

Q3 2013 Earnings Call

Company Participants

- Eduardo Karrer, Chief Executive Officer, Investor Relations Officer & Member of the Executive Board
- Frank Possmeier, Member of the Executive Board & Deputy Chief Executive Officer

Other Participants

- Bruno Pascon, Analyst
- Unidentified Participant

Presentation

Operator

Good morning. Welcome to ENEVA's conference call to discuss the results of third quarter of 2013 and update of its projects. At this moment all participants will be in a listen only-mode. Later on, we are going to start a question-and-answer session, when further instructions will be given. (Operator Instructions). I would like to remind you that this conference call is being recorded.

I would like now to give the floor to Mr. Eduardo Karrer, the CEO of ENEVA. Mr. Karrer, you may proceed.

Eduardo Karrer {BIO 15883150 <GO>}

Thank you very much and welcome to our 3Q earnings release call. Initially starting with, I have here Frank Possmeier, my colleague at this Executive Committee of the company. I have several of the management's representative here already with me and the IR team together with us today.

As let's see some opening remarks here, I would like to share with you some of the highlights of the quarter. We do see our numbers, let's say, presenting an improving trend, still impacted by some very relevant topics that are under discussions with Aneel right now, such as (inaudible) fixed revenue and even, let's say the ICB Criteria, which is under analysis of the agency. So, our numbers are still, let's say, impacted with this ongoing discussions with the regulator.

I would like to highlight as well the conclusion of 800 million capital increases which occurred in September. So, that was very important step for the company this year as well. And related to our assets I would like to emphasize a few highlights that our coal plants availability have been, let's say, improving in the quarter. As Frank is going to, let's say,

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share with you down the road, despite some specific non-recurring events, I would also like to highlight that we had been operating in some, let's say, in a tough environment with some, let's say, transmission outages and restrictions in the region. So, that has somehow been affecting part of our, let's say, consolidated numbers as well in terms of availability.

Related to the assets, I would like also to highlight the conclusion of the commissioning of Pecem II as you're going to see in the next slide with a very robust startup ramp up. So this is very important, because it shows the learning curve of the first, let's say, coal plant and that we have been improving, not only commissioning, but and the construction and startup activities. I will, let's say, guess Parnaiba III plants in the same fashion of the others, started on a very smooth basis. So that another very successful, let's say, an issue of operations of one of our gas engines.

Related to Pecem win, ENEVA and EDP, we have been pushing very hard to other technical improvement process in the plant and, let's say, when we can split unit 1 and unit 2 as Frank is going to address very shortly. But, very important to share with you that there is a continuous effort from shareholders, experts, let's say, to accelerate other improvement process of the plant.

Also important to highlight that in the gas fronts, I mean, the Parnaiba gas production increased, I mean, in this quarter and specifically in October. So, that was a very important milestone to consolidate gas production in the region. Also, let's say the E.ON/Cambuhy transaction, I mean, it was very important, let's say, to really guarantee a very bright future for the company in terms of gas production, exploration and, let's say, future opportunities in the region. So that was very key, let's say, to this quarter and subsequent events.

Having said that, let's say, the initial picture of some events that were very material for the company in the last month, I would like to invite my colleague, Frank Possmeier to take from here. Thanks.

Frank Possmeier {BIO 18083214 <GO>}

Thank you, Eduardo and good morning, ladies and gentlemen, and also welcome from my side. As Eduardo like touched base already on the main highlights and subsequent events of ENEVA in the past quarter and in the past weeks, I would like to jump immediately to page three. Before going into details there, let me also highlight that despite all the problems we had in the past months on our operational front, it was a very good quarter for ENEVA and we see a clear improvement in our operations.

For the first time since the existence of ENEVA or MPX, we see a positive EBITDA. Since 2007 at the IPO, this is for the first time in a quarter that we have an EBITDA of BRL11 million positive. And we see a constant trend towards improving that numbers significantly in the upcoming quarters.

