, if this is the case. The directors' committee may appoint an additional independent evaluator if they do not agree with the selection made by the board of directors. If the company does not have a directors’ committee, the directors who are not involved can do it instead”.

4 Macroeconomic environment and industry

13 Macroeconomic environment
16 Industry description

Macroeconomic environment

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	



Key Aspects

- ▶ Since the last Monetary Politics Report (IPoM) in September 2021, the economic activity has showed a high dynamism, mainly as a result of the private consumption as the most important component of economy's expenditure and the constant expansion in commerce and services related to supply's side.
- ▶ As a consequence of the expenditure dynamics, the Chilean GDP has reached a position among the worlds highest in 2021, although the fact that the economy is actually operating in overcapacity for short term horizons, has created inflationary pressures.
- ▶ A lower economic boost is expected for the next two years, which is reflected in economic growth levels of 2,0% for 2022 and 0,5% for 2023.

Summary projections (annual average)	2021E	2022E	2023E
GDP (%)	11.5 - 12.0	1.5-2.5	0.0-1.0
Balance on current account (% GDP)	-4.5	-3.0	-2.9
Total inflation (%)	4.5	5.9	3.2
Two year's expected inflation (%)*	-	-	3.0
World's growth (%)	5.8	4.2	3.4

Source: Banco Central de Chile (IPoM correspondiente a diciembre 2021), Banco Mundial, Instituto Nacional de Estadísticas, Oxford Economics.

Macroeconomic environment

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Macroeconomic Environment according to December 2021 IPoM



4.2%

Economy WordOs Growth: A recovery period is expected for 2022, in which the international economic growth will reach levels of 4.2%. Those projections have been adjusted by the consequences of the Omicron strain emergence during the end of 2021.



1.5%

Latam Economic Growth: The six most important regional economies growth projections estimate a 1.5% for 2022, which is lower than the 6.6.% growth from 2021 that reflects the economy recovery. It is expected that the Central Banks will continue with their politics of increasing interest rates as a solution for inflationary pressures.



2.0%

Chilean Economic Growth: The main scenario of growth projections for 2022 is higher than that expected for Latam. After the economic growth reached in 2021 (between 11.5% and 12.0%), the anual expansion rates will decline according to the macroeconomic dynamics.

1st

Chilean Investing Ranking: according to the Global Opportunity Index, published by the Milken Institute, Chile was ranked as the most attractive Latin American country to do business. Besides, the Economic Ranking named Chile as the safest investment country in the region.



4.0%

Contral Bank Rate Monetary Policy: according to the last publication made by the IPoM board in December 2021, its evolution is estimated at levels above its nominal neutral value during most of its horizon time.



5.9%

Inflation: This is the Central Bank's total projected inflation for 2022, in contrast to its inflationary goal of 3.0%. In 2021, the CPI inflation was 7.2% and IPCSAE was 6.4%.

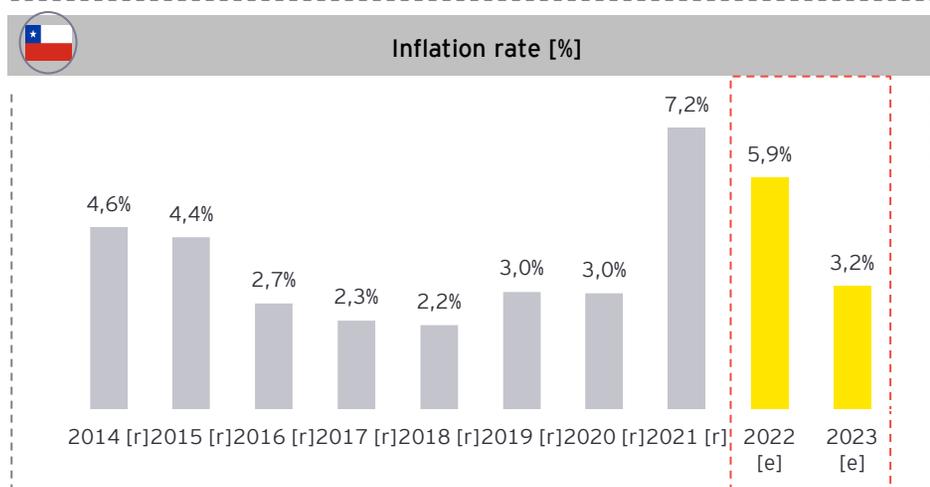
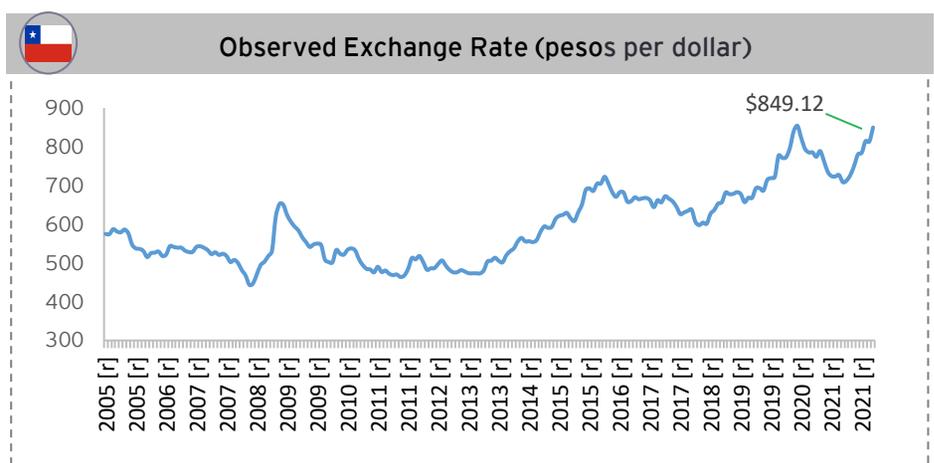
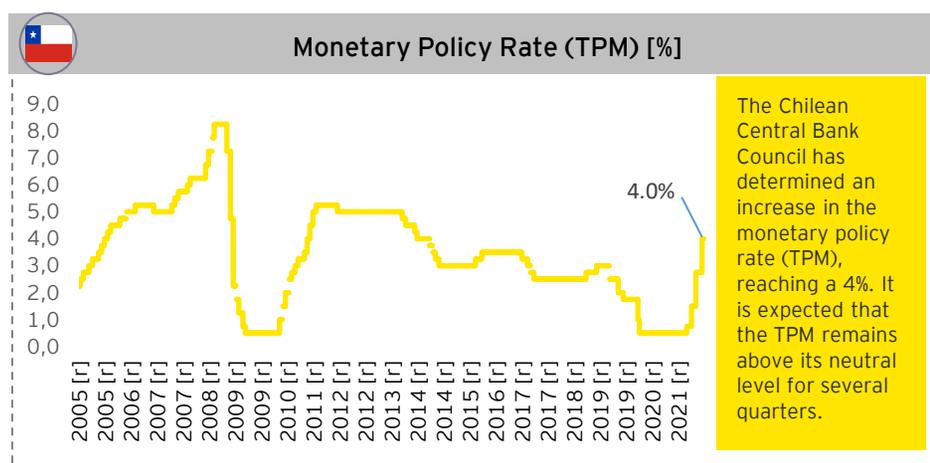
Key Aspects

