

**COX ENERGY AMÉRICA**  
**3Q22 Earnings Conference Call**  
Monday, October 31<sup>st</sup>, 2022

**Speakers**

- José Antonio Hurtado, Chief Financial Officer
- Javier García, Deputy Chief Executive Officer
- Raquel Alzaga, Chief Corporate Officer
- Enrique González, Global Head of Investor Relations

**Operator:** Good morning, my name is Daniela, and I will be your conference operator. All lines have been placed on mute to prevent any background noise. This is Cox Energy América's Third Quarter 2022 Earnings Call. There will be a question-and-answer session after the speakers' opening remarks and instructions will be given at that time.

Today we have with us Mr. José Antonio Hurtado de Mendoza, Chief Executive Officer, who will give an overview of the factors that influenced Cox's operating results, Mr. Javier García, Deputy Chief Executive Officer, Mrs. Raquel Alzaga, Chief Corporate Officer, and Mr. Enrique González, Global Head of Investor Relations.

They will be discussing the Company's performance and strategy as per the earnings release for the third quarter 2022 issued on Friday, October 28<sup>th</sup>. If you did not receive the report, please contact Cox Energy's IR department and they will email it to you, or you can download it from Cox Energy's website. 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. 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 speaking with you today, and to answer any questions you might have.

We have been able to adapt to the specific circumstances in each of the markets where we operate, creating synergies and working efficiently to deliver the best returns. In line with this, I am proud to report that we continue to deliver solid top-line results. This was the third consecutive quarter of significant growth, mainly driven by the energy trading and supply business in Mexico. We expect this positive trend to continue in the following quarters.

During the quarter, we obtained the authorization to operate as an agent in the Colombian Electricity Market, through our subsidiary Cox Energy Comercializadora. With this approval, Cox Energy America will now be able to trade energy and to be a key player in the Distributed Generation business in the Colombian Electricity Market. This strengthens our position in a region with favorable regulations and macroeconomic conditions.

In Chile, the 'Sol de Vallenar' project continues to make great progress. We are currently in the process of financing this project. To this point, I am glad to announce we have signed a financing structuring mandate, which once it is granted, the construction works for the first phase of the project will begin. We expect this process to be completed in early 2023. Regarding the PMGD projects in the region, we have also been working on the financing mandate for the first package of PMGD projects, some of 44 MWp, in Chile. During 2023, we expect most of these projects to be in operation.

As part of our expansion strategy in key Latin American markets, we have been actively working on tenders in new markets such as Guatemala and Puerto Rico, where we expect to deliver positive news in the upcoming months.

**José Antonio Hurtado (CEO):** At the last shareholders' meeting, the Company was granted authorization to seek financing alternatives in some of the regions where we operate that have favorable conditions. We will focus primarily on debt issuance programs to achieve the business plan. We will share the progress of this initiative as opportunities materialize.

We have also been looking for other more traditional financing alternatives with financial institutions which will allow us to generate the highest return on the company's resources. I am sure this new financing strategy will provide the liquidity necessary to continue with our expansion strategy and meet the goals set out in our 2025 strategic plan.

**José Antonio Hurtado (CEO):** Next, I would like to give an overview of the most relevant corporate developments during the quarter.

As you know, we have been working to list COXA's shares on the BME Growth in Spain, and we are proud to announce that we are now in the final stages, as we are only waiting for the final authorizations and regulatory check points. We expect the initial listing date for COXA on Spain's BME Growth to be within the next weeks. I would like to remind you that this is the first time in history that an issuer is listed on both BIVA and the BME Growth.

Once the dual listing process is finalized, we will continue working to consolidate our operations in both Europe and Latin America. We have a great understanding of how the sector works and we are bringing this knowledge to Latin America. The European platform that we are seeking to consolidate with COXA, has already engaged in the process of rotating 619 MWp, as it was published by the partner Company a few months ago. Additionally, there is another group of projects in different development stages that adds up to more than 600 MWp. We will make sure to keep you updated as this process continues to unfold.