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And the positive trend is mainly due to stabilizing our operations. When you look at our operating costs in the first quarter 2013, we had approximately BRL400 per megawatt hour of operating cost. We were able to decrease that in the second quarter to BRL230 per megawatt hour and BRL250 per megawatt hour in the third quarter.

We have a constant increase in energy sold and then significant increase in our availability. For example, Itaquí we started in the first quarter with 38% and now in the third quarter, we have a number of 71%; still below our promised PPA, but it shows a clear positive trend.

When we turn to our gas side, I think from the first days of operations, we proved that we have a very reliable system here and that we have availability north of 95% in the Parnaíba Complex and thereby deliver what we have promised in the PPA. And as Eduardo said, we also see a very good performance of Parnaíba III and Pecém II almost recent and brand new power plants.

The third quarter was, for the first time, a quarter where we had no energy pass-through, so we didn't have to buy any energy in the market and it resulted in a net operating revenue of approximately BRL320 million. This translated our dimensions at interim EBITDA of BRL11 million. And this is mainly due to the contribution of our gas power plants and mainly Parnaíba I.

In addition to our operational optimization, we are also continuing our restructuring initiatives in ENEVA on the whole-coal and on the half-coal level.

When we met the JV and MPX at the second quarter of 2013, we were facing approximately SG&A cost north of BRL200 million and more than 200 people. By year-end, we will have reduced that workforce on ENEVA holding level by approximately 30% and we will have costs of less than BRL110 million on an annual basis recurring. That is only the starting point. I think we will further reduce the SG&A costs on holding level.

And together with E.ON and the operational expertise of E.ON, we are now going to implement also a fleet management concept on our operational companies on our single SPEs that hold our power plants in order to optimize further the SG&A on that front and to reduce our costs there as well.

Let me go in detail on the following pages, through our single power plants, and I'd like to start with Itaquí. We see a very positive trend of the development of EBITDA in Itaquí. Yes, it's still negative with minus BRL5.9 million, but we are on a constant way of improving that, which is mainly due to increasing our availability and I have already talked about that, 38% availability in the first quarter now ramping up to 71%. The 71%, if you compare that with international standards and we have benchmark that via the E.ON and via international other competitors. For the first year of operation, 70% of availability is in the total -- is in the absolute average of what we see for other international power plants in the ramp up phase.

So, nothing that is particularly bad or particularly good, but something, which is pretty much in line. And as we see a constant ramp up here, we are pretty certain that the fourth quarter will be significantly above that number.

And in addition to that, we are also working on the operational front and we are just taking one example here that you will see throughout our coal-fired power plants. We were able to significantly reduce our fuel costs and gross energy generated. We started with BRL166 per megawatt hour in the first quarter and we were able to reduce that by 31% to BRL115, BRL114 in the third quarter. This is mainly due to less outages resulting in significant reduction of diesel startup cost, new coal cargos that we bring to the inventory with a significant lower cost than the initial ones diluting the average and we have improved logistics for unloading ship and thereby we reduced significantly further the generated -- the cost for generation.

Let me move to Parnaiba I, our gas-fired coal plant on page six. As stated initially, a very strong EBITDA contributor starting with a negative EBITDA due to the ramp up in the first quarter. We now see BRL60 million of EBITDA for the third quarter and a really constant availability in the third quarter of 96% for filling our PPA and what we promised to the market.

Turning to Pecem I, our coal-fired joint venture that we have with EDP. There, we also, for the first time, see a positive EBITDA of BRL40 million in the third quarter. Also, here, we were able to reduce significantly operating cost and again, the example of fuel cost and gross energy generated, which started with BRL119 per megawatt hour in the first quarter and we now brought that down to BRL109 per megawatt hour. Still the availability is not where we want to have the availability of our coal-fired power plants, but with 64%, we see a very positive trend also compared to the second quarter. And also now in the third quarter -- in the fourth quarter, we believe that we will be able to stabilize that.

Eduardo has stated already and I'm on page seven, on the operational performance of our new power plant and we are very proud of the performance of these two. On the October 22nd, Parnaiba III got COD granted. Since the very first phase of operations, this plant runs at base load of 166, 167 megawatts. And we see a very constant trend there and see no problems in the operation.

