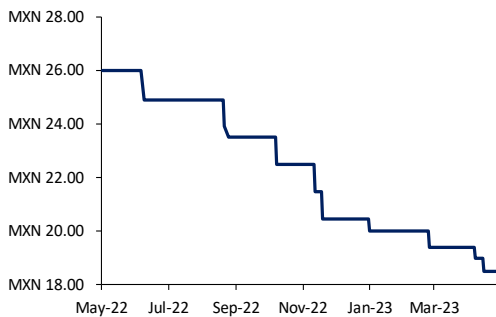


# COX: 1Q23 Results

Energy commercialization revenues continued to grow in a significant way

COX A	BUY
Target Price (MXN\$)	\$ 41.00
Current Price (MXN\$)	\$ 18.50
Expected Dividend (MXN\$)	\$ 0.00
Potential Return	121.6%
Market Cap (MXN\$ Mn)	3,050
EV/ EBITDA	n.a.
P/E	n.a.
P/BV (current)	2.7x



## Opinion and recommendation

COX revenues continued to grow significantly in 1Q23, exceeding our projections. In addition, the status of several projects advanced during the current quarter.

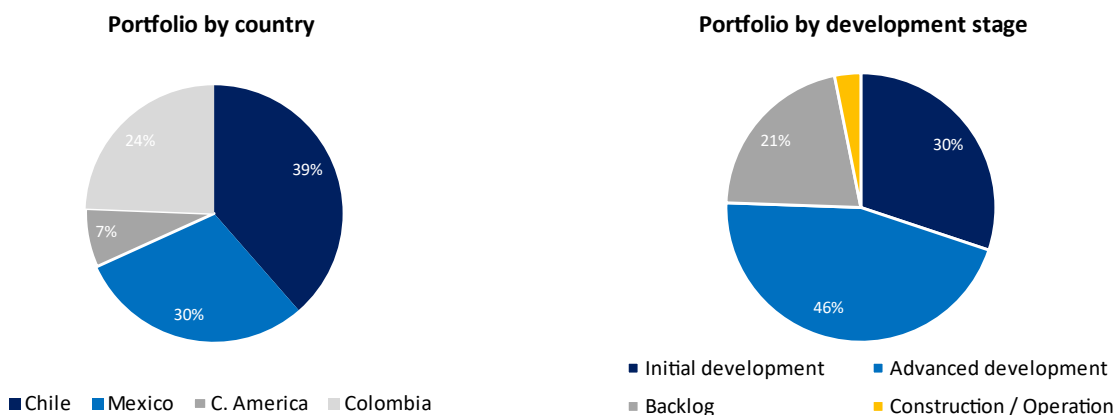
We reiterate our BUY recommendation with a MXN\$41.0/share target price. We believe that COX's outlook is favorable due to the continued growth of the energy commercialization business, which is expected to achieve positive EBITDA during the current year, the start of operations of La Meseta, the upcoming acquisition of the European platform, the dual listing in Spain's BME Growth and the start of construction of three projects in Colombia early next year.

## Portfolio

On May 3<sup>rd</sup>, COX held an extraordinary meeting in which the shareholders approved, among other things, the acquisition of the European platform, which includes a 40% stake in IBox Energy and the commercialization and self-consumption business that the Group has in Spain and Portugal which, in 2022, is estimated to have generated revenues of more than €20.0 million. Additionally, the meeting authorized the change in the company's name to Cox Energy (previously Cox Energy America), so that it can create a stronger communication as a result of the acquisition in Europe.

Likewise, the company reported that La Meseta project (160MWp) began operations during the quarter, which will allow COX Energy to start accounting for the revenues corresponding to its 30% equity stake in such project. In addition, the company expects to begin construction of three projects with a 45 MW capacity in Colombia in 1Q24, after having won the last renewable energy auction carried out by the Colombian government. The 1Q23 portfolio remained unchanged from 4Q22, with 1,620 MWh of capacity in projects in different stages of development and construction, and 800 MWp of development opportunities.

However, the status of several projects advanced: Utility Portezuelo to "Advanced Development", La Meseta to "In Operation", Machali and Río Maule to "Backlog", Montenegro to "Advanced Development", El Guindal to "Backlog", and Rhodes, Barbados and Tenerife to "Advanced Development". As a result, 30% of the portfolio is now in early development (vs. 47% in 4Q22), 45% in advanced development (vs. 31%), 21% in backlog (vs. 19%) and 3% in operation and construction.



### 1Q23 results

Revenues were MXN\$132.3 million (compared to our MXN\$117.4 million expectation) in 1Q23, up 66.3%, which was mainly attributed to the sale of 54.7 GWh of energy and more than 144 thousand Clean Energy Certificates (CEL's) by Cox Energy Suministrador. Worth mentioning that COX has energy trading contracts of more than 200 GWh/year for 2023.

Operating and development costs amounted to MXN\$108.8 million, from MXN\$3.6 million the previous year. The change was mainly due to the reclassification between costs and expenses that the company carried out following international standards and, to a lesser extent, to the increase in the energy purchase for commercialization. Operating expenses decreased to MXN\$37.6 million, from MXN\$77.4 million, due to the aforementioned reclassification, as well as a continuous effort to maintain a strict expense control policy.

EBITDA was MXN\$12.8 million negative in the current quarter, above the negative MXN\$1.4 million figure from the previous year. However, management expects this indicator to be positive during the current year.

The company recorded a MXN\$10.6 million quarterly net loss, compared to a MXN\$2.5 million net profit in the same period of the previous year, mainly as a result of higher financial expenses.

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	Advanced Development	100		200.0	Spot & PPA	RTB 2024
	La Meseta	160.0	In Operation	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	Backlog	100		11.0	Stabilized Price	RTB 2023
	Río Maule (PMGD)	11.0	Backlog	100		11.0	Stabilized Price	RTB 2023
	Montenegro (PMGD)	11.0	Advanced Development	100		11.0	Stabilized Price	RTB 2024
	El Guindal (PMGD)	11.0	Backlog	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	
<b>Total Chile</b>		<b>737.2</b>				<b>625.2</b>		
Mexico	Iscali	300.0	Advanced Development	100		300.0	Spot + Coverage	RTB 2024
	Atlacomulco	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
<b>Total Mexico</b>		<b>748.4</b>				<b>480.4</b>		
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
<b>Total C. America &amp; Caribbean</b>		<b>120.0</b>				<b>120.0</b>		
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
	Vanuatu	10.0	Initial Development	100		10.0	PPA/Spot	RTB 2023
	Rodas	20.0	Advanced Development	100		20.0	PPA/Spot	RTB 2024
	Barbados	15.0	Advanced Development	100		15.0	PPA/Spot	RTB 2024
Tenerife	10.0	Advanced Development	100		10.0	PPA/Spot	RTB 2023	
<b>Total Colombia</b>		<b>395.0</b>				<b>395.0</b>		
<b>Total Portfolio</b>		<b>2,000.6</b>				<b>1,620.6</b>		

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