



2Q21 Conference Call

Thursday, July 29, 2021

9:00 a.m. Mexico City Time

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 second 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.

Today we have with us **Mr. José Antonio Hurtado**, Chief Executive Officer, who will give an overview of the factors that influenced Cox's operating 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 second quarter of 2021 issued this Wednesday, July 28th. If you did not receive this report, please contact Cox Energy América's IR department and they will email it to you. 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: Good morning everyone. Thank you for joining us today in our first earnings call as a Publicly Traded Company. 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 six months ago 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.

I would like to start off by giving you a little more detail about my professional experience. I have worked in the energy sector for over 23 years and have lived in different Latin American countries. Prior to Cox, I was at Naturgy Group for over 20 years, serving as Panama Country Manager, Director of the Electricity Business line in Colombia and responsible for leading the transformation and digitization of the company in Mexico. This has allowed me to experience the evolution of the sector and understand the different cultures and business opportunities in some of the regions where we operate first-hand.

I am very excited to be part of Cox Energy América and to lay the necessary foundations to meet the goals outlined in the 2020-2024 strategy plan. We are the first company in the renewable energy sector to be listed in Latin American capital markets, and we were born as a 100% green company by definition. I strongly believe that the human factor and talent, is a key driver for the success of our plan and here at Cox we have a team of talented people with extensive industry experience, knowledge, commitment and discipline, which will enable us to always seek the highest return for our shareholders, factoring in the interests of all stakeholders.

As this is our first earnings call, I would like to provide you with an update on our portfolio, the highlights for the quarter and the status of some of our projects.



We are in negotiations to expand our reach to Europe with the acquisition of 40% of Ibox Energy, a photovoltaic company with more than 4 GWp in pipeline, mainly in Spain. This is a transformative transaction, which will give us presence in two continents, including mature assets in Europe. It will allow us to capitalize many of these assets, to execute more effectively our LatAm growth strategy. The renewable energy market in Europe is not growing, so it's a good moment to capitalize that platform at attractive valuations, and seek for more profitable and growing opportunities in LatAm.

Switching to our Latin America operation, Sonnedix Cox Energy Chile, a joint venture between Cox Energy America and Sonnedix Chile Holding SpA, a JP Morgan Energy Company, signed a financing agreement with Sumitomo Mitsui Banking Corporation for the development of the "Sonnedix Meseta de los Andes" project, for an estimate investment of \$120 million US dollars. The project is currently in the construction stage, which includes a 160 MWp solar photovoltaic platform, a substation, and a 15.6 km high voltage transmission line.

During the quarter, we added 6 new projects to the portfolio with a total capacity of 388 MWp in different stages of development. Combining these projects to the existing pipeline, as of today Cox Energy América is managing a total of 43 projects under different stages of development, which adds a total of 2.2 GWp attributable to the Company, within the Latin-America region. For further detail about the location, size and stage of each project within the active portfolio, please refer to most recent earnings report released yesterday afternoon.

All our projects are currently in the development stage, with 56 MWp under construction or in operation, 1,083 MWp in advanced development and backlog and 1,032 MWp in the initial



development phase. This resulted in an operation income of 2.32 million pesos, and a net loss of 13.6 million pesos for the quarter.

Cox's strategy is based on four fundamental pillars. First, a solid financial strategy that has enabled us to reach the initial milestones of our strategic plan, such as our IPO just a year ago and the new share subscription process we have just announced. Second, we have a clear concept for business development. We have a differentiated strategy in each of the regions in which we operate with a relevant portfolio focused on the way we want to do business and the direction we want to take. Third, we have a strong commercial strategy that allows us to close short- and long-term contracts. This enables us to take advantage of the spot energy market. The fourth pillar is our highly experienced and dedicated management team. We have been strengthening the management team since the IPO to provide us with the necessary resources to take the Company to the next level. All this works hand in hand to allow us to reach the targets set out in the 20 - 24 business plan, which is to have 1,400 MWp in own operation, more than 2,000 MWp divested and over 3,000 MWp in new pipelines and backlog. In the coming weeks, we will be sharing a more detailed overview of our strategic plan with you, as well as the short- and long-term objectives we have outlined for the Company.

I would also like to take this opportunity to update you on our plan to adjust Cox's corporate and operational structure. As you know, we made changes to our corporate structure prior to our IPO in July last year. This new structure enabled us to carry out our IPO in Mexico and take advantage of the Latin American market opportunities. We are now looking to further adjust the structure of our business, to enable us to achieve the goals set out in our strategic plan. This will also ensure that we are in the best possible position to continue to grow our different business lines and deliver strong returns to our shareholders, while remaining aligned with the best Corporate Governance practices, to keep



reinforcing the application of adequate institutional processes. As a result of the Ibox acquisition announced last July, the new corporate and operational structure includes two different business lines: one fully dedicated to the energy generation business which includes assets from the European operation and the pipeline of projects for the LatAm region; the other business line will allow us to vertically integrate other operations, such as energy commercialization, distributed generation, O&M, Asset Management and transmission line own operation.

