



W E G - 4 F U N D : R E N E W A B L E P O W E R I N C H I L E

O C T 2 0 2 2



## COMPETITIVE ADVANTAGES OF THE FUND

### WHY INVEST IN WEG-4?

- **INVESTS IN RENEWABLES AT LOW REPLACEMENT VALUE**

Solar investment per MW has fallen in the last 10 years to ca. USD 1 million per installed M. We buy operating plants at current replacement value or even lower.

- **AN INVITATION TO INVEST IN ATTRACTIVE OPPORTUNITIES IN USD**

We only make capital calls when we find an attractive alternative, previously approved by an investment committee independent from the fund manager. We are not obligated to accelerate investment and we do not hold uninvested cash. The Fund trades its shares in USD.

- **COLLABORATE IN THE REDUCTION OF CO2**

Renewable electricity does not emit greenhouse gases and is key to reduce coal use for electricity production in Chile, thus contributing effectively to reducing global warming.

- **EXIT**

The sale of the investment portfolio will be made to institutions specialized in the electricity sector, in Chile or abroad, or to infrastructure funds.

### WHY WEG

- **EXPERIENCE IN THE ELECTRICITY SECTOR**

WEG team have as partners people who have worked individually for more than 20 years in the electrical sector. Our team allows us to provide investors with a deep knowledge of the industry.

- **CONSOLIDATED TEAM**

The experience of Weg's partners allows them to be in contact with people with a lot of knowledge in different areas of electric power generation. In Chile and Spain there are many people with whom WEG is in permanent contact. This has allowed WEG to consolidate a highly skilled multidisciplinary team.

- **STRATEGIC PARTNERS**

Atlantica Sustainable Infrastructure, which currently owns 35% of the Fund, is a company focused on sustainable infrastructure in renewable energy assets. It owns a portfolio of storage, natural gas and transmission infrastructure assets. It manages 2,048 MW of aggregate installed renewable power capacity (of which approximately 71% is solar electricity). It has investments in North America, South America, Africa and Europe.

## EXPERIENCE IN NUMBERS



**USD 340** million  
AUM AGF

Recognized experience in  
**Alternative**  
asset management

**NASDAQ: AY**

**USD 3,770**  
Millions Market Cap.

More than  
**5,000 MW**  
Acquired in Latin America by  
WEG partners during their  
professional life.

More than  
**60 years**  
Of combined experience in  
energy markets

**2,048 MW**  
Under Management

**46%**  
Of its investments are  
located in the US

Current WEG manages  
**170 MW**  
of renewable installed capacity

**3 PV Plants**  
Under management

**USD 11,500**  
Millions  
Market Asset Value

**18**  
PV Plants under  
management

## TEAM

### Atlantica Sustainable Infrastructure



**ANTONIO MERINO**  
INVESTMENT COMMITTEE  
BOARD MEMBER WEG ENERGÍA

Member of the investment committee of the Fund. Vice President of South America at Atlantica Sustainable Infrastructure.

He was General Director at ASA Iberoamérica, Executive President at Abengoa Brazil.

Degree in Economic and Business Sciences at the University of Seville. MBA International Institute San Telmo.

**MARTA JORGE**  
INVESTMENT COMMITTEE  
BOARD MEMBER WEG ENERGÍA

Member of the investment committee of the Fund. In addition, he is Director for Strategic Projects at M&A at Atlantica Sustainable Infrastructure.

Before, she worked as Head of Control at Abengoa Solar Spain. She was a full time professor at the University of Oviedo on topics related to energy economics and micro econometrics.

BS Economics and Ph.D. Economics at the University of Oviedo. Certificate in Finance from London Business School.



**GONZALO PEÑA**  
PORTFOLIO MANAGER  
PARTNER WEG E

Before WEG CFO of the Innergex subsidiary in Chile, deputy CFO of Compañía Sudamericana de Vapores. He worked for the English company Thames Water and for Celulosa Arauco.

Industrial Civil Engineer and MBA from the Pontifical Catholic University of Chile. Master in Finance from London Business School.



**EDUARDO ESCAFFI**  
PORTFOLIO MANAGER  
FOUNDING PARTNER WEG

Before WEG, he worked at the Enersis Group and at Endesa Spain. He was Deputy Finance Manager for Endesa Spain and its foreign subsidiaries.

In Madrid, he assumed the responsibility of Risk Manager for the entire company: energy risk, counterparties, liabilities and derivatives. In Chile, he took over the Finance Management of Endesa and then Enersis.