On Pecem II, our most recent coal-fired power plant, we also feel very comfortable. It's synchronized to the systems on October 15. Got COD granted on October 18. For the first full two weeks, it run at the promised 365, 364 megawatt and also in the last week from the 2nd of November until the 9th of November, a very good performance.

There was an outage on the 4th of November due to a blackout of external causes in the system which led to a trip of the units. And then, on November 9th, we identified boiler leakage and we are currently working up on repairing that one and it's expected that the unit will synchronize again in the quarter to-date. But for our brand new power plant, it is very normal that in the first year you see those trips, you see those optimizations et cetera. So, with a three or four day outage, we feel really comfortable and we will go on-line

again today, and we think for the next week, you will again see a strong performance of 365 megawatt on a constant basis.

That brings me to our gas peers, OGX Maranhao. And before going into detail on the operations there, I would like to highlight the main element of the front action that ENEVA has find with Cambuhy and E.ON. End of October, we signed a transaction with the investment funds Cambuhy and E.ON for a capital increase of BRL250 million into OGX Maranhao, which will occur in the first weeks of January.

This capital increase will be sufficient to cover the full CapEx that is needed for 2014 for OGX Maranhao. Therefore, all infrastructure investment that is needed into OGX Maranhao is thereby safeguarded. And in addition to the fresh equity that will come to the table, there will also be done based upon this new share of structure, a further ability to leverage for even further increase of the production in OGX Maranhao.

Via the E.ON E&P team and we actually have in this week already colleagues on the ground here in Rio de Janeiro, we will get strong operational and technical expertise that will add to on the business and thereby we think we have now found a very stable solution, where the future of OGX Maranhao and thereby the most important thing the future for our gas supply is guaranteed for ENEVA.

As part of the transaction, we, in two steps, as ENEVA will value down from our 33% that we currently hold to 18.2%, E.ON will hold ultimately 9% in OGX Maranhao and Cambuhy will be the biggest shareholder with 72.7%. We will sign -- and has already signed a shared agreement for OGX Maranhao, where the three partners together will run the destiny of OGX Maranhao in the future.

Let me now turn on page nine to the operations of OGX Maranhao. We see a very strong ramp up due to gas consumption in our gas-fired power plants to BRL67 million of EBITDA in the third quarter and this goes along with the production ramp up. In the end of the third quarter, we had 4.5 million cubic meters per day production with a synchronization of Parnaiba III that ramped up to 5.7 million cubic meters per day at current levels.

And then with Kinross, Parnaiba IV and Parnaiba II first unit coming on-line by the end of the year. This will ramp up to 6.6 million cubic meters per day. All infrastructure product ramp up to 6.6 million cubic meters per day has already been implemented. It's only now a question of the power plants coming on-line and then utilizing the gas that is already available.

On page ten, I want to highlight briefly and explain to you where our capital increase of 800 million that was concluded in September 2013. It mainly went into financing our existing projects and we use that mainly Itaquí and Parnaiba. It went there to finance outstanding CapEx and to do the debt service and debt repayments and amortization necessary in our existing fleet. We will close and have closed -- we had closed the quarter with a cash of approximately BRL360 million and that BRL360 million carries

approximately 70 million of an overpayment that CCEE did to Itaqui, which has been already paid back in the past weeks of the existing fourth quarter.

Let me -- last, but not least, on the financing numbers, refer to the refinancing of our HoldCo debts. As you know, we have a total gross debt of BRL5.5 billion, where approximately BRL2.5 billion is short-term debt, approximately 1 billion of that is related to project and will be trend in the next weeks into long-term debt on project level, which leads us with the well-known BRL1.5 billion of short-term debt on holding level.

