

COX ENERGY AMÉRICA
1Q23 Earnings Conference Call
Friday, April 28th, 2023

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 First Quarter 2023 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, 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 first quarter 2023 issued on Thursday, April 27th. 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: Thank you, Daniela. Good morning, everyone, it is a privilege to be here with you today. After these first two years with Cox Energy América, I am honored to lead the team and be part of this exiting story. Today I will be providing you with an update on the progress achieved over this first quarter of 2023.

As you know, the past years have been both challenging and fulfilling. We faced a number of obstacles, but we have also accomplished significant milestones that have laid the foundation for our future growth. Through these experiences, we have learned the value of teamwork, perseverance, and resilience, and Cox Energy evolved as a stronger company, committed to delivering value to our shareholders.

Over the past few months, we have been discussing our strategic plan for the years leading up to 2025. Our goal is to position the Company as a leading player in the renewable energy industry, and we are making progress towards achieving this objective. One of the main goals has been to expand Cox's project portfolio and footprint across all the markets where it is present.

I am proud to share that our efforts have yielded positive top-line results for the quarter. Our revenues increased by 66% compared to the same period of 2022, reaching \$132.3 million pesos. Cox's Project portfolio closed the quarter with a total capacity of 1,620 MWp, and additional opportunities of over 800 MWp for the coming years. As part of our growth strategy in LatAm, Cox's projects portfolio is well diversified, testament of this is our Central and South America footprint which represented more than 70% of total projects portfolio, mainly located in Chile and Colombia. These figures are evidence of the hard work and dedication of our team, and I am confident that we are well-positioned for continued success.

For more detailed information on COXA's results, please refer to our earnings report, which was released yesterday and is now available on our website, or you can access the reports in XBRL format on BIVA's website.

José Antonio Hurtado: The foundations laid over the past year... the past quarters to ensure future growth have been driven by Cox Energy's unwavering commitment to innovation, its focus on operational excellence, and the strategic investments made in key markets.

One of the most recent achievements has been our expansion into Colombia, where we recently won 45 MWp, in three photovoltaic solar energy projects, as part of the latest auction made by the Colombian government. This represents a step towards Cox's expansion plans in the country and reflects our commitment to leverage the high growth potential of the Colombian market. The solar projects were awarded to Cox Energy based on its competitive pricing and the high technical quality of its proposal. We are excited to bring our expertise and experience to this market and to contribute to the development of the local energy sector.

Additionally, our focus on PMGDs projects in Chile has allowed us to capitalize on new opportunities in the renewable energy sector, and we are proud to report that significant progress has been made. During this quarter we secured the financing for the first six PMGD projects in Chile. This will allow us to start the development and construction of these projects, further expanding our presence in this important market.

At the same time, we have continued to focus on Cox's core business of energy supply and commercialization in Mexico, with a total capacity of 54.7 GWh and selling over 144,000 CEL's means clean energy certificates. We are confident that this line of business will continue to grow during the year, reaffirming our strong position in this market.

Looking ahead, we remain focused on maintaining the momentum and building on the strong fundamentals that we have established in recent years. The pipeline of projects remains robust, and we see tremendous opportunity to leverage the expertise and experience to capitalize on new opportunities in emerging markets.

Recently, the first stage of the renewable energy project La Meseta in Chile started operation, under the Joint Venture model with Sonnedix, which we estimate will bring positive results for us, in line with our 30% stake, starting this second quarter of 2023.

Additionally, in the coming months, Cox Energy will participate in two important tenders for renewable energy projects in Guatemala and Puerto Rico, which would allow us to further diversify our portfolio and expand our presence in the Central America region.

José Antonio Hurtado: Moving to COX's distributed generation business, as a company committed to sustainable development, we see distributed generation as a key area of growth and opportunity, and I am excited to report on the progress made so far.

Over the past few months, we have been working on a comprehensive strategic plan to enter and capture a share of this attractive market. Our efforts are starting to bear fruit, as we have successfully begun negotiating contracts with key multinational clients that will provide a strong foundation in this segment. These business opportunities offer attractive margins, and we are confident that they will contribute positively to our financial performance going forward. In 2023, we expect to see further growth in this business and reach a leading position within this market. As the strategic plan unfolds, further details will be shared in the upcoming quarters.

I would now like to turn the call over to Javier García, who will share some details about the upcoming M&A transaction that will be presented for authorization in the Extraordinary Shareholder's meeting next May 3rd. of 2023.

Javier García: Thank you, José Antonio and good morning, everyone.

As we continue to execute our strategic plan, we remain committed to seeking out projects that generate value and boost the Company towards our long-term goals.

Cox Energy America is currently in the final stage for the acquisition of Cox's European platform, pending definitive approval from Cox Energy Extraordinary Shareholders' Meeting next week. This acquisition will

enable us to execute our 2025 strategic plans, by creating the right foundations to keep expanding Cox's presence in key markets, such as Europe and Latin America. The acquisition process has complied with all the regulatory and disclosure obligations.