- ▶ Even though the world is experimenting a recovery process from the effects of the pandemic, that data of the last few months has showed less dynamism than expected due to the new strain: Omicron.
- ▶ Both global and local economies, which include developed and undeveloped economies, have suffered from the inflation rise. This fact has changed the traditional perception of the inflation as a transitory phenomenon.
- ▶ In this context, most of the monetary authorities have announced the elimination of monetary stimulus.
- ▶ The Chilean economy's growth central stage assumed that the fiscal policy will follow a convergence tendency between expense and deficit, according to the structural balance rule.

Macroeconomic environment

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

The central stage assumes that the fiscal policy will be implemented according to the 2022 approved budget, and it also considers that the Monetary Policy Rate (TPM) will remain above its neutral level for several quarters.



Agency	Qualification	Perspective
Moody's	A+	Negative
Standard & Poor's	A	Estable
FitchRatings	A-	Estable

Due to the current economic situation, some of those classifications have decreased during the last month, mainly because of the pandemic effects.

Source: Banco Central de Chile, Ministerio de Hacienda de Chile, Oxford Economics.

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Vehicles equipped with low and zero emission system

HEV y MHEV:



PHEV:



EV:



Latin American Automotive Industry Description

Due to the COVID-19 pandemic, the Latin American automotive industry was strongly affected during 2020. According to the report *EMIS Insights - Latin America Automotive Sector 2021/2022*, this is the result of many factors, such as restrictive actions that have been taken to manage the pandemic, the industry's idle capacity growth and the preference for basic consumer goods expenditure. Nevertheless, the sector has quickly recovered its activities during the first half of 2021, and in consequence, vehicle demand has grown.

According to the same report, Chile was one of the Latin American countries that best faced the pandemic; this was reflected in a 25.7% decrease in vehicle sales, in contrast with 2019 levels. If we compare this with Colombia and Ecuador, both had the biggest drop in vehicle sales of 57.1% and 34.4%, respectively. Regarding the recovery process, Chile had the highest growth rates with a sales rise of 72.4% during the first half of 2021, compared to 2020. This might be a result of the increase in consumer liquidity due to the 10% pension funds withdrawals and the rise in many sectors in the national economy.

Electromobility

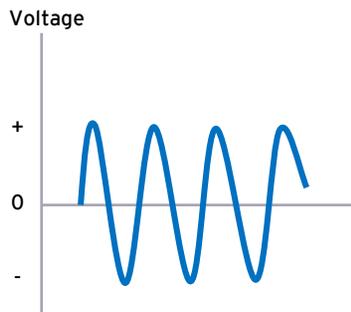
The National Automotive Association of Chile (ANAC) said that there exist four vehicles' types equipped with zero and low emissions technology :

- ▶ **HEV (Conventional Hybrid Vehicle):** vehicles that mix two power sources, a main combustion motor and an additional electric support motor and battery.
- ▶ **EV (Electric Vehicle):** cars with a rechargeable electric battery.
- ▶ **PHEV (Pluggable Hybrid Vehicle):** vehicles that mix a combustion motor and an electric motor with high-capacity batteries, rechargeable by plugging the vehicle into the electric system.
- ▶ **MHEV (Micro-hybrid Vehicle):** similar to the conventional hybrid vehicle that combines a combustion motor and a little electric motor that helps during particular moments while driving, and also as a starting motor.

Industry description

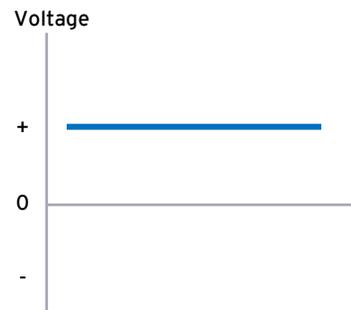
Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Picture 1: Alternating Current (AC):



Source: Ministerio de Energía

Picture 2: Direct Current (DC):



Source: Ministerio de Energía

According to the electromobility infographic picture from the Energy Ministry Platform, the electric vehicles can be charged in many ways. Those methods differ in the amount of time that they require to complete the charge. There are 3 parameters to describe the charge: level, connector type and charge mode. Nevertheless, it is important to understand first that there exist two kinds of current involved in electric vehicle charging: alternate current (AC) and direct current (DC):

- ▶ **Alternating Current (AC):** this is the kind of transmission that we can find in our homes, and we can describe it as an electric flow that changes its directions continuously, so it is alternating between both electric poles (Picture 1)
- ▶ **Direct Current (DC):** we can find this kind of current in batteries and it is an unidirectional electric flow, so it has a constant intensity between both poles (Picture 2).

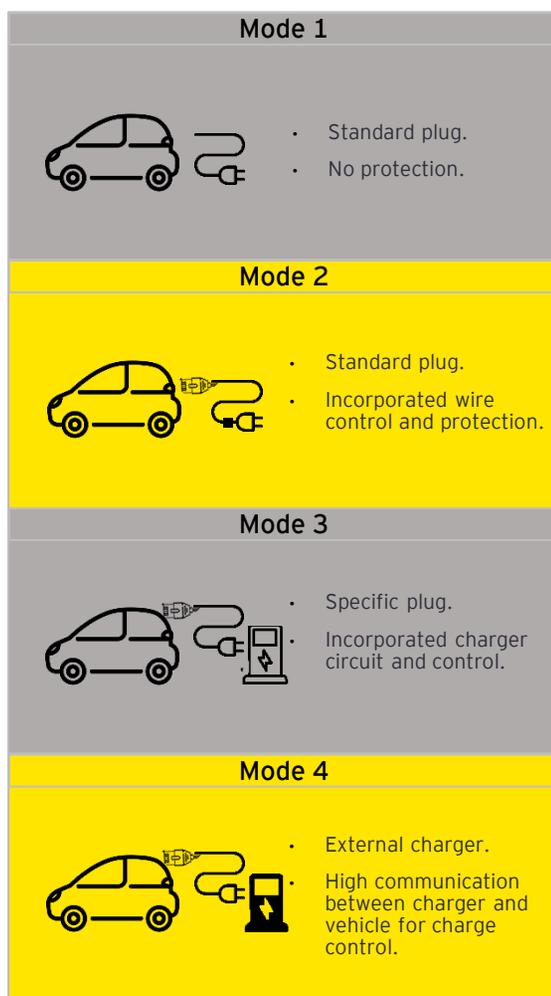
Charge Categorization Parameters

- ▶ **Charge Level:** chargers are normally defined by its kilowatts amount. When the kilowatts amount is larger, the charging time is shorter. In general, there are 3 defined charge levels:
 1. **Conventional or slow:** because it has a 1,1-3,3 KW power, it is the slowest charging method and it spend 6 to 10 hours to complete the process. This kind of chargers are located in residential zones, so the charging cost depends on the local fee.
 2. **Semi - fast :** it has a 6-44 KW capacity and we can find these chargers in public places like shopping centers, parking areas and offices. Also, their popularity in residential zones have grown, mainly because they are faster than the conventional chargers.
 3. **Fast:** it has a 50 - 200kW power, so it is the fastest method and it is perfect for garages and parking areas.

