Cox Energy Solar, S.A.
(currently Cox ABG Group, S.A.)
and subsidiaries

Audit report on the consolidated financial statements
at 31 December 2022 and 2021
Consolidated management report for 2022 and 2021

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report

To the shareholders of Cox ABG Group, S.A.:

Opinion

We have audited the consolidated financial statements of Cox Energy Solar, S.A. (subsequently Cox ABG Group, S.A.) (the parent company) and subsidiaries (the Group), consisting of the consolidated statement of financial position at 31 December 2022 and 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash-flow statement for the years then ended and the notes to the consolidated financial statements which include a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group at 31 December 2022 and 2021 and its consolidated results and consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), as described in note 2 .

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Responsibilities of the auditor in relation to the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Board for Accountants (IESBA Code) and have complied with other ethical responsibilities under the IESBA Code.

We consider that the audit evidence obtained provides a sufficient and appropriate basis for our opinion.

Emphasis of matter

Basis of accounting

We draw attention to Note 2 to the consolidated financial statements which describes the basis of the accounting principles and policies used. As outlined in said note, the consolidated financial statements were not prepared in accordance with legal requirements and were drawn up in order to comply with historical information requirements with a view to a potential capital markets transaction. The consolidated financial statements may therefore not be appropriate for any other purpose. Our opinion has not been modified for this matter.

R. M. Madrid, hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

First-time application of International Financial Reporting Standards adopted by the European Union (IFRS -EU)

We draw attention to Note 2. to the consolidated financial statements that describes that the accompanying consolidated financial statements are the first to be drawn up by the parent company's directors under the International Financial Reporting Standards adopted by the European Union (IFRS-EU) which require, in general, the disclosure of comparative information which has been obtained by applying IFRS -EU effective at 31 December 2022, 1 January 2020 having been established as the transition date. Our opinion has not been modified for this matter.

Other matters

The accompanying consolidated financial statements have been audited in accordance with ISA and therefore this report may under no circumstances be considered an audit report in the terms envisaged in prevailing audit legislation in Spain.

Other information

The parent company's directors are responsible for the other information. Other information comprises the consolidated management report for 2022 and 2021 but does not include the consolidated financial statements or our corresponding audit report.

Our opinion on the consolidated financial statements does not cover such other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the parent company's directors in relation to the consolidated financial statements

The parent company's directors are responsible for the preparation and fair presentation of the accompanying consolidated financial statements, in accordance with International Financial Reporting Standards approved by the European Union (IFRS-EU), and for such internal control as the directors deem necessary to enable the preparation of consolidated financial statements that are free from material misstatement, due to fraud or error.

In preparing the consolidated financial statements, the parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to wind up the Company or to cease trading or have no realistic alternative but to do so.

Responsibilities of the auditor in relation to the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with ISA, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Group's internal control.

- We assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates and the related disclosures by the parent company's directors.

- We conclude on the appropriateness of the parent company's directors' use of the going concern basis of accounting and based on the audit evidence obtained, we conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and presentation of the consolidated financial statements, including the disclosures, and assess whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient and adequate evidence in relation to the financial information of the companies or the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for managing, overseeing and carrying out the Group's audit. We are solely responsible for our audit opinion.

We communicate with the parent company's directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Auditores S.L.

Original in Spanish signed by Rafael Pérez Guerra

5 July 2024

Cox Energy Solar, S.A. (currently Cox ABG Group, S.A.) and Subsidiaries

Consolidated Financial Statements

31 December 2022 and 2021

Free translation of the Consolidated Financial Statements originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

Contents

Consolidated statement of financial position as at 31 December 2022, 2021 and 2020

- Expressed in thousands of euros -

Assets	Notes (1)	31.12.2022	31.12.2021	31.12.2020(*)	01.01.2020(*)
Non-current assets					
Intangible assets	7	128	70	-	-
Property, plant and equipment	8	778	752	413	1,386
Intangible assets in projects	9	31,382	26,954	26,384	29,188
Equity-accounted investments	10	8,089	7,443	10,186	11,435
Financial investments		17,316	16,906	11,122	14,189
Financial assets at fair value	11 and 12	12,484	14,009	9,996	13,067
Financial receivables	11 and 13	4,832	2,897	1,126	1,122
Total non-current assets		57,693	52,125	48,105	56,198
Current assets					
Inventories	14	250	100	-	-
Trade and other receivables	11 and 13	11,609	3,757	4,720	1,009
Trade receivables for sales and provision of services		4,435	1,895	718	504
Loans and receivables		7,174	1,862	4,002	505
Financial receivables	11 and 13	10,835	2,896	102	67
Cash and cash equivalents	15	1,895	613	2,693	227
Total current assets		24,589	7,366	7,515	1,303
Total assets		82,282	59,491	55,620	57,501

(1) Notes 1 to 28 form an integral part of the Notes to the Consolidated Financial Statements and of Appendices I, II, III and IV to the Consolidated Financial Statements at 31 December 2022 and 2021.

(*) Unaudited.

Consolidated statement of financial position as at 31 December 2022, 2021 and 2020

- Expressed in thousands of euros -

Liabilities	Notes (1)	31.12.2022	31.12.2021	31.12.2020(*)	01.01.2020(*)
Capital and reserves					
Share capital	16	61	61	61	61
Share premium	16	6,000	6,000	6,000	6,000
Parent company reserves	16	16,746	13,675	6,649	6,649
Currency translation differences	16	3,412	326	(1,651)	-
Retained earnings/(losses)	16	(462)	8,391	19,993	16,897
Non-controlling interests	16	7,281	6,959	6,305	383
Total equity		33,038	35,412	37,357	29,990
Non-current liabilities					
Bank borrowings and other	11 and 17	2,095	2,649	1,830	1,198
Long-term payables	18	-	-	-	4,533
Deferred tax liabilities	21	8,427	8,164	7,407	6,977
Total non-current liabilities		10,522	10,813	9,237	12,708
Current liabilities					
Bank borrowings and other	11 and 17	16,765	411	6,778	1,267
Trade and other payables	11 and 22	19,947	11,837	1,579	13,149
Current tax liabilities and other		2,010	1,018	669	387
Total current liabilities		38,722	13,266	9,026	14,803
Total liabilities and equity		82,282	59,491	55,620	57,501

(1) Notes 1 to 28 form an integral part of the Notes to the Consolidated Financial Statements and of Appendices I, II, III and IV to the Consolidated Financial Statements at 31 December 2022 and 2021.

(*) Unaudited.

Consolidated income statement for the financial years ended 31 December 2022, 2021 and 2020

- Expressed in thousands of euros -

	Notes (1)	31.12.2022	31.12.2021	31.12.2020(*)
Revenue	23	42,569	12,570	6,917
Other operating income	25	283	206	518
Raw materials and consumables utilised	24	(37,911)	(11,687)	(9,420)
Employee benefit expenses	26	(4,681)	(4,851)	(2,303)
Depreciation/amortisation charges and impairment losses		(287)	(2,149)	(73)
Other operating expenses	25	(5,942)	(4,663)	(2,064)
Operating profit/(loss)		**(5,969)**	**(10,574)**	**(6,425)**
Financial income	27	167	631	186
Financial expenses	27	(1,826)	(776)	(555)
Exchange differences (net)	27	1,124	(1,430)	(1,057)
Net other financial expense/income	27	(3,488)	3,085	(2,566)
Net financial income/(expense)		**(4,023)**	**1,510**	**(3,992)**
Share in profit/(loss) of associates	**10**	**3,328**	**(3,162)**	**(41)**
Consolidated profit/(loss) before taxes		**(6,664)**	**(12,226)**	**(10,458)**
Corporate Income Tax	21	574	(161)	(86)
Profit/(loss) for the year		**(6,090)**	**(12,387)**	**(10,544)**
Non-controlling interests	**16**	**(1,146)**	**(1,531)**	**(1,026)**
Profit/(loss) for the year attributed to the parent company		**(4,944)**	**(10,856)**	**(9,518)**
Number of ordinary shares		**610,286**	**610,286**	**610,286**
Basic/diluted earnings/(loss) per share		**(0.008)**	**(0.018)**	**(0.016)**

(1) Notes 1 to 28 form an integral part of the Notes to the Consolidated Financial Statements and of Appendices I, II, III and IV to the Consolidated Financial Statements at 31 December 2022 and 2021.

(*) Unaudited.

Consolidated statement of comprehensive income for the financial years ended 31 December 2022, 2021 and 2020

- Expressed in thousands of euros -

	Note (1)	31.12.2022	31.12.2021	31.12.2020(*)
Consolidated profit/(loss) after taxes		(6,090)	(12,387)	(10,544)
Items that may be transferred to the income statement:				
Currency translation differences	16.4	4,085	2,038	(1,651)
Profit/(loss) taken directly to equity		**4,085**	**2,038**	**(1,651)**
Transfers to the income statement for the year		-	-	-
Other comprehensive income		**4,085**	**2,038**	**(1,651)**
Total comprehensive income		**(2,005)**	**(10,349)**	**(12,195)**
Total comprehensive income attributed to non-controlling interests		(147)	(1,470)	(1,026)
Total comprehensive income attributed to the parent company		**(1,858)**	**(8,879)**	**(11,169)**

(1) Notes 1 to 28 form an integral part of the Notes to the Consolidated Financial Statements and of Appendices I, II, III and IV to the Consolidated Financial Statements at 31 December 2022 and 2021.

(*) Unaudited.

Consolidated statement of changes in equity for the financial years ended 31 December 2022, 2021 and 2020

- Expressed in thousands of euros -

		Attributable to the Company's owners							
	Note (1)	Share capital	Share premium	Parent company and other reserves	Cumulative translation difference	Retained earnings/(losses)	Total	Non-controlling interests	Total equity
Balance at 1 January 2020(*)		61	6,000	6,649	-	16,897	29,607	383	29,990
Consolidated profit/(loss) after taxes		-	-	-	-	(9,518)	(9,518)	(1,026)	(10,544)
Other comprehensive income		-	-	-	(1,651)	-	(1,651)	-	(1,651)
Total comprehensive income		-	-	-	(1,651)	(9,518)	(11,169)	(1,026)	(12,195)
Distribution of 2019 profit/(loss)		-	-	-	-	-	-	-	-
Transactions with owners		-	-	-	-	-	-	-	-
Scope changes and other movements	16.6	-	-	-	-	12,614	12,614	6,948	19,562
Scope changes, acquisitions and other movements		-	-	-	-	12,614	12,614	6,948	19,562
Balance at 31 December 2020(*)		61	6,000	6,649	(1,651)	19,993	31,052	6,305	37,357
Consolidated profit/(loss) after taxes		-	-	-	-	(10,856)	(10,856)	(1,531)	(12,387)
Other comprehensive income		-	-	-	1,977	-	1,977	61	2,038
Total comprehensive income		-	-	-	1,977	(10,856)	(8,879)	(1,470)	(10,349)
Distribution of 2020 profit/(loss)	16.5	-	-	7,026	-	(7,026)	-	-	-
Transactions with owners		-	-	7,026	-	(7,026)	-	-	-
Scope changes and other movements	16.6	-	-	-	-	6,280	6,280	2,124	8,404
Scope changes, acquisitions and other movements		-	-	-	-	6,280	6,280	2,124	8,404
Balance at 31 December 2021		61	6,000	13,675	326	8,391	28,453	6,959	35,412
Consolidated profit/(loss) after taxes		-	-	-	-	(4,944)	(4,944)	(1,146)	(6,090)
Other comprehensive income		-	-	-	3,086	-	3,086	999	4,085
Total comprehensive income		-	-	-	3,086	(4,944)	(1,858)	(147)	(2,005)
Distribution of 2021 profit/(loss)	16.5	-	-	3,071	-	(3,071)	-	-	-
Transactions with owners		-	-	3,071	-	(3,071)	-	-	-
Scope changes and other movements	16.6	-	-	-	-	(838)	(838)	469	(369)
Scope changes, acquisitions and other movements		-	-	-	-	(838)	(838)	469	(369)
Balance at 31 December 2022		61	6,000	16,746	3,412	(462)	25,757	7,281	33,038

(1) Notes 1 to 28 form an integral part of the Notes to the Consolidated Financial Statements and of Appendices I, II, III and IV to the Consolidated Financial Statements at 31 December 2022 and 2021. (*) Unaudited.

Consolidated cash flow statement for the financial years ended 31 December 2022, 2021 and 2020

- Expressed in thousands of euros -

	Notes (1)	31.12.2022	31.12.2021	31.12.2020(*)
I. Profit/(loss) for the year		**(6,090)**	**(12,387)**	**(10,544)**
Non-monetary adjustments				
Amortisation, depreciation, provisions and impairment losses		287	2,149	73
Financial expense/income	27	1,659	145	369
Share in profit/loss of associates	10	(3,328)	3,162	41
Corporate Income Tax expense/income	21	(574)	161	86
Exchange rate differences & other		401	(124)	3,220
II. Profit/(loss) for the year adjusted for non-monetary items		**(7,645)**	**(6,894)**	**(6,755)**
Changes in working capital				
Trade and other receivables		(5,187)	(451)	(6,516)
Trade and other payables		(782)	2,454	(718)
Financial investments and other current assets/liabilities		(2,866)	880	(5,640)
III. Changes in working capital		**(8,835)**	**2,883**	**(12,874)**
Interest paid/received	17	(703)	(476)	(375)
Dividends received	10	2,770	-	-
IV. Interest and tax receipts/payments		**2,067**	**(476)**	**(375)**
A. Net cash flows from operating activities		**(14,413)**	**(4,487)**	**(20,004)**
Property, plant and equipment	7 and 8	(39)	(416)	(263)
Intangible assets	7 and 8	(82)	(70)	(1)
Other non-current assets/liabilities		-	(702)	188
I. Investments		**(121)**	**(1,188)**	**(76)**
Other non-current assets/liabilities		62	-	-
II. Divestments		**62**	-	-
B. Net cash flows from investing activities		**(59)**	**(1,188)**	**(76)**
Cash received from public offering		-	3,685	16,244
I. Receipts and payments on equity instruments		-	**3,685**	**16,244**
Issuance of bank borrowings		16,008	-	6,302
Repayment of bank borrowings		(254)	(90)	-
II. Receipts and payments on financial liability instruments		**15,754**	**(90)**	**6,302**
C. Net cash flows from financing activities		**15,754**	**3,595**	**22,546**
Net increase/(decrease) in cash and cash equivalents		**1,282**	**(2,080)**	**2,466**
Cash and cash equivalents at the beginning of the year		613	2,693	227
Cash and cash equivalents at year-end		**1,895**	**613**	**2,693**

(1) Notes 1 to 28 form an integral part of the Notes to the Consolidated Financial Statements and of Appendices I, II, III and IV to the Consolidated Financial Statements at 31 December 2022 and 2021. (*) Unaudited.

Notes to the Consolidated Financial Statements for 2022 and 2021

Note 1.- General information

1.1. The Groups situation and activity

Cox Energy Solar, S.A. ("Cox Energy Solar" or "the Company") and its subsidiaries form the Cox Energy Solar Group ("the Group").

The Company was incorporated as a public limited company (*sociedad anónima*) in Spain on 25 July 2014, for an open-ended period, with registered office at Calle Conde de Aranda, 22, Madrid (Spain). The registered office was moved to Calle Velázquez, 4, Madrid (Spain) on 14 March 2017. On 22 January 2024, the Company's name was changed from Cox Energy Solar, S.A. to Cox ABG Group, S.A. and the registered office was moved from Calle Velázquez, 4, Madrid (Spain) to Calle del Eucalipto, 25, 1.ª planta, 28016 Madrid (Spain).

Cox Energy Solar is the parent company of a group of entities and assets whose purpose is to operate in the renewable power generation market, primarily in the solar photovoltaic segment, under a business model designed to create value in generation projects, in different phases of development, through: (i) a platform based primarily in Spain and Portugal; and (ii) a platform in Latin America, with various projects in Mexico, Chile, Colombia and Central America, among other countries.

In general, the Group is engaged in the following activities:

> Generating, trading and/or distributing electricity under the corresponding laws and regulations of each country in which it operates.

> Designing, planning, building and operating all kinds of civil and electromechanical works and, in particular, power plants in which electricity will be generated for the purposes permitted by each country's laws and regulations.

> Operating and managing power plants, mainly using photovoltaic technology.

> Providing advisory services to related parties.

In particular, the Group carries out the following activities:

a. Representation activity: This activity pertains to the advisory services provided in the Wholesale Electricity Market (MEM) and to energy management for renewable energy power plants.

b. Electricity supply activity (Electricity Supply): This activity comprises the set of products and services required to meet demand from and allow electricity consumption by End Users (Qualified in Mexico or Non-Qualified in Spain).

c. Power generation activity: This activity relates to the sale of electricity generated by the Group's assets and used exclusively to meet the self-supply needs of its self-consuming members (self-consumption).

d. Purchase and sale of CECs: This activity consists of buying and selling Clean Energy Certificates (CECs) to prove that a percentage of the electricity supplied is from renewable energies.

e. Electricity trading activity: This activity consists of selling electricity to qualified consumers or to any other parties in the electricity system under any legally permitted contractual arrangement.

f. Design, construction and management of power plants: This activity consists of designing, building and managing photovoltaic plants and solar packages, power grids and telecommunications, through which electricity will be generated for the purposes permitted by each country's laws and regulations.

g. Provision of advisory services to related parties: Related companies and associates are provided with advisory services on matters related to local regulations and operations in the electricity market, as well as advice on the development of photovoltaic plant construction projects under each country's legislation.

The Group's activities in each territory are described below:

Mexico

- Electricity supply activity: through the subsidiary Cox Energy México Suministrador, electricity is purchased both on the spot market, from the Mexican National Energy Control Centre (CENACE), and from third parties. In 2022, the Company went from a single customer to seven load centres with an approximate consumption of 18,000 MWh/month. Therefore, additional PPAs (Power Purchase Agreements) had to be concluded with different counterparties.

  A Power Purchase Agreement (PPA) is a long-term arrangement or purchase and sale agreement between a renewable energy developer and a consumer.

- Purchase and sale of CECs: Cox Energy Suministrador has initiated the purchase of Clean Energy Certificates from domestic suppliers, through the Clean Energy Certificate System managed by the Energy Regulatory Commission.

- Representation activity: Cox Energy México Generador represents a wind power plant (Eólica de Coromuel), on whose behalf power purchase and sale transactions were completed.

- Design, construction and management of power plants: photovoltaic plant development activity, mainly Iscali Solar, SA de CV (300 MWp), Atlacomulco, SA de CV (113 MWp) and El Gritón Solar, SA de CV (67 MWp). All three projects are in an advanced stage of development (Note 2.6) and are expected to be "ready to build" (RTB) in 2024.

Chile

- Design, construction and management of power plants: photovoltaic plant development activity, mainly El Sol de Vallenar (308 MWp), in the backlog phase (Note 2.6), and Portezuelo (200 MWp), in the initial development phase (Note 2.6). The other projects in Chile are described in Note 9.

  In Chile, in association with third parties, the Group is also developing the Meseta de los Andes (160 MWp) project, through the company Sonnedix Cox Energy Chile, S.P.A. (Note 10).

- Distributed generation activity: The Group has Small Means of Distributed Generation (PMGD) projects, applying stabilised prices to electricity purchase and sale transactions, the counterparty being the country's national electricity system, for a term of 8+8 years.

- The Group also has a portfolio of Power Purchase Agreements (PPA) for both energy auctions in 2016 and 2017, and self-consumption.

Colombia

- Electricity supply activity: In September 2022, Cox Energy Comercializadora SAS received approval from XM (Colombia's wholesale electricity market administrator) to negotiate energy supply and purchase contracts in the Colombian electricity market. This applies to the wholesale electricity market, to end users and self-consumption (regulated and non-regulated), and to energy public tenders through the Centralised Information System for Public Calls (SICEP).

- Design, construction and management of power plants: The Group is constantly seeking new photovoltaic plant development opportunities in Colombia and has identified 10 projects with a future capacity of 395 MWp. At 2022 year-end, these projects are in the initial development phase. Connection requests have been submitted for all the projects and land contracts have already been concluded for two projects.

Spain

- Electricity supply activity: electricity trading and supply through the subsidiary Cox Energy Energía Comercializadora España, which had approximately 2,500 customers and had supplied 43.6 GWh at 2022 year-end.

- Design, construction and management of power plants: As regards photovoltaic plant development in Spain, the Group, through its wholly-owned subsidiary Cox Energy Europa, S.L., has a 40% ownership interest in Ibexia Cox Energy Development, S.L. (Ibox Energy), a company set up in 2018 as a joint venture between Sonnedix and Cox Energy (Note 10). At 31 December 2022, all phases of Ibox Energy's project portfolio amount to 1,901 MWp.

At 31 December 2022, 2021 and 2020, the Company was controlled by Inversiones Riquelme, S.L.U., which was incorporated on 25 July 2014 and was the Company's principal shareholder at 31 December 2022 and 2021, with an 89.50% stake.

The Company forms part of the Cox Energy Group in the terms of Article 42 of the Spanish Code of Commerce. The Group's ultimate parent is the Spanish company Inversiones Riquelme Vives, S.L.U.

The shares of Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) have been listed on Mexico's Institutional Stock Exchange (BIVA) under the ticker symbol COXA* (formerly Cox Energy América, S.A.B. de C.V.) since April 2020. The above-mentioned company has also been listed in BME MTF Equity's BME Growth trading segment in Spain under the symbol COX since 3 July 2023.

Appendices I and II provide details of the consolidated subsidiaries and associates.

1.2. Regulatory framework

Energy regulatory framework in Mexico

Until December 2013, the generation, transmission, distribution and trading of electricity was reserved for the Federal Electricity Commission (CFE) and generation activities could only be carried out under self-supply permits, cogeneration licences and small or independent production schemes selling their output directly to the CFE in exceptional circumstances.

On 20 December 2013, the Political Constitution of the United Mexican States was amended, reforming the Mexican electricity sector, the main contribution being the unbundling of the value chain of both the electricity sector and the hydrocarbons sector, thereby opening up the sector and allowing an increase in private participation under a free market scheme.

The Electricity Industry Act was published on 11 August 2014, whereby:

> Transmission and distribution services were reserved for the State and a free-market scheme was set up for private participation in the generation, supply and trading of electricity;

> The general terms of the powers held by the Mexican Energy Secretariat (SENER), as the governing body for energy sector policy, and the Energy Regulatory Commission (CRE), as a technical body in charge of granting generation and supply permits, were established, regulating the provision of services and setting tariffs, including electricity transmission and distribution tariffs;

> The Wholesale Electricity Market operated by the Mexican National Energy Control Centre (CENACE) was created and put in charge of assuring the security of dispatch, reliability, quality and continuity of Mexico's National Power System (NPS), and of allowing market participants to purchase energy, power and CECs;

> Provision was made for the holding of auctions to cover the supply of energy, power and CECs from the Federal Electricity Commission (CFE), as the Basic Service Provider for end users;

> A transitional regime was put in place for legacy permits, contracts and power plants, i.e. those operating under the repealed legal regime of the Public Electricity Service Act, respecting vested rights;

> The concept of exempt generators, including grid-connected generators having an output of less than 0.5 MW, was created;

> In conjunction with the Energy Transition Act, the granting of CECs to incentivise the installation of renewable energy plants was established.

The reform liberalised the electricity market, allowing the entry of private initiative to participate in some value chain activities and creating a new energy market in which the CFE would have to compete just like any other participant, so as to diversify the national energy matrix, encourage the installation of clean energies and bring down the costs borne by domestic and industrial end consumers.

Users were divided into two categories based on consumption: Basic Users, consuming less than 1 MW, and Qualified Users, consuming more than 1 MW. The former are supplied by Basic Service Providers and the latter can participate in the Electricity Market, buying energy and associated products from Generators, either directly or through a Market Participant, Qualified Service Provider or Trader.

On 8 September 2015, the first Electricity Market Regulations were published, the purpose being to regulate the Wholesale Electricity Market (MEM) and develop in greater detail the powers of the Energy Secretariat (SENER), the Energy Regulatory Commission (CRE) and the National Energy Control Centre (CENACE), as the independent operator of the National Power System (NPS) in charge of guaranteeing fairness and open access and determining the way in which the system's infrastructure is developed.

On 24 December 2015, the Energy Transition Act was published, developing more detailed clean energy obligations in order to promote migration from an energy matrix traditionally dominated by fossil fuels towards a diversified matrix with a larger contribution from sustainable power generation sources, such as solar photovoltaic and thermal, wind, tidal, geothermal, nuclear, bioenergy and efficient cogeneration, among others. It was also established that the SENER would target a minimum contribution to power generation from clean energy of 25% by 2018, 30% by 2021 and 35% by 2024. The first year of obligatory delivery of CECs was 2018, when they had to reach 5% of traded electricity. In March 2019, the CEC requirements for the 2020, 2021 and 2022 obligation periods were ratified. For 2020, 2021 and 2022, the CEC requirements were 7.4%, 10.9% and 13.9%, respectively.

Three long-term auctions have been conducted to date, two in 2016 and one in 2017. The 2017 auction included a clearing house, which allowed buyers other than the Federal Electricity Commission (CFE) to participate. In 2018, the CENACE announced the fourth long-term auction for the purchase and sale of energy, capacity and CECs. In August 2018, the pre-qualification and registration of potential buyers and the submission of pre-qualification applications for offers for sale took place. However, the auction was suspended in December 2018 and cancelled in January 2019. The government then announced the revision of the contracts entered into with private companies in connection with the previous auctions and cancelled the investments to upgrade the electricity transmission system at the national level.

On 28 October 2019, the SENER published the agreement amending the guidelines on the criteria for granting CECs, extending the possibility of issuing CECs for plants operating prior to the entry into force of the Electricity Industry Act, thus significantly increasing the number of CECs available in the market. In December 2019, definitive stays were ordered, precluding the application of the changes to these CEC guidelines until a final judgement was issued in the lawsuits under which those measures were granted.

On 29 April 2020, the CENACE published a resolution guaranteeing the efficiency, quality, reliability, continuity and security of the National Electricity System, due to the recognition of the Covid-19 epidemic ("CENACE Resolution"), acknowledging the health emergency, ordering the suspension of the tests that new wind and photovoltaic plants required to interconnect to the electricity system, and changing the dispatch rules for existing plants. Furthermore, on 15 May 2020, SENER published the NPS Reliability, Security, Continuity and Quality Policy ("SENER Policy"), extending the powers held by the SENER, the CRE and the CENACE to make decisions related to the reliability, security, continuity and quality of the National Power System (NPS), and tightening requirements for the grant of generation permits and interconnection contracts, as well as modifying the power plant dispatch rules.