With this operation, the consolidated financials will automatically double in size and set us on a path towards positive profitability, which is a significant milestone in the Company's history. We are excited about the opportunities that it presents, and confident that it will enable us to grow and succeed in new and exciting ways, while creating the right synergies, seeking to continuously drive value for all our shareholders.

In addition to this acquisition, we are also looking to strengthen our brand and expand our reach in the markets where we are present. To that end, we are changing our name to Cox Energy and eliminating the reference to America on the Company's corporate name. This change will help us to more effectively communicate its global presence and capabilities to clients and investors, presenting the Company as a global player.

I will now turn back the call to Jose Antonio, where he will comment on other recent events and news.

José Antonio Hurtado: Thank you Javier. As part of our ongoing efforts to keep the market updated, during the first quarter we issued Cox Energy America 2022 Audited Financial Statements, becoming one of the first companies to comply with this regulatory obligation in Mexico. With this, we reaffirmed our commitment to follow the best Corporate and disclosure practices within the equity markets. In addition, having Cox's Audited Financial Statements ready has allow us to keep fulfilling the requirements for the dual listing with BME Growth exchange in Spain.

As it was announced since late 2021, the Dual Listig process between BIVA and BME Growth has been a strategic objective for the Company, and we've been working on for the past year to achieve it. We are in the final process, awaiting definitive approvals from BME Growth. Our commitment is to ring the bell In the BME Growth exchange before the end of the second quarter. We will keep you updated as the process unfolds.

José Antonio Hurtado: During last quarter's call, we announced that Cox Energy Group, through one of its subsidiaries, presented an offer to acquire Abengoa's productive units. Abengoa is a Spanish company with presence in America, Europe, Asia, and Africa, specialized in energy, water, services and infrastructure projects. As it was officially announced last week, we are glad to share that the transaction was granted in Grupo Cox Energy's favor, and we believe that it will strengthen the Group's position in the market. Although Cox Energy América does not have direct influence or relation with the transaction, we believe that potential synergies could arise between both companies in the future.

José Antonio Hurtado: As part of Cox's ongoing efforts to remain an ESG friendly company, and in line with best practices of corporate governance focused on ESG issues, the board has authorized the Corporate Governance Committee to take full responsibility for monitoring and executing the company's entire ESG strategy according to international standards. As a result, the committee has been renamed the Corporate Practices and Sustainability Committee. This will allow the Company to align our sustainability efforts with corporate practices, while generating greater value and productivity. In the following quarters we will continue updating you with the evolution of our ESG strategy.

Additionally, we are pleased to announce that during the last shareholders' meeting, all board positions were reaffirmed, and the participation of independent members increased, welcoming Francisco Ávila Méndez as our new independent board member. Francisco actively participates as a board member in different companies across multiple industries, including media, sports, medical, tourism and hospitality. We believe that this extensive experience will bring valuable expertise to our Company.

We are thrilled about the potential opportunities that lie ahead for Cox Energy America in the coming year and proud of the results achieved so far. With our team's expertise and dedication to creating value for all our stakeholders, Cox Energy is in a very solid position to face the challenges and opportunities that will be presented during 2023.

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 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.

Martín Lara: Thank you for the call. I have some questions. The first one is when do you expect to generate positive EBITDA in the energy resale business? The second one is when do you expect to conclude the European, the acquisition of the European platform? And the third one is, could you please give us an update on the Iscali project in Mexico?

José Antonio Hurtado: Thank you, Martín. Thank you, Martín, for the questions. First of all, positive EBITDA is a commitment that we have this year. During these past two years, we were preparing the company for this moment. You know that we have increased our portfolio. That means invest a lot of money in developing. That means that there is no returns because the power plants are not in operation. And as you know, this year will be the year in which we will be, we will consolidate our strategy. Talking about the European platform, it will be incorporated to our, to our company by the next quarter. So by the second quarter, it will be incorporated to Cox Energy. Remember that we have changed or we are changing the name of the total company of the company. Instead of being Cox Energy America, it will be Cox Energy. And Iscali, you know, the project is on hold in this moment as we talk in several, several calls. The strategy in Mexico is wait and see. And we think that the change, the things are moving in Mexico and probably will reactivate this project in in the near future.

Martín Lara: Okay. Thank you very much.

Enrique González: But Martín just to add to José Antonio's comment, as I'm sure you read, we announced that next week, on Wednesday, we're going to have an extraordinary shareholders meeting. That shareholders meeting, the main idea is to have the final authorization from the



shareholders of Energy America for making the movement and finalizing the acquisition of the of the European platform. So as Jose Antonio mentioned during the second quarter, you will already see the results of the European business allocated in the financial results of the traded company in Mexico.

Martín Lara: Okay, perfect. Thank you very much.

Operator: Thank you. We will pause once more for questions.

Operator: We have no more questions at this time. So that concludes our question and answer session. I would now like to hand the call back over to José Antonio for some closing remarks.

José Antonio Hurtado: Thank you, Daniela. And 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 America, and look forward to speaking with you again soon. Thank you very much.

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