Industry description

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Picture 3: Charging mode



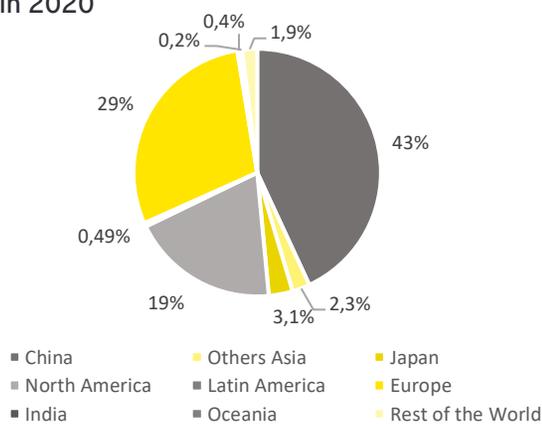
Source: Ministerio de Energía

- ▶ Connector Type: it is the plug type that connects the vehicle and the charger. Nowadays, there is no universal plug and instead of this, there exist many kinds of connectors and we can classify them into 2 big categories:
 1. **Alternating Current Charge Connector (AC).**
 2. **Direct Current Charge Connector (DC).**
- ▶ Charge Mode: according to the Energy Ministry platform, this concept is defined as connectivity and communication between the charger and the vehicle. Nowadays, there are four charge methods (picture MMM) under the rule IEC61851-1:
 1. **Mode 1:** direct charge through standard plug. Under this method, there is no communication between the vehicle and the charge station, so there is no safety system to prevent electric shocks either. For this mode, alternative current (AC) is used and its capacity is limited to 3,5 KW. Also, its implementation is not permitted in light electric motorized vehicles, like motorcycles.
 2. **Mode 2:** wire charge with an incorporated safety system in a standard plug. Normally, this kind of chargers is included in the sale of an electric vehicle. It requires alternating current (AC) and its capacity is limited to a range of 2,2-11KW.
 3. **Mode 3:** charge through a specific plug (box or wall-pole), normally located in public places and used by special wire. These chargers are capable of controlling, communicating and protecting during the charge process. They require alternating current (AC) and are limited to a capacity range of 3,5 - 44kW.
 4. **Mode 4:** as the main feature that makes this mode different than the previous methods, this method works with Direct Current (DC). Since batteries store direct current, this charging mode is substantially faster than the previous ones, since the charger has a larger capacity, and the electricity flows directly to the electric vehicle battery. In that way, we can see that there exists a remarkable communication between the charger and the vehicle, and it is useful for keeping control during the charge. Its power levels are over the 40kW. However, the facilities to use this method are more expensive than with the previous methods.

Industry description

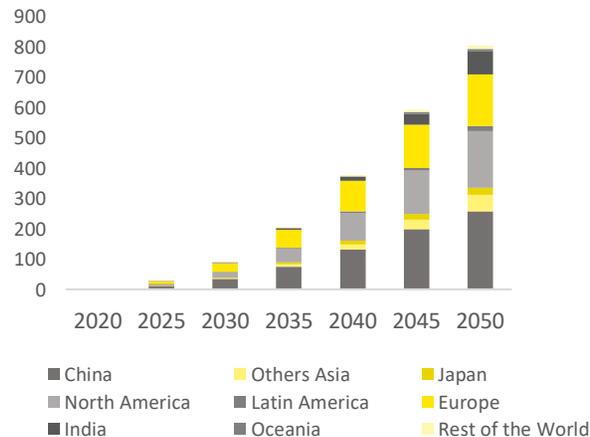
Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Picture 4: Vehicle sales market participation in 2020



Source: Wood Mackenzie

Picture 5: Accumulated EV projected stock (millions)



Source: Wood Mackenzie

Electromobility over the world

According to the *EV charging outlet forecast 2020-2050* reported by Wood Mackenzie, North America, Europe and China are the most equipped countries with the largest number of electric vehicle chargers, which represents 91% of the electromobility connectors in 2020. Regarding electric vehicles sales, China owns 43% of the market, and Europe and North America 29% and 19%, respectively (Picture 4). The report projects that for 2050 the electric vehicles stock will rise from 10 million to 877 million worldwide. In that way, In Europe, the amount of electric vehicles will increase from 2.9 to 176 million and in North America, it will increase from 1.9 million to 179 million (Picture 5).

On the other hand, the *EMIS Insights - Latin America Automotive Sector 2021/2022* report has shown an increase in electric vehicles sales in Latin America of 23.3% in 2020 despite the pandemic. Nevertheless, this industry is relatively new in the region and it represents 1% of the worldwide sales. This is due to the following factors:

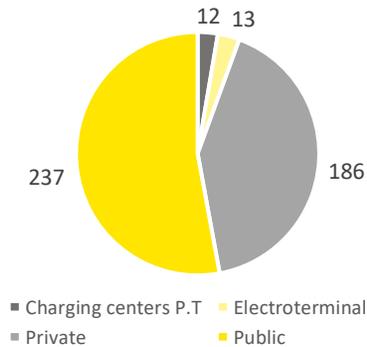
- ▶ The standard vehicles are cheaper.
- ▶ The facilities required for electric vehicles are going through a development stage.
- ▶ Most of the electric vehicles in Latin America are imported.

It is estimated for 2050 that the vehicles stock in Latin America will grow from 49 thousand cars to 20 million (Wood Mackenzie, *EV charging outlet forecast 2020-2050, H1 2021*). Also, the number of connectors will rise from 41.743 to 18.242.331 for the same year.