On 10 June 2020, the company CFE Intermediación de Contratos Legados published a notice increasing the porting tariffs, i.e. transmission tariffs for holders of legacy interconnection contracts with renewable energy generation or efficient cogeneration plants, based on the Federal Electricity Commission's Resolution/893/2020 approved in May 2020.

On 9 March 2021, a decree was published in the Official Gazette of the Federation reforming and adding various provisions to the Electricity Industry Act, the most substantive changes being:

> The company CFE Suministro Básico will amend its electricity coverage contracts with Legacy Power Plants and External Legacy Power Plants to stipulate a physical delivery commitment.

> A dispatch priority is established for power plants that have entered into contracts containing a physical delivery commitment and, secondly, priority is given to the dispatch of clean energies.

> The Energy Regulatory Commission (CRE)'s power to grant generation permits is limited, as it must observe the Electricity System planning criteria issued by the SENER.

> The company CFE Suministro Básico is allowed to purchase electricity through mechanisms other than auctions.

> The criteria for granting CECs are clarified. Previously, Clean Energy Certificates were granted to power plants holding permits received under the Electricity Industry Act or to generators classed as exempt from permits. The aim is to extend the grant of CECs to power plants installed before the enactment of the Electricity Industry Act, the majority of which are owned by the Federal Electricity Commission (CFE).

> The CRE is empowered to revoke self-supply permits granted or amended through fraudulent evasion of the law.

The above-mentioned changes must be reflected in the Market Rules within six months as from the entry into force of the reform.

Although the reform was published in the Official Gazette of the Federation, application was suspended due to the rulings on applications for legal protection filed by private parties, in which the suspension was ordered with general effects, as a precautionary measure. Actions for unconstitutionality were also brought against the reform of the Electricity Industry Act by the Chamber of Senators of the Congress of the Union and by the Government of the State of Colima, as well as a constitutional controversy suit brought by the Federal Economic Competition Commission (COFECE).

In view of the suspensions granted against the Act, on 30 September 2021, the United Mexican States' Federal Executive submitted to the Chamber of Deputies an Initiative of Decree amending Articles 25, 27 and 28 of the Political Constitution of the United Mexican States on energy and natural resources, which, if approved, would bring in fundamental changes to Mexico's energy industry. This initiative proposed that the electricity industry, including generation, transmission, distribution, transformation and supply, should become a strategic area reserved exclusively to the State, through the Federal Electricity Commission (CFE).

Some of the most significant aspects of the constitutional reform initiative are as follows:

Electricity:

> All electricity generation permits granted to private parties to date, together with the electricity purchase and sale contracts they have entered into, would be cancelled. The Wholesale Electricity Market would be eliminated, and a new organisational structure would be created, controlled by the Mexican State through the CFE. Under this new regime, private parties would only be allowed to contribute up to 46% of the energy required by the country and they would do so under the terms and conditions to be determined by the CFE, taking into account the total production costs and guaranteeing the lowest costs for the public service.

> The Mexican State, through the CFE, would take back monopoly control of the national electricity industry as the body in charge of: (i) distribution, transmission, transformation and supply of electricity; (ii) purchase and sale of electricity to private generators; (iii) exclusive sale of electricity to end users; (iv) regulation of tariffs for the distribution, transmission and final cost of electricity; and (v) control and operation of the National Electricity System. The Energy Regulatory Commission (CRE) would be eliminated so that the SENER could take over its functions and structure. The National Energy Control Centre (CENACE) would be reincorporated into the CFE's organisational structure.

> Following these changes, electricity and capacity generated by the private sector could only be acquired by the CENACE under long-term bilateral financial hedging contracts or by means of contractual mechanisms to be determined by the Federal Electricity Commission (CFE) under a special contracting scheme. The CENACE would purchase the electricity from the private sector, taking into account competition between that sector and its production costs.

> The "self-supply of electricity" regulated by the Public Electricity Service Act ("LSPEE", according to its Spanish initials) would not be recognised. However, power plants that "authentically" generate energy and capacity under that scheme, in compliance with that legal structure, may continue to generate electricity for sale to the CFE, through the CENACE. Along these lines, "independent power producers" that have entered into power and capacity purchase and sale contracts with the CFE under the LSPEE would no longer be recognised as such, since this regulatory concept would cease to exist. However, as with the "self-supply" scheme, these power generators could continue to produce electricity for sale to the CFE, through the CENACE. It could be interpreted from the Reform Initiative that (i) the power purchase and sale contracts currently entered into between those producers and the CFE would be "cancelled" or terminated in advance; (ii) the electricity generated by those producers could be sold to the CFE, through the CENACE, under a regime allowing competition in the private sector, determined by the cost of energy production, as regulated by CFE; and (iii) the purchase and sale of surplus electricity from those producers would be eliminated. Electricity generation under the self-supply and independent power producer scheme would be included within the maximum limit of 46% private sector participation in electricity generation.

> Power plants built since the 2013 energy reform would also be included in the 46% private sector share of electricity generation. Nonetheless, it is clear from the Reform Initiative that the electricity and capacity of those plants would be acquired exclusively by the CFE, through the CENACE, as would also be the case of the electricity generated under the "self-supply" and "independent power producer" scheme. The same would apply to power plants participating in long-term auctions, in which case the electricity generated by the power plants could be purchased by the CENACE, thereby leading to the early termination of the coverage contracts currently entered into with the company CFE Servicios Básicos and/or the CENACE, in its capacity as a clearing house.

> In view of its control over the National Electricity System operations, the CFE would be in charge of determining power plant dispatch, defining shut-downs and operating conditions, among other aspects, which could lead it to prioritise dispatch from its own power plants.

> The "sovereign energy transition" would be left exclusively to the Mexican state without the participation of the private sector, with the state being responsible for using all available energy sources (regardless of whether they are clean or conventional) to reduce emissions of greenhouse gases and components. "Clean energy certificates", the only legal instrument that currently exists under Mexican law to incentivise the generation and use of electricity from clean and renewable sources, would be eliminated, infringing the Energy Transition Act, the General Law on Climate Change and the Electricity Industry Act, among other local legislation and international commitments to mitigate the adverse effects of climate change. In addition, the industries required for the energy transition would be considered a priority for national development and the public sector would therefore be exclusively in charge of these industries, i.e. those related to the entire value and/or supply chain of Mexico's electricity industry. Bearing in mind the restriction of private sector participation in the Mexican electricity industry and the core aspects of the electricity reform initiative described above, the Reform Initiative would entail the imminent elimination of the Wholesale Electricity Market ("MEM"), thereby precluding the purchase and sale of electricity and associated products in this market, as well as the repeal of the MEM Basic Regulations and the MEM Rules. This, together with the fact that the Federal Electricity Commission (CFE) would be the only company that could sell electricity to end users, would *de facto* eradicate any free competition from the electricity market.

> Finally, it is stated that the functions exercised solely by the State in relation to electricity would not be considered a monopoly.

The changes proposed by the Reform Initiative were systemic and fundamental in nature.

To enter into force, it would have to be approved by two thirds of the persons present at the Chamber of Deputies and the Senate, and also by the majority of the legislatures of the 31 states and Mexico City.

Were it to be approved as proposed, the Reform Initiative would affect developers, generators, qualified suppliers, end users qualified under the basic supply scheme, qualified users, traders, permit holders and consumer members of the self-supply/co-generation scheme, permit holders/contractors (independent production) and energy industry participants in general.

In April 2022, the Supreme Court sat to vote on the unconstitutionality of the Constitutional Reform Initiative. The initiative was debated in the plenary of the Chamber of Deputies on 17 April 2022 and was not approved. Therefore, private parties can continue to participate in generation, supply and trading activities. The participation of generators in the market is not restricted and consumers can continue to contract with electricity suppliers, taking advantage of the benefits brought by economic competition for participants in any market.

There was no consensus on the entire law, but separate votes were cast on different provisions, clearly favouring unconstitutionality. The results of the votes are not binding, as the rulings on applications for legal protection against the Reform of the Electricity Industry Act are still in force, but they can serve as a guide for judges ruling on applications for legal protection.

In October 2022, the Supreme Court of Justice of the Nation lifted the suspension that had been imposed in February on the review and analysis of the applications for legal protection filed against the changes to the Act, so those applications are still being analysed and resolved.

European energy regulatory framework

Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018, on the Governance of the Energy Union and Climate Action

The EU is committed to combating climate change and transitioning to a decarbonised economy. The Regulation lays down a governance mechanism in order to:

> apply strategies and measures designed to meet the general and specific objectives of the Energy Union and Climate Action, as well as the Union's long-term greenhouse gas emission commitments, in line with the 2015 Paris Agreement on climate change;

> foster cooperation between Member States, including, where appropriate, at the regional level, so as to achieve the general and specific objectives of the Energy Union;

> guarantee the timeliness, completeness, accuracy, consistency, comparability and transparency of the information submitted by the Union and its Member States to the Secretariat of the UNFCCC and the Paris Agreement team;

> contribute to increased legal certainty, as well as greater security for investors, and help to fully exploit the opportunities for economic development, investment stimulation, job creation and social cohesion.

The governance mechanism is based on long-term strategies, national integrated energy and climate plans spanning ten-year periods, beginning in the period from 2021 to 2030, the corresponding national integrated energy and climate status reports prepared by the Member States, and integrated monitoring arrangements made by the Commission.

The Regulations will apply to the five dimensions of the Energy Union:

> energy security;

> internal energy market;

> energy efficiency;

> decarbonisation; and

> research, innovation and competitiveness.

European Green Deal

It sets out a new growth strategy to transform the European Union into a just and prosperous society, with a modern, resource-efficient, competitive economy, and with the goal of making the European Union the first climate-neutral continent by 2050. The European Green Deal of December 2019 includes a roadmap of actions to boost resource efficiency by shifting to a clean, circular economy, and to halt climate change, reverse biodiversity loss and reduce pollution. It describes the necessary investments and available financing instruments, and explains how to ensure a just and inclusive transition.

The European Green Deal addresses all sectors of the economy, particularly transport, energy, agriculture, buildings and industries, such as steel, cement, ICT, textiles and chemicals.

Just Transition Mechanism

The Just Transition Mechanism was devised as a key to ensuring that the move to a climate-neutral economy is equitable and leaves no one behind. It provides specific support to help mobilise approximately €55 billion over the period 2021-2027 in the most affected regions, so as to mitigate the socio-economic impact of the transition.

Directive 2014/95/EU (Non-Financial Information Directive)

The EU has initiated a procedure to amend Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, which regulates the disclosure of non-financial information and diversity information by certain large companies and groups, in view of the need to enhance the transparency of social and environmental information furnished by undertakings in all industries to a similar high level in all Member States.

The Directive indicates that certain minimum legal requirements must be established as regards the scope of the information that undertakings must make available to the public and to the Union authorities.

National Integrated Energy and Climate Plan (NECP) 2021-2030

To meet the targets, the EU requires each Member State to draw up a national integrated energy and climate plan for the period 2021 to 2030 and then every 10 years for the following 10-year periods, so that the EU can achieve its overall greenhouse gas emissions targets.

The NECP addresses the five dimensions of the EU's Energy Union:

> Energy security (security of supply). Guarantee the necessary resources to ensure the diversification of the national energy mix, reducing fossil fuel imports and promoting the use of local fuels. Renewables and efficiency actions are expected to reduce energy supply dependence from 74% in 2017 to 61% in 2030.

> Internal energy market. Achieve a more competitive, transparent, flexible and non-discriminatory energy market, and promote the interconnection of the EU Member States' national markets and cross-border energy trade in the EU.

> Energy efficiency. Improve primary energy efficiency by 39.5% by 2030.

> Decarbonisation. The long-term objective is to become a carbon-neutral country (2050). In the medium term (2030), the aim is to achieve a 23% reduction in emissions compared to 1990.

> Research, innovation and competitiveness. Coordinate research, innovation and competitiveness policies in the environmental and energy sectors with other industry policies, and promote public-private participation, partnerships and business research and innovation.

In 2022:

The EU focused on taking action to address high energy prices caused by the war in Ukraine, so as to reduce the impact on consumers.

The European Commission published new communications on measures to mitigate the effects of energy prices and overcome energy dependence on Russia:

A. European Commission Communication COM (2022) 108 of 8 March 2022. This communication sets out new actions to ramp up the production of green energy, diversify supplies and reduce demand, focusing primarily on gas, which significantly influences the electricity market and where the global market is less liquid. The focus can be extended to phasing out dependence on Russian oil and coal, for which the EU has a broader diversity of potential suppliers.

B. European Commission Communication COM (2022) 230 of 18 May 2022. REPowerEU. This communication is about rapidly reducing the EU's dependence on Russian fossil fuels by fast forwarding the clean transition and joining forces to achieve a more resilient energy system and a true Energy Union.

Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage

It increases underground gas storage targets to 80% by 1 November 2022 and sets a target of 90% for the following years.

Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas

It establishes a voluntary reduction of 15% of consumption (7% in Spain) between 1 August 2022 and 31 March 2023, although it could become mandatory in the event of a European alert.

Council Regulation (EU) 2022/1854 of 6 October 2022 on an emergency intervention to address high energy prices

It establishes voluntary electricity consumption reduction targets of 10% of gross electricity consumption and a mandatory 5% for consumption during peak hours, with a ceiling of €180/MWh for inframarginal generation, allowing Member States to reduce this price ceiling.

Council Regulation (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders

It lays down rules for demand aggregation and joint purchasing in the markets, and mechanisms for decongesting infrastructures; it creates a new European LNG index, imposes control of intra-day gas price volatility and establishes new rules for cross-border solidarity in the event that the European Commission declares an emergency due to a very serious gas shortage.

Council Regulation (EU) 2022/2577 of 22 December 2022 laying down a framework to accelerate the deployment of renewable energy

It provides for short-term measures targeting renewable energy facilities in all the Member States and will enter into force and apply for an 18-month period as from 23 December 2022.

Council Regulation (EU) 2022/2578 of 22 December 2022, establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices

It establishes a temporary market correction mechanism to limit episodes of excessively high gas prices in the Union that do not reflect global market prices, applicable for one year as from 1 February 2023.

Energy regulatory framework in Spain

Joint Resolution of 25 March 2021 by the Directorate General for Energy Policy and Mines and the Spanish Climate Change Office, publishing the Resolution of the Council of Ministers of 16 March 2021 whereby the final version of the Ministry for the Ecological Transition and the Demographic Challenge's National Integrated Energy and Climate Plan 2021-2030 was adopted.

In 2016, the European Commission presented the "Winter Package" ("Clean energy for all Europeans"), which has been developed by means of various regulations and directives. They include legislative reviews and proposals on energy efficiency, renewable energy, electricity market design, security of supply and governance rules for the Energy Union.

This new regulatory and policy framework provides regulatory certainty, creates the conditions for the major investments that need to be mobilised and encourages European consumers to engage with the energy transition. These initiatives are intended to facilitate and upgrade compliance with the following key binding targets for the EU by 2030:

> 40% reduction in greenhouse gas emissions compared to 1990.

> 32% renewables in relation to total gross final energy consumption.

> 32.5% improvement in energy efficiency.

> 15% electricity interconnection between Member States.

On 28 November 2018, the European Commission updated its long-term strategic vision ("A clean planet for all") for the European Union to achieve a prosperous, modern, competitive and climate-neutral economy by 2050.

For all the EU Member States to achieve these objectives in a coordinated way, the "Winter Package" includes a Governance Regulation. It sets out the planning procedure for meeting the goals and targets, ensuring the consistency, comparability and transparency of reporting to the UNFCCC and the Paris Agreement team. Specifically, the EU requires each Member State to draw up a National Integrated Energy and Climate Plan 2021-2030. The NECPs submitted by each Member State will be used by the Commission to determine the degree of joint compliance and to define corrective actions in the event of departures.

Spain's NECP identifies the challenges and opportunities spanning the five dimensions of the Energy Union:

> decarbonisation, including renewable energies;

> energy efficiency;

> energy security;

> internal energy market; and

> research, innovation and competitiveness.

Spain's NECP 2021-2030 aims to make progress with decarbonisation, laying a firm foundation to consolidate a climate-neutral economy and society by 2050.

Plan implementation will shift the energy system towards greater energy self-sufficiency through the efficient use of Spain's existing renewable energy potential, particularly solar and wind energy.

It is hoped that, by 2030, renewable energies will account for 42% of final energy consumed, thanks to the planned investment in electrical and thermal renewables, as well as the considerable reduction in final energy consumption as a result of savings and efficiency programmes and measures across all sectors of the economy.

The long-term objective guiding the preparation of the plan is to make Spain a carbon-neutral country by 2050. In that direction, the medium-term goal is to reduce emissions by at least 20% by 2030, compared to 1990.

The plan foresees a total installed capacity of 161 GW in the electricity industry by 2030:

> 50 GW will be wind energy;
> 39 GW will be solar photovoltaic energy;
> 27 GW will come from gas combined-cycle plants;
> 16 GW will be hydro energy;
> 9.5 GW will be pumped-storage energy;
> 7 GW will be solar thermal energy; and
> 3 GW will be nuclear energy, plus minor capacities from other technologies.

Renewable power generation will account for 74% of the total by 2030, on course for a 100% renewable power industry by 2050.

Plan forecasts indicate that the share of renewables in final energy use will be 42% by 2030. This is the consequence of the high penetration of electricity and thermal renewables in all sectors of the economy, thanks to measures that guarantee visibility and stability in the medium term, greater flexibility, increased citizen participation in the energy system and specific support measures in the areas that need them.

In addition, through self-consumption and distributed generation, demand-side management, the promotion of local energy communities and specific measures to promote proactive citizen engagement with decarbonisation, the diversity of players and participative projects in both renewable energy generation and the energy system as a whole are expected to increase.

Internal energy market:

The internal energy market objectives set out in the plan are a response to the need for a more competitive, transparent, flexible and non-discriminatory market that is highly interconnected, promotes cross-border trade and contributes to energy security. This requires appropriate consumer protection, particularly for vulnerable consumers, stronger competition and effective integration into the European market through the corresponding infrastructures.

In terms of electricity infrastructure, the integration of renewable generation entails the need to bolster and expand transmission and distribution lines in Spain, including mainland connections, non-mainland systems and interconnections between island systems. The plan tackles all these aspects, as well as the development of mechanisms to manage and store unmanageable electricity renewables so as to avoid energy spills.

At the EU level, the degree of interconnection of the Iberian electricity system with the rest of the European continent is below the objectives set. At present, Spain's interconnection rate is less than 5% of the system's installed generation capacity, so new interconnections are needed.

Competitiveness:

Spain is a geography spanning 50 million hectares, including vast areas of low population density, Mediterranean and Atlantic winds, high levels of sunshine, extensive forests and remarkable water resources.

Spain has leading international companies in industries that will be important for the energy transition; it has considerable knowledge capital in institutions such as the Energy, Environmental and Technological Research Centre, the National Renewable Energy Centre, the Institute for Energy Diversification and Saving, Red Eléctrica’s Renewable Energy Control Centre, and other research centres, universities and technology networks, as well as an important industrial fabric in the field of renewable energies.

Note 2.- Summary of the main accounting policies

The main accounting policies adopted when preparing these consolidated financial statements are described below.

2.1. Basis of presentation

Application of IFRS 1 "First-time adoption of International Financial Reporting Standards"

The Group's consolidated financial statements, which are the first to be elaborated, have been drawn up under the International Financial Reporting Standards approved by the European Union ("IFRS-EU"), 1 January 2020 having been set as the transition date. These consolidated financial statements are prepared in order to fulfil historical information requirements for the purposes of a potential capital market transaction.

The Group has applied IFRS 1 while preparing these consolidated financial statements. Therefore, the initial consolidated balance sheet and the closing information at 31 December 2020, 2021 and 2022 have been drawn up in accordance with the IFRS in force for 2022, as required by IFRS 1. All mandatory exceptions and certain optional exemptions to the retrospective application of IFRS have been applied.

Accordingly, at 1 January 2020, the Company has applied the provisions of paragraphs D8 (b) and D13 (a) of Appendix D "Exemptions from other IFRS", described below:

> The Group has opted to apply the exemption relating to currency translation differences, and therefore, all cumulative translation differences in all foreign operations are disregarded at the IFRS transition date. The resulting negative effect of €3 million is recognised in reserves.

> As stipulated in the standard, IFRS allow the subsequent measurement of assets and liabilities employing an approach other than original cost, such as fair value. Therefore, the Company has first-time adopted IFRS measuring the following assets in the opening statement of financial position under IFRS. The level-3 fair value approach (Note 2.11) has been used, recognising any resulting change in the carrying amount by adjusting retained earnings in reserves.

Item	Opening balance per Spanish Chart of Accounts	Fair value effect	IFRS transition date
Intangible assets in projects	5,049	24,139	29,188

The fair value effect relating to the projects in Mexico (Iscali Solar de CV and Atlacomulco Solar) and Chile (El Sol de Vallenar Spa) is based on the valuation performed by an independent expert (Vector Renewables), which issued an asset valuation report in October 2020, in a corporate restructuring context, using a discounted cash flow method and taking into account the phases of the various projects. The discounted flow financial model was based on a series of data and assumptions to reflect the expected behaviour of projects in a pre-operational phase and close to "Ready to build" (RTB), applying the cost approach to project in greenfield phases.

Project	Country	Classification (*)	MWp	Fair value effect	Deferred tax liabilities
El Sol de Vallenar	Chile	Backlog	308	7,568	(2,043)
Iscali	Mexico	Advanced development	300	9,820	(2,946)
Atlacomulco	Mexico	Advanced development	113	5,506	(1,652)
Other minor projects	Chile	-	18	1,245	(336)

(*) See the description of each phase in Note 2.6.

> Other IFRS 1 optional exemptions have not been applied, as they are not relevant to the Group.

The international standards that had been approved by the European Commission and were in force at 31 December 2022 have been applied when preparing the consolidated financial statements. IFRS comprise International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Interpretations issued by the IFRS Interpretations Committee (IFRIC).

As these are the first consolidated financial statements prepared under IFRS-EU, and since no consolidated annual accounts have previously been elaborated under RD 1159/2010 of 17 September, the Group does not present the reconciliations required by IFRS 1 showing the effect of the transition from the Spanish Chart of Accounts to IFRS-EU.

The consolidated financial statements have been drawn up under IFRS-EU applying the going concern principle. This entails using critical accounting estimates, while Management also exercises judgement when applying prevailing accounting standards. Note 3 reveals the areas that involve greater complexity and where the assumptions and estimates are more significant.

All Group companies end their financial year on 31 December.

The figures contained in the consolidated financial statements are expressed in thousands of euros, unless otherwise indicated. The parent company's functional and presentation currency is the euro.

The consolidated financial statements have been prepared on a historical cost basis, save for certain financial assets and liabilities (including derivative financial instruments) measured at fair value.

The ownership interests in subsidiaries, associates and joint ventures (including temporary joint ventures (UTEs)) reflect both direct and indirect holdings.

These consolidated financial statements have been obtained from the accounting records of the parent company and its investees. They include the necessary adjustments and reclassifications to ensure consistency with the Group's accounting policies in terms of both timing and values, and are presented in accordance with IFRS-EU and with the Spanish Code of Commerce, Spanish Companies Act and other applicable commercial legislation, so as to present fairly the Group's equity, financial situation, results and cash flows for the financial year in question.

The consolidated financial statements present, for comparative purposes, for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated accounts, the unaudited figures for 2020, in addition to the figures for the financial years ended 31 December 2022 and 2021.

The Group's consolidated financial statements for the financial years ended 31 December 2022 and 2021 were approved by the Board of Directors on 30 May 2024, as reflected in the minutes containing the administrative body's resolutions.

These consolidated financial statements will be submitted to the parent company's shareholders for approval and are expected to be approved without changes.

<u>Going concern</u>

Group Management has prepared estimates to assess its ability to meet financial commitments and continue to do business as a going concern, by projecting flows of cash and cash equivalents for the following 12 months, taking account of future revenues from current projects, contracts signed after 31 December 2022 and strategic plans.

The projections also reflect the costs and expenses necessary to generate the revenue and meet financial obligations in the ordinary course of business.

The Group believes that its estimates in this regard are appropriate and in line with the current economic situation, its investment plans and the best available estimates of future expenses and income.

At 31 December 2022, the Group reports negative working capital due essentially to financing and working capital transactions in which the payment period exceeds the average collection period, and to the current phases of each project. This notwithstanding, there are various factors that tend to reduce or dispel any doubt concerning the Company's ability to continue as a going concern, as explained below.

> On 16 May 2022, Cox Energy Solar, S.A. arranged a line of credit for up to €30 million with Barclays Bank Ireland PLC, which was used to fund its subsidiary "Cox Energy Latin America, S.L.". Only the first tranche of the credit facility was drawn (€15 million), and therefore, €15 million was drawable. The entire debt has been repaid at the date of preparation of these financial statements.

> In 2022, the Company entered into significant agreements to sell the business units of certain related entities, which will generate considerable financial resources.

  Specifically, the associate Ibexia Cox Energy Development, S.L. (Note 10) completed the sale of a 619 MW photovoltaic asset portfolio. The transaction comprised two sales of 141 MW to Nexwell Power and 458 MW to China Three Gorges (CTG). It was authorised by the Spanish Government in December 2022. The photovoltaic assets sold included the operational projects Posadas (50 MW) in Córdoba and Manzanares (89 MW) in Ciudad Real, as well as a 52 MW portfolio in the provinces of Badajoz, Seville and Ciudad Real. The other projects, completing the total of 619 MW, are in the autonomous regions of Andalusia, Castilla La Mancha, Valencia and Extremadura.

  As a result of this transaction, the Group has received dividends from the associate Ibexia Cox Energy Development amounting to €2.7 million (Note 10).

<u>Economic context</u>

In 2022, the main Spanish stock market index, the IBEX-35, was set back due to outbreak of the Russia-Ukraine war, rising prices of commodities and energy products, and the collapse of freight transport from Asia.

The energy and industrial crisis triggered by the Russia-Ukraine conflict has affected Spain to a lesser extent than other countries, such as Germany, Italy and Eastern Europe. The global crisis that emerged in 2022 following the invasion of Ukraine has made the need to fast forward electrification more apparent than ever, as the most efficient way to reduce dependence on fossil fuels.

The situation caused by the wars in Ukraine, Israel and Gaza, and the international economic consequences, have raised considerable systemic uncertainty that is hindering decision-making by all economic actors and which, depending on new developments and the duration, could impact the Group's business performance.

During the 2022 financial year, the Spanish and world electricity markets were affected by the war in Ukraine, triggering volatility and an increase in wholesale market prices never seen before. The rising energy purchase prices were accompanied by growth in energy selling and trading prices, although the commercial margins forecast by the Group were maintained.

