



COX ENERGY AMÉRICA

3Q21 Earnings Conference Call

October 28th, 2021

Operator: Good morning, my name is Daniela, and I will be your conference operator today. All lines have been placed on mute to prevent any background noise. This is Cox Energy América's third quarter 2021 earnings call. There will be a question-and-answer session after the speakers' opening remarks and instructions will be given at that time.

Operator: Today we have with us Mr. José Antonio Hurtado, Chief Executive Officer, who will give an overview of the factors that influenced Cox's operational results. Mr. Javier García, Chief Financial Officer and Mr. Enrique González, Vice-President of Investor Relations. They will be discussing the Company's performance and strategy as per the earnings release for the third quarter of 2021 that will be issued later today, Thursday, October 28th. Please note that this call is for investors and analysts only and questions from the media will not be taken, nor should the call be reported on. Any forward-looking statements made during this conference call are based on information that is currently available. Please refer to the disclaimer in the earnings release for guidance on this matter.

Operator: I will now turn the call over to Mr. José Antonio Hurtado.

José Antonio Hurtado (CEO): Thank you, Daniela. Good morning, everyone. Thank you for joining us today. I'm very pleased to be hosting the call today and to answer any questions you might have. As you may know, I joined the Company this year to lead Cox's Strategy Plan with the objective of driving profitable and long-term growth, while keeping our commitment to ESG criteria at the Company's core. After a few months as CEO and supported by my extensive experience in the industry, I can say I am very proud of the team we have assembled and believe we have the talent and experience necessary to take Cox Energy América to the next level. Our founder, Enrique Riquelme maintains his role as Chairman of the Board, focusing on defining the Company's long-term strategy and strengthening its corporate governance. On the other hand, I am more focused on the day-to-day operation and talent management.

José Antonio Hurtado (CEO): This year, we strengthened the team by incorporating, among other positions, the new Vice-Presidency of Investor Relations led by Enrique Riquelme, Enrique González, who joins me on this call. As we have said before, the creation of the Investor Relations Vice-Presidency is part

of our ongoing efforts to be aligned with corporate best practices and thus, increase the Company's visibility and stock's liquidity and performance. We are also actively analyzing other strategies and tools to enhance the trading and liquidity of our stock such as increasing sell side coverage, the possibility of starting the, a share, a share buyback program, and soon initiating a Market Maker agreement. Additionally, we are analyzing the option to do a dual listing in other stock exchange that could be supported by a better understanding of the renewable energy industry. I would also like to highlight what we continue with Cox's share subscription process, that started in late July this year. Currently, we are on the third round of the authorized subscription process, where there is a possibility of new shareholders to join this successful story.

José Antonio Hurtado (CEO): This year, with a challenging macroeconomic outlook and the continuation of the COVID-19 global pandemic, we focused on preparing the Company for a promising 2022, outlining the strategy and strengthening the different strategies and projects to generate value. Also, we have working on our Strategic Plan for the 2021–2025 period and will make a detailed update before year end. With these changes, we seek to integrate current market conditions into our strategic plan, while further understanding the industry's inputs and updates, so we can improve our expected results for the short and long-term.

José Antonio Hurtado (CEO): In 2022, we expect to start delivering results from the projects that are currently in our pipeline, as some of these projects will mature over the next year. We estimate the total investment for next year for operational needs to be more than 2.4 billion pesos, of which at least 65% must be completed through financing schemes as the advanced stages of the projects unfold. The, the remaining 35% will be financed through the share subscription process and a potential primary follow-on in the near future. If we are able to deliver on the projects and agreements set for 2022, we expect full year EBITDA generation to exceed 400 million pesos, the first positive EBITDA since the Company's IPO. The estimations contemplate M&A activity in order to achieve the goal. We maintain a positive outlook for the energy industry for the short and long term, positively impacting our well diversified portfolio in Latin America, with 66% of our portfolio concentrated in Central and South America, and 34% in North America. We adhere to the regulatory frameworks in each of the regions where we operate and always seek to generate value for both shareholders and stakeholders, through profitable, efficient, and

sustainable long-term projects. A fundamental part of our strategy and business model is the resilience and diversification of our portfolio.

