



PROFIT AND LOSS REPORT SECOND HALF 2017 JANUARY - DECEMBER

PROFIT AND LOSS REPORT January – December 2017



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Executive Summary

- Audax Renovables, before Fersa Energías Renovables, ended the year 2017 with a net profit of EUR 7,350 thousand, in contrast to the loss of EUR 31,608 thousand for the same period of the previous year.
- This result confirms that with Audax Energía taking control in August of 2016, the company began an integration process and is consolidating very positively.
- Operating income has increased by 20% compared to 2016 to reach EUR 37.159 thousands and EBITDA generated amounts to EUR 25,106 thousands, representing a 53% growth compared to the previous year.
- The reasons for these increases are due to the following factors: higher market price average of energy on the Spanish pool market, larger wind resources and the enhancement of the performance of the plants has brought an increase in production.
- Moreover, the cost reduction and optimisation policy Group's represents another factor that shows this EBITDA increase.

Consolidated Income Statement	2017	2016	Var. (%)
Operating income	37,159	31,085	20
Operating expenses	-12,053	-14,703	-18
EBITDA	25,106	16,382	53
EBIT	13,718	-26,542	n.a.
Financial profit / loss	-7,625	-9,385	-19
Net profit/loss Attributable to the Parent Company	7,350	-31,608	n.a.

EUR thousands

- The split of the energy produced by Audax Renovables in 2017 is 75% generated in Spain; France provided 7%, and Poland 18% of the total amount. The production of the projects in that period reached 456.5 GWh, in comparison to the 389.4 GWh in 2016.
- Regarding the operating income, mainly, 80% belongs to Spain, 8% to France and 12% to Poland.
- On January 31, 2018 the corporate loan was restructured by the means of a new financing agreement with Banco Santander, S.A. and Banco Popular Español, S.A. for the amount of EUR 3.4 million due on 31 July 2020.

Audax Renovables ended the year 2017 with a net profit of EUR 7,350 thousand.

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Key Figures

The steadfast commitment to the optimisation and enhancement of the performance of the plants, together with larger wind resources, has brought an increase both in production and turnover, being higher than the previous year by EUR 3,081 thousand.

- The production breakdown by country is as follows:

GWh Production	2017	%	2016	%	% Var.
Spain	340.2	75%	288.6	74%	18%
France	31.1	7%	25.6	8%	21%
Poland	85.2	18%	75.2	18%	13%
Total	456.5	100%	389.4	100%	17%

- The turnover breakdown by country is as follows:

Turnover (M€)	2017	%	2016 *	%	% Var.
Spain	30.1	80%	24.6	82%	22%
France	2.9	8%	2.4	8%	22%
Poland	3.9	12%	3.2	10%	24%
Total	36.9	100%	30.2	100%	22%

** 2016 Spain turnover includes an adjustment of EUR +1,6 millions according to the RD413/2014 due to lower pool price of the first half-period.*

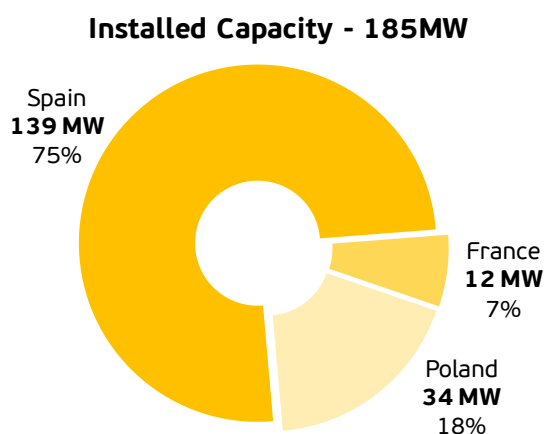
Operational key figures

- In Spain, the increase in production by 18% in 2017 compared to the previous year is mainly due to larger wind resources in South of Spain wind farms and also to an improved use of these resources by enhancing the performance of the plants which, together with a higher market price, have contributed to the increase of the turnover by 22%.
- On an international level, in the same way, the wind farm in France good performance has registered an increase in production by 21% compared to the same period of the previous year, with a 22% increase in its turnover. Likewise, the production of the wind farm in Poland has been 13% higher, that together with the revaluation of the green certificates, involves that its turnover is 24% higher than in 2016.