In addition, in 2021 inflation climbed in the main global economies following the recovery from the Covid crisis, which was aggravated in 2022 by hyperinflation, the EU having ended the year at a rate of 10.4%, coupled with a crisis context, which pushed up production costs and the cost of labour employed in projects, as well as the interest rate hikes of 4.25% by the Federal Reserve and 2.5% by the ECB.

<u>Effects of Covid-19</u>

In relative terms, it was business as usual for the Group's various activities during 2022. The effects on the Group's main territories are described below:

> In Mexico, Colombia and Central America, there were no impacts on the Group's planned operations as a result of Covid-19.

> In Chile, there were no effects due to Covid-19, the supply of solar panels having recovered and the execution schedules for ongoing projects having been updated.

> In Spain, there were no material effects on the Group's planned operations.

In relative terms, it was business as usual for the Group's various activities during 2021:

> In Mexico, Colombia and Central America, there were no impacts on the Company's planned operations as a result of Covid-19, since no projects were being developed internally, built or operated in these locations.

> In Chile, there were some delays in the execution schedules affecting the commercial exploitation of the San Javier (3 MWp) project and the Sonnedix Meseta de los Andes (Sonnedix) project. In the latter case, this was due to issues with solar panel supplies caused by the global logistics crisis. Despite this, financial harm incurred was immaterial, the deadlines having been rescheduled in the financial valuation models.

> In Spain, there were no material effects on the Group's planned operations.

At the issuance date of these consolidated financial statements, the Group is unaware of any specific event or circumstances related to Covid-19 that may require updates to estimates and/or judgements, or adjustments to the carrying amounts of its assets and/or liabilities.

2.2. Application of new accounting standards

a) Standards, amendments and interpretations in force in financial years beginning on or after 1 January 2022:

The mandatory standards described below have been adopted by the Group:

> IAS 16 (Amendment) "Property, plant and equipment: proceeds before intended use": The deduction from the cost of property, plant and equipment of any proceeds from the sale of articles produced while the entity is preparing the asset for its intended use is prohibited. Sales revenue from such samples, together with production costs, are now recognised in the income statement. The amendment also clarifies that an entity is testing whether the asset is functioning properly when it assesses the asset's technical and physical performance. The financial return from the asset is not relevant to this assessment. So an asset could be able to be operated as intended by management and be subject to depreciation before it has reached the level of operating performance expected by management. The effective date of these amendments is 1 January 2022.

> IAS 37 (Amendment) "Onerous contracts: cost of fulfilling a contract": The amendment explains that the direct cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. It also clarifies that, before a separate provision for an onerous contract is established, an entity will recognise any impairment loss that has occurred on the assets used to fulfil the contract, instead of on the assets dedicated to that contract. The effective date of these amendments is 1 January 2022.

> IFRS 3 (Amendment) "Reference to the Conceptual Framework": IFRS 3 has been updated to refer to the 2018 Conceptual Framework when determining what constitutes an asset or a liability in a business combination (it previously referred to the 2001 Conceptual Framework). A new exception has also been added in IFRS 3 for liabilities and contingent liabilities. The effective date of these amendments is 1 January 2022.

> Annual IFRS improvements. Cycle 2018 - 2020: The amendments affect IFRS 1, IFRS 9, IFRS 16 and IAS 41, and apply to annual periods commencing on or after 1 January 2022. The main amendments relate to:

> > IFRS 1 "First-time adoption of IFRS": IFRS 1 allows an exemption for a subsidiary that adopts IFRS after its parent. This amendment allows entities that have applied this exemption to also measure cumulative translation differences using the amount recognised by the parent, based on the latter's date of transition to IFRS.

> > IFRS 9 "Financial instruments": The amendment addresses which costs must be included in the 10% test for derecognition from financial liability accounts. The costs or fees may be paid to third parties or to the lender. According to the amendment, costs of fees paid to third parties will not be included in the 10% test.

> > IAS 41 "Agriculture": This amendment removes the requirement to exclude taxation cash flows when measuring fair value under IAS 41.

> IFRS 9 (Amendment), IAS 39 (Amendment), IFRS 7 (Amendment), IFRS 4 (Amendment) and IAS 16 (Amendment) "Interest rate benchmark reform: Phase 2": The IASB has undertaken a two-phase project to determine which exemptions, if any, to provide for the effects of the reform of benchmark interest rates ("IBOR"). The Phase-1 amendments issued in September 2019 provide temporary exemptions from applying specific hedge accounting requirements to relationships affected by the uncertainties arising as a result of the IBOR reform ("Phase-1 exemptions"). The Phase-2 amendments address matters arising during implementation of the reform, including the replacement of an interest rate benchmark with an alternative benchmark rate.

> IFRS 4 (Amendment) "Extension of the temporary exemption from applying IFRS 9": In accordance with the deferral of the effective date of IFRS 17 "Insurance contracts", the amendment changes the end date of the temporary exemption provided by IFRS 4 "Insurance contracts" for the application of IFRS 9 "Financial instruments", requiring that entities apply IFRS 9 in annual periods commencing on or after 1 January 2023, instead of 1 January 2021.

> IFRS 16 (Amendment) "Covid-19-related rent concessions beyond 30 June 2021": The IASB has extended for one year the optional practical expedient provided by IFRS 16 "Leases" to help lessees to account for Covid-19-related rent concessions.

The application of the said improvements and amendments did not have a relevant impact on these consolidated financial statements.

b) Standards, amendments and interpretations of existing standards that have not come into force in the European Union but may be early-adopted at the date of preparation of these consolidated financial statements:

> IFRS 17 "Insurance contracts": IFRS 17 supersedes IFRS 4 "Insurance contracts", which allowed a broad variety of accounting practices. The new standard brought in fundamental changes to the accounts of all entities that issue insurance contracts and investment contracts containing discretionary participation features. In June 2020, the IASB included specific amendments and clarifications in the standard to facilitate implementation, although the fundamental principles were not changed.

> IFRS 17 (Amendment) "Initial application of IFRS 17 and IFRS 9 — Comparative information": The IASB published an amendment to IFRS 17 bringing in limited scope changes to the transition requirements of IFRS 17, "Insurance contracts", without affecting any other aspect of IFRS 17. IFRS 17 and IFRS 9 "Financial instruments" have different transition requirements. For some insurers, these differences may cause specific accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented in their financial statements when they first-time adopt IFRS 17 and IFRS 9. The amendment will help insurers to avoid these mismatches and will thus improve the usefulness of comparative information for investors.

> IAS 1 (Amendment) "Disclosure of accounting policies": IAS 1 has been amended to improve disclosures of accounting policies in order to provide investors and the other main users of financial statements with more useful information. The effective date of these amendments is 1 January 2023.

> IAS 8 (Amendment) "Definition of accounting estimates": IAS 8 has been amended to help to distinguish between changes in accounting estimates and changes in accounting policies. The effective date of these amendments is 1 January 2023.

> IAS 12 (Amendment) "Deferred tax related to assets and liabilities arising from a single transaction": In certain circumstances, under IAS 12, entities are exempt from recognising deferred taxes when they recognise assets or liabilities for the first time ("initial recognition exemption"). Previously, there was uncertainty as to whether the exemption applied to transactions, such as leases and decommissioning obligations, where both an asset and a liability are initially recognised. The amendment clarifies that the exemption does not apply and that deferred taxes must therefore be recognised for such transactions.

c) Other standards, amendments and interpretations of existing standards that have not been adopted by the European Union at the date of preparation of these consolidated financial statements:

> IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associate or joint venture": These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The investor will recognise the entire gain or loss when the non-monetary assets are a "business". If the assets do not meet the definition of a business, the investor recognises the gain or loss to the extent of the interests of other investors. The changes will only apply when an investor sells or contributes assets to its associate or joint venture.

> IAS 7 (Amendment) and IFRS 7 (Amendment) "Supplier finance arrangements ('reverse factoring')": The IASB has amended IAS 7 and IFRS 7 to improve disclosures on supplier finance arrangements ("reverse factoring") and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that some entities have supplier finance arrangements which are not sufficiently visible.

> IAS 21 (Amendment) "Lack of exchangeability ": The IASB has amended IAS 21 to add requirements that will help entities to determine whether a currency is exchangeable and how to determine a spot exchange rate if it is not. When a currency is not exchangeable into another currency, the spot exchange rate must be estimated on a measurement date in order to determine the rate at which an orderly exchange transaction between market participants would be completed on that date under the prevailing economic conditions.

The Group is analysing the possible effects of the new standards. However, no relevant impact on the consolidated financial statements is envisaged.

2.3. Consolidation principles

In order to present the information on a consistent basis, the parent company's valuation principles and standards have been applied to all companies included in the scope of consolidation.

The subsidiaries and associates included in the scope of consolidation in 2022, 2021 and 2020 are detailed in Appendices I and II, respectively.

Note 6 of these notes to the consolidated financial statements provides information on changes to the Group's composition.

a) Subsidiaries

All the entities controlled by the Company are subsidiaries.

Control is exercised when an entity has:

> power over the investee;

> exposure or rights to variable returns from its involvement with the investee; and

> the ability to use its power over the investee to influence the amount of the investor's returns.

The Company will reassess control over an investee whenever events or circumstances point to changes in one or more of the three components of control listed above.

Pursuant to Article 155 of the Spanish Companies Act, the parent company has reported to all the companies that it owns more than 10% of capital directly or through another subsidiary. Appendix IV contains a list of non-Group companies and entities holding an ownership interest of 10% or more in a subsidiary included in the scope of consolidation.

b) Associates

An associate is an entity in which the Group exercises significant influence. Significant influence is the power to participate in the investee's financial and operating policy decisions, without having control or joint control.

The associates' results, assets and liabilities are equity-consolidated. Under the equity method, an investment in an associate is initially recognised at cost and the carrying amount is increased or reduced to recognise the investor's share of the investee's period results following the acquisition date. If the Group's share of an associate's losses is equal to or exceeds the ownership interest, the Group will derecognise its share of the additional losses. The additional losses will be recognised only insofar as the Group has incurred legal or constructive obligations, or made payments on behalf of the associate.

An investment in an associate is equity-consolidated as from the date on which the entity becomes an associate.

Profits and losses resulting from the Company's transactions with the associate are recognised in the Group's consolidated financial statements based on the non-Group ownership interest in the associate.

Pursuant to Article 155 of the Spanish Companies Act, the parent company has informed all the companies that it owns more than 10% of capital directly or through another subsidiary.

In the opinion of the directors, at 31 December 2022 and 2021 there are no material contingent liabilities relating to the Group's interests in associates, other than those described in Note 19.

c) Transactions involving non-controlling interests

The Group accounts for transactions involving non-controlling interests as transactions with the Group's equity holders. In acquisitions of non-controlling interests, the difference between the price paid and the relevant portion of the carrying amount of the investee's net assets is taken to equity. Gains or losses on the disposal of non-controlling shareholdings are also recognised in equity.

When the Group ceases to have control or significant influence, any interest retained in the entity is remeasured at fair value, taking the increase in the investment's carrying amount to the consolidated income statement. Additionally, any amount previously recognised in Other comprehensive income in relation to that entity is accounted for as if the Group had directly sold all related assets and liabilities.

Appendix IV contains a list of non-Group companies and entities holding an ownership interest of 10% or more in a company included in the scope of consolidation.

2.4. Intangible assets

a) Computer software

Computer software licenses are capitalised, including the costs incurred to acquire the specific software and ready it for use. These costs are amortised over their estimated useful lives. Maintenance expenses are directly expensed in the year in which they arise.

Costs directly related to the production of identifiable software are recognised as intangible assets where they are likely to generate economic benefits for more than one year and the following conditions are met:

> It is technically possible to complete production of the intangible asset;

> Management intends to complete the intangible asset in question;

> The entity has the capacity to use or sell the intangible asset;

> Adequate technical, financial or other resources are available to complete the development of the intangible asset; and

> Disbursements attributable to the intangible asset during development may be reliably measured.

Software licences and costs directly related to the production of software carried as intangible assets are amortised over their estimated useful lives, which do not exceed 10 years.

Expenses that do not fulfil the above conditions are taken to the consolidated income statement when incurred.

2.5. Property, plant and equipment

Property, plant and equipment comprise the assets of companies or projects funded using the Group's own resources or by means of recourse financing or non-recourse project financing.

As a general rule, property, plant and equipment are recognised at cost, including expenses directly attributable to the acquisition of the assets, less accumulated depreciation and impairment losses, except for land, which is carried net of impairment losses.

Costs incurred after the acquisition date are recognised as a separate asset when it is likely that the associated future economic benefits may be reliably determined.

Own work capitalised is carried at production cost. All internal gains and losses are eliminated so as to recognise the assets at production cost. In this regard, the construction company's building costs are recognised in the consolidated income statement and are also capitalised under "Other operating income – Own work capitalised" in the consolidated income statement.

Repair and maintenance expenses are charged to the consolidated income statement in the year in which they are incurred.

Costs incurred during the construction period may also include gains or losses on foreign exchange cash flow hedges transferred from equity, relating to acquisitions of property, plant and equipment.

In the case of fixed asset investments in land owned by third parties, the initial estimate of the asset decommissioning or disposal costs and the cost of rehabilitating the site on which the assets stand is included in the capitalised cost. Such cost obligations are recognised and measured at present value in accordance with IAS 37.

The annual straight-line depreciation rates applied to property, plant and equipment (including project assets) are as follows:

Classification/assets	Rate
Land and buildings	
Buildings (*)	-
Plant and machinery	
Plant	10%
Other PPE	
Data-processing equipment	16-25%
Photovoltaic panels	8%
Furniture	10%

(*) Leased office space (IFRS 16); based on the term of the lease.

The residual value and useful lives of assets are reviewed and adjusted, if necessary, at each reporting date.

When an asset's carrying amount is higher than its estimated recoverable amount, the carrying amount is immediately written down to the recoverable amount.

Gains and losses on the sale of panels, furniture and equipment are calculated by comparing the sales revenue obtained with the carrying amount and are recognised in the consolidated income statement.

2.6. Intangible assets in projects

Project development costs are recognised as intangible assets when the recognition criteria set out in IAS 38 "Intangible assets" are fulfilled, i.e. the project is feasible from a technical and commercial perspective, there are sufficient technical and financial resources to complete it, the costs incurred may be reliably determined and a profit is likely to be made.

Therefore, capitalisation of development costs begins when the project is in the initial development phase, provided land and/or operationally viable access to the electricity grid is available and the project is assigned a 35% probability of success, based on the status of permits and taking into account the regulatory framework in each country.

Under each country's legislation, a photovoltaic plant development project must contain the following common information:

1. Proposed location of the power plant, stating the characteristics of the geographic area and including a sketch showing the geodetic coordinates.
2. Whether or not it will be an isolated supply centre.
3. Whether the plant will be individually interconnected to a specific point in the National Transmission Network (NTR) or to the General Distribution Networks (GDN).
4. Single-line diagram of the power plant, including the proposed interconnection point with the National Power System (NPS).
5. Power plant's capacity, indicating alternating current and direct current capacity, where necessary, as well as the estimated annual output.
6. Type of technology and, where applicable, the primary fuel.
7. Social impact assessment.
8. Estimated start and completion dates of the respective works, including the estimated commissioning date.

All the administrative authorisation processes of the local regulatory bodies are intended to optimise the connection capacity available in the system by maximising the benefits that the system will receive due to the entry into operation of the generation projects, as well as maximising the capacity assigned, taking into account the different electricity restrictions imposed by each country's national power grid.

A number of country-specific permits have to be obtained during project development, as follows:

> Mexico: The following local permits are needed, among others: land procurement; generation permit; environmental impact manifest; social impact assessment; archaeological clearance; indicative interconnection study; system impact study; facility study; interconnection contract; change of forest land use; and construction licence.

> Chile: The following local permits are needed, among others: land procurement; connection authorisation application; final connection authorisation report; environmental classification resolution; line easement; interconnection line concession; favourable construction report; transit easement - access road; environmental relevance consultation; geotechnical study; engineering development; and construction licence.

> Colombia: The following local permits are needed, among others: zero-point connection request; land procurement; land title study, providing legal certainty of title; connection study; approval of connection study; UPME (Mining-Energy Planning Unit) registration, phase I; bank guarantee; topographic study of the land; UPME (Mining and Energy Planning Unit) registration, phase II; environmental licence/study approval; connection line approval; transit easement; UPME (Mining and Energy Planning Unit) registration, phase III; substation connection engineering; geotechnical study; construction licence.

At 31 December 2022, 2021 and 2020, the Group has a portfolio comprising various projects in the pre-operational phase, located primarily in Chile and Mexico. Electrical studies, radiation resource studies, approved environmental and social permits, and a defined, approved connection point have already been obtained for a large part of the projects. The Group expects them to become commercially operational during 2023 and 2024.

Movements during the year relate to expenses incurred in the pre-operational phase in relation to the various studies and permits required during project development, as well as currency translation differences on the local currency in relation to the euro.

In the promotion phase, before incurring expenses of any kind, the company undertakes a number of legal, technical, financial and environmental pre-feasibility studies to ensure minimum viability. Depending on the geography and the particularities of the country, these studies adopt a minimum approach, focusing on land control, technical feasibility and the possibility of access to the electricity grid. On this basis, the probability of success of the project is determined as follows:

- Initial development (35%): project phase defined by the Group based on technical and financial feasibility, depending on whether land is available and/or there is operationally feasible access to the electricity grid.
- Advanced development (+50%): project phase defined by the Group in a technically and financially advanced situation, as the land has been secured or is more than 50% likely to be obtained, applications for grid access have been submitted with an estimated 90%+ chance of being approved and the environmental permit has been requested.
- Backlog (90%): project phase defined by the Group in the final stage prior to construction, where land and grid access have been secured, there is a greater than 90% probability of obtaining the environmental permit and there is a framework agreement with a power purchaser or a stabilised price scheme.
- Under construction (>90%): project phase defined by the Group in which the construction company is instructed to begin the works on site. In this phase, project completion is virtually free of risk.
- In operation (100%): project phase defined by the Group in which responsibility for the asset has been transferred from the entity performing the EPC functions to the Group's operating team.

With regard to the commercial solution for the projects, the Group has a unique strategy for each project, based on market, size and vertical integration criteria in each country. Revenues are assured in whole or in part by public or private contract awards, direct long-term contracts with creditworthy counterparties and hedges with the Group's supply companies that already have contracts with direct customers or revenues having market exposure. This is all supplemented by additional revenue from other products such as power or green certificates.

Other development expenses, such as research and development, that do not meet the above criteria are taken to the income statement when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The amortisation of development costs begins when the projects meet the necessary conditions to function legally and operationally as envisaged by the Group, at which point they are taken to property, plant and equipment. Once these conditions are met, each project and the associated contractual and legal rights are analysed to determine the term of those rights and the asset's estimated useful life for subsequent depreciation.

The impairment policy is described in Note 2.9 and Note 3 Accounting estimates and judgements.

2.7. Classification as current and non-current

Assets are classified as current if they are expected to be realised within 12 months as from the date of the consolidated statement of financial position. Otherwise, they are carried as non-current assets.

Liabilities are classified as current, unless there is an unconditional right to defer settlement for at least 12 months as from the date of the consolidated statement of financial position.

2.8. Borrowing costs

Borrowing costs incurred to build any qualified assets are capitalised over the period of time needed to complete and prepare the asset for its intended use. A qualified asset is an asset that needs a substantial period of time to be ready for internal use or sale, which the Group regards as more than one year.

Borrowing costs (ordinary interest on loan principal, late-payment interest, etc.) are expensed in the year they are incurred.

2.9. Non-financial asset impairment

The main criteria followed when analysing the impairment of other non-financial assets not carried as held for sale are described below.

Property, plant and equipment, project assets and intangible assets having finite and indefinite useful lives are reviewed for indications of impairment. This review is performed annually, or more frequently when an event is detected that is an indication of impairment.

As stated in the international standards, the Company carries out an annual assessment to identify indications of asset impairment, considering the following aspects, at minimum:

- Observable indications that the asset's value has decreased, during the period, significantly more than would be expected due to the passage of time or normal wear and tear.
- Significant changes have taken place during the period, or will take place in the immediate future, affecting the legal, economic, technological or market environment in which the Company operates, or in the market in which the asset is to be used.
- During the period, market interest rates, or other market rates of return on investments, have increased and are likely to affect the discount rate used to calculate the asset's value in use, such that its recoverable amount has fallen significantly.
- Significant changes in the scope of the asset or the way in which it is used or is expected to be used have taken place or are expected to take place in the immediate future, which will adversely affect the entity.
- Evidence is available from internal reports indicating that the asset's economic performance is, or will be, worse than expected.
- Management's own forecasts of future net cash inflows or operating profits are significantly lower than the budgeted amounts and prior forecasts.

Where there are indications of impairment, the asset's recoverable amount is calculated to determine any impairment loss. The recoverable amount is the higher of market value less costs to sell and value in use, which is the present value of estimated future cash flows.

Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit (CGU) of which the asset forms part is calculated, a CGU being "the smallest identifiable group of assets that generates cash inflows which are largely independent from the cash flows of other assets or groups of assets". These assets are impaired when the carrying amount of the CGU of which they form part is below its recoverable amount.

In order to calculate value in use, the assumptions used include discount rates, growth rates and expected changes in selling prices and costs. The directors estimate discount rates that reflect the time value of money and risks associated with the CGU. Growth rates and changes in selling prices and costs are based on internal and industry forecasts, and on experience and future expectations, respectively.

Inflation in Chile and Mexico is calculated using external sources for consistency, such as Statista for both countries and also EMBI Latam Risk for Chile.

Betas are calculated using external sources published on the Damodaran website, for the electricity industry in particular.

Estimated discount rates are representative of the weighted cost of capital of each type of project, concession or intangible asset, and depend on the country in which they are located. They are calculated taking account of the type of project or concession, financial leverage, debt terms and conditions, and the project's time horizon.

Note 9 describes the discount rates and sensitivities employed.

There follows a description of the main assumptions made when calculating value in use:

> For assets with a finite life and long-term project financing, forecast cash flows are projected to the end of the asset's life and no terminal value is considered.

> At present, CGUs are defined at the independent project level for each photovoltaic plant and the discount rates (WACC) used to calculate the assets' recoverable amount mainly range from 9% in Chile to 14% in Mexico.

  The use of these financial projections is explained by the fact that the assets have a contractual structure (framework agreement) allowing the project costs to be clearly determined (both in the initial investment phase and in the operating phase) and revenues to be reasonably projected throughout the life of the project, as they are stipulated in long-term take-or-pay or power purchase contracts.

  Therefore, the projections include both known data based on project contracts and key assumptions obtained from specific expert studies, such as demand and production assumptions. Macroeconomic data (inflation, risk-free rates, country risk, interest rate, market risk, etc.) are projected and discount rates are calculated based on the CAPM financial asset pricing model, using consistent assumptions for all assets, and taking into account the specific nature of each asset being valued in the case of the beta estimate.

> Flows from assets located abroad are calculated in the functional currency of the assets and discounted applying rates that take account of country risk, normally using the local 10-year bond as a benchmark. Where this information is not available, the euro risk-free rate is used, plus the inflation spread of both currencies, plus a country risk premium obtained from external benchmark sources.

> Sensitivity analyses are also carried out, particularly in relation to the discount rate used, the residual value, where applicable, and reasonable changes to the key business inputs, so as to assess whether any changes when estimating the inputs affect the potential recovery of the assets recognised.

  If the recoverable amount is below the asset's carrying amount, an impairment loss is charged to the account "Depreciation/amortisation charges and impairment losses" in the consolidated income statement. Prior-year asset impairment losses, except in the case of goodwill, are reversed by crediting the above-mentioned account when the recoverable amount estimate changes, up to the limit of the asset's carrying amount had the write-down not been recognised.

  Intangibles not yet ready for use relating to capitalisable expenses, mainly incurred during the commissioning of solar photovoltaic generation projects, are tested annually for impairment, or more frequently where events or circumstances indicate that they may have become impaired. These tests entail estimating the recoverable amount of the assets.

  An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

  Note 3 describes the considerations for determining the recoverable amount of assets, based on IAS 36.

2.10. Financial assets (current and non-current)

Financial assets are classified in the following categories, depending on the entity's approach to managing the assets and on the contractual features of the financial asset's flows:

a) financial assets at fair value through profit or loss; and

b) loans and receivables (financial assets at amortised cost).

Management determines the classification of investments when they are initially recognised and reviews this classification at each year-end, based primarily on a business model the main purpose of which is to collect contractual cash flows. For this reason, most of the Group's financial assets are in the amortised cost category.

a) Financial assets at fair value through profit or loss

This category includes both financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired primarily for the purpose of selling it in the short term or if so designated by Management. Derivative financial instruments are also classified as held for trading when they do not meet requirements to be designated as accounting hedges.

They are initially and subsequently recognised at fair value, excluding transaction costs. Successive fair value changes are recognised on the line gains/losses on financial assets at fair value under "Financial income/Financial expenses" in the consolidated income statement.

At 2022 and 2021 year-ends, the Company recognises in this category (Note 12) a pre-emptive right to series-B shares in the investee Sonnedix (Note 10).

b) Loans and receivables (financial assets at amortised cost)

This category includes loans and receivables classed as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost applying the effective interest method. Interest calculated using the effective interest method is recognised in the consolidated income statement on the line interest income on loans, under "Financial income".

Financial assets at amortised cost are held primarily to obtain contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and of interest on outstanding principal.

c) Impairment of financial assets

The Group assesses whether there is objective evidence of the impairment of a financial asset or group of financial assets at each consolidated statement of financial position date. This calls for significant judgement. In order to make this judgement, the Group assesses, among other factors, the duration and extent to which the fair value of an investment is less than cost and the financial standing and short-term business outlook of the entity issuing the securities, including factors such as industry and sector performance, changes in the technology and cash flows from operating and financing activities.

Under IFRS 9 "Financial instruments", on 1 January 2018, the Group applied an "expected loss" model after measuring and estimating the impairment provision required when applying the new, simplified expected loss model to financial assets.

The Group prospectively assesses expected credit losses associated with assets carried at amortised cost. The impairment method applied depends on whether there has been a significant increase in credit risk.

For receivables, the Group applies the simplified approach permitted by IFRS 9, which requires losses expected over the instrument's life to be recognised as from the initial recognition of the receivables.

At the year-end, the necessary impairment adjustments are made where there is objective evidence that all receivables will not be collected.

The Group considers there to be evidence of impairment in any of the following circumstances:

- debtor's significant financial difficulties;
- probability that the debtor will become bankrupt or require a financial reorganisation; and
- default or late payment, as from the first failure to honour the contractual deadlines.

The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at the date of initial recognition. Impairment adjustments and any reversals are recognised in the consolidated income statement.