Civil Engineer from the University of Chile. SEP London Business School.



**FRANCISCO MARTÍN**  
CHAIRMAN WEG ENERGÍA

Chairman of the Fund's subsidiary, WEG Energía SpA. He is Senior Advisor at Iberus International Management Group, Chariman at at BDK Financial Group and Fundación Vianorte Laguna. He was a Partner at KPMG Spain and Director at Santander Investment. Graduated in Law from the University of Deusto, Graduated in Business Administration from Comillas Pontifical University, IESE Business School University of Navarra.



**JUAN LUIS ORELLANA**  
ENGINEERING SVP

Responsible for O&M of the assets of the WEG-4 Fund. 34 years of experience in management of hydroelectric projects and Non-Conventional Renewable Energies (NCRE), both in engineering and studies as well as in contract administration obtained in projects developed in Chile, Peru, Colombia and Brazil in ENDESA Chile and HIDROÑUBLE.

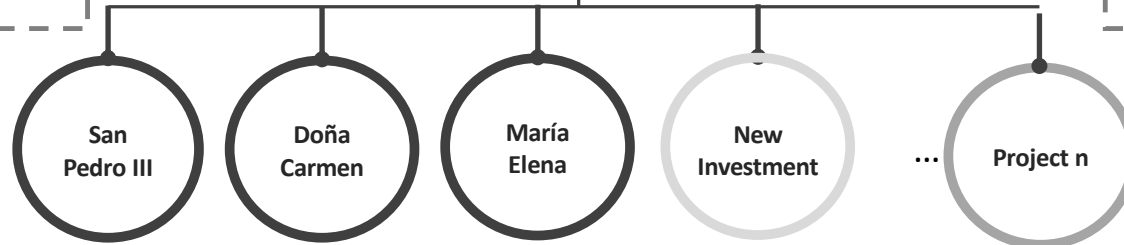
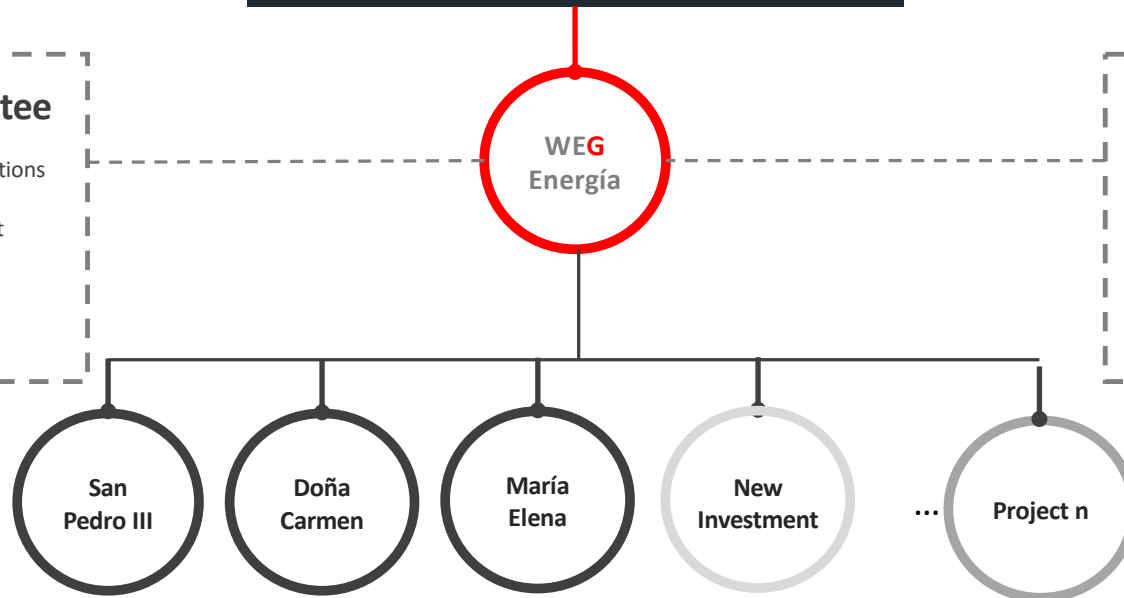
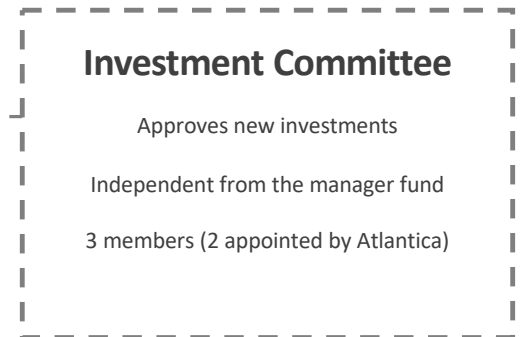
Civil Engineer from the University of Chile. Diploma in Project Evaluation Pontifical Catholic University of Chile.