On the last call and we told you that we were already in intense discussion with the banks. We had very, very positive first round with the banks on that refinancing. And yesterday -- two days before, on the 12th of November, we had our Bankers Day with all of our financing banks here in Rio de Janeiro presented to them the current refinancing plan and the business plans for 2014 to 2016. And now the banks are in internal approval process and we've got documentation with them in order to be able to finalize all our document until the end of November in order to disburse according to the maturing debt in the course of December.

As we said that, I am turning back to Eduardo for projects under development.

Eduardo Karrer {BIO 15883150 <GO>}

Thank you, Frank. I mean, I would like to highlight here that we reached, let's say, with the two plants that we added to our portfolio, the 2.3 gigawatts, let's say, in some slot in solid capacity. As fuel, let's say, missing the Parnaiba IV and Parnaiba II plants. Parnaiba IV, which is the first plant dedicated to the free market as you know, it's going to come on-line December. We have more than 90% overall execution right now. We have the substations and transformers energized. We have energy in start. I mean, within the next, let's say, coming days or let's say following week. So, we are very close to start, let's say, half commissioning of the plant. And we do see, let's say, start operations throughout the course of the month of December.

Related to Parnaiba II, which is the combined stake of the CCGT, we have about 80% overall execution and important to highlight, so we do expect to have, let's say, first half commissioning activities throughout the month of December and beginning of next year, let's say, start, let's say, the open cycle operations of this plant.

Important to highlight, as Frank mentioned before, that with the recent, let's say, ramp up in the gas production, we do have gas, let's say, for these two plants, let's say, already in solid production capacity to sustain these two plants. Let's say the initial phase of the CCGT and Parnaiba IV and throughout the course of the first half of next year we are going to reach the 8.4 million cubic meters per day, let's say, to supply the whole Parnaiba complex.

So, I think, we are, let's say, on track to, let's say, first half of next year to reach the 2.9 gigawatt of installed capacity as planned.

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Turning to page 13. In terms of regulatory, let's say, status, I think I would like also to highlight again the great work that we have been doing here and very intense work from (inaudible). We just highlighted here that we have been delivered a lot of value to the company in terms of the issue that is over, such as adjusting the CODs of the plant. And now, we are really concentrated on fixing, let's say, the ongoing discussions with Aneel surrounding, the ADOMP, which is the unavailability penalties that we have been receiving, that we are, let's say, in discussions with Aneel related to the reimbursement for the energy that we bought in the past. (inaudible) to update the criteria from ICB to ICB online which will be a fair criteria, let's say, to cost reimbursements.

And the Pecem II fixed revenue, as you know, the plant was declared and is ready by in July 1st. And we received COD October 18th. So, we are, let's say, growing after the fixed revenue between July 1st and mid-October as -- I mean, events completely outside, let's say, the control of our company. Let's say, a postponement of COD from July to October.

So, those are the topics we have been having a very intense agenda with the regulators. And we are working very hard to sort out these issues as soon as possible, eventually in the course of this year.

So, having said that, I would like to, let's say, open the Q&A session to whatever questions you may have.

Questions And Answers

Operator

Excuse me, ladies and gentlemen. We are starting now the Q&A session. (Operator Instructions) And now our first question comes from Bernado Breseni Euarcastone [ph].

Q - Unidentified Participant

Hi, good morning, Karrer. I just want to know if you could talk a little bit more about the current problems on Pecem I, it has not been producing closely to capacity. And you mentioned that you expect to stabilize it until the end of the year. So, I just wonder if you could give us a hint on that which level should we expect it's about to line up through the end of the year and -- yeah, just about that.

A - Eduardo Karrer {BIO 15883150 <GO>}

Yeah. Thank you for your question. Related to Pecem I, I would like to highlight the following. First, I mean if you look at the coal plant, you see that the learning curves from this plant, let's say, as Frank mentioned, improved, let's say, the trend of the plant. So, Pecem II is doing very well, because of the learning curve of the first engine of Pecem I.