José Antonio Hurtado (CEO): Cox Energy América is focusing growth on regions with favorable regulations for solar photovoltaic power generation, such as Chile and Colombia. In Chile, the Minister of Energy defines energy as a key and strategic factor to achieve the economic and social development goals that have been proposed. This shows their level of commitment to ensure future energy supply in accordance with the demand that society imposes on, on this sector. In this region we already have one project in operation and two, two whose COD phase is projected for 2022. Some of the most relevant projects for the next 18 months in Chile are El Sol de Vallenar in Atacama and La Meseta in Santiago de Chile. As we have mentioned before, the project in La Meseta is a joint venture between Cox Energy América and Sonnedix Chile Holding SpA, a JP Morgan Energy Company. This project is financed by Sumitomo Mitsui Banking Corporation, as we signed an agreement for the development of the 'Sonnedix Meseta de los Andes' project for an estimated investment of \$120 million US dollars. The project is currently under construction and includes a 160 MWp solar PV platform, a substation, and a 15.6 km high voltage transmission line.

José Antonio Hurtado (CEO): We are actively seeking to increase our market share in countries or economies that have a commitment to the development of the renewable energy industry, with regulations and policies in favor of its expansion and growth. We are constantly monitoring economic and regulatory changes so we can adapt our portfolio and strategy with the agility that characterizes our business model. In line with the above, the company is still in the process of acquiring, acquiring 40% of Ibox Energy, a photovoltaic company with a mature and growing pipeline that operates, operates mainly in Spain. This transaction is still subject to regulatory clearance and the satisfaction of closing conditions.

José Antonio Hurtado (CEO): As I have mentioned before, our business model is green by definition. Nevertheless, we want to take our ESG commitment to the next level and we are working on specific objectives and goals for the Social and Governance components. The first step towards this was to create a Sustainability Committee which will begin activities in 2022. We will working together during the remainder of the year to define a formal ESG strategy, which, once ready, we will communicate to the market. I would like to end by stressing Cox Energy América's solid and flexible business model. I am

confident that we have the tools and experience necessary to take advantage of the opportunities that lay ahead for Cox. We will focus on strengthening our team, strategy, and projects during the remainder of 2021 so we can ready to achieve, can be ready to achieve a profitable growth in 2022 and going forward. As for financial results, all our projects are still in the development stage, so we have not yet received significant revenues from these projects. For more detailed information on our financial results, please refer to our earnings report, which will be released later today, or you can access the reports in XBRL format on BIVA's website. Thank you for listening. Operator, please open the floor for the Q&A session.

Operator: Thank you, José Antonio. We will now conduct a Q&A session. If you would like to ask a question, please press the 'raise your hand' button located at the bottom of the screen, if you are connected via telephone, please dial *9. We remind you that all lines have been placed on mute. When it is your turn to ask a question, you will give, you will be given permission to speak, you will then be able to unmute yourself and ask your question. We will now pause for questions.

Operator: Our first question comes from Martín Lara. Please state your company name and ask your question.

Operator: Martín, I believe you are on mute.

Martín Lara: Yeah. Can you hear me? Hello?

José Antonio Hurtado (CEO): Yes, I can hear you, Martín.

Martín Lara: Oh, yeah, sorry. I have two questions, thank you for the call. First of all, could you please give us an update on the capital increase? How much money have you raised so far? And the second one is how, how are you going to finance the Ibox Energy acquisition?

Enrique González (IR VP): José Antonio, please let me take the first part of the, of the question. Hello, Martín, how are you?

Martín Lara: Hi Javier, Enrique.

Enrique González (IR VP): This is Enrique González. As it was stated in, in José Antonio's remarks today, we are in the third stage or phase of the process for the subscription of, of new shares for Cox Energy. As of the moment, we are very close to have the fulfillment of, of all the shares that were authorized by the Shareholders' Meeting earlier this year, so if everything goes as planned, we should be ready with the subscription at some point during the next, I'll say three to five weeks.