**EDUARDO WALKER**  
WEG4 INVESTMENT COMMITTEE

Full time Professor at School of Administration Pontifical Catholic University of Chile. Director of the UC Corporate Governance Centre (CGCUC). Director at LarrainVial Asset Management and Chairman of its Audit Committee. Previously, he was a member of the Financial Advisory Council of the Ministry of Finance for the FEES and FRP Funds and also of the Technical Investment Council (CTI). He has been a consultant to companies, governments, international organizations and an expert witness.

## WEG-4 STRUCTURE



Operation & Maintenance (O&M) outsourced



## MARKET

TREND IS TO LOOK FOR INVESTMENT OPPORTUNITIES AND OPTIMIZE ENERGY SALES

### INVESTMENT PER MW

#### CHILE

The investment cost per MW of solar generation has decreased in the last 10 years in Chile. In parallel, the price of energy 10 years ago was higher, so the situation left in trouble the solar plants built in the past, who dimensioned their debts under those market conditions.

Solar photovoltaic projects admitted in December 2013

**USD 2.42**

Millions / MW



Solar photovoltaic projects admitted in July 2022

**USD 0.96**

Millions / MW

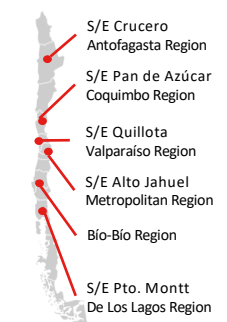
### NATIONAL ELECTRIC SYSTEM INFRASTRUCTURE (SEN)

Throughout Chile there are different substations (S/E) where energy is injected into the National Electric System (SEN).

In each substation (node) a spot price of energy (USD/MWh) is defined.

In the north of Chile during the year 2021 the average daily price was 72 USD/MWh, while during solar hours (from 07:00 to 18:00 hrs) it was 49 USD/MWh, and during non-solar hours 94 USD/MWh.

#### Main S/E of the SEN

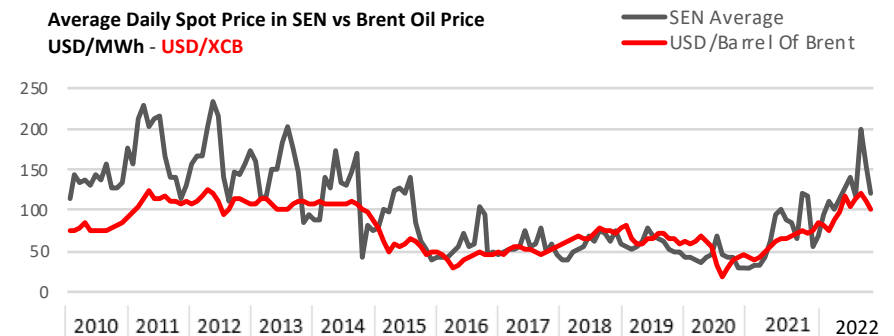


### ENERGY SPOT PRICE IN CHILE

Energy price correlates mainly with the price of oil.

In addition, during solar hours, the price is affected due to the higher supply for generation (solar plants come into operation) and there is congestion in the transmission lines. ("Curtailements").

Average Daily Spot Price in SEN vs Brent Oil Price  
USD/MWh - USD/XCB



## WEG CURRENT PORTFOLIO

### SAN PEDRO III - HVL

Photovoltaic Solar Plant located 30 km. from Calama with 58 MW of power. Characterized for being one of the solar plants with the highest plant factor in the world. Acquired in April 2020. Injects annually about 164 GWh of renewable power to the National Electric System. Plant factor in December 2020 was 42%.

In addition, there is a High Voltage Line (HVL) that connects the Calama power substation to the San Pedro III plant and two other renewable plants pay tolls for its usage.