Engine two of Pecem I, let's say, if you see the numbers of the quarter and the cumulative numbers for the year, I think you are going to see, let's say, in line or aligned numbers with, let's say, global average, first year coal plant's operations, which is around 70% plant availability. So, the second engine of Pecem I, I think we are going to be there. Strong

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efforts right now in the first engine to recover a plant availability. That was the engine that suffered more, because what the first one, let's say, to come on-line, so we could, let's say, do some adaptation in some sort, the commissioning and startup in the other plant that improved our track record, but yes, we do see, let's say, a positive trend, we improving, let's say, everything that we can at the site.

One thing that has impacting or has been impacting the plant that I mentioned, is the number of external events, such as transmission line event failures, I mean, blackouts. So I mean, I can, probably between six and eight blackout events occurred within the last, let's say, two, three months. And for coal plants, we suffered much more than a gas plant, that's the following day, we are back to base load. A coal plant you have, let's say, a much more complex restart process.

So, but yes, we are on track through increased plant availability in Pecem I. We are counting on experts from E.ON, from EDP. So, lots of, let's say, shareholders, let's say, efforts to accelerate that. And yes, we do expect to have, let's say, to reach, let's say, a market standards for these plants, let's say, in the course of this year, early next year.

Q - Unidentified Participant

Great. Thanks a lot. And just a following question. You mentioned in the past about the debentures that you're planning to lease your both on Pecem and a holding level. Just wondering is that still under on your schedule and what would be the schedule for that, early next year or second half next year?

A - Frank Possmeier {BIO 18083214 <GO>}

On the Pecem II debenture -- this is Frank here again. On the Pecem II debenture, we will do that in the first quarter of next year. And we already have banks lining up for that one. And we're, like in the process of finalizing the steps with the bank.

On holding, we changed the business strategy, what we want to do with the bank is rolling over the existing debt that we have with them and asking for some new credit lines on holding debts in order to repay that in the early next year via the regulatory repayments, Eduardo was alluding to and via cash upstream from the gas-fired power plants. And then, being able to have a much smaller number that we can roll over into a debenture in the second half of next year.

Because, we think, currently with all these debentures that we do on project level, we would have like conflicting processes and therefore we think it's better and that is the process we are currently embarking on with our banks and finalizing with our banks. It's better to do that next year with a much smaller number in the second-half.

Q - Unidentified Participant

Okay. Thanks a lot.

Operator

Bloomberg Transcript

Our next question comes from Bruno Pascon, Goldman Sachs.

Q - Bruno Pascon {BIO 16451201 <GO>}

Thanks. Good morning, everyone. I have two questions basically. One confirmation regarding the debt restructuring. For the plan of -- has the negotiations concluded by end of November and basically that is worth enough debt potentially in December. The idea here is to rollover to debt in the short-term. So, as Frank was commenting, has in a longer duration of that discussion, only by half of next year. So just to confirm that.

And then my second question is regarding OGX Maranhao. Basically, to understand the status of the CapEx to build the gas system that will connect Paranaiba II to see on already back of the any delays on the startup of the plans. And also, this company has any plans of basically sharing with the market, a new certification we put for the gas resources in the Paranaiba basin. That was basically my questions. Thanks.

A - Frank Possmeier {BIO 18083214 <GO>}

Okay. Thanks, Bruno. Let me start with the first question, debt restructuring. Yes, you understood it correctly. What we want to do is, we want to mainly rollover the existing debt for the period to up to 12 months in order to then, a, pay that debt significantly down by a project cash that we upstream in the second half of next year and then having a much smaller amount that we want to refinance by our long-term financing and as with debentures over the instrumental use at the end of next year. And that is something that banks embark from we have discussed with them in the past weeks. And we are really in the process of finalizing that in the next four weeks.

When it comes to OGX Maranhao, as I said, the capital increase to be conducted by Cambuhy and E.ON of BRL250 million will be the foundation for the investments that need to be done into the infrastructure to ramp-up the production there for the remaining part of Parnaiba II.

ENEVA via its position in the Board of Directors via Eduardo and Bruno Chevalier, influencing significantly that process. We are helping the business on the ground, OGX Maranhao to get access to the right infrastructure and help them also with the financing in order to make sure that there is no delay in the infrastructure for our gas-fired power plant fuel that we need them in, let's say, in the end of the first half of next year.