Martín Lara: Uh, 100% of the subscription you, you mean?

Enrique González (IR VP): That's, that's the idea. Yeah.

Martín Lara: OK. And with respect to Ibox?

José Antonio Hurtado (CEO): For the second question, Javier will answer you the question.

Javier García (CFO): Yeah, thank you Martín for the, for the question. Regarding the financing of the, of the European platform, Ibox platform, we are securing a deal in which Cox Energy América's will not deploy any cash, because the acquisition of the company will be based on the rotation of the assets. Let's say we are postponing the cash payments until the company will rotate some assets. They already have assets in a M&A process, so we believe the transaction probably will pay itself. Of course, there will be some carry for the, for the actual owner but we are trying to secure the operation through this kind of deal, only based on the, on the succeed of the rotation of the, of the assets that are already in place in the company.

Martín Lara: So in other words, you are going to receive Ibox Energy, then sell assets and then pay for the acquisition?

Javier García (CFO): That's it.

Martín Lara: OK, perfect. Thank you very much Javier.

Javier García (CFO): You're welcome.

Enrique González (IR VP): And just, just to clarify there, Martín, remember that everything, this kind of process needs to comply with all the regulation needs, so that will also take some time.

Martín Lara: OK. Thank you, Enrique.

Enrique González (IR VP): Thank you, Martín.

Operator: Thank you. We remind you that you can press *9 to ask a question from a phone line or press the 'raise your hand' button at the bottom of your computer screen.

Operator: Our next question comes from Carlos Alcaraz. Please state your company name and ask your question.

Enrique González (IR VP): Carlos, I think you are muted.

Carlos Alcaraz: Can you hear me right now?

Enrique González (IR VP): Yes, we can.

Carlos Alcaraz: Oh, thank you. Hello, good morning. Thank you very much for the call. I just have one question. It's about the PPA contracts. The PPA contracts have remained unchanged?

José Antonio Hurtado (CEO): The PPA contracts, do you mean, hi, Carlos. Do you mean the PPA contracts that we have in Chile? Mainly?

Carlos Alcaraz: Yeah.

José Antonio Hurtado (CEO): They are still remaining. You know that, uh, some of them the delivery date is in 2023, other ones in 2024, so they are still remaining.

Carlos Alcaraz: OK, still remaining. Uh.

José Antonio Hurtado (CEO): I think that you have full information about the PPAs in the, in the report that you can have access to during the morning. So you will have all the information about that.

Carlos Alcaraz: OK.

Enrique González (IR VP): But just to answer the question, Carlos. I mean, regarding what you saw on last quarter reports, there has been no change in any of the agreements made. There have been some new products added to the pipeline, uh, in a very early stages. And as we have said, and stated, the first projects to be, uh, in an operational phase should be starting during the first half of 2022.

Carlos Alcaraz: OK, thank you, Enrique. That's helpful.

Enrique González (IR VP): You're welcome, Carlos.

Operator: Our next question comes from Aurelio Ortiz Camacho. Please state your company name and ask your question.

Aurelio Ortiz Camacho: Hi, thank you. I don't have a company name; I am an individual investor. I just wanted to ask, how is the company reacting to the current regulatory environment in Mexico regarding the energy sector and the new regulations? Thank you.

José Antonio Hurtado (CEO): Thank you very much, Aurelio, for your question. Well, let me make a little introduce about, introduction about what, what we are doing in Latin America and then focus on Mexico, no? But you know what, we are constantly monitoring the regulations and macroeconomic situation in the regions where we operate no? In order to be able to respond quickly and efficiently to any changes. Our strategy is to maintain our, a well-diversified portfolio, both in terms of regions and projects. So we are agile in the way of respondent, when you have any kind of situation, no? In this, in line with this, we have been seeking to increase our presence in regions, in different regions. You know that we are, have presence in Chile, in Colombia, in Central America, in the Caribbean, focusing Panama, in Guatemala and in Dominican Republic, and in Mexico too, no? But what we have in Mexico, well, we believe in Mexico as a country that has tremendous potential in the mid to long term. Now, in the short term, you know, we

