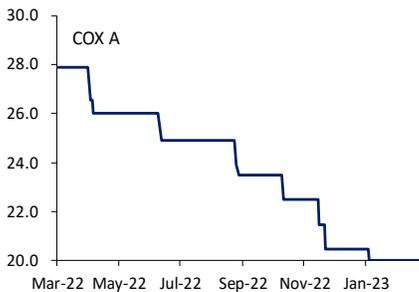


COX: 4Q22 Results

Higher-than-expected revenues in the energy distribution business; portfolio and state of projects remained unchanged sequentially

| COX A | BUY |
|---------------------------|----------|
| Target Price (MXN\$) | \$ 41.00 |
| Current Price (MXN\$) | \$ 20.00 |
| Expected Dividend (MXN\$) | \$ 0.00 |
| Potential Return | 105.0% |
| Market Cap (MXN\$ Mn) | 3,298 |
| EV/ EBITDA | n.a. |
| P/E | n.a. |
| P/BV (current) | 2.8x |



Opinion and recommendation

COX reported higher-than-expected revenues in the energy distribution business in the quarter, although profitability remained in negative territory. On the other hand, the portfolio and the status of the projects remained unchanged with respect to 3Q22.

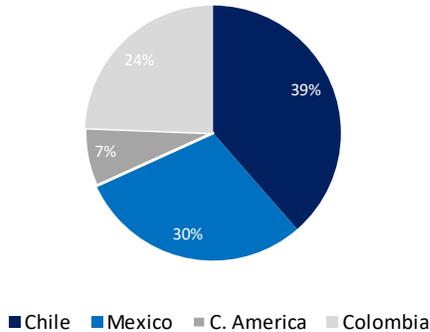
In its quarterly conference call, the company mentioned that it expects energy sales to continue growing in a significant way in 2023 due to new contracts. Also, that the process for the dual listing in Spain's BME Growth exchange has concluded, and that its shares will likely begin to trade there in the quarter.

We continue with a BUY recommendation after these results mainly due to COX's favorable outlook. We lowered our target price to MXN\$41.0/share, from of MXN\$50.0/share due to higher interest rates and an adjustment in our estimated asset rotation valuation.

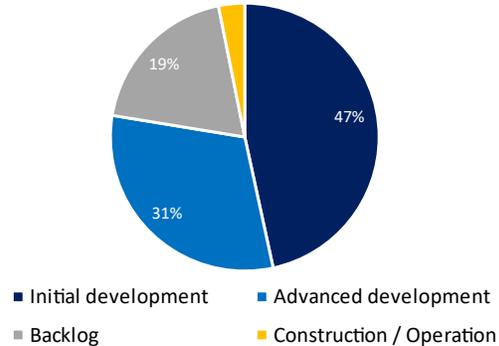
Portfolio

COX's portfolio remained unchanged with respect to 3Q22 as it continued with 28 projects with total capacity of 1,620 MWp. In addition, the company continued with identified investment opportunities of another 800 MWp. The status of the projects was also unchanged since 47% remained in initial development, 31% in advanced development, 19% in backlog and 3% in operation and construction. However, it is important to mention that the portfolio had grown 33% in 3Q22 with respect to 2Q22 due to the incorporation of new projects during that period.

Portfolio by country



Portfolio by development stage



The company expects to complete the financing for the construction of the first six PMGD projects in Chile during the first half of 2023, which have a combined capacity of 42 MWP.

4Q22 Results

Total revenue of the energy distribution business amounted to MXN\$135 million (compared against our MXN\$85 million estimate) in 4Q22, with an annual growth of more than 10 times.

The costs rose significantly due to the purchase of energy, which was partially offset by a 73% fall in operating expenses. EBITDA was MXN\$74.9 million negative, improving from the negative figure of MXN\$309.0 million in 4Q21. Financial expenses stood at MXN\$5.8 million, compared to MXN\$2.4 million. As a result, the company registered a MXN\$56.7 million net loss in the current quarter, which was lower than the MXN\$350.3 million net loss of the same period of the previous year.