On the last question, I would hand over to Eduardo.

A - Eduardo Karrer {BIO 15883150 <GO>}

Thank you, Frank. Yes, related to the certification, I mean, we have been doing a very intense work with, let's say, the E.ON E&P team, working together with OGX. And yes, we have, let's say, as our base case, we are going to be releasing on a regular basis, let's say, updates, let's say, certifications of the reservoir. As you know, in Brazil, the production fuels, I mean, we believe that on an annual basis and this is going to be the case of Parnaiba.

So, on a regular basis, we are going to be sharing with a market update. Let's say, we worked from, let's say, an international entity. So, the answer is, yes. And as soon as we are ready for that, we're going to share that with the markets.

Operator

Thanks. Very clear. Thanks, Frank. Thanks, Karrer.

Our next question comes from Sandra Boynton [ph] with HSBC.

Q - Unidentified Participant

Good morning, everyone and thank you very much for the call. Just a very quick follow-up question on the last answer on the -- for an update on the reserves and update on the certification. Do you have the timing as to when the market can expect anything on that front?

A - Eduardo Karrer {BIO 15883150 <GO>}

Okay. We need, we have certain, let's say, obligations with ANP that we need early next year, let's say, to submit the evaluation plans for the gas discoveries that we already have. As you know from the ten exploratory wells, this year, we were successful in seven. So, now we are working to prepare all the proper documents to submit to the agencies and we hope to do that early next year. So, we are coordinating, let's say, the certification process with that. And we are going to come to the market at due time, let's say, to properly coordinate all those activities. There are due obligations in front of the agency and with investors and shareholders with an update in the reservoirs and reserve update.

Q - Unidentified Participant

Great. And then now, if you allow me, just my questions. Two questions, and one is on the E.ON, Cambuhy, ENEVA acquisition offer for OGXM and how that -- you expect to play against the OGX bankruptcy process. There is a lot of questioning locally, we've seen through the news as to whether this transactions can be done without the approval of OGX creditors. So I would like your view and some reassurances on that front. And then maybe if you have a legal opinion you can share with us.

And the second and last question I have is regarding the participation of, Ativar piece to still in the company and the process of selling that stake that 24% stake that we have seen also. On the news several parties interested, if you can update us on that one as well. Thank you so much.

A - Frank Possmeier {BIO 18083214 <GO>}

Sandra, thank you for those two questions. I'll start with the first one, the E.ON, ENEVA, Cambuhy transaction. Obviously, yes, OGX started in a bankruptcy scenario, but what now the judge has said, is a situation where they would look at a company where OGX holds 66% in with them no real way forward and no investment to be made into the infrastructure, et cetera. All they look into a company where after a capital increase OGX

is diluted down to 36%, but it's a very stable company with 250 million fresh equity and lot of potential for further deleveraging.

This gives us the certainty that neither creditors nor the judge will stop that process just for the country, that they would support that process. In the overall negotiation of the transaction in the past two weeks of October, we had several litigation lawyers from several companies looking at that scenario in order to help us to understand the merits of the transaction. And we think this is a very robust transaction that will find the approval of the judges and that creditors won't contest ultimately. And therefore, we feel comfortable that it will go through after current approval at the beginning of January and then the fresh money will come to the table.

100% certainly, you never have, because it's in front of a court, but I think we have all the reasons to believe that this is a very strong case and we are already -- since the signature of that transactions in final procedure, we're working together with OGX, OGX Maranhao in order to convince the judges and convince the creditors of the merit of this transaction.

A - Eduardo Karrer {BIO 15883150 <GO>}

Yeah, related to, let's say, the second part of your question related to a potential replacement to the current position all (inaudible). Couple of months ago, we were, let's say, we released a material fact in accordance with information that we received from EBX, that they were in the course of, let's say, looking for a potential sales of the remaining portion of his shares in ENEVA. So, we were, let's say, sharing that with market.