Cox Energy's presence in Europe will increase our portfolio's diversification as we will have operations in North America, Central America, South America, and Europe, which will boost the visibility and profitability of our portfolio.

Finally, during the quarter, we attended BIVA Day in New York, where we participated in a panel presentation on alternative financing sources. We also attended the CEO Energy Conference hosted by Barclays, where we presented COX Energy's success story to different investor groups who are interested in the renewable energy sector. We hope to continue participating in these types of conferences and events to increase the Company's visibility and improve its marketability.

**José Antonio Hurtado (CEO):** As always, I would like to highlight that our business model is inherently eco-friendly, so we have been focusing on strengthening the S and G components in ESG. In line with this, I am pleased to report that Cox Energy América received the 50/50 Women on Boards award by Women Corporate Directors for being among the top 10 public companies in Mexico with the highest representation of Independent Women Directors on its Board. This is the second year in a row we have received this award. With this, we reaffirm our commitment to achieving gender balance on Corporate Boards. We will continue working on strengthening our corporate structure and bringing renewable energy solutions for all our stakeholders.

I would now like to turn the call over to Javier García, who will share some details about our current portfolio and financial highlights.

**Javier García (Deputy CEO):** Thank you, José Antonio. As we have mentioned before, we have actively been seeking to increase our presence in regions with favorable regulations and macroeconomic conditions, minimizing our exposure to regulatory changes. As a result, more than 70% of our projects are currently located in Chile, Colombia, and Central America.

This quarter we added 8 new projects to our current portfolio, reaching a total of 28. I would like to remind you that the projects classified under the current portfolio category have already cleared the internal screening process, made significant progress, and are on track with their timelines.

As of the end of the quarter, the 28 active projects from the current portfolio are under different classifications depending on their development stage, with 51 MWp under construction or in operation, 814 MWp in advanced development and backlog, and 755 MWp in the initial development phase, adding up to 1,620 total MWp. We have also identified other opportunities for more than 800 MWp. For further detail about the location, size, and stage of each of the projects within the active portfolio, please refer to our most recent earnings release which was published yesterday.

Next, I would like to give an update on the projects in our most relevant regions for the next 12 months:

- In Chile, we added two new PMGD projects to our portfolio for 18 MWp. This brings us up to 8 PMGD projects and a total of 69 MWp, which have already been licensed.

- In Colombia, seeking to strengthen our operations in one of the fastest-growing countries in the industry, we added 6 new projects under development to our portfolio during the quarter. We now have 10 projects in Colombia, totaling 395 MWp, which represents 24.4% of our total portfolio.
- In Central America, we added two projects under development to the portfolio, for a total of 70 MWp, adding up to 120 MWp in the region.
- In Mexico, the energy commercialization business continues to thrive, representing most of our total revenue for the quarter. We feel confident about this business line and expect it to continue to grow in the following quarters.

**Javier García (Deputy CEO):** Turning to our financial results, total revenues for the quarter grew from \$7.3 million pesos in 3Q21 to \$80.3 million pesos in 3Q22. On a cumulative basis, revenues reached \$291.9 million pesos. This was mainly driven by the energy commercialization business in Mexico and Colombia.

Gross profit reached \$28.6 million pesos in 3Q22, compared to \$7.2 million pesos in 3Q21, driven by our efficient cost structure and the significant increase in revenues during the quarter.

There was an operating loss of \$15.3 million pesos during the quarter and of \$92.0 million pesos on a cumulative basis, given extraordinary administrative expenses necessary to guarantee the Company's operating viability, mainly impacting personnel expenses. Also, I would like to remind you that most of our projects are still under development and require significant operating expenses.

Net profit for 3Q22 was a loss of \$56.4 million pesos, mainly impacted by the negative result of \$25.6 million pesos year over year in the foreign exchange gain. This was an accounting effect that does not impact cash flow and is the result of the depreciation of the US dollar compared to the different functional currencies in each country where we operate. There was also a negative result in the non-controlling interests share derived from the impact in the development stages of some projects, mainly related to the macroeconomic and regulatory environment in the countries where we operate. Without considering these effects, the net loss at the end of the quarter would have been \$15.3 million pesos.