2.11. Fair value estimation

Financial instruments measured at fair value are included in the following hierarchies based on the nature of the inputs used to calculate fair value:

› Level 1: The inputs are assets or liabilities quoted in an active market.

› Level 2: Fair value is determined based on different listed price inputs included in Level 1 which are observable for the asset or liability, either directly (as unlisted prices) or indirectly using valuation models.

› Level 3: Fair value is calculated using inputs not based on observable market data.

The best evidence of the initial fair value of a financial instrument is the transaction price, unless the instrument's value can be obtained from other market transactions involving the same or a similar instrument, or measured using a valuation technique in which the inputs employed include only observable market data, primarily interest rates. In accordance with accounting standards (IFRS-EU), any difference between the transaction price and fair value, based on valuation techniques using data not observable in the market, is not initially taken to the income statement.

a) Level 3 measurement

Level 3 includes financial assets and liabilities designated at fair value through profit or loss. Fair value is calculated using input not based on observable market data.

The measurement method used to calculate fair value consisted of referring mainly to the value of the investment and to the company's cash flows, based on its current business plan and discounted at a rate appropriate for the industry in which each of the companies operates. The values were obtained using internal models and could be different had other models and other assumptions been employed for the main input, although the fair value of the assets and liabilities, and the gains/losses on these financial instruments, are deemed reasonable.

The fair value information is disclosed in a full note for all financial instruments (Note 11).

2.12. Inventories

The amount under this heading derives from the purchase of clean energy certificates from domestic suppliers, which are sold through the Clean Energy Certificate System (S-CEL) managed by the Mexican Energy Regulatory Commission.

These certificates do not have a spot value and their value is determined based on the purchase or sale agreement. They have no expiry date and may only be redeemed by end users.

The Group sells clean energy certificates to prove that a percentage of the electricity supplied is from renewable energies in Mexico. They may be traded together with or separately from the supply of electricity. The price is determined openly by the Group. The income is recognised when the certificates are delivered to the customer and the Group is the principal in the transaction.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated determination costs and estimated costs necessary to complete the sale.

Inventories are stated at the lower of cost and net realisable value. Cost is generally determined using the weighted average price (WAP) method. The cost of finished products and work in progress includes design costs, raw materials, direct labour, other direct costs and manufacturing overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable costs to sell.

2.13. Trade and other receivables

Trade receivables are amounts owed by customers for sales of goods or services in the ordinary course of business.

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less the provision for impairment. Trade receivables falling due within one year are carried at face value, provided that the effect of not discounting flows is immaterial.

The Group applies IFRS 9, as explained in Note 2.10.

The amount of the provision is the difference between the carrying amount of the asset and the present value of forecast future cash flows, discounted at the effective interest rate. Bad debts are adjusted against provisions.

2.14. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits at credit institutions and other short-term highly-liquid investments with an original maturity of three months or less that are held to meet short-term payment commitments.

In the consolidated statement of financial position, bank overdrafts are included under borrowings in current liabilities.

Cash presented in the cash flow statement includes cash at bank and in hand, and current investments.

The amounts of cash and current financial investments approximate fair value, in view of the maturities (less than 12 months).

2.15. Capital and share premium

The parent company's shares are carried as equity. Costs directly attributable to the issuance of new shares are reflected in equity as a deduction, net of tax, from the proceeds.

The Company's treasury shares are carried in equity under “Parent company reserves”. Proceeds from the sale of treasury shares, net of transactions costs, are included in equity attributable to the Company’s shareholders.

Ordinary shares are classed as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

The share premium is the excess of the payment received for shares subscribed over the nominal value of the shares at the subscription date.

2.16. Borrowings and financial liabilities

Borrowings are carried under "Bank borrowings and other" (Note 17). Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Any difference between the proceeds (net of costs necessary to obtain them) and the repayment value is recognised in the consolidated income statement over the life of the debt, applying the effective interest method.

Fees paid on the arrangement of credit lines are recognised as debt transaction costs provided that it is probable that part or all the line will be used. In this case, the fees are deferred until the facility is utilised. Insofar as it is not probable that all or part of the credit line will be used, the commission is capitalised as an advance payment for liquidity services and is amortised over the period during which the facility is available.

Long-term payables

This category includes sundry payables and payables to related parties. These payables are classified as current liabilities, unless the Group has an unconditional right to defer settlement for at least 12 months as from the reporting date.

They are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

All financial liabilities are initially recognised at fair value. Loans and payables are carried net of directly attributable transaction costs.

Financial liabilities include trade payables, other payables, payables to related parties, interest-bearing payables and loans, and derivative financial instruments.

Financial liabilities are subsequently measured as described below on the basis of classification:

Payables and loans

Following initial recognition, interest-bearing payables and loans are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised, and also, through the accrual of interest, applying the effective interest method.

Amortised cost is calculated taking into account any purchase discount or premium, as well as any fees or costs forming part of the effective interest rate. Interest accruing at the effective rate is recognised as a financial expense in the consolidated income statement.

This category includes current and non-current interest-bearing payables and loans.

Derecognition

A financial liability is written off when the obligation is settled or cancelled, or matures. When a financial liability is replaced by another from the same lender under substantially different terms and conditions, or when the terms and conditions of a liability are substantially altered, such as through a swap or modification, the original liability is written off and a new liability is recognised. The difference between the respective carrying amounts is taken to the consolidated income statement.

Netting of financial assets and liabilities

Financial assets and liabilities are offset and presented at net value in the consolidated balance sheet when there is a legal right to offset the amounts recognised and the Group wishes to settle them at net value, or simultaneously realise the assets and settle the liabilities.

2.17. Current and deferred taxes

Tax expense for the year comprises current and deferred tax. Tax expense is recognised in the consolidated income statement, except where it relates to items recognised directly in equity. In the latter case, the tax is also recognised in equity.

Current tax expense is calculated applying tax legislation that has been enacted or substantially enacted at the consolidated statement of financial position date in the countries in which the subsidiaries and associates operate and generate taxable income. Management periodically evaluates stances adopted in tax returns with respect to situations in which applicable tax legislation is open to interpretation. Provisions are posted, where necessary, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is calculated, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination, and at the time of the transaction affects neither accounting nor taxable results, such deferred tax is not recognised. The deferred tax is determined using tax rates enacted or substantially enacted at the date of each company's statement of financial position and expected to apply when the corresponding deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which to offset the temporary differences, generally over a period of between 5 and 10 years, depending on the local jurisdiction.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to temporary differences that arise from investments in subsidiaries and associates is recognised, except where the period for reversing the temporary differences is controlled by the Group and the temporary differences are unlikely to reverse in the near future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to net current and deferred tax assets and liabilities, and when the deferred tax balances relate to the same tax authorities. Current tax assets and liabilities are offset when the Group has a legally enforceable offset right and intends to settle the net amount or to realise the asset and settle the liability simultaneously.

The Group has applied IFRIC 23 “Uncertainty over Income Tax treatments” since 1 January 2019. Under this new standard, the effects of uncertainty when accounting for Income Tax are reflected under “Current tax liabilities and other”.

2.18. Provisions and contingent liabilities

Provisions are recognised when:

- there is a present legal or constructive obligation as a result of past events;
- it is more probable than not that an outflow of funds will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are stated at the present value of the outflows that are expected to be necessary to settle the obligation and the increase in the provision over time is recognised as an interest expense.

Contingent liabilities are possible obligations with third parties and existing obligations that are not recognised because it is unlikely that an outflow of funds will be required to settle them, or the amount of such outflow cannot be reasonably estimated. Contingent liabilities are not recognised in the statement of financial position, unless they have been acquired through a business combination.

Decommissioning provisions

The Group provisions photovoltaic plant decommissioning costs. Decommissioning costs are determined as the present value of costs expected to be incurred to settle the obligation, using estimated cash flows, and are included in the cost of the asset. Cash flows are discounted at a pre-tax rate that reflects risks specific to the decommissioning liability. The reversal of the discount is recognised in the income statement as a financial expense as it occurs.

Estimated future decommissioning costs are reviewed annually and adjusted where applicable. Changes to future estimated costs or to the discount rate applied are added to or subtracted from the asset's cost.

Provisions are calculated by discounting expected future cash outflows at pre-tax market interest rates and, where appropriate, taking into account the risks specific to the liability, provided that the discount has a material effect. When the discount method is employed, the increase in the provision due to the passage of time is recognised as a financial expense.

The Group's policy is to recognise this provision in proportion to the percentage of completion of construction, or when the plant becomes operational.

In December 2020, the Group began to build its first Small Means of Distributed Generation (PMGD) photovoltaic park in Chile, named San Javier I, with an estimated useful life of 25 years. As a result of the analyses carried out, the Group determined that the potential impact was immaterial at 31 December 2022 and 2021.

2.19. Trade and other payables

Trade payables are obligations to make payment for goods or services purchased from suppliers in the ordinary course of business. They are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Nonetheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is immaterial.

Other payables are payment obligations not arising from purchases of goods or services in the ordinary course of business and not equivalent to payables arising from financing transactions.

2.20. Foreign currency transactions

a) Functional and presentation currency

The items reflected in each Group company's financial statements are measured and reported in the currency of the primary economic environment in which the company operates (the Group company's functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company Cox Energy Solar, S.A.

b) Transactions and balances

Transactions in currencies other than the Group company's functional currency are translated into its functional currency using the exchange rates in force on the transaction dates. Foreign currency losses and gains resulting from the settlement of transactions and translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the consolidated income statement under "Exchange differences (net)", unless they are deferred in equity, as in the case of cash flow hedges and net investment hedges.

c) Translation of annual accounts of foreign companies

The results and financial situation of all Group companies having a functional currency that differs from the presentation currency (euro) are translated into the presentation currency as follows:

1) All assets, rights and obligations are translated into the presentation currency using the exchange rate in force at the closing date of the consolidated financial statements.

2) The income statement items of each foreign company are translated into the presentation currency using the annual average exchange rate, calculated as the arithmetic mean of the average exchange rates for each of the 12 months of the year, which is not significantly different from using the exchange rates applicable on the dates of each transaction.

3) The difference between the amount of equity, including the profit/(loss) calculated as described in paragraph (2), translated at the historic exchange rate, and equity resulting from the translation of the rights and obligations pursuant to paragraph (1), is reflected with a positive or negative balance, as appropriate, in equity in the consolidated statement of financial position, under "Currency translation differences".

The results of equity-accounted companies are translated into the presentation currency, where applicable, at the average exchange rate for the year, calculated as indicated in paragraph (2) of this point c).

Goodwill arising from the acquisition of a foreign entity is treated as an asset of the foreign operation and is translated at the year-end exchange rate.

The consolidated balance sheet and consolidated income statement items of the most significant foreign companies included in the consolidation scope were translated into euros applying the following exchange rates:

Item	2022	2021	2020	2019
Average Mexican peso exchange rate	0.0473	0.0417	0.0411	-
Closing Mexican peso exchange rate	0.0479	0.0428	0.0413	0.0464
Average Chilean peso exchange rate	0.0011	0.0011	0.0011	-
Closing Chilean peso exchange rate	0.0011	0.0010	0.0012	0.0012

2.21. Revenue recognition

a) Revenue

Revenues include the fair value of goods sold and services provided, excluding taxes levied on the transactions and deducting all discounts, refunds and intragroup sales as a reduction in the value of the transaction.

The following revenues are distinguished:

> Electricity trading and supply (Electricity Supply) revenue: Selling of electricity to qualified consumers or to any other parties in the electricity system under any legally permitted contractual arrangement. Construction of photovoltaic plants and parks, electricity and telecommunications networks, solar panel installations for self-consumption and other facilities, in all kinds of construction works.

> Revenue from representation services: This revenue is obtained from advisory services provided in the Wholesale Electricity Market (MEM) and energy management for renewable energy power plants in Mexico. These services are provided for the duration of the contract and revenue is generally recognised over time at the amount the Group is entitled to invoice.

> Power generation revenue: Selling of electricity generated by the Group's assets and used exclusively to meet the self-supply needs of its self-consuming members, mainly in Chile. Revenue from electricity sales is recognised when control of the power is transferred to the customer under the relevant contracts. The amount of revenue is based on the volume of electricity delivered at the prices agreed in the contract.

> Revenue from the sale of CECs: The Group sells clean energy certificates to prove that a percentage of the electricity supplied is from renewable energies in Mexico. They may be traded together with or separately from the supply of electricity. The price is determined openly by the Group. The income is recognised when the certificates are delivered to the customer and the Group is the principal in the transaction.

As reported in Notes 2.23 and 23, in 2022, 2021 and 2020 the Group's revenue related primarily to energy supplies in Spain and Mexico. The revenue is recognised when the electricity has been delivered to the customer, using information available in the electricity system based on regular meter readings. If applicable, an estimate of the accrual and value of the energy consumed from the date of the available meter reading to the end of the period is used.

For each good or service identified, the Group determines whether it acts as the principal or agent, depending on which party has the performance obligation.

Disclosures of significant accounting judgements, estimates and assumptions related to revenue from contracts with customers are provided in Note 3 "Accounting estimates and judgements".

2.22. Leases

Leases in which the Group is the lessee are recognised as a right-of-use asset and a lease liability on the date the leased asset becomes available for use by the Group.

The Group records leases recognised under IFRS 16 "Leases" at 31 December 2022, 2021 and 2020.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group employs the IFRS 16 definition of a lease when assessing whether or not a contract includes the right to control the use of an identified asset.

The Group has opted to measure right-of-use assets individually for each lease in an amount equal to the lease liability, which is the present value of the remaining lease payments, discounted at the interest rate implicit in the lease. If it is not available or cannot be easily determined, which is generally the case of the Group's leases, the lessee's incremental borrowing rate borrowings is initially used.

As the lessee:

At the inception or modification date of a contract containing a lease component, the Group allocates the contract consideration to each lease component based on the relevant separate prices. However, in the case of real estate leases, the Group has opted not to separate the non-lease components and to recognise the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at lease inception. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for lease payments made before or as from lease inception, plus any initial direct cost incurred and an estimate of the costs to be incurred to decommission and restore the asset in question or its location (where applicable), less lease incentives received.

At 31 December 2022 and 2021, the Group has assessed and concluded that there is no need for a decommissioning provision, in view of the various types of lease agreements in force:

> Office lease: No structural changes have been made in offices in which the Group companies carry on their businesses that would entail a material quantifiable economic cost to return them to their original state when the lease expires.

> Land committed for projects under development: Due to being in the development phase prior to the start of the corresponding administrative concession and construction, the land has not been altered in any way that would entail a decommissioning obligation to return it to its original state.

> Land on which a construction activity is progress: The valuation models already envisage the decommissioning obligation on the basis of each country's legislation.

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the inception date to lease expiration, unless the lease transfers ownership of the asset to the Group at the end of the lease term or the cost of the right-of-use asset indicates that the Group will exercise a purchase option. In this case, the right-of-use asset will be depreciated over the non-cancellable lease period, which is determined on the same basis as is applicable to improvements to leased premises, panels, furniture and equipment. The right-of-use asset is also periodically written down to reflect any impairment losses and adjusted for certain new measurements of the lease liability.

The lease liability is initially measured at the present value of lease payments not made at inception, discounted at the interest rate implicit in the lease or, where that rate cannot be easily determined, at the Group's incremental rate. In general, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external sources of financing and makes certain adjustments to reflect the lease periods and the type of assets leased.

Lease payments included in the lease liability measurement comprise:

> Fixed payments, including in-substance fixed payments;

> Variable lease payments tied to an index or rate, initially measured applying the index or rate at inception;

> Amounts that the lessee expects to pay as residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method.

The Group is not the lessor under any leases.

2.23. Segment reporting

Information on operating segments is reported on the basis of the internal information supplied to the chief operating decision maker (CODM). The Board of Directors has been identified as the chief operating decision maker responsible for allocating resources and evaluating operating segment performance.

The Board of Directors assesses financial performance, the Group's position and strategic decisions using information furnished by Group Management, which is responsible for operating decisions.

The Board of Directors views the business from the perspective of each business activity and geographic area. At the activity level, as indicated in Note 5, the chief operating decision maker analyses the business on the basis of operating segments. However, for 2022, 2021 and 2020, as sales were concentrated primarily in energy supply services, no other segments are disclosed due to being immaterial.

Geographically, the Group reports financial information in six relevant markets: Spain (internal market) and Mexico, Chile, Panama, Colombia and Guatemala (external market).

Note 5 to the consolidated financial statements contains detailed information by segment.

2.24. Environmental assets

Equipment, installations and systems used to eliminate, reduce or control possible environmental impacts are recognised applying the policies used for similar fixed assets.

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, an outflow of funds will probably be necessary to settle the obligation and the amount may be reliably estimated.

Expenses incurred in business activities undertaken to protect and improve the environment are expensed in the year they are incurred, except where such activities entail investments in assets the purpose of which is to minimise the environmental impact and protect and improve the environment, in which case they are accounted for as an increase in the value of the facilities.

At 31 December 2022 and 2021, the Group has incurred no environmental expenditure to comply with prevailing legislation and regulations in the countries in which it has operations, besides the amounts necessary in the course of the projects forming its core business.

Note 28.6 includes further information on environmental matters.

2.25. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises these benefits on the earlier of the following dates: (a) when the Group can no longer withdraw the termination benefits offered; or (b) when the Group recognises the costs of a reorganisation process within the scope of IAS 37, entailing the payment of termination benefits.

Benefits not falling due within 12 months of the statement of financial position date are discounted to present value.

2.26. Guarantees furnished to third parties

The following types of guarantees are given to third parties in the ordinary course of business:

a) Bank guarantees and suretyship insurance: These guarantees are issued by a financial institution to Group companies to cover the fulfilment of commitments made to third parties (e.g. commitments to fulfil an offer, performance, etc.).

   Should the commitment be dishonoured, giving rise to a potential obligation to the financial institution, the Group recognises a liability in the Company's statement of financial position only if an outflow of funds is probable.

b) Guarantees: They relate to commitments made in writing by a Group company to a third party (e.g. commitments to fulfil an offer, performance, financing, etc.).

   Should the commitment be dishonoured, giving rise to a potential obligation to the third party, the Group recognises a liability in the Company's statement of financial position only if an outflow of funds is probable and provided the obligation was not previously recognised in the balance sheet (Note 2.27).

Note 20 provides further information on guarantees given to third parties.

2.27. Financial guarantee agreements

Financial guarantee agreements are recognised as a financial liability when the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

> the amount determined under the IFRS 9 Financial instruments expected credit loss model; and

> the amount initially recognised, less the cumulative amount of revenue recognised under IFRS 15 Revenue from contracts with customers, where applicable.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required on the debt instrument and the payment that would be required without the guarantee, or the estimated amount that would be payable to a third party to take on the obligations (Note 17.4).

When guarantees related to loans or other payables of associates are given without any compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.28. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated as a quotient formed by net profit for the year attributable to the Group's parent company, excluding any administrative expense for shares other than ordinary shares, and the weighted average number of outstanding ordinary shares for the period, excluding the average number of parent company shares held by the Group companies.

At 31 December 2022 and 2021, the Group has issued no instrument diluting earnings per share.

2.29. Related-party transactions

The Group carries out all transactions with related parties at arm's length. In addition, transfer prices are adequately supported, and therefore, the Group's Board of Directors considers that there are no significant risks in this respect that could result in material liabilities in the future.

2.30. Interest income

Interest income is recognised under "Financial income" using the effective interest method. When a receivable becomes impaired, the Group reduces its carrying amount to the recoverable amount, which is calculated by estimating future cash flows discounted at instrument's original effective interest rate, and continues unwinding the discount as interest income. Interest income on loans that have become impaired is recognised using the original effective interest rate.

2.31. Consolidated cash flow statement

In the consolidated cash flow statement, prepared under the indirect method, the terms employed have the following meanings:

> Operating activities: typical activities of the Group companies and others that cannot be classed as investing or financing activities.

> Investing activities: acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

> Financing activities: activities that result in changes in the size and composition of equity and of liabilities, and do not form part of operating activities.

Note 3.- Accounting estimates and judgements

The preparation of consolidated financial statements under IFRS-EU requires assumptions and estimates that affect the amount of the related assets, liabilities, income, expenses and disclosures. Actual results may differ from estimated results. The most critical accounting policies, which reflect significant management assumptions and estimates to determine the amounts reflected in these consolidated financial statements, are as follows:

> Estimation of the Group's financial commitments and capacity to continue to do business as a going concern.

> Estimation of the recoverable amount of assets not yet available for use.

> Energy not yet invoiced.

Some of these accounting policies require significant judgement on the part of Management when selecting the appropriate assumptions to make the estimates. These assumptions and estimates are based on the Group's past experience, advice from expert consultants and year-end forecasts and expectations. Management's assessment is considered in relation to the overall economic situation in the industries and regions where the Group operates, taking into account future business prospects. By nature, these judgements are inherently uncertain, and therefore, actual results could be materially different from the estimates and assumptions employed, in which case the assets and liabilities would be adjusted.

A significant change in the facts and circumstances on which the accounting estimates and judgements are based could have a material impact in the coming years; any adjustments would be made prospectively in accordance with the assumptions and requirements of IAS 8 "Accounting Policies, changes in accounting estimates and errors".

Significant estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

Estimation of the Group's financial commitments and capacity to continue to do business as a going concern

Group Management has prepared estimates to assess its ability to meet financial commitments and continue to do business as a going concern, by projecting flows of cash and cash equivalents for the following 12 months, taking account of future revenues from current projects, contracts signed after 31 December 2022 and strategic plans of Cox Energy Solar, S.A. The projections also reflect the costs and expenses necessary to generate the revenue and meet financial obligations in the ordinary course of business.

The Group believes that its estimates in this regard are appropriate and in line with the current economic situation, its investment plans and the best available estimates of future expenses and income.

Estimation of the recoverable amount of assets not yet available for use

The Group reviews cash-generating units (intangible assets) annually for indications of impairment and performs specific tests if such indications are identified (Notes 2.6 and 2.9). Impairment testing entails estimating future business performance and the most appropriate discount rate in each case. The Group believes that its estimates in this regard are appropriate and in line with the current economic situation, its investment plans and the best available estimates of future expenses and income. It also considers that the discount rates suitably reflect the risks to which each cash-generating unit is exposed. Management monitors all projects, including those that are under development at the year-end so that, in the event that the favourable circumstances allowing the capitalisation of development expenses change, they may be taken, together with the costs incurred, to the income statement for the year in which the decision is made to discontinue the project.

Management also reviews panels, furnishings and equipment for indications of impairment at the year-end, and estimates possible impairment where applicable.

Management's impairment analyses are carried out on the basis of historical information, industry data, macroeconomic financial information and the operational status of the assets so as to estimate discounted future flows, which are somewhat uncertain, as they rely on various key assumptions that are documented as objectively as possible, as explained in Note 9.

As a result of the analysis carried out, at 31 December 2022 the recoverable amounts of CGUs having development costs included in intangible assets, calculated as described in Note 9, are above the carrying amounts recognised, so no impairment is identified for 2022.

Energy not yet invoiced

Revenues for each year include an estimate of the energy supplied to customers and yet to be invoiced due to not having been metered at the year-end, in view of the normal meter-reading period (Notes 13 and 23).

Revenue from the supply of energy is recognised when the electricity has been delivered to the customer, using information available in the electricity system based on regular meter readings. If applicable, an estimate of the accrual and value of the energy consumed from the date of the available meter reading to the end of the period is used, estimating the energy supplied that will be invoiced in the following monthly cycle.

The Company forecasts revenue yet to be invoiced at the end of the final monthly cycle of the financial year, taking into account the correct cut-off at 31 December of the current and the following year. Estimated daily consumption is based on the customers' historical profiles, adjusted for seasonality and other measurable factors that affect consumption.

Note 4.- Financial risk management

The activities carried on by the Group through its operating segments are exposed to various types of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk.

The Group's risk management approach is focused on financial market uncertainty and seeks to minimise potential adverse effects on financial returns. Risk management is carried out by Group Management, which identifies, evaluates and hedges financial risks in accordance with the policies approved by the Board of Directors.

Each of the financial risks to which the Group is exposed in the course of business are described below:

a) Market risk

Market risk arises when the Group's activities are exposed essentially to financial risks related to fluctuating exchange rates, interest rates and prices.

> Foreign exchange risk: The Group's international business brings exposure to foreign exchange risk. This risk arises when there are future commercial transactions and assets and liabilities denominated in a currency other than the functional currency of the Group company that completes the transaction or recognises the asset or liability. The Group's main foreign exchange risk exposure relates to the Mexican peso against the euro and the US dollar.

Had the average Mexican peso (MXN) exchange rate risen by 9% against the euro (EUR) during 2022, while the other variables remained constant, the effect on the consolidated income statement for the year would have been a loss of €750 thousand.

Had the average Mexican peso (MXN) exchange rate risen by 6% against the euro (EUR) during 2021, while the other variables remained constant, the effect on the consolidated income statement for the year would have been a loss of €810 thousand.

> Interest rate risk: This risk arises primarily from financial liabilities accruing interest at variable rates.

The Group's interest rate risk relates to borrowings. Borrowings at variable interest rates expose the parent company to cash flow interest rate risk. However, the Group's main financing facilities accrue fixed rates of interest, reducing the risk of rate changes. Fixed interest rate loans expose it to fair value interest rate risks. For this reason, the Group diversifies borrowings among various credit institutions, where deemed fit (Note 17).

> Energy purchase price risk: The Company has entered into fixed-price contracts with customers that could cause the operating profit margin to fall in the event of a significant increase in the market price of electricity. To alleviate this risk, following the volatility of energy prices in 2020-2021, the Company adjusted its commercial strategy, modifying all customer contracts by indexing the selling price to the purchase price to eradicate the risk. The Group continues to apply this strategy to date.

b) Credit risk

This is the risk of the Group incurring losses as a result of non-payment by commercial customers with which it has or may have a contractual relationship.

Management believes that credit risk is limited, in view of the timely recovery and monitoring of outstanding trade receivables. The Group assigns credit risk limits based on customer profiles.

At 31 December 2022, 2021 and 2020, the Group records receivables from related parties and other trade receivables, under other receivables. Management considers that these amounts will be collected, based on the analysis of counterparty risk, and therefore, collectability, no default event having occurred.

Impairment of financial assets

The Group applies the expected credit loss model to trade receivables.

Using the simplified method, impairment is always recognised based on the asset's lifetime expected losses.

To measure expected credit losses, trade receivables are grouped to reflect the characteristics of shared credit risk not exceeding 120 days past due. Subsequent recoveries of amounts previously written off are credited to the same line (Note 13).

c) Liquidity risk

The Group's liquidity and financing policy is designed to ensure that it has sufficient funds available to fulfil its financial commitments.