Since then, we did not receive any additional piece of news. As soon as we receive any kind of information or additional feedback from EBX related to that process, we are going to immediately releasing that to the market.

Q - Unidentified Participant

Okay. Thank you. Just to clarify on the OGXM separation, so you have already been talking to the creditors of OGX about the offer for OGXM. Are you already in contact with them and negotiating with them?

A - Frank Possmeier {BIO 18083214 <GO>}

We are in contact also via 100 partners who does the restructuring for OGX, with the creditors, with the bondholders of OGX and make sure that this also has the approval. So, before we file the transaction all the bondholders were informed and were aligned with the transaction that we did.

Operator

Great. Thank you very much.

We received a question through our website. The question is what are the risk and what contingencies do you have in regard to this eventual legal filing as to OGX and BO by

OGX creditors. So I will ask Frank and Eduardo to --

A - Frank Possmeier {BIO 18083214 <GO>}

I think I already alluded to that as part of Francois question, but I'm happy to take that again. We have three CPs in the overall transaction process; CADE approvals, second is ANP approval, third is such approval as part of the recovery of OGX itself.

We feel very comfortable on the first one on CADE and ANP and that process spotted already and we will get that hopefully shortly before Christmas, so that capital increase can be implemented in January. And as I just mentioned, we feel also very comfortable towards on the discussions with creditors and the judge ultimately responsible for the recovery of OGX, because it increases significantly the value of OGX Maranhao and therefore the likelihood that OGX when selling the remaining 36% will get an attractive price for that.

So, it's a question for the judge to judge, do I want to have 66% to be sold in the company with uncertainty or do I want to have 36% in a company with a very bright and strong future, and a very stable shareholder relation that ultimately want to invest into the business. And from our perspective, and we discuss that with the litigation laws, this is a very strong case.

Operator

Our next question comes from (inaudible) Credit Suisse. (Operator Instructions). This concludes our Q&A session. We would like to give the floor to Mr. Eduardo Karrer for his closing remarks. Please go ahead, sir.

A - Eduardo Karrer {BIO 15883150 <GO>}

Well, first, I mean, I would like to, let's say to with you that this quarter, I think, you saw, let's say, an improvement process in the company, despite all the challenges in the tough environment that we have been, let's say, going through in the course of this year. I think that we are doing, let's say, working long hours here, let's say, in terms in all fronts.

So, management here really expects the future continue to deliver and to, let's say, surpass all the challenges that we still have. I think Frank addressed it very, very, on a proper way all the financial efforts that we are going through right now, the operations that we are improving right now. So, there is a lot of work to be done, but I think what we are seeing here is a positive trend to the company. And I think management is fully committed, let's say, to continue to deliver value to shareholders in the long run, and we are on track in this improvement process of the company throughout the coming quarters.

Third quarter is going to be very important, let's say, to consolidate certain, let's say, consolidated numbers in terms of plant availability, I mean, results on asset basis. So, we are really working hard to have fourth quarter as a confirmation of this positive trend of the company that we saw in the first three quarters of the company.

I would like, let's say, to listen to Frank for his final words, I mean, that he may have. So --

A - Frank Possmeier {BIO 18083214 <GO>}

Thanks, Eduardo. As you just said, it is a very important quarter for us now, ahead of us or like, we are in the midst of it. It's the operational stability of our business and we are getting there and it's also very important for us to finalize the refinancing with the banks. We are in a good process there on constant dialog with the banks and I am pretty confident as by the early days of December, we will be in a position to give our investors very positive news on the refinancing of our existing debts. And thereby, close the year with good messages on the operation front and also on the financing front.

A - Eduardo Karrer {BIO 15883150 <GO>}

And for any additional questions or doubts that you may have, I mean, Frank, myself and the IR team we are going to be here, let's say, for whatever you may need from the company in terms of additional question or clarifications.

Thank you everybody for joining us on our call. Thanks and have a very good day. Thank you.

Operator

This concludes ENEVA's conference call. Thank you very much for your participation and have a good day.

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