Industry description

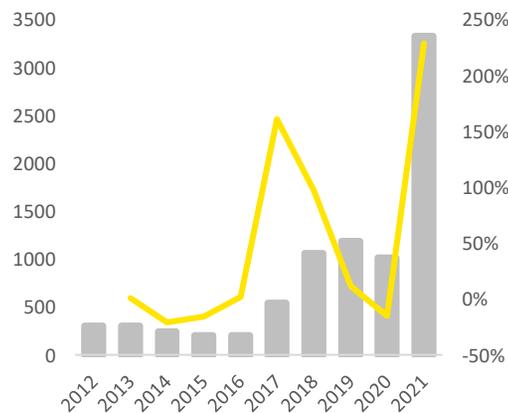
Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Picture 6: Number of charge facilities for vehicles and buses in Chile



Source: Superintendencia de Electricidad y Combustibles

Picture 7: Chilean zero and low emission vehicles demand



Source: ANAC

Electromobility in Chile

The Chilean electromobility report published by the Energy Ministry shows an improvement in this matter in Chile since 2012, when the first five 100% electric vehicles were sold to the public. This has been supported by the increase in the use of electric buses and other incentives, like vehicle restrictions and green taxes. Today, Chile has 448 charge stations for public and private transport (picture 6). Among those 448 facilities are 1,757 charge connectors (Superintendencia de Electricidad y Combustibles SEC).

According to the *Zero and Low Emissions Report* published by ANAC in January 2022, this kind of vehicles has increased their participation in the market, with a rise of 137.5% in contrast to the same month in 2021, which means 266 sold units. Among them, the hybrid vehicles (HEV) ranked the highest sales, of 93, while the micro hybrid (MHEV) recorded the sale of 88 new units. At the same time, the 100% electric vehicles (EV) ranked 53 units, and the pluggable vehicles (PHEV) achieved 32 new units.

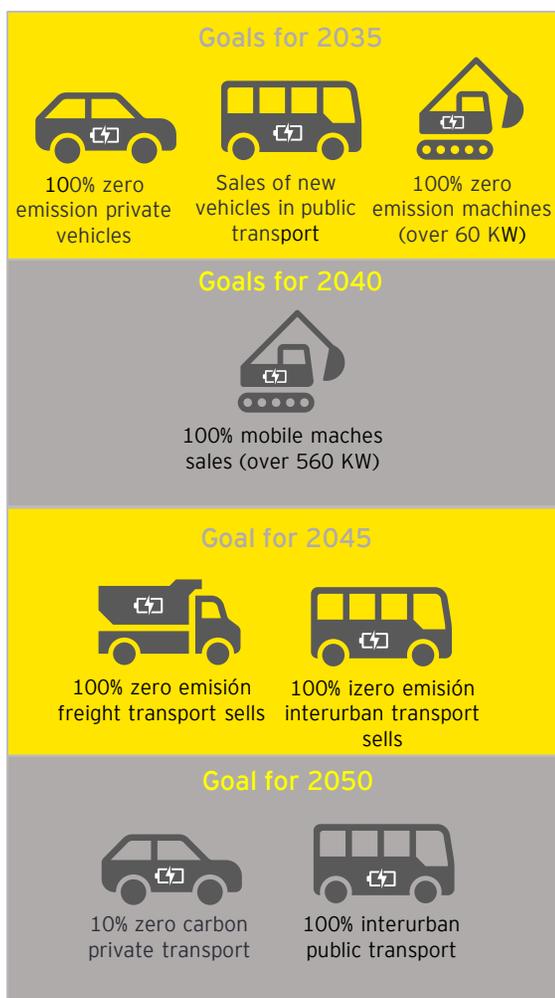
If we analyze the zero and low emission vehicles demand in Chile, we can see that it has historically increased. During the last decade, sales have increased by 1001%, with a growth of 228.7% in 2021 in comparison to 2020 (picture 7).

Currently, in Chile there are many electric vehicle dealerships, such as Copec Voltex, Shell, Blink Charging, Saesa, Emovi, CGE, among others.

Industry description

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Picture 8: Electromobility goals



Source: Ministerio de Energía

Government Chilean Initiatives

Since 2017, many public policies have been adopted to support the electromobility in Chile, like the Electromobility Public Agreement, which gathers 142 organizations under the objectives set by the national Electromobility Strategy. This agreement sets goals and objectives to achieve 100% light vehicles for 2035 and also medium vehicles, new public transport incorporations and sales of zero emission mobile machines (over 560 KW). It is also expected that all mobile machines over 19KW power will be zero emission to 2040. Finally, there is a goal of 100% zero emissions vehicle in public and interurban transport.

Those goals and objectives had been set to follow the National Electromobility Strategy, which is focused on decreasing the energy demand in 2025 by 20%. An improvement is also proposed in energetic efficiency for 2035 through the adoption of efficiency standards for light cars. Finally, there is an interest in reducing the emission's intensity by 30% with regard to 2007. This requires a collective support by a public private agreement that attends the Electromobility Public Agreement objectives. In this way, a 40% of private and 100% public transport is expected to be zero emissions for 2050.

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The companies involved

- 23 The companies involved
- 24 The Blaze project

The companies involved

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Enel Chile S.A.

- ▶ Enel Chile S.A. is a holding company that participates in the electricity market, with operations in the areas of generation, transmission and distribution of electricity, as well as businesses related to the transformation and extension of electricity solutions. Enel Chile S.A. has a gross installed capacity of 7,200 MW across Chile and distributes electricity to over two million customers in the Metropolitan Region of Santiago.
- ▶ Enel Chile's operations are carried out through the subsidiaries Enel Generación Chile and Enel Green Power Chile (in the area of electricity generation), Enel Distribución Chile (electricity distribution), Enel X Chile (in new businesses), and Enel Transmisión Chile (in the electricity transmission segment).
- ▶ Enel Chile S.A. is part of Enel SpA, a multinational electricity holding company and an integrated player in world markets for electricity, gas and renewable energies.

Enel X

- ▶ As part of the Enel Group, Enel X offers products and services for energy transformation at a domestic, urban, and industrial level, with a focus on sustainable development.
- ▶ Enel X applies solutions resulting from global digital transformation to the fields of electric mobility, smart homes and smart cities, smart public lighting, renewable energy integration, and energy efficiency for companies and government agencies.