As I mentioned before, our business model is green by definition. Nevertheless, we want to take our ESG commitment to the next level and we're working on establishing the necessary tools to meet our ESG objectives. Our plan is to define a full ESG strategy by the end of the year, to be put in place by early 2022. The first step towards this is to create a Sustainability Committee which has already been approved by the Board of Directors. Once it is fully established, we will communicate further details to the market.

Finally, as part of our strategy to improve our market communications and adopt best corporate practices, we have reinforced our investor relations team with the creation of the Investor Relations Vice Presidency headed by Enrique González Casillas, who has more than 12 years of experience in IR at public companies, such as Genomma Lab, Alsea, and Grupo Lala, and co-founded Mexico's Investor Relations association. He was recently recognized as 1 of the 40 under 40 best IR professionals by the National Investor Relations Association, NIRI. Enrique will lead us towards a more efficient and close communication with all of you. The VP of Investor Relations is a key factor to take Cox Energy América to the next level as a publicly traded Company. We would be happy to answer any questions you may have regarding the Company's results and strategy.



Operator, please open the floor for the Q&A session.

...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 be given permission to speak, you will then be able to unmute yourself and ask your question. We will now pause for questions.

Our first question comes from the line of Martín Lara. Please state your company name and ask your question.

Martin Lara: Good morning José Antonio, thank you for the call. I only have one question, what are your growth expectations for next year?

José Antonio Hurtado, CEO: Thank you very much, thank you very much Martín for the question. So as you can see from the earnings report that we released yesterday, we have a very strong pipeline, also this includes several opportunities we have identified for over 2 GWp distributed along different markets including you know, Chile, Colombia, Panama, Mexico and other countries of the Caribbean region. As I mentioned earlier, most of our projects are still in the development stage, with commercial operations dates up to 2025. So, I will say that in the short term, the most relevant project for us is “La Meseta” as I mentioned, in Chile, which is already under construction, and we estimate that it will be ready by next year, by the beginning of next year.



And also, I would like to clarify that in the coming months, we will be giving you more color on the 20 - 24 business plan we have been talking about in the earnings report and on this call. This plan will be the basis of our operations for the coming years. So I hope this is OK for you, to answer the question.

Martín Lara: Yeah, thank you very much.

Operator: Thank you. Our next question comes from the line of Guillermo. Please state your full name and company before asking your question.

Guillermo: Hi, this is Guillermo Lagos from Santander. José Antonio I just have a quick question. You mentioned the rights offering just announced. Can you give us a little more detail on that transaction and anything we should know, any relevant points, any updates?

Enrique González, IR Vice President: Hi Guillermo, this is Enrique González, I will take this question and thank you for asking. As it was announced a couple weeks ago we started the process for a capital increase. We just ended the first round last week, or at the beginning of this week and as we speak we are under the second round for any additional preference subscription as it was stated in the advice that we announced a couple weeks ago. These first two rounds are only for existing investors and as it was authorized by the shareholders' meeting, we will have the opportunity for a third round, once these firsts two rounds are over, that will allow us for new investors to be becoming part of Cox Energy shares. That will be in early August. What we have, the authorization we were granted for is for almost, a little bit more than 18 million shares, new shares, with a fixed share price of \$34 pesos. So we are hoping that, that will help us to increase the operation and liquidity of the stock and also to be able to capitalize under this new capital increase to help us to drive the growth and the strategies we have as a company for the next coming quarters.



Guillermo: Thank you.

Enrique González, IR Vice President: You are welcome.

Operator: Our next question comes from Carlos Alcaraz. Carlos, could you please tell us what company you are calling from?

Carlos Alcaraz: Hi, good morning José Antonio. This is Carlos Alcaraz from Apalache Analysis. I just, only one question. What is the current status of the Ibox Energy acquisition?

José Antonio Hurtado, CEO: Thank you very much, Carlos for the question. At this moment you know that we have issued a buy offer for the 40% of the company and we are in the process of, in this moment, of dealing with the other 60%. We hope that we will finish this process by September, so probably by the last quarter of the year we will have Ibox integrated in Cox Energy America.

Carlos Alcaraz: OK, that's clear. Thank you.

Operator: Thank you. 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. As I have mentioned before, Cox Energy América is the only publicly traded Company of its kind in Latin-American markets. We have a clear strategy with short and long-term goals aligned with global tendencies. We are also committed to ESG best practices as a natural consequence of our green nature. From now on we will be updating you in a timely and proactive manner on the development of the portfolio, results, and any relevant



updates on our projects. 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.