Cox Energy / Abengoa Group

On February 22nd, Grupo Cox Energy presented an offer for the assets of Abengoa, a company with presence in America, Europe, Asia and Africa, which specializes in energy, water, services and transmission and infrastructure projects. We believe that this possible acquisition by Grupo Cox Energy could generate interesting synergies with Cox Energy America.

Valuation of Generation Projects

| | Chile | Mexico | Colombia | C.A. | Total |
|----------------------------------|---------|--------|----------|--------|---------|
| Price per MW | 70 | 70 | 70 | 72 | |
| Annual Increase in Energy Prices | 4.00% | 5.00% | 7.00% | 5.00% | |
| Unlevered Beta | 0.56 | 0.56 | 0.56 | 0.56 | |
| Re-Levered Beta | 1.51 | 1.47 | 1.43 | 1.54 | |
| Risk-Free Rate | 5.90% | 8.50% | 13.06% | 7.43% | |
| Tax Rate | 27.0% | 30.0% | 33.0% | 25.0% | |
| Debt / Equity | 2.33 | 2.33 | 2.33 | 2.33 | |
| Market Risk Premium | 5.89% | 6.38% | 7.08% | 6.77% | |
| Cost of Equity | 14.8% | 17.9% | 23.2% | 17.8% | |
| Average Cost of Debt | 7.2% | 9.8% | 14.3% | 8.7% | |
| WACC | 9.5% | 12.2% | 17.0% | 11.5% | |
| PV | \$18.90 | \$6.44 | \$10.81 | \$5.65 | \$41.81 |

Asset Rotation

| USD Mn | Country | Capacity | % attributable to COX | MWp attributable to COX | Potential Sale Date | Capex per MW (USD Mn) | Project Status | % of Total Capex | Sales Price per Mw (USD Mn) |
|-----------------------------|---------|----------|-----------------------|-------------------------|---------------------|-----------------------|-------------------|------------------|-----------------------------|
| Ibox | Europe | 619 | 40% | 247.6 | 2023 | 0.65 | eración / COD / I | 30% | 1.25 |
| La Meseta | Chile | 160 | 30% | 48 | 2023 | 0.65 | COD | 70% | 1.50 |
| El Sol de Vallenar | Chile | 308 | 100% | 308 | 2023 | 0.65 | RTB | 20% | 1.00 |
| Iscali (Campeche) | Mexico | 300 | 100% | 300 | 2024 | 0.65 | RTB | 20% | 1.00 |
| La Granja Solar (Zacatecas) | Mexico | 336 | 20% | 67 | 2024 | 0.65 | RTB | 20% | 1.00 |

| USD Mn | % to be Sold | Total Amount COX | Total Investment COX | Pre-Tax Profit | Tax Rate | After-Tax Profit | Discount Rate | PV (USD Mn) | PV (MXN\$ Mn) |
|--------------------------------|--------------|------------------|----------------------|----------------|----------|------------------|---------------|-------------|----------------|
| Ibox | 100% | 80 | 48 | 32 | 25.0% | 24 | 12.0% | 21 | 430.9 |
| La Meseta | 50% | 36 | 11 | 25 | 27.0% | 18 | 14.8% | 16 | 323.5 |
| El Sol de Vallenar | 50% | 154 | 20 | 134 | 27.0% | 98 | 14.8% | 85 | 1,728.3 |
| Iscali (Campeche) | 50% | 150 | 20 | 131 | 30.0% | 91 | 17.9% | 66 | 1,333.3 |
| La Granja Solar (Zacatecas) | 50% | 34 | 4 | 29 | 30.0% | 20 | 17.9% | 15 | 299.0 |
| Total Amount (MXN\$ Mn) | | | | | | | | | 4,115.0 |
| Probability | | | | | | | | | 50% |
| Price per Share (MXN\$) | | | | | | | | | 12.5 |