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Key Figures

- The installed capacity breakdown by country is as follows:



- The Audax Renovables' portfolio breakdown by country is as follows:

MW	Operating	Under development	Total portfolio	%
Spain	139	50	189	51%
France	12	0	12	3%
Poland	34	34	68	19%
Panama *	0	99	99	27%
TOTAL	185	183	368	100%

* Attributable capacity (30% of 330 MW)



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Consolidated Income Statement

Consolidated Profit and Loss	2017	2016	Var.	Var. (%)
Net turnover	36,891	30,168	6,723	22
Other income	268	917	-649	-71
Operating income	37,159	31,085	6,074	20
Operating expenses	-12,053	-14,703	2,650	-18
EBITDA	25,106	16,382	8,724	53
Amortisation, depreciation and impairment	-11,591	-12,835	1,244	-10
Changes in the provisions	0	658	-658	-100
Impairment and profit/loss from disposal of fixed assets	203	-30,747	30,950	n.a.
EBIT	13,718	-26,542	40,260	n.a.
Financial income	179	25	154	n.a.
Financial expenses	-8,021	-9,309	1,288	-14
Exchange differences	217	-101	318	n.a.
Financial profit/loss	-7,625	-9,385	1,760	-19
Share in the profit/loss of associated companies	-133	-191	58	-30
Profit/loss before tax	5,960	-36,118	42,078	n.a.
Corporate Income Tax	1,674	4,425	-2,751	-62
Consolidated profit/loss for the year	7,634	-31,693	39,327	n.a.
Profit/loss attributed to minority interests	-284	85	-369	n.a.
Net profit/loss Attributed to the Parent Company	7,350	-31,608	38,958	n.a.

EUR thousands

Analysis of the Results

- The net turnover, including the impact of the price hedging contracts, has amounted to EUR 36,891 thousand, representing an increase of 22% compared to the same period of 2016 (EUR 30,168 thousand).

The main facts that reflects the evolution of turnover have been:

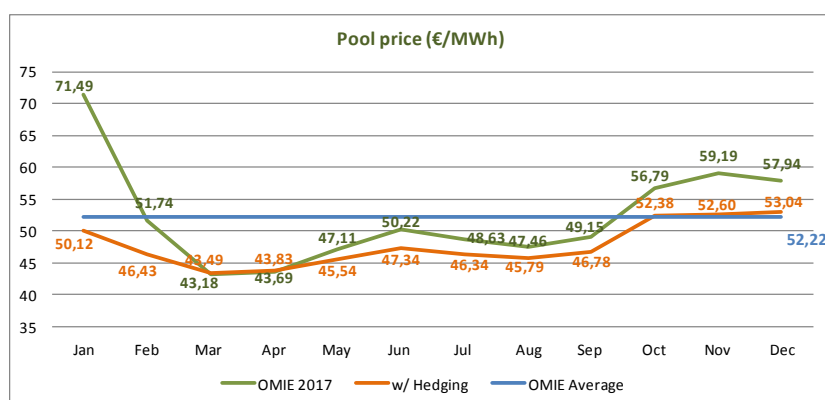
- An average increase of 37% in energy price of the Spanish pool market compared with the same period of the previous year (EUR 4,611 thousands).
- Higher production (17%) of all Group projects, the steadfast commitment to the optimization and enhancement of the performance of the plants, which, together with larger wind resources, has brought higher turnover of EUR 3,081 thousands.
- The specific remuneration received by the Spanish projects from the half-regulatory period 2017 to 2019 is higher than the previous period by EUR 1,738 thousand due to the update of the parameters published in the order ETU/130/2017.

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Consolidated Income Statement

- Price hedging contracted during this year 2017 accrued impact is a lower turnover of EUR 1,243 thousands, representing 4.1% of the total turnover of the Spanish wind farms.



- In 2016 an adjustment has been registered due to the R.D. 413/2014 because of differences in the pool price of the first regulatory half-period, resulting in a receivable right of EUR 1,575 thousands to be recovered within the regulatory useful life of the Spanish projects.
- Operating expenses are 18% lower due to the Company's cost reduction and optimization policy, mainly due to the following issues:
 - Operating expenses reduction through out the agreements terms improvement and the optimization of the operating costs of the projects.
 - In the previous year, a provision of the tender offer costs made by Audax Energía was recorded for an amount of EUR 1,538 thousands.
 - The tax on electricity generation of 7% and other items affected by the higher turnover implies higher operational expenses of EUR 821 thousands.
- In 2016, as a consequence of new regulations in Poland, a provision of EUR 30,462 thousand was registered as a result of the impairment test.
- Financial expenses have decreased by 14% compared to the same period of the previous year, owing, among others things, the lower financial burden from the project finance in EUR 1,288 thousands.
- Audax Renovables belongs to a new tax group that promotes the use of its negative tax results, which has an accounting effect of corporate tax in favor of the company, resulting in a net amount of EUR 1,674 thousand.
- Audax Renovables ends 2017 with a Net Profit Attributable to the Parent Company of EUR 7,350 thousand, compared to the losses of EUR 31,608 thousand of the same period of the previous year.