are in this situation of 'wait and see' what is going to happen, no? We don't have any constraints now in Mexico, so we are free of any liabilities in Mexico, and we are in the disposal to start our investment process in Mexico when the conditions fulfill the requirements that we want, no? We know that the, the macroeconomic indicators are good in Mexico, the population continues to grow, the demand for energy is increasing and talking specifically about the reform, uh, I think today is still a proposal and we would rather not give a definitive statement until there, there is a confirmation of the reform, no? And we evaluate the current situation, but I insist, Mexico is, is a key point for us, not now, in the mid or long term, we will see that Mexico will be one of the most important countries or business in our, in our company.

Aurelio Ortiz Camacho: Thank you so much, and also, I have this other question. Are you currently planning to expand into new countries or more projects in the countries you already work in regarding this diversification?

José Antonio Hurtado (CEO): Yes, yes. Yes, we are. Thank you for the question. Yes, we are. We are analyzing different countries in this moment. Uh, specifically, we are looking in, in Ecuador, you know that there was a government change during this year, and the, there is a lot of effort that this government is doing in the electrical sector, on the energy sector, to develop a new strategy based on renewables, no? And they have announced that they will launch a, a bid for 500 megawatts of renewable sector. We will, we will be there, we will see, and if it's interesting, obviously we will, we will do some movement. Also, we are looking in, in Central America, uh, particularly in Guatemala and Honduras. We think that there are countries that, uh, they will have great opportunities in the future. Just understanding what's going on. But we have, but I would like you, to, to trust me that what we have is a very efficient, talented platform that, who knows very well the, the regulatory and how it works in every country. So, we are looking what is happening and if it is something interesting, we will analyze it and well, if it's a good thing, obviously we will go for that.

Aurelio Ortiz Camacho: Thank you very much.

Operator: We will pause once more for any further questions.

Carlos Alcaraz: We have a follow up question from Carlos Alcaraz. Please ask your question.

Carlos Alcaraz: Hi again, just another one question. Do you plan to increase the purchase percentage in Ibox Energy given the energy situation that the European continent is going through?

José Antonio Hurtado (CEO): Well, thank you, Carlos. I will ask Javier to answer this question but let me introduce. At this moment what we are buying, you know, is the 40% of the company. We will look at this company in the future, if, if it is interesting for sure we will try to buy the other 60%. But at this moment, what we have in mind is to, to buy the 40% of the shares and to consolidate this business in Latin American business, no? But, Javier, I don't know if you want to.

Javier García (CFO): Well, no, not really. I think you have answered properly. I mean, of course, we are trying to have a, a deep dialogue with, with our partner there. We cannot release anything else, but for sure, I mean, we are trying to, to diversify the portfolio not only in countries but in regions, and that's why we are pushing now here in Europe. But I mean, it's something we are discussing. Let's say, in this way.

Enrique González (IR VP): But, Carlos, I think we have a very strong and very good relationship with, with the partners and the owners of, of Ibox. So if in the, in the near term, there is any additional opportunities to look at it, we will be the first in line. I can assure you that.

Carlos Alcaraz: OK, thank you all.

Enrique González (IR VP): Thank you, Carlos.

Operator: We would like to take this moment to thank you for joining Cox Energy América's third quarter 2021 results conference call. We have not received any further questions at this point, so that concludes our question-and-answer session. I would now like to hand the call back over to José Antonio Hurtado for some closing remarks.

José Antonio Hurtado (CEO): Thank you all, for joining us today. Cox Energy América is the only publicly traded company of its kind in Latin American markets. As we stated during this call, we have a clear



strategy with short and long-term goals aligned with global tendencies. Please, don't hesitate to reach out to us if you have further questions. We appreciate your interest in Cox Energy América and look forward to speaking with you again soon. Thank you very much.

Operator: That concludes today's call. You may now disconnect.