Sum-of-The-Parts

(Per Share Figures)

| | |
|-------------------------|----------------|
| Generation | |
| Mexico | \$6.44 |
| Chile | \$18.90 |
| Colombia | \$10.81 |
| Panama | \$5.65 |
| 40% of Ibox | \$14.24 |
| Total Generation | \$56.04 |
| Asset Rotation | \$12.47 |
| Total Valuation | \$68.51 |
| Net debt | \$6.74 |
| Discount | 34% |
| Target Price | \$41.00 |
| Current Price | \$20.00 |
| Potential Return | 105.0% |

| Country | Project | MWp | Classification | % Cox | Partner | Attributable to Cox (MWp) | Electricity Sales Strategy | RTB Estimated |
|---|------------------------------|---------------------|----------------------|-------|----------|---------------------------|----------------------------|---------------|
| Chile | El Sol de Vallenar | 308.0 | Backlog | 100 | | 308.0 | PPA DisCo 2017 | RTB 2023 |
| | Utility Portezuelo + Storage | 200.0 | Initial Development | 100 | | 200.0 | Spot & PPA | RTB 2024 |
| | La Meseta | 160.0 | Under Construction | 30 | Sonnedit | 48.0 | PPA DisCo 2016 & 2017 | COD 2022 |
| | Chile I & II (PMGD) | 18.0 | Initial Development | 100 | | 18.0 | Stabilized Price | RTB 2024 |
| | Machali (PMGD) | 11.0 | Advanced Development | 100 | | 11.0 | Stabilized Price | RTB 2023 |
| | Río Maule (PMGD) | 11.0 | Advanced Development | 100 | | 11.0 | Stabilized Price | RTB 2023 |
| | Montenegro (PMGD) | 11.0 | Initial Development | 100 | | 11.0 | Stabilized Price | RTB 2023 |
| | El Guindal (PMGD) | 11.0 | Initial Development | 100 | | 11.0 | Stabilized Price | RTB 2023 |
| | San Francisco (PMGD) | 4.0 | Backlog | 100 | | 4.0 | Stabilized Price | RTB 2023 |
| | San Javier (PMGD) | 3.0 | Under Construction | 100 | | 3.0 | Stabilized Price | COD 2023 |
| Walmart Piloto (ESCO) | 0.210 | In Operation | 100 | | 0.210 | Private PPA | In operation | |
| Total Chile | | 737.2 | | | | 625.2 | | |
| Mexico | Iscali | 300.0 | Advanced Development | 100 | | 300.0 | Spot + Coverage | RTB 2024 |
| | Atlacmulco | 113.4 | Advanced Development | 100 | | 113.4 | Spot + Coverage | RTB 2024 |
| | La Granja Solar | 335.0 | Advanced Development | 20 | GPG | 67.0 | Spot + Coverage | RTB 2024 |
| Total Mexico | | 748.4 | | | | 480.4 | | |
| C. America | Santa Rosa Solar | 50.0 | Initial Development | 100 | | 50.0 | Spot & PPA | RTB 2024 |
| | Guatemala I | 50.0 | Initial Development | 100 | | 50.0 | Spot & PPA | RTB 2024 |
| | Panamá I | 20.0 | Initial Development | 100 | | 20.0 | Spot & PPA | RTB 2024 |
| Total C. America & Caribbean | | 120.0 | | | | 120.0 | | |
| Colombia | Dominica | 100.0 | Initial Development | 100 | | 100.0 | PPA/Spot | RTB 2024 |
| | Lanzarote | 80.0 | Initial Development | 100 | | 80.0 | PPA/Spot | RTB 2024 |
| | Pascua | 60.0 | Initial Development | 100 | | 60.0 | PPA/Spot | RTB 2024 |
| | Egina | 60.0 | Initial Development | 100 | | 60.0 | PPA/Spot | RTB 2024 |
| | Kos | 20.0 | Initial Development | 100 | | 20.0 | PPA/Spot | RTB 2024 |
| | Jamaica | 20.0 | Initial Development | 100 | | 20.0 | PPA/Spot | RTB 2024 |
| | Rodas | 20.0 | Initial Development | 100 | | 20.0 | PPA/Spot | RTB 2024 |
| | Barbados | 15.0 | Initial Development | 100 | | 15.0 | PPA/Spot | RTB 2024 |
| | Vanuatu | 10.0 | Initial Development | 100 | | 10.0 | PPA/Spot | RTB 2023 |
| Tenerife | 10.0 | Initial Development | 100 | | 10.0 | PPA/Spot | RTB 2023 | |
| Total Colombia | | 395.0 | | | | 395.0 | | |
| Total Portfolio | | 2,000.6 | | | | 1,620.6 | | |

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