The Blaze project

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

The Blaze Project

- ▶ Enel Chile is considering creating a new electric vehicle in order to participate in Chile's growing market for electric vehicles. This business line includes electricity charging and supply solutions for zero emission vehicles. Specifically, the Client is analyzing the convenience of carving out its e-mobility services, which are currently being developed through the subsidiary Enel X Chile. The idea is to transfer this business to a new company in which Enel SpA would participate, either directly or indirectly, jointly with Enel Chile S.A. This initiative has been called the "Blaze Project".
- ▶ The objective of this Operation is to deliver all the public electricity charging infrastructure of Enel X Chile to a new company, which will operate and maintain this infrastructure. The Operation also includes the transfer of workers. The resulting company will sell and install supply and software solutions to several types of customers. To do so, the new company will enter into a management contract (called "CPO as a service") with Enel X Chile, under which it will be responsible for the management, collection and maintenance of public and private-open-to-the-public supply contracts that have already been signed by Enel X Chile with third parties. The new company will be also responsible for the implementation, collection and maintenance of new contracts and assets within this business line.
- ▶ The Operation will be carried out through a division of Enel X Chile SpA, which will result in the incorporation of a new company. All e-mobility assets will be made available to this new company, as well as all the employees of this business line and certain contracts. Enel X Chile will hold ownership of all the electric mobility assets, including chargers for electric vehicles and supply infrastructure. In turn, Enel SpA (the controller) will acquire control of the new company.
- ▶ The new company (Blaze Chile) will offer three main services:
 - Turn-key solutions
 - These are services focused on the design, construction and installation of electricity charging points, as well as complementary services of exploration, security and PMO where charging points have been installed or are planned to be installed (e.g., identification of the sites and preparation of lease agreements with landlords, support in obtaining permits, connection to the electricity grid, service implementation, etc).
 - In addition, Blaze will make sure that the charging points are marketed in line with Enel X's installation plan.
 - Regular operation and maintenance services
 - These are services, such as remote supervision of charging points through the Back-end platform, the availability of this platform, reporting and monitoring of KPIs, problem solving, management and solving of reported failures regarding MSP services, preventive and corrective maintenance to guarantee the availability of the service, repairs and subsequent guarantee, assistance for contracting energy supply services, among others.

The Blaze project

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

The Blaze Project

- Regular customer and supplier relationship management

This corresponds to the provision of MSP Services or CPO Services (in the case of interoperability with MSP), including defining and promoting the energy supply service business portfolio.

If Blaze provides MSP Services, these will include defining MSP or end-user agreements, MSP or end-user relationship management, troubleshooting, billing, payment and credit management, and the management of the mobile application and any other means to provide electricity charging services to customers.

Regarding revenue from charging services, remuneration is given to the owner of the assets, which will cover the total variable costs of supplying energy to end users.

For MSP services, the remuneration corresponds to 90% of 90% of Blaze's revenue from electric charging services.

If only CPO services are provided (which consist of an open network to different MSPs that will become Blaze's customers through an interoperability agreement), the remuneration corresponds to 90% of 100% of Blaze's revenues.

- ▶ There are 6 different Blaze products to provide electric vehicles with power. These correspond to the chargers and charging infrastructures detailed as follows:

Juicebox: This is a cost-effective device that offers a comprehensive smart charging experience for residential use. Available in 2 power levels: 1 phase, up to 7.4kW, 32A; and 3 phase, up to 22kW, 32A.

JuiceBox Pro y JuiceBox Pro Cellular: These devices offer a comprehensive, smart charging experience for both private and residential environments. Available in two power levels: 1 phase, up to 7.4kW, 32A; and 3 phase, up to 22kW, 32A. In addition, they are connectable to the Enel X smart charging software platform.

JuicePole: This device offers a faster comprehensive, smart charging experience for both private and public environments. It can provide two electric vehicles (at the same time) with up to 22 kW (AC) on each connection.

JuicePump 60: This device offers a comprehensive, smart charging experience through a multi-standard charging station, both for private and public environments. It can provide two electric vehicles (at the same

time) with up to 60 kW of power for faster charging.

JuicePump 150: This device offers a comprehensive, smart charging experience through a multi-standard charging station, both for private and public environments. It can provide two electric vehicles (at the same time) with up to 150 kW of power for an even faster charging.

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Valuation methodologies

- 27 Overview of methodologies
- 28 Methodology used

Overview of methodologies

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

In the valuation of the equity or enterprise value of a company, three different approaches may be employed to estimate the value of the interests: the Income Approach, the Market Approach and the Cost Approach. While each of these approaches is initially considered in the valuation, the nature and characteristics of the Company will indicate which approach, or approaches, are most applicable.

Income Approach

The Income Approach focuses on the income-producing capability of the subject business. One methodology in the Income Approach is the Discounted Cash Flow Method, which focuses on the expected cash flow of the subject company. In applying this approach, the cash flow available for distribution is calculated for a finite period of years.

Cash flow available for distribution is defined, for purposes of this analysis, as the amount of cash that could be distributed without impairing the future profitability or operations of the company. The cash flow available for distribution and the terminal value (the value of the subject company at the end of the estimation period) are then discounted to present value to derive an indication of value of the business enterprise for each company. For purposes of this analysis, cash flows to all investors are estimated, therefore interest-bearing debt and interest expense have not been considered in the derivation of projected annual cash flows.

Market Approach

The Market Approach is typically composed of the Guideline Public Company Method and the Guideline Transactions Method. The Guideline Public Company Method focuses on comparing the subject company to select reasonably similar (or guideline) publicly traded companies. Under this method, valuation multiples are:

- ▶ Derived from the operating data of selected GPCs
- ▶ Evaluated and adjusted based on the strengths and weaknesses of the subject company relative to the selected GPCs
- ▶ Applied to the operating data of the subject company to arrive at an indication of value

In the Guideline Transactions Method, consideration is given to prices paid in recent transactions that have occurred in the subject company's industry or in related industries.

Cost Approach

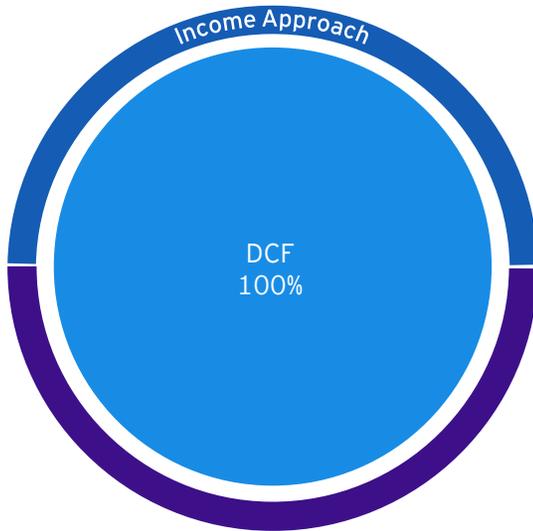
The Adjusted Net Assets Method represents one methodology employed in the Cost Approach to value a company. In this method, a valuation analysis is performed for a company's identified fixed, financial and other assets. The derived aggregate value of these assets is then "netted" against the estimated value of all existing and potential liabilities, resulting in an indication of the value of the shareholders' equity. An ongoing business enterprise is typically worth more than the value of its underlying assets due to several factors:

- ▶ The assets valued independently may not reflect economic value related to the prospective cash flows they could generate.
- ▶ This approach may not fully reflect the synergy of the assets but rather their independent values.
- ▶ Intangible assets inherent in the business, such as reputation, superior management, proprietary procedures or systems, or superior growth opportunities are difficult to measure independent of the cash flow they generate.