### DOÑA CARMEN

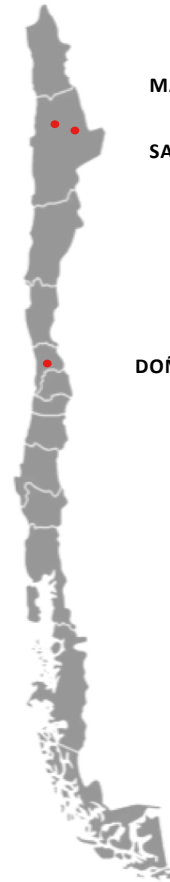
Photovoltaic Solar Plant located in La Ligua with a capacity of 40 MW. It was incorporated into the Fund's portfolio in January 2021.

It annually injects around 60 GWh of renewable energy into the national electricity system. Part of this production has long-term contracts (PPA) with Chilean residential distributing companies.

### MARÍA ELENA

Photovoltaic Solar Plant located near Antofagasta with a capacity of 72 MW. It was incorporated into the Fund's portfolio in September 2022.

It annually injects around 206 GWh of renewable energy into the national electricity system.



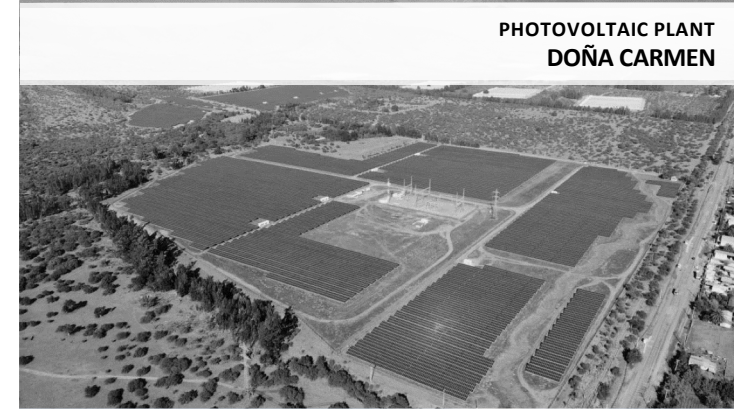
MARÍA ELENA  
72 MW

SAN PEDRO III  
58 MW

DOÑA CARMEN  
40 MW



PHOTOVOLTAIC PLANT  
SAN PEDRO III



PHOTOVOLTAIC PLANT  
DOÑA CARMEN



PHOTOVOLTAIC PLANT  
MARIA ELENA



ESG



WEG-4 ANNUAL ELECTRIC GENERATION

**360.000 MWh**



EQUIVALENT TO REDUCE EMISSIONS

**285.000 Ton CO<sub>2</sub>**



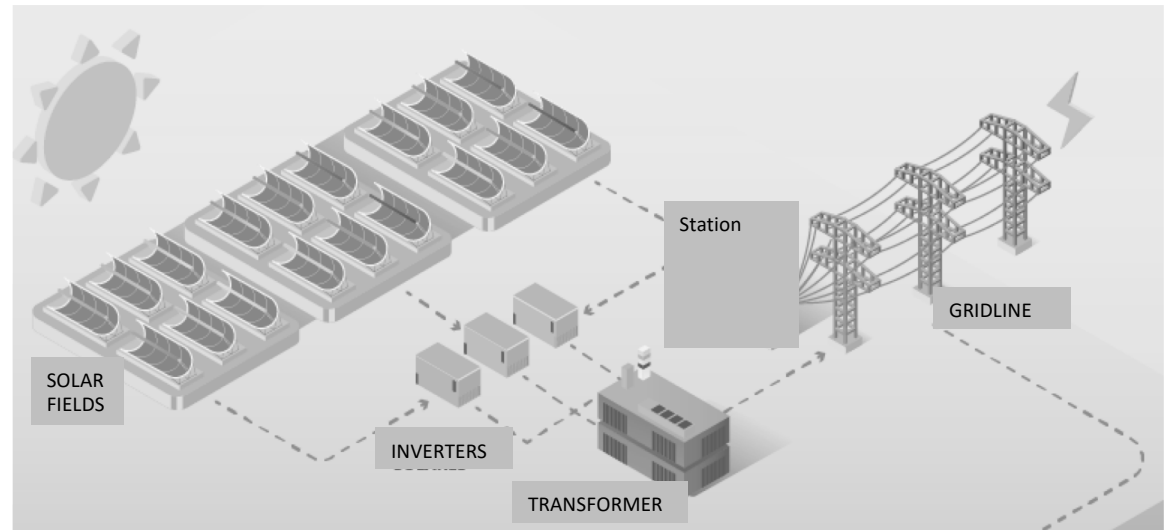
EQUIVALENT TO

**11.400.000 TREES CO<sub>2</sub> CONSUMPTION**



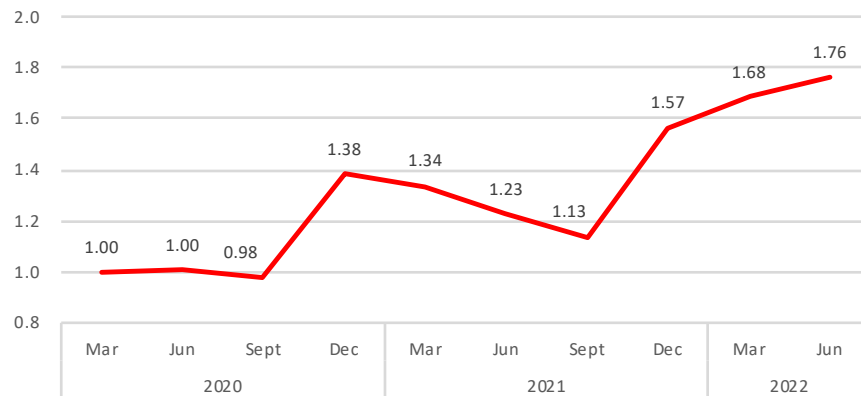
EQUIVALENT TO YEARLY CONSUMPTION OF

**114.000 HOUSEHOLDS**



## HISTORICAL FUND PERFORMANCE AND DIVIDEND

### QUOTA VALUE SERIES A USD



### HISTORICAL RETURN

#### Serie A

| USD+        | Q1    | Q2    | Q3    | Q4    | Total        |
|-------------|-------|-------|-------|-------|--------------|
| <b>2020</b> |       | 0,7%  | -2,7% | 41,2% | <b>38,0%</b> |
| <b>2021</b> | -3,1% | -5,4% | -7,8% | 38,6% | <b>16,4%</b> |
| <b>2022</b> | 7,4%  | 4,7%  |       |       | <b>12,5%</b> |

### DIVIDENDS DISTRIBUTED USD/Quota

| Series | 2021<br>JUN |
|--------|-------------|
| A      | 0,0397      |
| C      | 0,0410      |
| E      | 0,0397      |



## SUMMARY



### INVESTMENT FUND WEG-4 RENEWABLE ENERGIES

|  |  |
|--|--|