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Consolidated Balance Sheet

ASSETS	Dec-17	Dec-16	Var.	var. (%)
Property, plant and equipment	164,779	172,478	-7,699	-4.5
Goodwill	1,494	1,494	0	n.a.
Other intangible assets	30,708	32,673	-1,965	-6.0
Non-current financial assets	5,813	5,704	109	1.9
Investments as per equity accounting	6,931	7,442	-511	-6.9
Deferred tax assets	3,055	5,847	-2,792	-47.8
Non-current assets	212,780	225,638	-12,858	-5.7
Trade and other receivables	6,910	5,892	1,018	17.3
Other current financial assets	10,182	3,636	6,546	n.a.
Other current assets	56	115	-59	-51.3
Cash and cash equivalents	14,178	15,668	-1,490	-9.5
Current assets	31,326	25,311	6,015	23.8
Total Assets	244,106	250,949	-6,843	-2.7
LIABILITIES AND NET EQUITY	Dec-17	Dec-16	Var.	var. (%)
Capital	98,003	98,003	0	n.a.
Other reserves	-11,133	20,476	-31,609	n.a.
Profit/loss for the year	7,350	-31,608	38,958	n.a.
Translation differences	-6,273	-6,099	-174	2.9
Hedging	-8,244	-10,115	1,871	-18.5
Minority interests	1,157	502	655	n.a.
Net Equity	80,860	71,159	9,701	13.6
Bank loans	106,810	117,870	-11,060	-9.4
Other non-current liabilities	29,962	34,213	-4,251	-12.4
Non-current liabilities	136,772	152,083	-15,311	-10.1
Bank loans	19,046	18,554	492	2.7
Trade and other payables	6,029	8,001	-1,972	-24.6
Other current financial liabilities	815	488	327	67.0
Other current liabilities	584	664	-80	-12.0
Current liabilities	26,474	27,707	-1,233	-4.5
Total Liabilities	244,106	250,949	-6,843	-2.7

EUR thousands

The consolidated balance sheet for 2017 shows a decrease in the "Bank loans" and "Cash and cash equivalents" accounts, mainly due to the repayments of the project finance loans related to the operating projects during the period.

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Consolidated Balance Sheet

Balance Sheet analysis

- Non-current assets decrease due to the amortization of the assets during the period and to a lower amount of the deferred tax assets applied.
- Current assets increase due to the registration of the income tax in the new consolidation tax environment, among others.
- Non-current liabilities shows a decrease of the bank debts (mainly *project finance* mode) due to the current installments of the period. Furthermore, the SWAP valuation decrease involves an higher difference in respect the previous year.
- Non-current liabilities have also decreased due to the reduction of short term debts.

Net Financial Debt

- As at 31 December 2017 the net financial debt amounts to EUR 113 million and corresponds almost entirely to financing of investments in property, plant and equipment of the wind farms ("Project Finance" modality), with a maturity period between 12 and 15 years. The principal of the bank loans of Audax Renovables (corporate debt) as at 31 December 2017 amounts to EUR 4,6 million.
- This consolidated debt implies a financial leverage of 58.4% as shown in the table below.

Net Financial Debt	Dec-17	Dec-16	Var.	%
Bank loans	125,856	136,424	-10,568	-7.7%
Other liabilities (derivatives)	11,949	14,604	-2,655	-18.2%
Cash and other current financial assets	-24,360	-19,304	-5,056	26.2%
Net Financial Debt	113,445	131,724	-18,279	-13.9%
Leverage *	58.4%	64.9%		

EUR thousands

* Leverage = Net Financial Debt / (Net Financial Debt + Net Equity)

In January of 2018 the corporate loan was restructured by the means of a new financing agreement for the amount of EUR 3.4 million due on 31 July 2020.

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Stock Exchange Information

Audax Renovables - ADX.MC

	2017	Units
Number of shares admitted to trading	140,003,778	Num.
Share price at the beginning of the period (2 Jan.)	0.505	€ / share
Share price at the end of the period (29 Dec.)	0.440	€ / share
Maximum trading price	0.670	€ / share
Minimum trading price	0.395	€ / share
Trading price fluctuation during the period	-12.87	%
Capitalisation at the end of the period	61,601,662	€
Number of traded shares (from 2 Jan. to 29 Dec.)	83,240,634	Num.
Effective volume (from 2 Jan. to 29 Dec.)	48,297,180	€
Daily volume of traded shares (average)	329,014	Num.
Effective daily volume (average)	190,898	€



Audax Energía, S.A. owns 70.86% of the shares of Audax Renovables, S.A. after the acquisition completed in August 2016 at the price of EUR 0.50 per share.