Methodology used

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Methodology used



For the purposes of analyzing the new company's CGU, in accordance with Chilean Financial Market Commission's guidelines ("CMF", by its Spanish acronym) and International Financial Reporting Standards, we have chosen the Income Approach.

The following methodology was specifically used:

- ▶ Discounted Cash Flow Methodology ("DCF").

The DCF methodology is based on a company's ability to generate future profits. In order to use this methodology, projections of income, costs and expenses are made according to the information provided by Management, public information, and EY Chile's internal analyses. These projections reflect the financial and operational facts of the companies involved in the Operation.

Neither the Cost Approach nor the Market Approach were considered for our valuation work, as they do not adequately reflect the nature of the business.

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7 Benefits

30 Benefits

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

As Management have communicated, regarding the potential carve out that would directly involve Enel SpA, Enel X Chile S.A. and Blaze Chile, the main motivation for this operation would be to make Blaze a global player in the electric vehicle industry, which will be boosted through the takeover by Enel SpA. This could favor the growth of the company as well as its positioning.

It is important to note that this role as a global player could facilitate the financing of losses in the first few years (negative EBIT until 2023 and negative cash flows until 2031).

The forecast profits would arise from the separation of the business. Enel Chile S.A. currently develops the electromobility business through Enel X Chile S.A. However, the latter entity does not specialize directly in electromobility but also focuses on other areas. Therefore, it is convenient to distribute human capital, as well as the know-how and technology in the Company's different lines of business.

As a new global player, the carve out will allow resources to be focused in only one direction, which will be able to generate economies of scale and will consequently lead to lower unit costs. For this reason, a higher Market Share is likely to be obtained than that which could have been obtained without the Operation.

This scenario will lead to the different benefits, which are detailed as follows:

General Benefits

Accelerate supply infrastructure development

It will be possible to make greater investments in technological platforms, which will generate greater electromobility growth and development when complemented with the global market trends and demand. In turn, this will lead to further opportunities for Enel Chile.

Creation of a global network

The Enel Group has created this global technology and services company called "Blaze", which will offer better support and supply infrastructure for all companies of the Group (including Enel X) due to electromobility-focused scope and economies of scale.

Economies of scale

Due to its position as a global player, its cutting-edge Hardware/Software technology approach and its CPO (Charge Point Operator) / MSP (Mobility Service Provider) services, Blaze will be able to provide customers with top-quality, highly-efficient products.

Global Partnerships & Intellectual property

Blaze has established multinational agreements with important global players, such as Renault, Honda, Jaguar, Volvo, Nissan, Porsche and Volkswagen, among others.

In addition, Blaze has recorded several intellectual property rights for use in the supply infrastructure market, with clients such as Pirelli, DHL, IKEA, McDonald's, Novartis, among others.

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	



Benefits for Enel and its Shareholders

Growth plan and limitation of costs and losses

Enel Chile will benefit from the incorporation of a new company focused on electromobility solutions, achieving competitive prices, state-of-the-art services, and turn-key contracts (at low risk). By transferring investments in technology and SG&A to Blaze Chile, Enel will maintain its business position while reducing business exposure.

Growth focus

Enel X Chile has other business lines which it could focus on to encourage electrification.

Liquidity

A business with negative EBITDA could be deconsolidated at this favorable time, when Enel Chile needs opportunities to deleverage its financing structure.

On the other hand, the Operation will generate a positive cash impact as a result of the sale of Enel Chile's majority stake in Blaze.

Future growth opportunities

The advanced development of the e-mobility business will also be beneficial for other companies of the Enel Group that operate in Chile in the areas, such as Enel generación (the sale of energy), energy distribution (investments in distribution networks) and electrification (Enel Chile).

On the other hand, Blaze Chile's benefits could be maintained through joint participation in its stock capital, as well as other advantages associated with the use of public transmission/distribution infrastructure.

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Valuation results

33 Valuation results

Valuation results

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

DCF Methodology

When calculating the value of Blaze Chile according to the Income Approach, we have considered the assumptions prepared by Management, as well as public information and estimates and methodologies applied by EY Chile. The following section provides an overview of the assumptions used in our analysis.

Income Approach

When applying the Income Approach (more specifically, the Discounted Cash Flow methodology), we considered the Euro as the functional currency, in nominal terms, and an explicit period of 15 years added to the terminal value.

Our valuation analysis was based on historical information and Management's business plan for the next 10 years.

The projected cash flows are mainly based on the following business lines:

- ▶ Charge Point Operation ("CPO"): installation and maintenance of chargers for electric vehicles and public charging points.
- ▶ Mobility Service Provider ("MSP"): management services associated with mobile applications and any other means to provide energy charging services to final customers.
- ▶ TSP: the sale of electric chargers.

Cash flows were discounted using a discount rate of 14.4%, corresponding to the Weighted Average Cost of Capital (WACC), considering a long-term growth of 3.0%, based on projections made by various market analysts. A more thorough breakdown of the discount rate calculation and the projected results can be found in Annexes B and C.

Finally, to obtain our range of values, sensitivity analyses of the discount rate and the long-term growth rate applied to the expected scenario have been carried out, considering a +/- 0.5% variation for both rates; as detailed as follows:

Enterprise Value Sensitivity (In thousands of EUR)						
		WACC				
		13.4%	13.9%	14.4%	14.9%	15.4%
Long-term growth rate	2.0%	20,959	19,301	17,752	16,306	14,954
	2.5%	22,311	20,569	18,942	17,422	16,002
	3.0%	23,849	22,011	20,295	18,692	17,194
	3.5%	25,614	23,667	21,849	20,151	18,563
	4.0%	27,662	25,588	23,651	21,842	20,152

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Conclusions

35 Conclusions

Fair value recommendation

In accordance with the available information and that which was provided by Management, as well as the estimates and methodologies applied by EY Chile based on this information, the estimated range of values of Blaze Chile's economic equity as of December 31, 2021 (Date of Valuation), is presented below:

Economic equity value <i>in thousands of EUR</i>	Minimum value	Expected value	Maximum value
Asset value ¹	17,422	20,295	23,667
Cash surplus ²	4	4	4
Financial debt ³	(671)	(671)	(671)
Other non-operating assets ⁴	35	35	35
Other non-operating liabilities ⁵	(211)	(211)	(211)
Equity value	16,580	19,453	22,825

To determine the value of the Business, the Income Approach has been used, specifically, the Discounted Cash Flow methodology.