| <b>Fund Name</b>                         | WEG-4  |
| <b>Fixed Fee Serie A Structuring Fee</b> | 2.38% (IVA Incl.) per annum on equity (decreases to 1.79% from total contributions over USD 100 MM and to 1.19% from USD 300 MM) |
| <b>Serie A Success Fee Serie A</b>       | 2.38% (IVA Incl.) of the Investment<br>23.8% (IVA Incl.) over IRR 10% at exit  |
| <b>Quota Value</b>                       | Quarterly  |
| <b>Maturity</b>                          | March 2027 + 2a + 2a   |
| <b>Minimum Investment</b>                | One Quota – Qualified Investors  |
| <b>Current Contributors To The Fund</b>  | 35%: Qualified Investors<br>35%: Atlantica Sustainable Infrastructure<br>30%: Penta Vida   |
| <b>Investment Fund</b>                   | Public – No Rescatable   |
| <b>Market Presence</b>                   | No   |
| <b>Lawyers</b>                           | Barros & Errázuriz   |
| <b>Auditors</b>                          | EY   |
| <b>Custody</b>                           | DCV  |
| <b>Back Office</b>                       | Finix Group  |

- Investment in dollars with expected returns between 15% and 20%, in a defensive sector, through a public fund, **regulated by CMF and registered in the Chilean Stock Exchange.**
- Investing alongside **Atlantica Sustainable Infrastructure**, which holds a 35% ownership stake in the Fund, who **provides long term asset management expertise** in addition to their investment.
- Chilean insurance companies holds ca. 40% of the fund
- Investing in an **industry in which costs have dropped significantly** as a result of rapid expansion and now presents not only acquisitions opportunities but also the possibility of incorporating batteries as investment opportunities.
- Invest in a portfolio of assets that **benefits from economies of scale.**



GLOBAL INVESTMENTS



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