Liquidity risk is the risk that the Group will have insufficient cash to meet payment commitments acquired in the course of projects. Prudent liquidity risk management entails maintaining sufficient cash and marketable securities, as well as available funding in the form of sufficient credit facilities, to meet obligations at maturity and close out market positions.

At2022 and 2021 year-ends, the Group records deposits pledged to secure guarantees provided by financial institutions, as necessary for the development of projects, amounting to €6 million and €1 million, respectively (Note 13.2).

As explained in Note 17, on 7 June 2022 Cox Energy Solar, S.A. arranged a line of credit of up to €30 million with Barclays Bank Ireland PLC, maturing in June 2023. Only the first tranche of €15 million had been utilised at 2022 year-end.

The Group also carefully monitors the short-term liquidity plan, taking appropriate steps to ensure that its obligations are fulfilled.

The Group will continue with this process in the future, as part of its liquidity strategy.

d) Capital risk

The Group's capital management objectives are as follows:

- safeguard the capacity to continue as a going concern;
- provide shareholder returns and benefits for other stakeholders; and
- maintain an optimal capital structure to cut cost of capital.

To be able to maintain or fine-tune the capital structure, the Group can vary the amount of dividends payable to shareholders, reduce capital, issue new shares or sell assets to reduce debt. When monitoring the capital structure, Management refers to the percentage of completion of portfolio projects in each country, since the funding approach, whether using own funds or third-party borrowings, will depend on project completion, based on the Group's business strategy.

The Group has projects in the pre-operational phase at 31 December 2022 and mainly considers other indicators when making decisions, such as total installed capacity of the projects under development, measured in MWp, and project percentage of completion.

The Group's ideal leverage ratio is 80/20 external project financing and own funds, respectively, for each individual project. There is no project debt at 31 December 2022, 2021 or 2020. The Group plans to obtain financing at the start of the project construction phase.

Note 5.- Segment reporting

5.1. Information by activity

A reporting segment is a component that carries on business activities from which it may obtain ordinary revenue and incur costs, the operating results of which are reviewed regularly by the Board of Directors so as to make the Group's operating decisions, determine the resources that must be allocated to the segments and assess the performance of segments for which separate financial information is available.

The Board of Directors examines the Group's performance and position and identifies reporting segments. However, for 2022, 2021 and 2020, as sales were concentrated primarily in energy supply services, no other segments are disclosed due to being immaterial.

The reconciliation of operating profit/(loss) before depreciation, amortisation and impairment with the profit/(loss) for the year attributed to the parent company is set out below:

Item	2022	2021	2020
Operating profit/(loss) before depreciation, amortisation and impairment	(5,682)	(8,425)	(6,352)
Depreciation/amortisation charges and impairment losses	(287)	(2,149)	(73)
Net financial income/(expense)	(4,023)	1,510	(3,992)
Share in profit/(loss) of associates	3,328	(3,162)	(41)
Corporate Income Tax	574	(161)	(86)
Non-controlling interests	1,146	1,531	1,026
Profit/(loss) for the year attributed to parent company	**(4,944)**	**(10,856)**	**(9,518)**

5.2. Reporting by geographic segment

a) The distribution of sales by geographic segment for 2022, 2021 and 2020 is as follows:

Geographic segment	2022	2021	2020
- Mexico	20,186	967	162
- Chile	14	15	9
- Spain	22,369	11,588	6,746
Consolidated total	**42,569**	**12,570**	**6,917**

The concentration of trade receivables did not exceed 10% in 2022, 2021 or 2020.

b) The geographic segment distribution of intangible assets, property, plant and equipment and projects during 2022, 2021 and 2020 is as follows:

Geographic segment	31.12.2022	31.12.2021	31.12.2020	01.01.2020
- Mexico	13,947	15,289	14,867	16,895
- Chile	17,954	12,200	11,776	13,481
- Panama	83	83	3	11
- Colombia	93	14	-	0
- Spain	211	190	151	187
Consolidated total	**32,288**	**27,776**	**26,797**	**30,574**

Note 6.- Changes in the Group's composition

a) Two subsidiaries were included in the consolidation scope in 2022 (6 in 2021 and 3 in 2020) and no associate was included (none in 2021 or 2020), as shown in Appendices I and II to these consolidated financial statements.

The 2022, 2021 and 2020 scope inclusions had no material effect on the overall consolidated figures.

b) No subsidiary was excluded from the consolidation scope in 2022 (3 in 2021 and none in 2020) and no associate was excluded (none in 2021 or 2020), as shown in Appendix III to these consolidated financial statements. The 2021 scope exclusions had no material effect on results.

c) There were no acquisitions or disposals in 2022, 2021 or 2020.

Note 7.- Intangible assets

7.1. Set out below is a breakdown of intangible assets showing movements at 2022, 2021 and 2020 year-ends:

Intangible assets	Balance at 31.12.22	Balance at 31.12.21
Opening balance	70	-
Additions	82	70
Amortisation	(24)	-
Closing balance	**128**	**70**

Intangible assets relate primarily to computer software recognised in 2021 in the amount of €70 thousand. In 2022, additions amounted to €82 thousand and amortisation was charged in the amount of €24 thousand, leaving a balance of €128 thousand at 31 December 2022.

7.2. There are no intangible assets with indefinite useful lives. No intangible assets are subject to ownership restrictions or pledged to secure liabilities.

Note 8.- Property, plant and equipment

8.1. Set out below is a breakdown of property, plant and equipment showing movements at 2022, 2021 and 2020 year-ends:

Cost	Land and buildings	Plant and machinery	Other PPE	Total
Opening balance	474	248	382	1,104
Increases	194	-	73	267
Currency translation differences	-	11	-	11
Cost at 31 December 2022	**668**	**259**	**455**	**1,382**

Accumulated depreciation and impairment	Buildings	Plant and machinery	Other PPE	Total
Opening balance	(99)	(176)	(77)	(352)
Increases (depreciation)	(183)	(14)	(52)	(249)
Currency translation differences	-	(3)	-	(3)
Depreciation and impairment at 31 December 2022	**(282)**	**(193)**	**(129)**	**(604)**
Net balance at 31 December 2022	**386**	**66**	**326**	**778**

Cost	Land and buildings	Plant and machinery	Other PPE	Total
Opening balance	-	514	60	574
Increases	474	-	60	534
Currency translation differences	-	-	(4)	(4)
Reclassifications	-	(266)	266	-
Cost at 31 December 2021	**474**	**248**	**382**	**1,104**

Accumulated depreciation and impairment	Buildings	Plant and machinery	Other PPE	Total
Opening balance	-	(145)	(16)	(161)
Increases (depreciation)	(99)	(31)	(62)	(192)
Currency translation differences	-	-	1	1
Depreciation and impairment at 31 December 2021	**(99)**	**(176)**	**(77)**	**(352)**
Net balance at 31 December 2021	**375**	**72**	**305**	**752**

Cost	Land and buildings	Plant and machinery	Other PPE	Total
Opening balance	1,178	290	21	1,489
Increases	-	224	39	263
Decreases	(1,178)	-	-	(1,178)
Cost at 31 December 2020	**-**	**514**	**60**	**574**

Accumulated depreciation and impairment	Buildings	Plant and machinery	Other PPE	Total
Opening balance	-	(94)	(9)	(103)
Increases (depreciation)	-	(52)	(7)	(59)
Currency translation differences	-	1	-	1
Depreciation and impairment at 31 December 2020	**-**	**(145)**	**(16)**	**(161)**
Net balance at 31 December 2020	**-**	**369**	**44**	**413**

The heading "Land and buildings" includes long-term leases (between three and seven years) for the Group's administrative offices in the various countries (Note 2.22).

"Plant" relates to commercial operational photovoltaic panels for self-generation by commercial customers.

"Other PPE" relates mainly to furniture purchased for the Group's administrative offices, and to data-processing equipment.

8.2. Property, plant and equipment not used in operations are immaterial at the year-end.

8.3. It is company policy to take out all the insurance policies deemed necessary to cover possible risks affecting property, plant and equipment.

8.4. No borrowing costs were capitalised under property, plant and equipment in 2022, 2021 or 2020.

8.5. "Land and buildings" includes the San Javier land in the amount of €273 thousand (Note 2.22).

8.6. No assets have been built by the Group at 2022, 2021 or 2020 year-ends.

8.7. No significant property, plant and equipment are subject to ownership restrictions or pledged to secure liabilities at 31 December 2022, 2021 or 2020.

Note 9.- Intangible assets in projects

At 31 December 2022, 2021 and 2020, the Group has a portfolio comprising various projects in the pre-operational phase, located primarily in Chile and Mexico. Electrical studies, radiation resource studies, approved environmental and social permits, and a defined, approved connection point have already been obtained for a large part of the projects. The Group expects them to become commercially operational during 2023 and 2024.

The development, construction and commercial commissioning strategy will allow these assets to be progressively monetised.

The main projects are "El Sol de Vallenar" in Chile and Iscali Solar de CV and Atlacomulco Solar in Mexico, the fair value of which is recognised at the IFRS transition date, as described in Note 1.

The portfolio of projects capitalised at 31 December 2022 is as follows:

Project	Country	MWp (*)	Classification (**)
El Sol de Vallenar	Chile	308	Backlog
Portezuelo	Chile	200	Initial development
Chile I (PMGD)	Chile	9	Initial development
Chile II (PMGD)	Chile	9	Initial development
Machali	Chile	11	Advanced development phase
Rio Maule	Chile	11	Advanced development phase
Montenegro	Chile	11	Initial development
El Gindal	Chile	11	Initial development
San Francisco	Chile	4	Backlog
San Javier	Chile	3	Under construction
Walmart	Chile	0.21	In operation
Iscali	Mexico	300	Advanced development phase
Atlacomulco	Mexico	113	Advanced development phase
La Granja Solar	Mexico	67	Advanced development phase

(*) MWp = Megawatt peak, refers to the amount of MW installed

(**) See the description of each phase in Note 2.6.

For the above-mentioned projects, the fair value effect on first-time adoption of IFRS (Note 2.1) was calculated by an independent expert in a 2020 asset valuation report using a discounted cash flow method and considering the phase of each project. The discounted flow financial model was based on a series of data and assumptions to reflect the expected behaviour of projects in a pre-operational phase and close to "Ready to build" (RTB), applying the cost approach to project in greenfield phases.

Subsequently, when assessing impairment losses, projects under development are grouped by cash-generating unit (CGU), i.e. independent projects for each photovoltaic plant, which is defined in the standard as "the smallest identifiable group of assets that generates cash inflows which are largely independent from the cash flows of other assets or groups of assets".

The Group tests projects under development annually for impairment. For the reporting periods 2022, 2021 and 2020, the recoverable amount of all the CGUs was determined based on value-in-use calculations, which require the use of assumptions. These calculations employ cash-flow projections based on five-year financial budgets approved by Management. Growth rates are consistent with projections included in reports specific to the industry in which each CGU operates.

Under IAS 36, to determine the recoverable amount of assets, Management estimates each CGU's value in use by discounting estimated 30-year cash flows approved by the Group's Board of Directors. For assets not yet ready for use, costs yet to be incurred for entry into operation are included in the flow calculation.

Group Management calculated estimated cash flows for projects under development based primarily on the following assumptions:

- Estimated prices under the contractual agreements concluded, PPAs and tenders, where applicable to the projects in question. The Group has a unique strategy for each project, based on market, size and vertical integration criteria in each country. Revenues are assured in whole or in part by public or private contract awards, direct long-term contracts with creditworthy counterparties and hedges with the Group's supply companies that already have contracts with direct customers or revenues having market exposure. This is all supplemented by additional revenue from other products such as power or green certificates.
- Estimated start-up date of each project.
- Estimated production capacity of each project.
- Useful life of the projects (30 years), taking account of the long-term contracts concluded and the technical capacity of the plants under development.
- Behaviour of costs and expenses in relation to revenues.

Management has a strategy of not rotating projects under development, in any phase, on a recurring basis.

The discount rates (WACC) used to calculate the recoverable amount of the corresponding assets are within a range of 9% in Chile and 14% in Mexico.

The Group has analysed the sensitivity of projects under development to unfavourable variations of +1% in the most sensitive aspects of the assumptions, primarily in the average discount rates, which would not result in impairment.

Intangible assets are subject to no significant ownership restrictions at 31 December 2022, 2021 and 2020.

Movements during 2022, 2021 and 2020 are set out below:

Intangible assets in projects	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20
Opening balance	26,954	26,384	29,188
Increases	1,732	-	-
Effect of exchange differences	2,696	2,533	(2,804)
Decreases	-	(1,963)	-
Closing balance	**31,382**	**26,954**	**26,384**

Additions under this heading in 2022, 2021 and 2020 relate to expenses incurred in the pre-operational phase in relation to the various studies and permits required during project development, as well as currency translation differences on the local currency in relation to the euro.

The decrease in 2021 reflects the impairment loss due to the discontinuance of the Aparse, Valleland and Valleland III projects following the assessment of technical and economic feasibility.

Note 10.- Equity-accounted investments

10.1. Set out below is a breakdown of equity-accounted investments at 31 December 2022, 2021 and 2020:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Associates	8,089	7,443	10,186	11,435
Total equity-accounted investments	**8,089**	**7,443**	**10,186**	**11,435**

An associate is an entity in which the Group exercises significant influence. Significant influence is the power to participate in the investee's financial and operating policy decisions, without having control or joint control (Note 2.3.b)).

Movements in equity-accounted investments in 2022, 2021 and 2020 are as follows:

Equity-accounted investments	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20
Opening balance	7,443	10,186	11,435
Additions	88	419	
Disposals	-	-	(1,208)
Dividend payment	(2,770)	-	-
Allocated to the income statement	3,328	(3,162)	(41)
Closing balance	**8,089**	**7,443**	**10,186**

10.2. The following table provides a breakdown of the main joint ventures and equity-accounted investments at 2022, 2021 and 2020 year-ends:

Company	Type	% interest	Carrying amount	Equity	Assets	2022 profit/(loss)
El Gritón Solar, S.A. de C.V. (1)	Associate	20%	243	872	826	(27)
Sonnedix Cox Energy Chile, S.p.A. (2) (*)	Associate	30%	660	(662)	97,348	(10,844)
Ibexia Cox Energy Development (3)	Associate	40%	7,186	17,966	41,378	11,746
Total 2022			**8,089**			

(*) In addition to the 2022 result, Net equity includes an impact of €15,9 million from "Other comprehensive income" mainly corresponding to a hedging instrument (interest rate swap).

Company	Type	% interest	2021 carrying amount	Equity	Assets	2021 profit/(loss)
El Gritón Solar, S.A. de C.V. (1)	Associate	20%	223	778	782	106
Sonnedix Cox Energy Chile, S.p.A. (2)	Associate	30%	1,940	(5,682)	10,240	(5,365)
Ibexia Cox Energy Development (3)	Associate	40%	5,280	13,202	26,266	(4,040)
Total 2021			**7,443**			

Company	Type	% interest	2020 carrying amount	Equity	Assets	2020 profit/(loss)
El Gritón Solar, S.A. de C.V. (1)	Associate	20%	215	725	728	(15)
Sonnedix Cox Energy Chile, S.p.A. (2)	Associate	30%	2,800	(52)	32	(151)
Ibexia Cox Energy Development (3)	Associate	40%	7,171	17,229	39,098	-
Total 2020			**10,186**			

(1) El Gritón Solar, S.A. de CV is a company developing a generation project with a total installed capacity of 336 MWp in the municipality of Pinos, Zacatecas; it is 80%-owned by Global Power Generation (Naturgy Group).

(2) Sonnedix Cox Energy Chile, S.p.A. has its registered address at Avenida El Bosque, 92, Santiago de Chile. The company was incorporated on 14 May 2015 to plan, develop, build and operate projects for the generation, supply and sale of electricity using solar energy resources, as well as any associated services.

It is 70%-owned by the Chilean company Sonnedix Chile Holding, S.p.A. and 30%-owned by Cox Energy Latin America, S.L.U. Sonnedix Chile Holding, S.p.A. is controlled by Sonnedix Power Holdings Ltd, which issues consolidated financial statements. It has no operations outside Chile.

On 16 December 2021, the General Shareholders' Meeting resolved to increase the company's share capital by USD 188,630 through the issuance of 10,000 new Series-A, ordinary, registered shares with no nominal value, 7,000 of which are held by Sonnedix Chile Holding, S.p.A. and 3,000 by Cox Energy Latin America, S.L.U.

Cox Energy Latin America, S.L.U. also holds 10 preferred or Series-B shares, regulated by the shareholder agreement, in which the parties agreed that the Group could obtain, in addition to the rights and obligations pertaining to its 30% shareholding, a percentage of preferred shares carrying the right to a preferred dividend, calculated using a formula linked to energy sales under a PPA, beginning in 2022 and ending in 2041. This balance does not form part of the net investment in the associate (equity method) because the carrying amount does not depend on the investee's results following the acquisition date, having been recorded separately as a financial instrument (Note 12).

Financial guarantees

On 9 June 2021, the company Sonnedix Cox Energy Chile, S.p.A. entered into a credit agreement for USD 120 million with the bank Sumitomo Mitsui Banking Corporation ("Managing Agent") and the bank DNB Bank ASA, referred to collectively as the lenders, together with the related company Tercera Región Solar, S.p.A. (the "Guarantor"), for the development, construction and initial operation of a solar power generation plant with an approximate capacity of 160 MW, in the region of Valparaíso, Chile; and the construction of a transmission line of approximately 15.6 kilometres connecting the plant to the "Los Maquis" electricity substation. The agreement runs to 15 November 2039 and the first payment was made by the banks on 14 June 2022.

Cox Energy Latin America granted a pledge on all its shares representing 30% of Sonnedix Cox Energy Chile, S.p.A.'s share capital. The majority shareholder also granted a pledge on 70% of its shares.

At 31 December 2022 and 2021, a guarantee is recognised reflecting the pledge on the Sonnedix shares in the amount of €660 thousand and €677 thousand, respectively, under financial guarantees in non-current liabilities (Note 17.4.).

(3) Ibexia Cox Energy Development, S.L.

On 23 November 2018, Cox Energy Solar, together with Sonnedix España Development, S.L.U., set up the company Sonnedix Cox Energy Development, S.L. with a share capital of €3,000 that was 40% subscribed and paid up by the Company. The company's purpose is the provision of engineering consultancy services for the development of energy facilities or undertakings.

10.3. The ownership interest in associates does not differ from the percentage of voting rights.

10.4. Set out below is financial information on the most significant investment in associates for the years ended 31 December 2022 and 2021:

	2022		2021	
	Ibexia Cox Energy Development, S.L.	Sonnedix Cox Energy Chile	Ibexia Cox Energy Development, S.L.	Sonnedix Cox Energy Chile
Current assets	22,947	5,419	10,683	7,254
Non-current assets	18,431	91,929	15,583	2,986
Current liabilities	13,556	13,961	3,208	15,639
Non-current liabilities	9,856	84,968	9,856	283
Equity	17,966	(663)	13,202	(5,682)
Profit/(loss)	11,746	(10,884)	(4,040)	(5,365)

Note 11.- Financial instruments by category

The Group's financial instruments consist mainly of deposits, trade and other receivables, derivatives and loans. Financial instruments by category are set out below, reconciled to consolidated statement of financial position items:

Category	Notes	Assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Total at 31.12.22
Financial assets at fair value	12	-	12,484	12,484
Financial receivables	13	15,667	-	15,667
Trade and other receivables	13	11,609	-	11,609
Cash and cash equivalents	15	1,895	-	1,895
Total financial assets		**29,171**	**12,484**	**41,655**
Bank borrowings and other	17	18,860	-	18,860
Trade and other payables	22	19,947	-	19,947
Total financial liabilities		**38,807**	**-**	**38,807**

Category	Notes	Assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Total at 31.12.21
Financial assets at fair value	12	-	14,009	14,009
Financial receivables	13	5,793	-	5,793
Trade and other receivables	13	3,757	-	3,757
Cash and cash equivalents	15	613	-	613
Total financial assets		**10,163**	**14,009**	**24,172**
Bank borrowings and other	17	3,060	-	3,060
Trade and other payables	22	11,837	-	11,837
Total financial liabilities		**14,897**	**-**	**14,897**

Category	Notes	Assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Total at 31.12.20
Financial assets at fair value	12	-	9,996	9,996
Financial receivables	13	1,228	-	1,228
Trade and other receivables	13	4,720	-	4,720
Cash and cash equivalents	15	2,693	-	2,693
Total financial assets		**8,641**	**9,996**	**18,637**
Bank borrowings and other	17	8,608	-	8,608
Trade and other payables	22	1,579	-	1,579
Total financial liabilities		**10,187**	-	**10,187**

Category	Notes	Assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Total at 01.01.20
Financial assets at fair value	12		13,067	13,067
Financial receivables	13	1,189	-	1,189
Trade and other receivables	13	1,009	-	1,009
Cash and cash equivalents	15	227	-	227
Total financial assets		**2,425**	**13,067**	**15,492**
Bank borrowings and other	17	2,465	-	2,465
Trade and other payables	22	13,149	-	13,149
Total financial liabilities		**15,614**	-	**15,614**

The information on financial instruments at fair value is disclosed on the basis of the following measurement classifications:

> Level 1: Assets or liabilities quoted in an active market.

> Level 2: Measured based on different listed price inputs included in Level 1 which are observable for the asset or liability, either directly (as unlisted prices) or indirectly using valuation models.

> Level 3: Measured using inputs not based on observable market data.

Set out below is a breakdown of the Group's asset and liabilities at fair value (excluding unlisted equity instruments carried at cost) at 31 December 2022, 2021 and 2020:

Level 3	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Equity instruments	12,484	14,009	9,996	13,067
Financial assets at fair value	**12,484**	**14,009**	**9,996**	**13,067**

All estimates of assets at fair value are included in level 3. They relate to the preferred dividend collection right (Notes 10 and 12), for which fair values are calculated based on present values, adjusting the discount rates employed for counterparty credit risk or own credit risk.

There were no reclassifications of financial instruments between levels during the financial years reported.

Note 12.- Financial assets at fair value

12.1. Set out below is an analysis of financial assets at fair value showing movements during 2022, 2021 and 2020:

Financial assets at fair value	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20
Opening balance	14,009	9,996	13,067
Additions	-	-	-
Changes in the instrument's fair value	(3,110)	3,219	397
Scope changes, reclassifications and currency translation differences	1,585	794	(3,468)
Closing balance	**12,484**	**14,009**	**9,996**
Non-current portion	12,484	14,009	9,996
Current portion	-	-	-

Financial assets at fair value relate to the acquisition of 10 series-B preferred shares in the company Sonnedix Cox Energy Chile, S.p.A., which is an equity-accounted associate (Note 10).

In addition to the above-mentioned ownership interest, the preferred or series-B shares are regulated in the shareholder agreement, in which the parties agreed that the Group, through Cox Energy, S.L.U. (formerly Cox Energy Latin America) could obtain, in addition to the rights and obligations pertaining to its 30% shareholding, a percentage of preferred shares carrying the right to a preferred dividend, calculated using a formula linked to energy sales under a PPA, beginning in 2022 and ending in 2041. The main feature of the preferred dividend is that payment is prioritised over the other dividends. This preferred dividend has a fixed rate based on sales, i.e. it functions as a fixed dividend.

This means that, regardless of the company's economic performance, the dividend to be received by the preferred shareholders will always be calculated annually on sales, due to having a fixed rate. If the company is unable to pay the preferred dividend on a certain date, it accumulates to the following date and Cox Energy is entitled to receive those accumulated dividends before the ordinary dividends, the company's financial situation permitting.

The Group has accounted for the preferred dividend as a financial asset at fair value for subsequent measurement at fair value through profit or loss.

Fair value at 31 December 2022, 2021 and 2020 was determined by the Group on the basis of the equity-accounted investee's assets, liabilities and business, using a discounted cash flow method and considering the current phase of the investee's business. The discounted flow financial model used a number of fixed data that were identified in a PPA agreement and in the assumptions employed to create a representation of the expected behaviour of the equity-accounted investee's business over time. This fair value is classified on level 3 of the fair value hierarchy.

Changes in the instrument's fair value relate primarily to fluctuations in the average selling prices of energy in Chile and to technical delays in the plant's commissioning, compared to the initial plan.

Note 13.- Trade receivables and financial receivables

13.1. Trade and other receivables

a) Set out below is a breakdown of trade and other receivables at 31 December 2022, 2021 and 2020:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Trade receivables for sales	4,435	1,895	718	504
Public Administrations	2,125	1,228	619	121
Other receivables	5,049	634	3,383	384
Total	**11,609**	**3,757**	**4,720**	**1,009**

At 2022 year-end, trade receivables for sales include balances receivable in Spain totalling €2 million.

Revenue yet to be billed is forecast at each year-end (Notes 3 and 23).

Balances with related companies or parties and associates are disclosed in Note 28.2.

Other receivables mainly comprise prepayments made to service providers.

b) The fair value of trade and other receivables approximates the carrying amount.

c) There follows a breakdown of trade and other receivables denominated in foreign currency (showing the equivalent value in thousands of euros) at 31 December 2022:

Currency	Balance at 31.12.22
Chilean peso	31
Mexican peso	1,784
Other	2
Total	**1,817**

The most representative foreign currency is the Mexican peso at 31 December 2021 and 2020.

d) Trade receivables for sales include customers from the electricity generation, trading and/or distribution markets, which are generally settled after 30 days.

e) Movements in the provisions for impairment of receivables are immaterial at 31 December 2022, 2021 and 2020, amounting to €209 thousand, €229 thousand and €196 thousand, respectively.

f) Amounts receivable from Public Administrations at 2022, 2021 and 2020 year-ends relate primarily to input VAT incurred in Cox America company projects.

13.2. Financial receivables

Financial receivables break down as follows at 31 December 2022, 2021 and 2020:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Loans	4,771	2,737	-	-
Term and other deposits	61	160	1,126	1,122
Total non-current	**4,832**	**2,897**	**1,126**	**1,122**
Term and other deposits	6,317	1,194	-	-
Other financial receivables	4,518	1,702	102	67
Total current	**10,835**	**2,896**	**102**	**67**

At 2022, 2021 and 2020 year-ends, balances with related parties carried under Loans and associates in other financial receivables amount to €4.7 million and are described in Note 28.2.

At 2022 and 2021 year-ends, they include deposits pledged in the amount of €6 million and €1 million, respectively. They relate to deposits pledged to secure bank guarantees needed for projects and guarantees given to the CENACE for energy supply contracts. The Group does not have immediate access to these deposits and requires authorisations to make use of them, as they are subject to contractual restrictions and are not available for general use.