Finally, to obtain the range of values, we carried out a sensitivity analysis of the discount rate and the long-term growth rate applied to the expected scenario, considering a +/- 0.5% variation for both rates.

Based on the assumptions mentioned in the Report, the range of values presented corresponds to the fair value that a rational market participant would pay for the economic equity of the e-mobility Business on the Valuation Date.

In addition, according to the points presented in section 7: "Benefits", we conclude that the Operation contributes to the corporate interests of Enel Chile S.A.

About our recommendation

Our valuation analysis and estimate of range of values were based on historical and prospective information, as well as on financial data provided by Management.

We did not independently investigate or verify the data provided, and therefore, we do not express any opinion or offer any type of guarantee regarding the accuracy or completeness of that information.

We understand that any prospective financial information provided is based on competitive and economic expectations that could affect the future operations of the Company. We also understand that Management applied key assumptions during the estimated period and did not omit any factors that could be relevant to our valuation work. In turn, Management understands that any omissions (or errors) could significantly affect our valuation.

¹ Value calculated according to the Income Approach.

² This item corresponds to the "Cash and cash equivalents" account, based on the pro forma balance sheet of Blaze Chile provided by Management.

³ This item corresponds to the loan included in the account "Accounts payable to related entities, current", based on the pro forma balance sheet of Blaze Chile provided by Management..

⁴ This item corresponds to the account "Trade and other accounts receivable, non-current", based on the pro forma balance sheet of Blaze Chile provided by Management.

⁵ This item corresponds to the account "Employee benefit provisions, non-current", based on the pro forma balance sheet of Blaze Chile provided by Management..

10 Appendices

- 37 Anexo A: Limitaciones de nuestro trabajo
- 39 Appendix B: Discount rate
- 40 Appendix C: Projected EBIT
- 42 Appendix D: Balance sheet
- 43 Appendix D: Financial statements

Anexo A: Limitaciones de nuestro trabajo

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

1. Subject to the other limitations set forth below, nothing has come to our attention to cause us to believe that the facts and data set forth in this Report are not correct.
2. This Report is based on, and limited to, our knowledge and experience with the valuation and other issues addressed herein. We did not conduct an audit, review or compilation of any historical or prospective financial information included in this Report. Accordingly, we do not express an opinion or offer any form of assurance as to such information. This Report is not a fairness opinion, investment advice, or legal advice. This Report is not intended to be used, and neither you nor any other taxpayer may use it, to avoid penalties that may be imposed under the local tax regulations or applicable local tax laws.
3. We did not investigate title to the business or assets the subject of this Report. We have relied on representations of the owner with respect thereto and we may assume that (i) title is good and marketable, (ii) the business or assets are not subject to any liens or encumbrances, (iii) there is full compliance with all applicable federal, state, local and other laws and regulations (including, without limitation, those relating to usage, environmental, zoning and similar requirements), and (iv) all licenses, certificates of occupancy, consents, and legislative or administrative permits from any federal, state, local or other governmental authority or agency, private entity or organization required for any use of the property relating in any way to this Report or the services underlying it have been or can be obtained or renewed. We assume no responsibility for any legal description of any property.
4. This Report has been prepared solely for the purpose set forth in the applicable Statement of Work and may not be used for any other purpose. According to our Statement of Work, we performed the valuation services specified in this Report to estimate the Fair Value of Aport, in order to support a possible process of shareholder restructuring of the Company. Consequently, we understand that the results of our analysis will be used solely for the aforementioned purpose and may not be used for any other purpose, including any accounting purposes.
5. Our estimations of fair value are stated in constant currency as of the effective date specifically set forth in this Report. Changes in market conditions could result in substantially different valuations than those indicated at the effective date. We assume no responsibility for changes in market conditions after the effective date and we have no obligation to update the Report, or our recommendations, analyses, conclusions or other documents relating to our services after the effective date for any reason.
6. We assume no responsibility for the inability of the owner to locate a purchaser for its business or assets at the value set forth in this Report.
7. We have been provided with written and oral information, as well as data in electronic form, relating to the business or assets that we analyzed. We have relied upon this information to prepare this Report and have no responsibility to verify independently its accuracy or completeness. We assume no responsibility for the completeness or accuracy of information furnished by others, including your management.
8. We may have derived certain historical financial data used in our valuation from audited and/or unaudited financial statements, which are the responsibility of management. Financial statements may include disclosures required by generally accepted accounting principles. We have not verified independently the accuracy or completeness of the data we derived and do not express an opinion or offer any form of assurance as to it or the underlying financial statements.

Anexo A: Limitaciones de nuestro trabajo

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

9. The estimates of cash flow data included herein are solely for use in the valuation analysis and are not intended for use as forecasts or projections of future operations. We have not performed an examination or compilation, nor have we performed an agreed-upon procedures engagement, with respect to the cash flow data, and, accordingly, do not express an opinion or offer any form of assurance as to that data or their underlying assumptions. Furthermore, estimated and actual results will usually differ because events and circumstances frequently do not occur as expected, and those differences may be material.
10. We assume no responsibility for any financial or tax reporting judgments, which are the responsibility of management.
11. We are not required to furnish additional work or services, or to give testimony, or be in attendance in court with reference to the business or assets we analyzed or this Report.
12. We did not analyze the quality or the physical deterioration, if any, of the underlying film elements included in the business or assets the subject of this Report. A valuation professional is not qualified to detect such deterioration or ascertain the impact thereof. In addition, except as specifically stated in the Report, we have not verified the existence, if any, of interpositives and internegatives. We recommend that you retain appropriate experts to investigate and determine the quality and existence of film elements and the effect, if any, on value that might result from physical deterioration or missing elements.
13. We have not made any determination whether there have been any violations of fraud and abuse laws or regulations or any other law. We assume no responsibility to provide any legal advice and recommend that you consult your legal counsel with respect to legal matters.
14. Please note that this Report correspond to a translation of the original version in Spanish. For all purposes, please relied on the Spanish version.