We are constantly valuing the projects that we currently have in the portfolio, in compliance with prevailing accounting standards, when it is necessary to apply an impairment, we do so in line with industry standards, following the recommendations of our auditor.

We expect 2022 to continue delivering strong results, as the commercialization business in Mexico and Colombia continues to grow and our project portfolio matures. We are confident that 2023 will be a great year for the Company, and we will be able to reap the fruits of our labor from the past two years.

For more detailed information on our financial results, please refer to our earnings report, which was released last Friday and is now available on our website, 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, Javier. 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 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 from Miranda Global Research. Good morning and thank you for the call. I have two questions, actually. The first one is when do you expect to conclude the Ibox Energy acquisition? And the second one is if you could give us an update on the utility Portezuelo and La Meseta project in Chile? Thank you.

**José Antonio Hurtado (CEO):** Hi, Martín. Thank you for the questions. The first question, we are talking about all the business in Europe. Cox Energy Europa is the owner of Ibox and the commercialization company in Spain. This merge will be done once we are listed in Spain. As I said, our main goal, is to be listed. We are expecting, as I've told you a few minutes ago, that during the next week, we will be listed. And then we will get into the marge of the European company.

**José Antonio Hurtado (CEO):** The second question was talking about the utility of Portezuelo and La Meseta. Portezuelo is a project that is under the development stage, the first steps of the development. We expect that this project will be actually ready to build by the end of 2023, or in 2024. And La Meseta is a project that will be in operation by the end of this year or beginning of next year. So we will have very good news in the next coming months, talking about La Meseta.

**Operator:** Thank you very much. Our next question comes from Carlos Alcaraz. Please state your company name and then ask your question.

**Carlos Alcaraz:** Hello, this is Carlos Alcaraz, from Apalache Análisis. Thanks for the call. I have a couple of questions. The first one is about the financing of the project El Sol de Vallenar. What is the amount of the financing and what are the credit conditions expected to be obtained? And on the other hand, in terms of the P&L, when do you estimate that the net profit will be positive?

**Javier García (Deputy CEO):** Thank you, Carlos. Regarding El Sol de Vallenar mandate we have signed, we are initiating all this process. We have to select the advisor and, the advisor is also a bank, so probably it would take part of the project financing. We have two phases of this project. The first phase is 130 MWp (inaudible) El Sol de Vallenar. And in the second one, we will complete the 308 MWp. We are expecting a first financing of \$70-\$80 million dollars of the project finance, and when the second phase is in place, we expect from \$180-\$200 million dollars for this credit finance facility.

**Javier García (Deputy CEO):** Regarding the second question, yes, we are now on the (inaudible) of 2023 and probably want to implement a European transaction. And we have all the development projects under our umbrella (inaudible) the construction business of Spain. Everything consolidates under the Cox Energy América's umbrella. We believe, at the end of 2022, you can see this (inaudible) we expect it to be sooner, because at the of the day, the business in Europe is about selling projects, so once we sell one project, well, this will represent a huge amount of cash and a positive impact to the balance sheet of the company and to the P&L. So we are pretty sure that watching some of these projects will do well, not on a regular basis. But, on a regular basis, as I mentioned, we are within the budget, so we expect (inaudible) of 2022.



**Enrique González (Global Head of IR):** And Carlos, this is Enrique. It's also important to mention that as a country (inaudible) in the earnings release, we had a couple of (inaudible) impacts in the P&L, I think regarding the exchange currency impacts. So as you know, we operate in different countries and different exchanges. Also, we see a more stable outlook (inaudible). These will turn positive to us.

**Carlos Alcaraz:** OK. Thank you very much for the call.

**Operator:** Thank you, Carlos. We will pause once more for any further questions.

**Operator:** All right. 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. Thank you, all for joining us today. 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.

**Operator:** That concludes today's call. You may now disconnect. Have a good day.