Note 14.- Inventories

14.1. Inventories are analysed below at 31 December 2022, 2021 and 2020:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Goods purchased for resale	250	-	-	-
Prepayments	-	100	-	-
Total	**250**	**100**	**-**	**-**

The Group, through its subsidiary Cox Energy Suministrador, S.A., purchases and sells clean energy certificates, which are acquired from domestic suppliers and sold through the Clean Energy Certificate System (S-CEL) managed by the Energy Regulatory Commission.

These certificates do not have a spot value and their value is determined based on the purchase or sale agreement. They have no expiry date and may only be redeemed by end users. The cost of CELs sold is calculated using the weighted average cost method and/or by reference to sales for the immediately previous period.

CELs are sold to qualified customers or to third parties participating in the market. All the CELs held at 2022 year-end were purchased in the last quarter of the year.

At 31 December 2022, the CEL inventory stands at 60,654 units of USD 4.29 each, entailing an inventory total of €250 thousand.

Movements during 2020 are set out below:

CELS 2022	Purchase	Sale	Inventory
Brokering (speculative)	519,627	467,654	51,973
Supply to customers	19,118	10,437	8,681
Total	**538,745**	**478,091**	**60,654**

Note 15.- Cash and cash equivalents

Set out below is a breakdown of cash and cash equivalents at 31 December 2022, 2021 and 2020:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Current account / petty cash	1,895	613	2,693	227
Total	**1,895**	**613**	**2,693**	**227**

There follows a breakdown of these balances showing the main currencies in which they are denominated and the equivalent amounts in euros:

Currency	31.12.22		31.12.21		31.12.20	
	Spanish companies	Foreign companies	Spanish companies	Foreign companies	Spanish companies	Foreign companies
Euro	1,025	-	304	-	2,178	-
US dollar	-	1	-	13	233	7
Chilean peso	-	48	-	38	-	83
Guatemalan quetzal	-	-	-	-	-	2
Colombian peso	-	9	-	3	-	1
Mexican peso	-	812	-	255	-	189
Total	**1,025**	**870**	**304**	**309**	**2,411**	**282**

At 1 January 2020, the main currency is the euro, accounting for €227 thousand, the other currencies being immaterial.

Note 16.- Equity

16.1. Share capital

The Company was incorporated as a sole shareholder company on 25 July 2014 through the issuance of 600,000 equal, cumulative and indivisible shares, fully subscribed and paid up, with a nominal value of €0.10 each.

On 11 June 2015, capital was increased by €1,029 by issuing 10,286 new cumulative, indivisible shares with a nominal value of €0.10 and a total share premium of €6,000,187 or €583.34 per new share issued, fully subscribed and paid up.

At 31 December 2022, 2021 and 2020, the Company's share capital stands at €61,029, consisting of 610,286 fully-subscribed and paid-up shares with a nominal value of €0.10 each.

There are no restrictions on the transfer of the shares.

At 31 December 2022 and 2021, the only shareholder with an interest of more than 10% in Cox Energy Solar, S.A. is the company Inversiones Riquelme Vives, S.L.U., with an 89.50% stake.

According to notifications received by the Company in compliance with prevailing legislation requiring disclosure of shareholding percentages (voting rights), the significant shareholders at 31 December 2022 are as follows:

	Significant shareholdings	
Shareholders	**% direct interest**	**% indirect interest**
Inversiones Riquelme Vives, S.L.U.	89.50%	-

16.2. Share premium

At 31 December 2022, 2021 and 2020, the share premium stands at €6,000 thousand.

Commercial legislation specifically allows the use of the share premium balance to increase capital and imposes no specific restrictions on its use.

16.3. Parent company reserves

Set out below is an analysis of parent company reserves showing movements during 2021 and 2020:

Item	Balance at 31.12.21	Distribution of profit/(loss) 2021	Capital increase/ reduction	Other movements	Balance at 31.12.22
Revaluation reserve	-	-	-	-	-
Other parent company reserves					
- Unrestricted	13,663	3,071	-	-	16,734
- Restricted	12	-	-	-	12
Total	**13,675**	**3,071**	**-**	**-**	**16,746**

Item	Balance at 31.12.20	Distribution of profit/(loss) 2020	Capital increase/ reduction	Other movements	Balance at 31.12.21
Revaluation reserve	-	-	-	-	-
Other parent company reserves					
- Unrestricted	6,637	7,026	-	-	13,663
- Restricted	12	-	-	-	12
Total	**6,649**	**7,026**	**-**	**-**	**13,675**

Item	Balance at 01.01.20	Distribution of profit/(loss) 2019 (*)	Capital increase/ reduction	Other movements	Balance at 31.12.20
Revaluation reserve	-	-	-	-	-
Other parent company reserves					
- Unrestricted	6,637	-	-	-	6,637
- Restricted	12	-	-	-	12
Total	**6,649**	**-**	**-**	**-**	6,649

(*) 2019 profit/(loss) forms part of the balance at 1 January 2020, the IFRS adoption date.

Appropriations to the legal reserve have been made in compliance with Article 274 of the Spanish Companies Act, which stipulates that 10% of the profits for each year must be transferred to this reserve until it represents at least 20% of share capital. The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available, it must be replenished out of future profits.

The parent company's 2022 profit will be distributed out of prior-year profits once approved by the General Shareholders' Meeting.

Restrictions on the payment of dividends

The parent company is required to transfer 10% of profits for each year to the legal reserve until the balance in this reserve reaches at least 20% of share capital. This reserve may not be distributed to the shareholders until it exceeds 20% of share capital.

Once the conditions laid down in applicable legislation and the Company's Articles of Association have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if equity is not less or is not reduced to less than share capital. To this effect, profits allocated directly to equity may not be distributed directly or indirectly. If there are prior-year losses reducing equity to less than share capital, profits are used to offset these losses.

16.4. Currency translation differences

Currency translation differences recognised by Group companies and associates at 2022, 2021 and 2020 year-end are as follows:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Currency translation differences:				
- Fully-consolidated companies	3,412	326	(1,651)	-
Total	**3,412**	**326**	**(1,651)**	**-**

Currency translation differences reflect the difference between the translation of the equity of companies having a currency other than the euro at the year-end exchange rate and at the historical exchange rate, relating mainly to the appreciation of the Mexican peso.

16.5. Retained earnings

Set out below is an analysis of retained earnings showing movements during 2022, 2021 and 2020:

Item	Balance at 31.12.21	Distribution of profit/(loss) 2021	2022 profit/(loss)	Other movements (1)	Balance at 31.12.22
Reserves in fully/proportionately-consolidated companies	19,288	(10,765)	-	(838)	7,685
Reserves in equity-accounted companies	(41)	(3,162)	-	-	(3,203)
Dividends and parent company reserves	-	3,071	-	(3,071)	-
Total reserves	**19,247**	**(10,856)**	**-**	**(3,070)**	**4,482**
Consolidated profit/(loss) for the year	(12,387)	12,387	(6,090)	-	(6,090)
Profit/(loss) attributable to non-controlling interests	1,531	(1,531)	1,146	-	1,146
Total parent company profit/(loss)	**(10,856)**	**10,856**	**(4,944)**	**-**	**(4,944)**
Total retained earnings	**8,391**	**-**	**(4,944)**	**(3,070)**	**(462)**

(1) Mainly includes the effect on retained earnings of the distribution of the parent company's prior-year profit/(loss) (Note 16.3).

Item	Balance at 31.12.20	Distribution of profit/(loss) 2020	2021 profit/(loss)	Other movements (1)	Balance at 31.12.21
Reserves in fully/proportionately-consolidated companies	29,511	(16,503)	-	6,280	19,288
Reserves in equity-accounted companies	-	(41)	-	-	(41)
Dividends and parent company reserves	-	7,026	-	(7,026)	-
Total reserves	**29,511**	**(9,518)**	**-**	**(746)**	**19,247**
Consolidated profit/(loss) for the year	(10,544)	10,544	(12,387)	-	(12,387)
Profit/(loss) attributable to non-controlling interests	1,026	(1,026)	1,531	-	1,531
Total parent company profit/(loss)	**(9,518)**	**9,518**	**(10,856)**	**-**	**(10,856)**
Total retained earnings	**19,993**	**-**	**(10,856)**	**(746)**	**8,391**

(1) Includes the effect on retained earnings of the increase in non-controlling interests during the year, due mainly to the payment in kind between the Company and Banco Atlántida, whereby the financial institution became an investor in Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.) (Note 16.6), as well as the corporate operations to increase capital in the Mexican subsidiary, offset by the dilution of the majority shareholder. In addition, the distribution of the parent company's prior-year profit/(loss) (Note 16.3).

Item	Balance at 01.01.20	Distribution of profit/(loss) 2020	2020 profit/(loss)	Other movements (1)	Balance at 31.12.20
Reserves in fully/proportionately-consolidated companies	16,897	-	-	12,614	29,511
Reserves in equity-accounted companies	-	-	-	-	-
Dividends and parent company reserves	-	-	-	-	-
Total reserves	**16,897**	-	-	**12,614**	**29,511**
Consolidated profit/(loss) for the year	-	-	(10,544)	-	(10,544)
Profit/(loss) attributable to non-controlling interests	-	-	1,026	-	1,026
Total parent company profit/(loss)	-	-	**(9,518)**	-	**(9,518)**
Total retained earnings	**16,897**	-	**3,096**	-	**19,993**

(1) Includes the effect on retained earnings of the transfer of shares in Cox Energy América S.A.B. de C.V. by Cox Energy Solar as payments in kind to settle certain debts with related parties. The price of these shares was set at the same amount as the liabilities settled, which was €14.5 million at the transfer agreement date, having an effect of €12 million on equity. The increase in non-controlling interests is explained in Note 16.6.

16.6. Non-controlling interests

This heading reflects the proportional part of the equity of fully-consolidated Group companies in which other non-Group shareholders hold interests.

Movements in non-controlling interests during 2022, 2021 and 2020 are as follows:

Company	Balance at 31.12.21	Scope changes and other	Allocation of 2022 profit/(loss)	Balance at 31.12.22
Subsidiaries of Cox Energy, S.A.B. de C.V. (*)	256	(16)	438	678
Cox Energy, S.A.B. de C.V.	6.703	1.484	(1,584)	6.603
Total	**6.959**	**1.468**	**(1,146)**	**7.281**

Company	Balance at 31.12.20	Scope changes and other	Allocation of 2021 profit/(loss)	Balance at 31.12.21
Subsidiaries of Cox Energy, S.A.B. de C.V. (*)	335	-	(79)	256
Cox Energy, S.A.B. de C.V.	5,970	2,185	(1,452)	6,703
Total	**6,305**	**2,185**	**(1,531)**	**6,959**

Company	Balance at 01.01.20	Scope changes and other	Allocation of 2020 profit/(loss)	Balance at 31.12.20
Subsidiaries of Cox Energy, S.A.B. de C.V. (*)	383	59	(107)	335
Cox Energy, S.A.B. de C.V.	-	6,889	(919)	5,970
Total	**383**	**6,948**	**(1,026)**	**6,305**

(*) Cox Energy Generador, S.A. de C.V.; Cox Energy México Suministrador, S.A. de C.V. and Parque Eólico Los Guindos, S.p.A.

In 2020, the Board of Directors of Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.) carried out a capital increase by means of an Initial Public Offering (IPO) of the company's shares in Mexico, the shares having been listed on Mexico's Institutional Stock Exchange (BIVA). At the date of the public share offering, 8 July 2020, Cox Energy Solar, S.A. owned 99.99% of Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.). After the offering, its shareholding fell to 84.99%.

In addition, in 2020, Cox Energy Solar, S.A. transferred 11,850,781 shares in Cox Energy América S.A.B. de C.V., representing 7.29% of share capital, as payments in kind to settle certain debts with related parties. The price of these shares was set at the same amount as the liabilities settled, which was €14.5 million at the transfer agreement date, having an effect of €12 million on equity (Notes 16.5 and 22.1).

In 2021, the number of shares in Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.) held directly by Cox Energy Solar, S.A. decreased due to the payment in kind between the Company and Banco Atlántida, whereby the financial institution became an investor in Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.), representing 3.13% of share capital. This transaction had an impact of €5.3 million on reserves (Note 16.5).

Appendix IV contains a list of non-Group companies holding an ownership interest of 10% or more in a fully-consolidated Group company at 31 December 2022, 2021 and 2020.

Note 17.- Bank borrowings and other

17.1. The heading "Bank borrowings and other" breaks down as follows at 2022, 2021 and 2020 year-ends:

Non-current	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Bank borrowings	1,158	1,719	1,830	-
Lease liabilities	277	253	-	-
Other non-current borrowings	660	677	-	1,198
Total non-current	**2,095**	**2,649**	**1,830**	**1,198**

Current	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Bank borrowings	16,566	251	5,778	1,168
Lease liabilities	199	160	-	-
Other current borrowings	-	-	1,000	99
Total current	**16,765**	**411**	**6,778**	**1,267**
Total bank borrowings and other	**18,860**	**3,060**	**8,608**	**2,465**

Set out below is an analysis of "Bank borrowings and other" showing movements during 2022, 2021 and 2020:

Item	Long term	Short term	Total
Opening balance	1,198	1,267	2,465
Increases	-	6,302	6,302
Interest accrued	-	375	375
Principal repayments and interest payments	-	(375)	(375)
Scope changes, transfers and other (*)	632	(791)	(159)
Total at 31 December 2020	**1,830**	**6,778**	**8,608**
Interest accrued	-	476	476
Principal repayments and interest payments	-	(566)	(566)
Scope changes, transfers and other (*)	819	(6,277)	(5,458)
Total at 31 December 2021	**2,649**	**411**	**3,060**
Increases	-	16,008	16,008
Interest accrued	-	703	703
Principal repayments and interest payments	-	(957)	(957)
Scope changes, transfers and other (*)	(554)	600	46
Total at 31 December 2022	**2,095**	**16,765**	**18,860**

(*) Non-monetary movements

In 2020, increases relate to a new line of credit with Banco Atlántida arranged by Cox Energy Solar, S.A.

In 2021, the above-mentioned line of credit was cancelled due to a payment in kind agreement concluded between the Company and Banco Atlántida, as reflected on the line "Scope changes, transfers and other".

In 2022, increases reflect the arrangement of a credit line by Cox Energy Solar, S.A. with Barclays Bank Ireland PLC.

More detailed information on all these movements is provided in the following section.

17.2. Bank borrowings

a) Bank borrowings break down as follows:

	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Cox Energy Solar	16,251	244	5,791	260
Cox Energía Comercializadora España, S.L.U.	1,473	1,726	1,817	908
Total	**17,724**	**1,970**	**7,608**	**1,168**
Non-current	1,158	1,719	1,830	-
Current	16,566	251	5,778	1,168

On 7 June 2022, Cox Energy Solar, S.A. arranged a line of credit for up to €30 million with Barclays Bank Ireland PLC, maturing in June 2023 and accruing fixed interest at a rate of 6.75%. The aim was to use this financing for its subsidiary Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.). The financing structure refers to Cox Energy, S.A.B de C.V.'s position as a guarantor of the credit line. The first tranche of €15 million had been utilised at 2022 year-end. The entire debt has been repaid at the date of preparation of these consolidated financial statements.

As indicated in Note 16.6 above, in 2021 the Company entered into a payment in kind agreement with Banco Atlántida to settle the loan at maturity. The Company therefore wrote off the debt (principal and accrued interest pending payment) at that date. This transaction generated a profit of €5.3 million (Note 16.5).

At 31 December 2020, credit lines include the facility arranged with Banco Atlántida, as described previously, by Cox Energy Solar, S.A. on 4 December 2020, with a limit of USD 6.7 million (€5.5 million), which was fully drawn down at 2020 year-end, accrued 8% fixed interest and fell due on 5 December 2021.

Cox Energía Comercializadora, S.L. records loans and credit lines arranged with several banks:

- Banco Sabadell loan of €150 thousand obtained in April 2020, falling due in 2028 and accruing 2.75% fixed interest.
- Bankinter loan of €300 thousand obtained in May 2020, falling due in 2028 and accruing 2.25% fixed interest.
- La Caixa loan of €200 thousand obtained in April 2020, falling due in 2028 and accruing 1.5% fixed interest.
- Banco Santander loan of €550 thousand obtained in August 2020, falling due in 2025 and accruing 2.5% fixed interest.
- Long-term credit facilities with BBVA, Santander, La Caixa and Bankia with a limit of €685 thousand, of which €370 thousand, €614 thousand and €397 thousand was utilised in 2022, 2021 and 2020, respectively.

The financial institutions applied market rates of interest to the Company's loans.

b) At 31 December 2022, bank borrowings are to be repaid based on the following schedule, reflecting undiscounted contractual flows, as required by IFRS 7:

The maturities of long-term bank borrowings are shown below at 31 December 2022 and 2021:

31 December 2022	2024	2025	2026	2027	Beyond	Total
Bank borrowings	520	185	298	114	41	1,158
Total	**520**	**185**	**298**	**114**	**41**	**1,158**

31 December 2021	2023	2024	2025	2026	Beyond	Total
Bank borrowings	542	545	185	295	152	1,719
Total	**542**	**545**	**185**	**295**	**152**	**1,719**

The Group's exposure to fluctuations in interest rates on borrowings and the contractual dates on which prices are reviewed are disclosed in Note 4 Financial risk management.

The following table shows estimated interest accrued during the useful life of the loans at 2022 year-end (thousand euro):

31 December 2022	2023	2024	2025	2026	Beyond	Total
Estimated interest accrued during the useful life of the loans	16	15	12	6	3	52
Total	**16**	**15**	**12**	**6**	**3**	**52**

c) Current and non-current bank borrowings include no amounts denominated in foreign currency.

d) Mortgage guarantees on the bank borrowings are immaterial at 31 December 2021, save for the matter referred to in section a).

e) The average interest rate on borrowings is a market rate in each of the relevant countries.

f) The average cost of the total bank borrowings was 5% in 2022.

17.3. Lease liabilities

Set out below is an analysis of lease liabilities at 2022 and 2021 year-ends:

Leases	Balance at 31.12.22	Balance at 31.12.21
Present value of lease payments	476	413
Lease liabilities - minimum lease payments (*):		
Less than 1 year	237	398
Between 1 and 5 years	233	249
More than 5 years	207	193
Carrying amount of the assets:		
Land and buildings	478	375
Other PPE	24	32

(*) Total contractual flows

There were no lease liabilities in 2020.

17.4. Other borrowings

Set out below is a breakdown of current and non-current other borrowings at 2022, 2021 and 2020 year-ends:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Financial guarantee	660	677	-	-
Other borrowings	-	-	1,000	1,297
Total	**660**	**677**	**1,000**	**1,297**

At 31 December 2022 and 2021, the fair value of financial guarantees (Note 2.27) is determined based on the present value of the difference in cash flows between the contractual payments required on the debt instrument and the payment that would be required without the guarantee, or the estimated amount that would be payable to a third party to take on the obligations. This guarantee reflects a pledge on the Sonnedix shares in the amount of €660 thousand and €677 thousand, respectively (Note 10).

Note 18.- Long-term payables

Set out below is a breakdown of "Long-term payables" at 2022, 2021 and 2020 year-ends:

Item	Balance at 31.12.22	Balance at 31.12.21	Balance at 31.12.20	Balance at 01.01.20
Other long-term liabilities	-	-	-	4,533
Total long-term payables	**-**	**-**	**-**	**4,533**

On 13 July 2018, the Company arranged a loan of €4.5 million with the related company Euro Syns, S.A. accruing 4% annual fixed interest. The loan fell due on 30 March 2020.

Note 19.- Contingent assets and liabilities

At 2022, 2021 and 2020 year-ends, Cox Energy Solar and its group of companies are party to claims and disputes for and against them, as a natural consequence of their business activities and of the economic and technical claims that contracting parties usually make on a mutual basis.

The most significant legal claims are summarised below. In the opinion of the directors, these claims, taken individually or as a whole, are not expected to have a material adverse effect on the consolidated financial statements, with respect to the amounts estimated and provisioned, if applicable. However, in view of their nature, the final outcomes are not easy to predict.

> Specifically, on 4 October 2022 the Company received a claim filed by Banco Atlántida El Salvador for Cox Energy Solar, S.A. to pay USD 7 million for a loan originating on 4 December 2020.

The Company responded to this claim on a timely basis, arguing that the debt claimed at 31 December 2021 had been settled by means of the payment in kind transaction, as indicated in the payment in kind deed authorised by the El Salvador Notary Public Juan Carlos Rivas Vasquez, in which ownership of 5,082,832 shares in Cox Energy S.A.B. de C.V. was transferred to Banco Atlántida (Note 16.6.).

The Company also included in the response a counterclaim for the refund of USD 666 thousand paid by mistake in interest, surcharges, late-payment management, VAT and recovery charges in 2022, on a loan that had already been repaid.

This lawsuit is being processed through ordinary proceedings at Madrid Court of First Instance No. 50, under number 1234/2022, and the hearing is scheduled for May 2024.

The directors have made the best possible estimate of the outcome of this litigation based on the information available at the date of preparation of the consolidation financial statements and after receiving legal advice. On the basis of the Company's interpretation of the available information and in accordance with the public deed of payment in kind dated 2 December 2021, the Company considers the debt to have been extinguished at 31 December 2021 and foresees no additional disbursements associated with the said liability, so the consolidated financial statements include no liability in this respect. On May 14, 2024, the trial hearing was held. The directors do not expect this judgment to have a negative impact on the Group.

Note 20.- Third-party guarantees and commitments

At 31 December 2022, the Company has given technical bank guarantees totalling €302 thousand for the projects in progress in Chile and Mexico (€4,108 thousand and €4,390 thousand at 31 December 2021 and 2020, respectively).

At 31 December 2022, the Company has arranged technical guarantees for generation projects in Spain and for projects under development in Mexico and Chile, managed by several brokers, for a total limit of €39.5 million (€35 million at 31 December 2021), of which €12.3 million has been utilised (€15.8 million and €18.4 million at 31 December 2021 and 2020, respectively).

In addition, on 9 June 2021 the associate Sonnedix Cox Energy Chile, S.p.A. (Note 10) entered into a credit agreement for USD 120 million with the bank Sumitomo Mitsui Banking Corporation ("Managing Agent") and the bank DNB Bank ASA, referred to collectively as the lenders, together with the related company Tercera Región Solar, S.p.A. (the "Guarantor"), for the development, construction and initial operation of a solar power generation plant with an approximate capacity of 160 MW, in the region of Valparaíso, Chile; and the construction of a transmission line of approximately 15.6 kilometres connecting the plant to the "Los Maquis" electricity substation. The agreement runs to 15 November 2039 and the first payment was made by the banks on 14 June 2022. Cox Energy Latin America granted a pledge on all its shares representing 30% of Sonnedix Cox Energy Chile, S.p.A.'s share capital. (Notes 10 and 17.4).

No liabilities are envisaged that could entail an outflow of Group funds, besides those recognised in the consolidated financial statements and described in the various sections of these notes.

Note 21.- Tax situation

21.1. Application of tax schemes

Corporate Income Tax expense for 2022, 2021 and 2020 has been calculated under the individual tax scheme, in accordance with the tax regulations applicable in each country. The Group's tax policy is based on complying with prevailing legislation in the countries in which it operates.

For the purposes of calculating the tax base of the Group's individual companies, the accounting result is adjusted for any temporary and permanent differences that may exist, recognising the corresponding deferred tax assets and liabilities, where applicable. Deferred tax assets and liabilities arise from measurement adjustments reflecting differences between the accounting criteria and principles applied by the individual companies and those applicable during consolidation. A current tax asset or liability is recognised at each year-end in respect of taxes currently refundable or payable.

Corporate Income Tax payable is the result of applying each taxable person's tax rate under legislation in force in each territory and/or country in which each company has its tax domicile. Any tax deductions and allowances to which the companies may be entitled are also applied.

21.2. Deferred taxes

The Group has not recognised any deferred tax assets on the basis that they derive primarily from tax losses and recoverability in the foreseeable future cannot be accurately determined. Deferred tax liabilities break down as follows:

Item	Balance 31.12.22	Balance 31.12.21	Balance 31.12.20	Balance 01.01.20
Deferred tax liabilities	8,427	8,164	7,407	6,977
Total deferred tax liabilities	**8,427**	**8,164**	**7,407**	**6,977**

According to the latest tax returns filed, the Group has certain tax credits that have not been capitalised because the recovery of these assets was considered to be unlikely. These tax credits primarily comprise tax losses of subsidiaries in Mexico totalling €21,625 thousand and expiring after 10 years; tax losses in Panama totalling €1,198 thousand and expiring after 5 years; tax losses in Colombia amounting to €428 thousand and expiring after 12 years; tax losses in Chile amounting to €16,413 thousand with no expiration date; and tax losses in Spain amounting to €12,473 thousand with no expiration date.

Movements in deferred tax liabilities during 2022, 2021 and 2020 are set out below:

Deferred tax liabilities	Amount
Balance at 1 January 2020	6,977
Increase/decrease in income statement	47
Consolidation scope changes, reclassifications and currency translation differences	383
Balance at 31 December 2020	**7,407**
Increase/decrease in income statement	161
Consolidation scope changes, reclassifications and currency translation differences	596
Balance at 31 December 2021	**8,164**
Increase/decrease in income statement	303
Consolidation scope changes, reclassifications and currency translation differences	(40)
Balance at 31 December 2022	**8,427**

At 2022, 2021 and 2020 year-ends, the Group is open to inspection for all applicable taxes for the last four financial years. The Company's directors consider that all the taxes were appropriately assessed, and therefore, in the event of any discrepancies in the interpretation of current legislation concerning the tax treatment afforded to the transactions, any resulting liabilities would not have a material effect on these consolidated financial statements.

21.3. Income Tax

Set out below is a breakdown of Corporate Income Tax for 2022, 2021 and 2020:

Item	2022	2021	2020
Current tax	271	-	(39)
Deferred tax	303	(161)	(47)
Total tax expense	**574**	**(161)**	**(86)**

The reconciliation between the Group's Income Tax calculated by applying the statutory tax rate currently applicable in Spain and the Income Tax recognised in the consolidated income statement is as follows: The difference is analysed below for 2022, 2021 and 2020:

Item	2022	2021	2020
Profit before tax	(6,664)	(6,952)	(10,458)
Statutory tax rate	25%	25%	25%
Income Tax at the statutory tax rate	**1,666**	**1,738**	**2,615**
Profit net of associated Income Taxes	(832)	791	10
Foreign tax rate differences	200	209	314
Incentives, deductions and tax losses	(460)	(2,899)	(3,531)
Other non-taxable income/expense	-	-	507
Corporate Income Tax	**574**	**(161)**	**(86)**

The differences between the theoretical tax and tax actually recognised relate primarily to:

> Foreign tax rate differences: The various subsidiaries calculate Corporate Income Tax applying the tax rates in force in each country, as set out below:

Country	2022	2021	2020
Mexico	30%	30%	30%
Chile	27%	27%	27%
Panama	25%	25%	25%
Colombia	31%	31%	31%
Spain	25%	25%	25%
Guatemala	25%	25%	25%

> Incentives, deductions and tax losses: due primarily to the non-capitalisation of tax losses.