Appendix B: Discount rate

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Peers	Ticker	Country	Beta (a)	Market Cap	Net Debt (b)	D/E	Tax rate	Bu
ABB Ltd	SWX:ABBN	Switzerland	1.154	52,945	3,629	6.9%	14.9%	1.09
Volex plc	AIM:VLX	United Kingdom	0.897	317	7	2.1%	19.0%	0.88
Fulcrum Utility Services Limited	AIM:FCRM	United Kingdom	0.972	109	3	2.4%	19.0%	0.95
NHOA S.A.	ENXTPA:NHOA	France	1.134	165	17	10.2%	26.5%	1.05
Nexus Infrastructure plc	AIM:NEXS	United Kingdom	1.016	101	0	-	19.0%	1.02
Median						2.4%	19.0%	1.02

Cost of equity	
Unlevered beta	1.02
D/E	0.02
Tax rate	27.0%
Levered beta	1.03
Risk free rate USD (c)	1.9%
Inflation USD	2.0%
Inflation EUR	2.0%
Risk free rate EUR	1.9%
Country risk premium (d)	1.5%
Size premium (e)	5.0%
Equity risk premium (f)	6.0%
Cost of Equity - Nominal (EUR - Chile)	14.6%

Notes

- a) Source: Capital IQ.
b) Based on the median of the guideline public companies as of 31 december 2021.
c) 20 year Treasury bond, 6 months average 6 as of 31 december 2021.
d) EMBI spread of Chile.
e) Size premium for "Micro Cap" companies according to Duff&Phelps report.
f) Source: EY analysis.
g) Based on guideline public companies.

Cost of debt	
Risk free rate + Country risk premium	3.4%
Spread (g)	2.5%
Cost of debt before tax	5.9%
Tax rate	27.0%
Cost of debt after tax	4.3%

Weighted Average Cost of Capital			
Equity	97.6%	14.6%	14.2%
Debt	2.4%	4.3%	0.1%
WACC - Nominal (EUR - Chile)			14.4%

Appendix C: Projected EBIT

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Projected EBIT

EUR in 000s	2019	2020	2021	2022E	2023E	2024E	2025E	2026E	2027E
Revenue	3,968	2,256	3,747	5,774	8,398	16,082	21,530	25,269	29,418
CPO	174	475	2,054	2,545	2,908	5,487	8,930	11,251	15,245
MSP	-	-	-	64	142	254	444	752	1,149
TSP	3,794	1,781	1,694	3,166	5,348	10,341	12,156	13,266	13,023
Costs	(2,945)	(1,950)	(2,601)	(3,884)	(6,227)	(12,534)	(17,031)	(19,781)	(22,954)
CPO	(159)	(520)	(1,256)	(1,663)	(1,922)	(4,103)	(7,062)	(9,241)	(12,868)
MSP	-	-	-	-	-	-	-	-	-
TSP	(2,786)	(1,430)	(1,345)	(2,221)	(4,306)	(8,431)	(9,969)	(10,540)	(10,087)
Gross margin	1,022	306	1,146	1,890	2,171	3,548	4,499	5,488	6,464
OPEX	(328)	(485)	(1,960)	(2,893)	(3,129)	(3,594)	(3,825)	(4,487)	(4,984)
Direct	(328)	(485)	(921)	(1,774)	(1,899)	(2,244)	(2,458)	(3,150)	(3,633)
Indirect	-	-	(1,039)	(1,120)	(1,230)	(1,349)	(1,367)	(1,337)	(1,351)
EBITDA	695	(179)	(814)	(1,003)	(958)	(45)	674	1,001	1,479
Depreciation	-	-	-	-	(14)	(29)	(44)	(60)	(75)
EBIT	695	(179)	(814)	(1,003)	(972)	(74)	629	941	1,404

Appendix C: Projected EBIT

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Projected EBIT

EUR in 000s	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Revenue	35,760	42,246	56,720	71,357	86,516	100,949	113,186	121,744	125,397
CPO	19,840	25,100	30,495	37,552	45,530	53,126	59,566	64,070	65,992
MSP	1,527	1,928	2,356	2,868	3,478	4,058	4,550	4,894	5,040
TSP	14,393	15,218	23,868	30,936	37,508	43,766	49,071	52,781	54,365
Costs	(27,881)	(32,981)	(43,491)	(54,184)	(65,694)	(76,654)	(85,946)	(92,445)	(95,218)
CPO	(16,992)	(21,724)	(26,680)	(33,041)	(40,060)	(46,744)	(52,410)	(56,373)	(58,064)
MSP	-	-	-	-	-	-	-	-	-
TSP	(10,889)	(11,257)	(16,810)	(21,142)	(25,634)	(29,910)	(33,536)	(36,072)	(37,154)
Gross margin	7,880	9,264	13,229	17,173	20,821	24,295	27,240	29,300	30,179
OPEX	(5,723)	(6,577)	(7,279)	(7,983)	(9,678)	(11,293)	(12,662)	(13,619)	(14,028)
Direct	(4,264)	(4,991)	(5,671)	(6,328)	(7,673)	(8,953)	(10,038)	(10,797)	(11,121)
Indirect	(1,459)	(1,586)	(1,607)	(1,654)	(2,006)	(2,340)	(2,624)	(2,822)	(2,907)
EBITDA	2,157	2,688	5,951	9,191	11,143	13,002	14,578	15,680	16,151
Depreciation	(92)	(108)	(125)	(128)	(131)	(132)	(133)	(133)	(134)
EBIT	2,065	2,579	5,826	9,063	11,012	12,870	14,445	15,547	16,017

Appendix D: Balance sheet

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Proforma balance sheet Blaze Chile

EUR in 000s	31-Dic-2021
Cash and cash equivalent	4
Other current non-financial assets	367
Trade accounts receivable and other current accounts receivable	1,004
Current accounts receivable from related parties	468
Inventory	500
TOTAL CURRENT ASSETS	2,343
Trade accounts receivable and other non-current accounts receivable	35
Deferred tax assets	21
TOTAL NON-CURRENT ASSETS	56
TOTAL ASSETS	2,399
Trade accounts payable and other current accounts payable	265
Current accounts payable to related parties	718
TOTAL CURRENT LIABILITIES	983
Provisions for non-current employee benefits	211
TOTAL NON-CURRENT LIABILITIES	211
TOTAL LIABILITIES	1,194
TOTAL EQUITY	1,205
TOTAL EQUITY AND LIABILITIES	2,399

Fuente: Balance proforma proporcionado por la Administración. Se considera un tipo de cambio de 964,44 CLP/EUR de acuerdo al tipo de cambio al 31 de diciembre de 2021.

Appendix D: Financial statements

Home	1 Introduction	7 Benefits
	2 Executive summary	8 Valuation results
	3 Understanding the Operation	9 Conclusions
	4 Macroeconomic environmen ...	10 Appendices
	5 The companies involved	
	6 Valuation methodologies	

Proforma financial statements Blaze Chile

EUR in 000s	31-dec-2019	31-dec-2020	31-dec-2021
Revenue	3,968	2,256	3,747
Costs	(2,945)	(1,950)	(2,601)
Gross Margin	1,022	306	1,146
Operational expenses	(328)	(485)	(1,960)
EBITDA	695	(179)	(814)
<i>EBITDA margin</i>	17.51%	-7.93%	-21.72%

Fuente: Información obtenida a partir del plan de negocios proporcionado por la Administración.



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