> Other non-taxable income/expense: relates mainly to certain permanent differences due to non-deductible expenses recognised during the year.

Note 22.- Trade and other payables

22.1. Set out below is a breakdown of "Trade and other payables" 2022, 2021 and 2020 year-ends:

Item	Balance at 31.12.2022	Balance at 31.12.2021	Balance at 31.12.2020	Balance at 01.01.20
Trade payables	2,699	1,582	1,253	108
Payables for services received	8,276	3,848	291	-
Accrued wages and salaries	1,037	1,046	35	453
Other payables	7,935	5,361	-	12,588
Total	**19,947**	**11,837**	**1,579**	**13,149**

Balances with related parties amounting to €7.2 million and carried under "Other payables" at 2022, 2021 and 2020 year-ends are analysed in Note 28.2. The 2019 year-end balance was written off, as described in Note 16.6.

22.2. The fair values of "Trade and other payables" match their carrying amounts, since the effect of discounting is immaterial.

22.3. The Company had no reverse factoring facilities at 2022, 2021 or 2020 year-ends, or at the start of 2020.

22.4. Average payment period

In accordance with the duty to report the average supplier payment period laid down in Law 15/2010, as amended by Law 18/2022, of 28 September, on business creation and growth, the Company reports that the average supplier payment period for all the Group companies established in Spain was 22 days.

Set forth below is the breakdown required by Article 6 of the Resolution of 29 January 2016 from the Spanish Institute of Accounting and Auditing in relation to the disclosures to be provided on the average supplier payment period for the year:

Item	Days			
	2022	2021	2020	2019
Average supplier payment period	21	30	23	16
Ratio of transactions settled	19	28	22	15
Ratio of transactions pending payment	93	101	30	34

Item	Amount			
	2022	2021	2020	2019
Total payments made	16,073	12,320	7,830	9,182
Total payments pending	1,987	1,205	435	786

Finally, in accordance with Law 18/2022, of 28 September, set out below is a breakdown for the Spanish companies included in the Group's scope of consolidation showing the monetary amount and number of invoices settled within a period shorter than the maximum period stipulated in late-payment legislation and the related percentage of total invoices and payments, as provided by the Official State Gazette published on 29 September 2022:

Item	2022		2021	
	Thousand euro	No. of invoices	Thousand euro	No. of invoices
Invoices settled within a shorter period than the maximum*	28,049	16,073	12,320	37,587
Total number of invoices settled	49,963	18,060	13,538	48,992
% settled within a shorter period than the maximum*	56%	89%	91%	77%

* Pursuant to Spanish late-payment legislation

Note 23.- Revenue

The breakdown of revenue for each of the financial years is as follows:

Item	2022	2021	2020
Revenue from the supply of energy	38,297	12,092	6,747
Revenue from representation services	482	463	161
Power generation revenue	17	15	9
Revenue from the sale of CECs	2,744	-	-
Provision of services	1,029	-	-
Revenue	**42,569**	**12,570**	**6,917**

At each year-end, the heading "Revenue from the supply of energy" includes the corresponding forecast for revenue yet to be invoiced (Note 3), there being no material differences with respect to the following actual billing cycle, amounting to €426 thousand, €1,135 thousand and €260 thousand, respectively.

Note 24.- Raw materials and consumables

Set out below is an analysis of raw materials and consumables for 2022, 2021 and 2020:

Item	2022	2021	2020
Electricity purchases and transmission services	(37,911)	(11,687)	(9,420)
Difference between opening and closing inventories (CELs)	-	-	-
Total	**(37,911)**	**(11,687)**	**(9,420)**

Electricity purchases and transmission services include the cost of the electricity, which may be purchased through the Wholesale Electricity Market or by means of Power Purchase Agreements (PPAs), as well as other regulated charges for components such as transmission, distribution and regulated services allocated among the market participants.

Note 25.- Other operating income and expenses

Set out below is a breakdown of other operating income and expenses for each of the financial years:

Other operating income	2022	2021	2020
Grants	-	2	-
Sundry service income	283	204	518
Total	**283**	**206**	**518**

Other operating expenses	2022	2021	2020
Leases	36	173	76
Independent professional services	1,737	2,949	557
Taxes	152	99	257
External services	2,418	450	215
Losses, impairment and change in trade provisions	(20)	48	175
Other profit/(loss)	8	114	784
Other operating expenses	1,611	830	-
Total	**5,942**	**4,663**	**2,064**

Note 26.- Employee benefit expenses

Employee benefit expenses break down as follows at each year-end:

Item	2022	2021	2020
Wages and salaries	4,103	4,375	1,997
Staff welfare expenses	578	476	306
Total	**4,681**	**4,851**	**2,303**

Termination benefit expenditure recognised each year amounted to €59 thousand, €95 thousand and €2 thousand respectively.

Note 27.- Net financial income/(expense)

27.1. Financial income and expenses

"Financial income and expenses" break down as follows at 2022, 2021 and 2020 year-ends:

Financial income	2022	2021	2020
Interest income on loans	167	631	186
Total	**167**	**631**	**186**

Financial expenses	2022	2021	2020
Interest expense:			
- Bank borrowings	(703)	(476)	(375)
- Other payables	(1,123)	(300)	(180)
Total	**(1,826)**	**(776)**	**(555)**
Net financial expenses	**(1,659)**	**(145)**	**(369)**

The financial institutions applied market rates of interest to the Company's loans. Interest accrued on bank borrowings granted to the Company during the financial years ended 31 December 2022 and 2021 amounted to €453 thousand and €476 thousand, respectively.

In addition, in 2022 the Company recognised loan arrangement expenses amounting to approximately €250,000.

27.2. Other financial income and expenses

The breakdown of net "Other financial income and expenses" at 2022, 2021 and 2020 year-ends is as follows:

Other financial income	2022	2021	2020
Other financial income	-	-	-
Fair value change	-	3,219	397
Total	**-**	**3,219**	**397**

Other financial expenses	2022	2021	2020
Reverse factoring expenses	(378)	(134)	-
Fair value change	(3,110)	-	-
Other financial losses	-	-	(2,963)
Total	**(3,488)**	**(134)**	**(2,963)**
Other net financial income/(expense)	**(3,488)**	**3,085**	**(2,566)**

The net amount of "Other financial income and expenses" relates essentially to the recognition of financial instruments at fair value.

Note 28. Other information

28.1. Personnel

› The average headcount by category during 2022, 2021 and 2020 was as follows:

	Average headcount in 2022			Average headcount in 2021			Average headcount in 2020		
Categories	Women	Men	% Total	Women	Men	% Total	Women	Men	% Total
Executives	1	11	19	1	12	33.3	1	8	37.5
Middle Management	2	4	9.5	2	5	17.9	2	2	16.7
Engineers and graduates	4	10	22.2	-	4	10.3	6	2	33.3
Assistants and professionals	18	13	49.3	10	5	38.5	1	2	12.5
Total	**25**	**38**	**100.0**	**13**	**26**	**100.0**	**10**	**14**	**100.0**

The average headcount is distributed 28.6% in Spain (29% and 42% in 2021 and 2020, respectively) and 71.4% abroad (71% and 58% in 2021 and 2020, respectively).

› The total headcount by category at 2022, 2021 and 2020 year-end is as follows:

	2022 year-end headcount			2021 year-end headcount			2020 year-end headcount		
Categories	Women	Men	% Total	Women	Men	% Total	Women	Men	% Total
Executives	3	15	23.7	1	16	25.0	1	10	28.2
Middle Management	5	11	21.0	4	9	19.1	3	5	20.5
Engineers and graduates	7	11	23.7	4	7	16.2	9	5	35.9
Assistants and professionals	15	9	31.6	14	13	39.7	2	4	15.4
Total	**30**	**46**	**100.0**	**23**	**45**	**100.0**	**15**	**24**	**100.0**

The Group's Senior Management comprises two men and one woman (two men and one woman in 2021 and 2020, respectively).

28.2. Related companies

No dividends were distributed to related companies in 2022, 2021 or 2020.

At 2022 and 2021 year-ends, the following shareholders have an ownership interest of over 10%:

	Significant shareholdings	
Shareholders	% direct interest	% indirect interest
Inversiones Riquelme Vives, S.L.U.	89.50	-

a) Positions with related parties at December 2022, 2021 and 2020 are set out below (thousand euro):

2022	Receivables	Payables	Income	Expenses
Inversiones Riquelme Vives, S.L.U.	4,704	-	40	-
Euro-Syns, S.A.	-	5,277	-	243
Alberto Zardoya	-	2,044	-	44

2021	Receivables	Payables	Income	Expenses
Inversiones Riquelme Vives, S.L.U.	2,757	-	22	-
Euro-Syns, S.A.	-	5,034	-	34
Alberto Zardoya	-	-	-	-

At 31 December 2020, the Company recorded a loan from the principal shareholder comprising principal of €1,461 thousand and interest of €4 thousand.

At 31 December 2019, the Company reported certain receivables from related parties that were included in a non-cash contribution in the context of the flotation of Bolsa de Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.), described previously, so they were written off in 2020.

b) The following transactions were completed with related parties in 2022 and 2021:

On 8 March 2022, the Company arranged a loan with Alberto Zardoya for an original amount of €2 million, accruing interest at an annual rate of 2.6%. At 31 December 2022, €2 million had been drawn and interest of €44 thousand had accrued and was pending payment.

In 2021, the Company arranged a loan of €5 million with the related company Euro Syns, S.A. accruing 4% annual fixed interest. This loan is automatically renewable for annual periods. At 2022 and 2021 year-ends, €5 million had been drawn and interest of €243 thousand and €34 thousand, respectively, had accrued and is pending payment.

In 2021, the Company granted a credit line to "Inversiones Riquelme, S.L." for a maximum of €3 million. Interest accrues at the Euribor rate +1.35% at the settlement date of the credit line, which is automatically renewable for annual periods. In 2022, the credit line granted to "Inversiones Riquelme, S.L." was renewed and extended to €10 million. At 31 December 2022, the balance drawn by "Inversiones Riquelme, S.L." stands at €4.7 million.

c) Set out below is a breakdown of outstanding balances derived from transactions with equity-accounted companies and reflected in the consolidated statement of financial position at 2022 year-end:

Item	Amount at 31.12.22	Amount at 31.12.21	Amount at 31.12.20
Trade and other receivables	225	55	-
Other current financial receivables	2,770	-	-

Set out below is a breakdown of transactions with equity-accounted companies reflected in the consolidated income statement for 2022, 2021 and 2020:

Item	Amount 2022	Amount 2021	Amount 2020
Revenue	140	161	136
Other operating expenses	(75)	-	(46)
Financial income	-	-	-
Financial expenses	-	-	-

The main transactions relate to the provisions of services to Ibexia Cox Energy Development, S.L.

28.3. Remuneration and other benefits

The office of Board Director was not remunerated in 2022, 2021 or 2020.

Cox Energy Solar had no Senior Manager contracts at 31 December 2022, 2021 or 2020.

In 2022, remuneration accrued to Senior Management, including both fixed and variable items, amounted to €510 thousand (€354 thousand and €143 thousand in 2021 and 2020, respectively).

The Group has taken out directors' liability insurance covering the members of the Board of Directors, executives and persons performing executive functions, having paid a total insurance premium of €23.4 thousand in 2022.

28.4. Article 229 of the Spanish Companies Act, introduced under Royal Decree-Law 1/2010 of 2 July, imposes on the directors, or their natural person representatives, the duty to report to the Board of Directors or, where there is no Board, the other directors or, in the case of a sole director, the General Meeting, any direct or indirect conflict of interest with the Company. The Director in question may not participate in resolutions or decisions affecting the transaction to which the conflict of interest relates.

In 2022, 2021 and 2020, no agreement between the Company and any of its shareholders or directors, or persons acting on their behalf, relating to transactions not forming part of the Company's ordinary business or not subject to normal terms and conditions, was terminated, amended or rescinded in advance.

It should also be noted that all the directors have reported that they have no direct or indirect conflict of interest with the parent company or its investees.

28.5. Audit fees

The following fees and expenses accrued to PricewaterhouseCoopers Auditores, S.L. and its associates, and to other auditors:

	2022			2021			2020		
Item	PwC	Other auditors	Total	PwC	Other auditors	Total	PwC	Other auditors	Total
Audit services	247	93	340	308	35	343	352	23	375
Other services	173	-	173	25	-	25	-	-	-
Total	**420**	**93**	**513**	**333**	**35**	**368**	**352**	**23**	**375**

Assurance services provided by the auditor in 2022, 2021 and 2020 amounted to €340 thousand, €343 thousand and €375 thousand, respectively.

28.6. Environmental information

In view of the Company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be significant with respect to its equity, financial situation and results. Therefore, no specific disclosures are included in these notes.

Environmental aspects are taken into consideration throughout the facility processing and construction phases, arranging the studies required by the legislation of each country.

The Group incurred no environmental expenditure in relation to its operational facilities in 2022.

In addition, the Group views climate change as an emerging risk in the corporate risk map, in line with the risk assessment methodology applicable to the Group's other risks, and has updated its analysis of risks and opportunities arising from climate change and the energy transition, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which includes physical and transition risks classified based on the level of criticality and probability of affecting the Group's projects; the execution horizon and potential impact of business opportunities identified are taken into consideration.

28.7. Earnings or loss per share

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the number of ordinary shares outstanding each year:

Item	2022	2021	2020
Profit/(loss) for the year attributed to parent company	(4,944)	(10,856)	(9,518)
Number of ordinary shares	610,286	610,286	610,286
Earnings/(loss) per share	**(0.008)**	**(0.018)**	**(0.016)**

28.8. Events after the reporting period

The most significant events since 2022 year-end are described below:

> In February 2023, Cox Energy Solar, S.A. announced the Spanish government's authorisation for Ibox Energy to sell 619 MWp to CTGS.

> In March 2023, Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) was awarded 45 MW in Colombia in the auction of connection points for power generation and consumption projects held by the Mining and Energy Planning Unit.

> On 3 May 2023, Cox Energy, S.A.B. de C.V.'s Extraordinary General Shareholders' Meeting approved the business name change to Cox Energy, S.A.B. de C.V.

> On 3 August 2023, as a result of Cox Energy, S.A.B. de C.V.'s participation in the Open Tender PEG 4-2022 in Guatemala, called by the National Electricity Commission (CNEE), in the form of a reverse auction, the company was awarded 38.41 MW in solar power generation and consumption for 15 years, representing a commitment of 106.0 GWh/year.

> On 28 October 2022, the Abengoa Group applied for voluntary joint insolvency proceedings for 33 of its group companies and the submission of a binding offer for the acquisition of autonomous production units (UPA) by a third party, pursuant to 224.(ii) of the Consolidated Text of the Insolvency Act (TRLC).

In a Decision of 10 November 2022, Division Three of the Seville Commercial Court of First Instance declared the joint insolvency proceedings for all 33 applicants. In the same judicial decision, Ernst & Young was appointed as the insolvency administrator for all 33 insolvent companies.

On 9 January 2023, the Cox Energy Group, through one of its subsidiaries, submitted an offer to purchase Abengoa's assets in liquidation to the Commercial Court of First Instance (Division Three) in Seville, Spain.

Abengoa is a company with operations in America, Europe, Asia and Africa, specialising in energy, water, service, transmission and infrastructure projects. The purpose of the offer submitted was to acquire all Abengoa's production units under an industrial plan that seeks to maximise the use of both companies' complementary capabilities.

The proposal assures the continuity of the 9,505 jobs and of Abengoa's headquarters in Seville. The Cox Energy Group, through one of its Spanish subsidiaries, undertook to contribute a portfolio of projects to Abengoa in the coming years that will provide a direct workload for different verticals from day one, under a cost-plus structure, this being a method in which the cost incurred by the provider company is increased by an appropriate mark-up to arrive at an adequate profit for the functions performed and market conditions.

On 18 April 2023, Seville Commercial Court No. 3 awarded Abengoa's production units in the insolvency proceeding initiated on 10 November 2022 to Cox Energy (to the company "Cox Energy Europa, S.L.U.") (the "Award").

The decision of 18 April 2023 was appealed, but, following objections to the appeals, the Court, in a decision of 29 May 2023, dismissed the appeals and confirmed the appealed decision, stating that "an ordinary appeal cannot be brought against this decision". Therefore, the court resolution to award the Abengoa Group's production units to "Cox Energy Europa, S.L.U." became final, excluding subsequent appeals.

On 28 July 2023, the necessary public deeds were executed between the insolvency administrators and "Cox Energy Europa, S.L.U." to formally award the production units to COX. Accordingly, with effect on 18 April 2023 (date of the court resolution), the COX Group is the absolute owner of the Abengoa Group's production units.

> On 2 February 2023, the company "Inversiones Riquelme Vives, S.L." acquired the debt associated with the loan and interest outstanding at that date with the company "Euro Syns, S.A.", for which it was the guarantor. The loan principal and interest stood at €5 million and €256 thousand, respectively (Note 28.2).

> On 2 February 2023, the company "Inversiones Riquelme Vives, S.L." acquired the debt associated with the loan and interest outstanding at that date with Alberto Zardoya Arana, for which it was the guarantor. The loan principal and interest stood at €2 million and €48.3 thousand, respectively (Note 28.2).

> The Board of Directors of BME Growth approved the listing of Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.) on 3 July 2023, after having analysed and studied all the documents submitted by the company, and once the Market Coordination and Listing Committee had issued a favourable report.

> In 2023, the parent company issued a long-term private debt instrument, raising a total of over €28 million from subsidiaries, related parties and other lenders. The debt instrument includes an option for conversion into shares of some of its subsidiaries, related to the Abengoa production units, on maturity. The initial maturity date is 3 November 2026 and may be extended for one more year to 3 November 2027, as the final maturity date.

> In September 2023, a public announcement was made that the Cox Energy Solar Group's name had been changed to Coxabengoa, unifying the companies Cox Energy Solar and Abengoa in a single entity.

> The launch of Coxabengoa's Strategic Plan 2023-2027 was announced in September 2023. This strategic plan addresses the objectives defined for the following five business areas: Energy, in which Abengoa Energía is integrated with Cox Energy, S.A.B. de C.V., Water and Services.

> At the end of 2023, the Group signed the renewal of certain guarantee lines for an amount of €111 million. In addition, during 2024 the Group is in advanced negotiations with the main financial institutions to obtain long and short-term financing.

> In addition to the above, the Group is analysing various alternatives related to the capital markets, which would reinforce the Strategic plan.

Appendix I

Subsidiaries included in the consolidation in 2022 using the full consolidation method

Company name	Registered office	% share of nominal value	Shareholder	(*)	Activity
Alhambra Solar S.A. de C.V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy S.A.B. de C.V. (a)		(4)
Aparse, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy S.A.B. de C.V. (a)		(1)
Atlacomulco Solar, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy S.A.B. de C.V. (a)		(1)
Cox El Guindal, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
Cox Energía Chile S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Cox Energía Comercializadora España S.L.U.	Spain (ES)	100	Cox Energy Europa, S.L.U.		(2) / (3)
Cox Energía, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Cox Energy S.A.B. de C.V. (a)	Mexico (MX)	80.7	Cox Energy Solar S.A.		(5)
Cox Energy Asset, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy Colombia S.A.S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy Comercializadora, S. A. S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(3)
Cox Energy Europa, S.L.U.	Spain (ES)	100	Cox Energy Solar S.A.		(5)
Cox Energy Finance Latam, Corp., S. A.	Panama (PA)	100	Cox Energy, S.A.B. de C.V. (a)		(4)
Cox Energy GD, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(2)
Cox Energy Generador, S.A. de C.V.	Mexico (MX)	60	Cox Energy Latin America, S.L.U. / Nexus Energía, S.A. (40%)		(3)
Cox Energy Guatemala, S.A.	Guatemala (GT)	100	Cox Energy Solar S.A. / Cox Energy Latin America S.L.U.		(4)
Cox Energy Latam Chile, S.p.A.	Spain (ES)	100	Cox Energy Latin America, S.L.U.	(*)	(1)
Cox Energy Latin America, S.L.U.	Spain (ES)	100	Cox Energy S.A.B. de C.V. (a)		(4) / (5)
Cox Energy México Suministrador, S.A. de C.V.	Mexico (MX)	60	Cox Energy Latin America, S.L.U. / Nexus Energía, S.A. (40%)		(3)

Appendix I

Subsidiaries included in the consolidation in 2022 using the full consolidation method (continued)

Company name	Registered office	% share of nominal value	Shareholder	(*)	Activity
Cox Energy Panamá, S.A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy PMGD, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(5)
Cox Energy Procurement, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Machali. S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
Cox Río Maule, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
El Pinto Solar, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy S.A.B. de C.V. (a)		(1)
El Sol de Llano Sánchez, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(1)
El Sol de Vallenar, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Energías del Sol de Chile, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(4)
Ibergy Energía Comercializadora Internacional, SLU	Spain (ES)	100	Cox Energy Latin America, S.L.U.		(5)
Ibergy Instaladora, SL.	Spain (ES)	100	Ibergy Energía Comercializadora Internacional, SL	(*)	(3)
Iscali Solar, S.A. de C.V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy S.A.B. de C.V. (a)		(1)
Parita Solar, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(1)
Parque Eólico Los Guindos, S.p.A.	Chile (CL)	70	Energías del Sol de Chile, SpA		(1)
Pradera Solar, S. A. S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(1)
San Francisco V, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
San Javier I, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
Valleland III, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(5)
Valleland, S.p.A.	Chile (CL)	100	Valleland III, S.p.A.		(1)

Appendix I

Subsidiaries included in the consolidation in 2022 using the full consolidation method (continued)

The % of nominal value reflects the parent company's direct interest in the subsidiary.

(*) Companies incorporated or acquired and included in the scope of consolidation during the year.

(a) Name change, formerly Cox Energy América S.A.B. de C.V.

(1) Company engaged in developing power generation projects or hosting power purchase agreements (PPAs) by means of a power plant.

(2) Distributed energy generation, ESCO business model for regulated customers and self-consumption (Energy Service Company or ESCO).

(3) Electricity supply.

(4) Provision of General Corporate Services or Procurement Services or Asset Management.

(5) Subholding.

Appendix I

Subsidiaries included in the consolidation in 2021 using the full consolidation method

Company name	Registered office	% share of nominal value	Shareholder	(*)	Activity
Alhambra Solar S.A. de C.V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(4)
Aparse, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
Atlacomulco Solar, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
Cox El Guindal, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.	(*)	(1)
Cox Energía Chile S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.	(*)	(1)
Cox Energía Comercializadora España SLU	Spain (ES)	100	Cox Energy Europa, S.L.U.		(2) / (3)
Cox Energía, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Cox Energy, S.A.B. de C.V. (a)	Mexico (MX)	80.7	Cox Energy Solar S.A.		(5)
Cox Energy Asset, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy Colombia S.A.S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy Comercializadora, S. A. S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(3)
Cox Energy Europa, S.L.U.	Spain (ES)	100	Cox Energy Solar S.A.		(5)
Cox Energy Finance Latam, Corp., S. A.	Panama (PA)	100	Cox Energy, S.A.B. de C.V. (a)		(4)
Cox Energy GD, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(2)
Cox Energy Generador, S.A. de C.V.	Mexico (MX)	60	Cox Energy Latin America, S.L.U. / Nexus Energía, S.A. (40%)		(3)
Cox Energy Guatemala, S.A.	Guatemala (GT)	100	Cox Energy Solar S.A. / Cox Energy Latin America S.L.U.		(4)
Cox Energy Latin America, S.L.U.	Spain (ES)	100	Cox Energy, S.A.B. de C.V. (a)		(4) / (5)
Cox Energy México Suministrador, S.A. de C.V.	Mexico (MX)	60	Cox Energy Latin America, S.L.U. / Nexus Energía, S.A. (40%)		(3)
Cox Energy Panamá, S.A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)

Appendix I

Subsidiaries included in the consolidation in 2021 using the full consolidation method (continued)

Company name	Registered office	% share of nominal value	Shareholder	(*)	Activity
Cox Energy PMGD, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(5)
Cox Energy Procurement, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Machali. S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.	(*)	(1)
Cox Río Maule, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.	(*)	(1)
El Pinto Solar, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
El Sol de Llano Sánchez, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(1)
El Sol de Vallenar, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Energías del Sol de Chile, SpA	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(4)
Ibergy Energía Comercializadora Internacional, SLU	Spain (ES)	100	Cox Energy Latin America, S.L.U.	(*)	(5)
Iscali Solar, S.A. de C.V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
Parita Solar, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.	(*)	(1)
Parque Eólico Los Guindos, S.p.A.	Chile (CL)	70	Energías del Sol de Chile, SpA		(1)
Pradera Solar, S. A. S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(1)
San Francisco V, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
San Javier I, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
Valleland III, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(5)
Valleland, S.p.A.	Chile (CL)	100	Valleland III, S.p.A.		(1)

The % of nominal value reflects the parent company's direct interest in the subsidiary.

(*) Companies incorporated or acquired and included in the scope of consolidation during the year.

(a) Name change, formerly Cox Energy América S.A.B. de C.V.

(1) Company engaged in developing power generation projects or hosting power purchase agreements (PPAs) by means of a power plant.

(2) Distributed energy generation, ESCO business model for regulated customers and self-consumption (Energy Service Company or ESCO).

(3) Electricity supply.

(4) Provision of General Corporate Services or Procurement Services or Asset management.

(5) Subholding.

Appendix I

Subsidiaries included in the consolidation in 2020 using the full consolidation method

Company name	Registered office	% share of nominal value	Shareholder	(*)	Activity
Alhambra Solar S.A. de C.V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(4)
Aparse, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
Atlacomulco Solar, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
Cox Energía Comercializadora España SLU	Spain (ES)	100	Cox Energy Europa, S.L.U.		(2) / (3)
Cox Energía, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Cox Energy, S.A.B. de C.V. (a)	Mexico (MX)	80.7	Cox Energy Solar S.A.		(5)
Cox Energy Asset, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.	(*)	(4)
Cox Energy Colombia S.A.S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy Comercializadora, S. A. S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(3)
Cox Energy Europa, S.L.U.	Spain (ES)	100	Cox Energy Solar S.A.		(5)
Cox Energy Finance Latam, Corp., S.p.A.	Panama (PA)	100	Cox Energy, S.A.B. de C.V. (a)		(4)
Cox Energy GD, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(2)
Cox Energy Generador, S.A. de C.V.	Mexico (MX)	60	Cox Energy Latin America, S.L.U. / Nexus Energía, S.A. (40%)		(3)
Cox Energy Guatemala, S.A.	Guatemala (GT)	100	Cox Energy Solar S.A. / Cox Energy Latin America S.L.U.	(*)	(4)
Cox Energy Latin America, S.L.U.	Spain (ES)	100	Cox Energy, S.A.B., de C.V. (a)		(5)
Cox Energy México Suministrador, S.A. de C.V.	Mexico (MX)	60	Cox Energy Latin America, S.L.U. / Nexus Energía, S.A. (40%)		(3)
Cox Energy Panamá, S.A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(4)
Cox Energy PMGD, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(5)

Appendix I

Subsidiaries included in the consolidation in 2020 using the full consolidation method (continued)

Company name	Registered office	% share of nominal value	Shareholder	(*)	Activity
Cox Energy Procurement, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.	(*)	(4)
Cultivo Solar, S.A.S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(1)
El Pinto Solar, S. A. de C. V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
El Sol de Llano Sánchez, S. A.	Panama (PA)	100	Cox Energy Latin America, S.L.U.		(1)
El Sol de Vallenar, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(1)
Energías del Sol de Chile, SpA	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(4)
Granja Solar, S.A.S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(1)
Iscali Solar, S.A. de C.V.	Mexico (MX)	100	Cox Energy Latin America, S.L.U. / Cox Energy, S.A.B. de C.V. (a)		(1)
Parque Eólico Los Guindos, S.p.A.	Chile (CL)	70	Energías del Sol de Chile, SpA		(1)
Pradera Solar, S. A. S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(1)
San Francisco V, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
San Javier I, S.p.A.	Chile (CL)	100	Cox Energy PMGD, S.p.A.		(1)
Valle Solar, S.A.S.	Colombia (CO)	100	Cox Energy Latin America, S.L.U.		(1)
Valleland III, S.p.A.	Chile (CL)	100	Cox Energy Latin America, S.L.U.		(5)
Valleland, S.p.A.	Chile (CL)	100	Valleland III, S.p.A.		(1)

The % of nominal value reflects the parent company's direct interest in the subsidiary.

(*) Companies incorporated or acquired and included in the scope of consolidation during the year.

(a) Name change, formerly Cox Energy América S.A.B. de C.V.

(1) Company engaged in developing power generation projects or hosting power purchase agreements (PPAs) by means of a power plant.

(2) Distributed energy generation, ESCO business model for regulated customers and self-consumption (Energy Service Company or ESCO).

(3) Electricity supply.

(4) Provision of general corporate services or procurement services or asset management.

(5) Subholding.

Appendix II

Associates included in the scope of consolidation in 2022 under the equity method

Company name	Registered office	Shareholding % of nominal value	Shareholder	(*)	Activity
El Gritón Solar, S.A. de C.V.	Mexico (MX)	20	Cox Energy Latin América, S.L.U.		(1)
Ibexia Cox Energy Development, SL (**)	Spain (ES)	40	Cox Energy Europa, S.L.U.		(4)
Sonnedix Cox Energy Chile, S.p.A.	Chile (CL)	30	Cox Energy Latam Chile, S.p.A.		(1)

Associates included in the scope of consolidation in 2021 under the equity method

Company name	Registered office	Shareholding % of nominal value	Shareholder	(*)	Activity
El Gritón Solar, S.A. de C.V.	Mexico (MX)	20	Cox Energy Latin América, S.L.U.		(1)
Ibexia Cox Energy Development, SL(**)	Spain (ES)	40	Cox Energy Europa, S.L.U.		(4)
Sonnedix Cox Energy Chile, S.p.A.	Chile (CL)	30	Cox Energy Latin América, S.L.U.		(1)

Associates included in the scope of consolidation in 2020 under the equity method

Company name	Registered office	Shareholding % of nominal value	Shareholder	(*)	Activity
El Gritón Solar, S.A. de C.V.	Mexico (MX)	20	Cox Energy Latin América, S.L.U.		(1)
Ibexia Cox Energy Development, SL (**)	Spain (ES)	40	Cox Energy Europa, S.L.U.		(4)
Sonnedix Cox Energy Chile, S.p.A.	Chile (CL)	30	Cox Energy Latin América, S.L.U.		(1)

Appendix II

Associates included in the scope of consolidation under the equity method (continued)

The % of nominal value reflects the parent company's direct interest in the subsidiary.

(*) Companies incorporated or acquired and included in the scope of consolidation during the year.

(**) This company owns 81 special purpose vehicles (SPVs).

(1) Company engaged in developing power generation projects or hosting power purchase agreements (PPAs) by means of a power plant.

(2) Distributed energy generation, ESCO business model for regulated customers and self-consumption (Energy Service Company or ESCO).

(3) Electricity supply.

(4) Provision of general corporate services or procurement services or asset management.

(5) Subholding.

Appendix III

Subsidiaries excluded from the scope of consolidation in 2021

Company name	Year excluded	% interest	Reason
Cultivo Solar S.A.S.	2021	100	Company dissolution
Granja Solar S.A.S.	2021	100	Company dissolution
Valle Solar S.A.S.	2021	100	Company dissolution

There were no significant scope exclusions in 2022 or 2020.

Appendix IV

Non-group companies holding an ownership interest of 10% or more in a subsidiary included in the scope of consolidation in 2022

Investee company	Shareholder	% interest
Cox Energy, S.A.B. de C.V. (a)	Minoritarios Bolsa Institucional de Valores SA de CV	19.30
Cox Energy Generador, S.A. de C.V.	Nexus Energía, S.A.	40.00
Cox Energy México Suministrador, S.A. de C.V.	Nexus Energía, S.A.	40.00
Parque Eólico Los Guindos, S.p.A.	Parque Eólico Ranquilco SpA.	30.00

Non-group companies holding an ownership interest of 10% or more in a subsidiary included in the scope of consolidation in 2021

Investee company	Shareholder	% interest
Cox Energy, S.A.B. de C.V. (a)	Minoritarios Bolsa Institucional de Valores SA de CV	19.30
Cox Energy Generador, S.A. de C.V.	Nexus Energía, S.A.	40.00
Cox Energy México Suministrador, S.A. de C.V.	Nexus Energía, S.A.	40.00
Parque Eólico Los Guindos, S.p.A.	Parque Eólico Ranquilco SpA.	30.00

Non-group companies holding an ownership interest of 10% or more in a subsidiary included in the scope of consolidation in 2020

Investee company	Shareholder	% interest
Cox Energy, S.A.B. de C.V. (a)	Minoritarios Bolsa Institucional de Valores SA de CV	15.01
Cox Energy Generador, S.A. de C.V.	Nexus Energía, S.A.	40.00
Cox Energy México Suministrador, S.A. de C.V.	Nexus Energía, S.A.	40.00
Parque Eólico Los Guindos, S.p.A.	Parque Eólico Ranquilco SpA.	30.00

(a) Name change, formerly Cox Energy América S.A.B. de C.V.

Consolidated Management Report for 2022 and 2021

1.- Company's situation

1.1. Organisational structure

Cox Energy Solar, S.A. (the "parent company" or the "Company") is a public limited company (*sociedad anónima*) incorporated under the laws of Spain on 25 July 2014, with registered office in Madrid, Spain.

The parent company and its subsidiaries and associates (the "Cox Energy Solar Group" or the "Group") is the holding of an international group with operations in Spain, Mexico, Chile, Colombia, Guatemala and Panama.

The Group combines a structure of sub holding companies with a decentralised management approach.

The Group's purpose and values

The Company's purpose reflects the current economic, social and environmental challenges.

Its purpose expresses the pledge to be an energy company committed to a more sustainable world, promoting the development and use of available renewable energy sources.

The Group's vision for the future reflects its goal to become a relevant multinational company in the renewable energy sector, able to create value for shareholders and investors, employees and other stakeholders in a sustainable, environmentally friendly way.

The Group's purpose and vision are underpinned by a commitment to values, including respect for the environment, social responsibility and good corporate governance. To achieve this, the Company's principles of action and conduct address regulatory compliance, integrity and ethics; respect for people and human rights; and environmental protection through appropriate environmental policies and management approaches.

Business model

The business lines that make up the Group's business model are outlined below.

The Group also has a business approach in which:

> Investment is concentrated on businesses that provide recurring cash flows.

> Renewable activities, primarily photovoltaic.

> Geographic diversification, with operations in America and Europe.

> Maintaining a financial position that allows investment objectives to be met.

> Meeting stakeholder expectations.

Presence and business areas

The Group's activities are carried out in Spain, Mexico, Chile, Colombia, Guatemala and Panama, in the following business segments:

> Development of photovoltaic renewable energy generation projects.

> Supply of renewable energy.

> Distributed generation.

Governance structure

The Board of Directors has three members: the Chair-Chief Executive Officer and two directors, plus a non-voting secretary.

The Board of Directors delegates to the Chair-Chief Executive Officer the responsibility of presenting and submitting to the Board of Directors any proposals deemed fit for the proper running and institutional representation of the Company.

The Chair-Chief Executive Officer is directly involved in all the Company's management and oversight activities.

Basic strategies

The parent company's strategy plan is designed to achieve a more secure, competitive and decarbonised energy model based on electrification.

In this context, the Group's vision reflects:

> The need to combine the decarbonisation of the economy with growth in energy self-sufficiency.

> A continuous focus on technological innovation in all its activities.

> Addressing new consumer demands for value-added energy services, the provision of which will be made possible through digitalisation.

> Maintenance of a sound financial structure.

These trends place electricity at the epicentre of the energy transition: the sustained increase in demand due to the electrification of all energy end-uses will substantially raise electricity's share of the energy matrix.

The global crisis that emerged in 2022 following the invasion of Ukraine has made the need to fast forward electrification more apparent than ever, as the most efficient way to reduce dependence on fossil fuels.

To meet this growing demand, it will be essential to ramp up investment in renewable energy, which, according to the International Energy Agency, could reach two thirds of total power generation by 2040.

Integration will also require efficient, smart and flexible grids for transmission and distribution, and energy storage infrastructures. Meeting the full decarbonisation challenge will also require maximising the use of other clean energy carriers, such as green hydrogen, for industries that are hard to electrify.

Against this backdrop, the Group focuses on markets showing significant electricity demand growth potential.

Investments in renewables will be centred on high quality projects with the best risk/return ratio. This will consolidate our position in the solar photovoltaic and battery storage sectors, through investments mainly in Spain, Chile and Colombia.

The Group's history

In 2014,

> Cox Energy Solar, S.A. was incorporated.

In 2015,

> Cox Energy Solar launched its business in Central America and the Caribbean.

> On 4 March 2015, Cox Energy Solar began to do business in Mexico, incorporating Cox Energy México, S.A. de C.V.

In 2016,

> Cox Energy Solar was awarded an annual generation capacity of 264 GWh in the Chilean power tender process.

> Cox Energy Solar began to sell energy in Spain following the acquisition of Avalia Energía (now Cox Energía Comercializadora).

In 2017,

> the subsidiary Cox Energy México Suministrador, S.A. de C.V. obtained the permit from the Energy Regulatory Commission (CRE) to sell electricity in Mexico.

> Cox Energy Solar entered into a partnership agreement with Sonnedix for the development, construction and commissioning of renewable energy projects in Chile. Cox Energy Solar sold 70% of its Chilean subsidiary that owned PPAs for 264 GWh per annum, awarded in the previous year, to Sonnedix. As part of the deal, ,the subsidiary was renamed Sonnedix Cox Energy Chile, S.p.A. and, in addition, Sonnedix transferred to Cox Energy Solar 30% of the share capital of SPV P4, S.p.A., a vehicle owning 7 MWp in operating assets.

> In October, Cox Energy Solar sold 80% of the share capital of its El Gritón Solar project in Mexico to GPG.

> In November, Cox Energy Solar was awarded a 20-year contract to supply 140 GWh in Chile, in a tender process.

In 2018,

> Cox Energy Solar entered into a private PPA with Audax Energía, S.A. for 660 MWp of solar photovoltaic energy, at various locations in Spain and Portugal.

> In June, Cox Energy Solar sold a 40% stake in Cox Energy Suministrador, S.A. de C.V. and in Cox Energy Generador, S.A. de C.V. to Nexus Energía, S.A.

> In August, Cox Energy Solar entered into a PPA with Nexus Energía for 450 GWh/year solar photovoltaic energy in Spain.

> In December, Cox Energy Solar agreed to split its project portfolio to form two sub holding companies. Efficient organisation and management, coupled with the search for the necessary funding in geographic areas with very different structures and economic cycles, energy models, benchmark currencies and investment community interest, led to the restructuring of the Company into two distinct platforms in Europe and Latin America, comprising specific structures, administrative bodies and teams, and the capacity to manage, with the required autonomy, operational aspects and the raising of the necessary resources to maximise value creation for each platform.

In 2019,

> Cox Energy Solar sold its 30% stake in the vehicle SPV P4, S.p.A.

> In the second half, Ibexia Development, S.L. purchased Sonnedix's ownership interest in the joint venture with Cox Energy Solar for the development of projects in Spain. The joint venture was renamed Ibexia Cox Energy Development, S.L. ("Ibox Energy") and is 40% indirectly owned by Cox Energy Solar.

In 2020,

> Cox Energy Solar undertook a corporate reorganisation in Latin America. As a result, Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) and its subsidiaries became a legally consolidable group.

> On 7 July, Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) made an initial public offering of shares in Mexico.

> On 8 July, the shares of Cox Energy América (currently Cox Energy S.A.B. de C.V.) were listed on Mexico's Institutional Stock Exchange (BIVA).

In 2021,

- construction began in Chile of the 160 MW Meseta de los Andes photovoltaic project, a substation and a 15.6 km x 220kV transmission line.
- On 16 November, the Extraordinary General Shareholders' Meeting of Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.) formally agreed to initiate the formalities necessary to request authorisation for the listing of its shares in BME MTF Equity's BME Growth trading segment.

In 2022,

- Ibox Energy and Nexwell Power sold 619 MWp of photovoltaic energy to CTGS.
- In September, Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) was authorised by XM to operate as an agent in Colombia's Wholesale Electricity Market, through its subsidiary Cox Energy Comercializadora, S.A.S. Following this approval, it is able to negotiate contracts for the supply and purchase of energy in the Colombian electricity market.
- In the second half of the year, Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) began to do business in the Dominican Republic and Puerto Rico.
- In December, the Spanish government authorised the sale of 619 MWp to CTGS.

2.- Business performance and results

Unless otherwise stated, the figures in this Consolidated Management Report are expressed in millions of euros.

2.1. Financial situation

In 2022, the Group focused on three pillars:

- development of photovoltaic renewable energy generation projects in Latin America and Spain;
- supply of renewable energy and representation of plants in Spain and Mexico; and
- distributed generation, in Spain.

The Group's main operating metrics for 2022 and 2021 are summarised below.

Project development indicators in:

Projects in Latin America	**2022**	**2021**
Number of projects	28	20
Project portfolio (MWp):		
Initial development	755	355
Advanced development and backlog	814	813
Under construction	51	51
Operational	-	-
Total project portfolio	**1,620**	**1,219**
Opportunities identified	800	1,098

Ibox Energy projects in Spain (*)	2022	2021
Number of projects	29	-
Project portfolio (MWp):		
Initial development	1,540	-
Advanced development and backlog	361	-
Under construction	51	-
Operational	-	-
Total project portfolio	**1,952**	-

(*) The parent company has an indirect 40% ownership interest in Ibox Energy.

The Group classifies its projects based on the stage of development:

> Development (35%): project phase defined by the Group based on technical and financial feasibility, depending on whether land is available and/or there is operationally feasible access to the electricity grid.

> Advanced development (+50%): project phase defined by the Group in a technically and financially advanced situation, as the land has been secured or is more than 50% likely to be obtained, applications for grid access have been submitted with an estimated 90%+ chance of being approved and the environmental permit has been requested.

> Backlog (90%): project phase defined by the Group in the final stage prior to construction, where land and grid access have been secured, there is a greater than 90% probability of obtaining the environmental permit and there is a framework agreement with a power purchaser or a stabilised price scheme.

> Under construction (>90%): project phase defined by the Group in which the construction company is instructed to begin the works on site. In this phase, project completion is virtually free of risk.

> In operation (100%): project phase defined by the Group in which responsibility for the asset has been transferred from the entity performing the EPC functions to the Group's operating team.

Distributed generation indicators in Spain (Cox Energía Comercializadora, S.L.U.):

Spain	2022	2021
Number of projects	180	50
- Residential segment	131	39
- Industrial segment	49	11
Projects (MWp)		
Operational	1	0.5
Under construction	10	3
Total projects	**11**	**3.5**

Supply indicators in Spain. Cox Energía Comercializadora:

Spain	2022	2021
- Energy supplied	43.6 GWh	50.6 GWh
- Number of customers	2.500	2.450

Business, energy supply and representation indicators in Mexico:

Mexico	2022	2021
- Energy supplied to customers	72.7 GWh	2.76 GWh
- Energy supplied, PPA Generator (*)	29.1 GWh	7.2 GWh
- Number of customers	46	4

(*) Billings to CENACE

3.- Main risks and uncertainties

The Group's activities are exposed to various financial risks, the most relevant being foreign exchange risk, interest rate risk, credit risk and, finally, liquidity risk.

The Group's overall risk management approach is focused on financial market uncertainty and seeks to minimise potential adverse effects.

Risk management is carried out by Group Management, which identifies, evaluates and hedges financial risks in accordance with the policies approved by the Board of Directors.

Note 4 Financial risk management of the notes to the annual accounts describes the Group's risk management.

4.- Average supplier payment period

Note 22 of the notes to the annual accounts provides information on Cox Energy Solar's degree of fulfilment of supplier payment periods for commercial transactions, pursuant to Law 15/2010 of 5 July, as amended by Law 18/2022 of 28 September.

5.- Personnel

The parent company and its subsidiaries (Cox Energy, S.A.B. de C.V. and Cox Energía Comercializadora, S.L.U.) had 76 and 50 employees and executives at 31 December 2022 and 2021, respectively.

Employee diversity by geography.

At 31 December 2022, the parent company and its subsidiaries have operations in Mexico, Spain, Chile, Colombia and Panama, reflecting the following parameters:

Country	2022
Chile	15
Colombia	9
Spain	33
Mexico	16
Panama	3
Total	**76**

Headcount breakdown by gender:

	2022
Men	46
Women	30
Total	**76**

Classification of employees and relevant executives by functional category:

	Men	Women	Total
General Director and Area Directors	7	2	9
Director, General Manager and Manager	8	1	9
Lawyer and Engineer	11	6	17
Department Head and Supervisor	11	5	16
Staff: Analyst, Assistant Manager, Controller, Clerk, Coordinator, Tax and Commercial	9	10	19
Other: Reception, Cleaning and Interns	-	6	6
Total	**46**	**30**	**76**

There were no employees with a disability rating in 2022 or 2021.

There follows a statistical summary of the employees and directors of the parent company and its subsidiaries at 31 December 2022:

	Cox Energy Solar, S.A.	Cox Energy, S.A.B. de C.V.	Cox Energía Comercializadora, S.L.U.	Total
Number of employees and directors	1	58	17	76
Percentage of men	100%	59%	53%	60%
Percentage of women	-	41%	47%	40%
Average age	55	37	36	36.5 years
Average length of service	5 years	2.86 years	3 years	2.92 years

6.- R&D&i activities

The Company's R&D&i activities are carried out in partnership with other undertakings operating in the fields of innovative solar energy, energy storage and production forecasting.

Therefore, the Company does not fund specific R&D&i activities.

The Company takes technological innovation very much into account during project development and the Group's R&D&i activities are focused on boosting competitiveness by identifying and monitoring new technologies.

7.- Alternative performance measures

The Group presents its results in accordance with International Financial Reporting Standards (IFRS), as indicated in Note 2.1. However, certain alternative performance measures (APM) are employed to provide additional information favouring the comparability and clarity of its financial information, as well as facilitating decision-making and the assessment of the Group's performance.

> Ebitda;

> Definition: Operating profit/(loss) + Depreciation, amortisation, impairment losses and provisions.

> Reconciliation: The Group discloses Ebitda in Note 5 to the consolidated financial statements (in thousand of euros).

Item	2022	2021	2020
Operating profit/(loss)	(5,969)	(10,574)	(6,425)
Depreciation/amortisation charges and impairment losses (*)	287	2,149	73
Ebitda	**(5,682)**	**(8,425)**	**(6,352)**

(*) Amount shown in absolute value, being negative in Consolidated Income Statement.

> Explanation of use: The Group considers Ebitda to be a measure of its business performance, as it provides an analysis of operating results (excluding depreciation and amortisation, which are non-cash variables), as an approximation to operating cash flows reflecting cash generation before changes in working capital. This indicator is also widely used by investors when assessing companies, and by rating agencies and creditors when evaluating indebtedness by comparing Ebitda with net debt.

> Comparability: The Group presents previous-year comparative figures.

> Consistency: The method used to calculate Ebitda is the same as in the previous year.

> Net financial debt:

> Definition: Bank borrowings and other – Cash and cash equivalents (excluding project companies) – Current financial receivable (excluding project companies).

> Reconciliation: Net financial debt including the information of the Statement of Financial Position at that date:

Item	2022	2021	2020
+ Finance lease liabilities and bank borrowings	19	3	9
- Current financial receivable	(11)	(3)	-
- Cash and cash equivalent	(2)	(1)	(3)
+ Financial investments and cash from project companies	-	-	-
Net financial debt	6	(1)	6

> Explanation of use: Net debt is a financial indicator that measures a company's debt position at the corporate level. This indicator is also widely used by investors when assessing financial leverage and by rating agencies and creditors when evaluating indebtedness.

> Comparability: The Group presents previous-year comparative figures.

> Consistency: The method used to calculate net debt is the same as in the previous year.

8.- Major events after the reporting date

The most significant events since 2022 year-end are described below:

> In February 2023, Cox Energy Solar, S.A. announced the Spanish government's authorisation for Ibox Energy to sell 619 MWp to CTGS.

> In March 2023, Cox Energy, S.A.B de C.V. (formerly Cox Energy América, S.A.B. de C.V.) was awarded 45 MW in Colombia in the auction of connection points for power generation and consumption projects held by the Mining and Energy Planning Unit.

> On 3 May 2023, Cox Energy, S.A.B. de C.V.'s Extraordinary General Shareholders' Meeting approved the business name change to Cox Energy, S.A.B. de C.V.

> On 3 August 2023, as a result of Cox Energy, S.A.B. de C.V.'s participation in the Open Tender PEG 4-2022 in Guatemala, called by the National Electricity Commission (CNEE), in the form of a reverse auction, the company was awarded 38.41 MW in solar power generation and consumption for 15 years, representing a commitment of 106.0 GWh/year.

> On 28 October 2022, the Abengoa Group applied for voluntary joint insolvency proceedings for 33 of its group companies and the submission of a binding offer for the acquisition of autonomous production units (UPA) by a third party, pursuant to 224.(ii) of the Consolidated Text of the Insolvency Act (TRLC).

In a Decision of 10 November 2022, Division Three of the Seville Commercial Court of First Instance declared the joint insolvency proceedings for all 33 applicants. In the same judicial decision, Ernst & Young was appointed as the insolvency administrator for all 33 insolvent companies.

On 9 January 2023, the Cox Energy Group, through one of its subsidiaries, submitted an offer to purchase Abengoa's assets in liquidation to the Commercial Court of First Instance (Division Three) in Seville, Spain.

Abengoa is a company with operations in America, Europe, Asia and Africa, specialising in energy, water, service, transmission and infrastructure projects. The purpose of the offer submitted was to acquire all Abengoa's production units under an industrial plan that seeks to maximise the use of both companies' complementary capabilities.

The proposal assures the continuity of the 9,505 jobs and of Abengoa's headquarters in Seville. The Cox Energy Group, through one of its Spanish subsidiaries, undertook to contribute a portfolio of projects to Abengoa in the coming years that will provide a direct workload for different verticals from day one, under a cost-plus structure, this being a method in which the cost incurred by the provider company is increased by an appropriate mark-up to arrive at an adequate profit for the functions performed and market conditions.

On 18 April 2023, Seville Commercial Court No. 3 awarded Abengoa's production units in the insolvency proceeding initiated on 10 November 2022 to Cox Energy (to the company "Cox Energy Europa, S.L.U.") (the "Award").

The decision of 18 April 2023 was appealed, but, following objections to the appeals, the Court, in a decision of 29 May 2023, dismissed the appeals and confirmed the appealed decision, stating that "an ordinary appeal cannot be brought against this decision". Therefore, the court resolution to award the Abengoa Group's production units to "Cox Energy Europa, S.L.U." became final, excluding subsequent appeals.

On 28 July 2023, the necessary public deeds were executed between the insolvency administrators and "Cox Energy Europa, S.L.U." to formally award the production units to COX. Accordingly, with effect on 18 April 2023 (date of the court resolution), the COX Group is the absolute owner of the Abengoa Group's production units.

> On 2 February 2023, the company "Inversiones Riquelme Vives, S.L." acquired the debt associated with the loan and interest outstanding at that date with the company "Euro Syns, S.A.", for which it was the guarantor. The loan principal and interest stood at €5 million and €256 thousand, respectively (Note 28.2).

> On 2 February 2023, the company "Inversiones Riquelme Vives, S.L." acquired the debt associated with the loan and interest outstanding at that date with Alberto Zardoya Arana, for which it was the guarantor. The loan principal and interest stood at €2 million and €48.3 thousand, respectively (Note 28.2).

> The Board of Directors of BME Growth approved the listing of Cox Energy, S.A.B. de C.V. (formerly Cox Energy América, S.A.B. de C.V.) on 3 July 2023, after having analysed and studied all the documents submitted by the company, and once the Market Coordination and Listing Committee had issued a favourable report.

> In 2023, the parent company issued a long-term private debt instrument, raising a total of over €28 million from subsidiaries, related parties and other lenders. The debt instrument includes an option for conversion into shares of some of its subsidiaries, related to the Abengoa production units, on maturity. The initial maturity date is 3 November 2026 and may be extended for one more year to 3 November 2027, as the final maturity date.

> In September 2023, a public announcement was made that the Cox Energy Solar Group's name had been changed to Coxabengoa, unifying the companies Cox Energy Solar and Abengoa in a single entity.

> The launch of Coxabengoa's Strategic Plan 2023-2027 was announced in September 2023. This strategic plan addresses the objectives defined for the following five business areas: Energy, in which Abengoa Energía is integrated with Cox Energy, S.A.B. de C.V., Water and Services.

> At the end of 2023, the Group signed the renewal of certain guarantee lines for an amount of €111 million. In addition, during 2024 the Group is in advanced negotiations with the main financial institutions to obtain long and short-term financing.

> In addition to the above, the Group is analysing various alternatives related to the capital markets, which would reinforce the Strategic plan.