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Significant Events within the Reporting Period

SE: Company

Date	# Registration	Description
30/01/2017	247635	The Company announces the conclusion of a modificatory and non-executive novation of the Financing Agreement signed on 31 January 2012. The novation fundamentally consist in extending the maturity date of said agreement till 31 January 2018 for the overdue amount of EUR 4.6 million.
26/05/2017	252549	Press release of a call to General Meeting of Shareholders and disclosure of the pertinent documents to the shareholders.
29/06/2017	254063	The Company submits the resolutions passed at the General Meeting of Shareholders held on 29 June 2017, in particular the following: <ul style="list-style-type: none"> ▪ The decision is made to change the name of the Company to "Audax Renovables, S.A." ▪ In accordance with the provisions of article 264.1 of the Companies Act it is decided to appoint KPMG Auditores, S.L. as the auditor of accounts of the Company for the period of three (3) years.

SE: Economic Reports

Date	# Registration	Description
21/02/2017	248338	The Company submits the information on the profit and loss for the second half year 2016.
21/02/2017	248339	The Company issues the Press Release on profit and loss for the year 2016.
21/02/2017	248340	The Company submits the Consolidated Profit and Loss Statement for the second half year 2016.
21/02/2017	248342	The Company submits the Annual Corporate Governance Report for the year 2016.
23/02/2017	248486	The Company submits the Annual Report on directors' remuneration for the year 2016.
09/05/2017	251812	The Company submits the financial information of the first quarter 2017.
09/05/2017	251813	The Company issues the Press Release on profit and loss first quarter 2017.
27/07/2017	255205	The Company submits the financial information of the first half 2017.
27/07/2017	255206	The Company issues the Press Release on profit and loss first half 2017.
27/07/2017	255207	The Company submits the Consolidated Profit and Loss Statement for the second half year 2017.
27/07/2017	255208	The Company announces the new version of the "Internal Regulations for Conduct in the Securities Markets".
14/11/2017	258521	The Company submits the financial information of the third quarter 2017.
14/11/2017	258523	The Company issues the Press Release on profit and loss third quarter 2017.

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Significant Events after the Reporting Period

Date	# Registration	Description
31/01/2018	261164	Today the Company has restructured the corporate syndicated loan, signed on 31 January 2012 and subsequently novated, by simultaneously settling the loan and signing a new contract for corporate financing with Banco Santander, S.A. and Banco Popular Español, S.A. for the amount of EUR 3,400,000 due on 31 July 2020, and with a promise to establish a pledge on claims as collateral.



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About Audax Renovables

- Audax Renovables, S.A. (formerly Fersa Energías Renovables, S.A) was incorporated in the year 2000 and is mainly involved in generating electricity from 100% renewable sources.
- In 2003 the shares of Audax Renovables were admitted to trading on the secondary market of the Barcelona Stock Exchange and in 2007 they were included in the SIBE (integrated stock exchange system) of the Madrid Stock Exchange. Now the shares are traded on the Spanish continuous market as (*ticker*) ADX.MC.
- On 19 May 2016 Audax Energía, S.A. made a bid to purchase 100% of shares of Audax Renovables. The offer was accepted by the shareholders representing 70.86% of the Audax Renovables' share capital and consequently Audax Energía, S.A. became the majority shareholder on 12 August 2016.
- Today Audax Renovables handles a portfolio of operating plants of 185 MW in Spain, France and Poland, of which 1 MW corresponds to solar energy and the rest to wind farms. Audax Renovables owns a portfolio of operating assets of high technological quality and an average age of 9 years.
- For more information, please visit www.audaxrenovables.com



Pedregoso

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Companies of the Group

Company	Holding direct + indirect
Eólica El Pedregoso, S.L	80%
Eólica Del Pino, S.L	80%
Parc Eòlic Mudefer, S.L.	100%
Parque Eólico Hinojal , S.L	100%
Gestora Fotovoltaica de Castellón, S.L. (y sociedades dependientes)	76%
Fercom Eólica, S.L.	100%
Fersa Asesoramiento y Gestión, S.L.	100%
Parc Eòlic Coll De Som, S.L.	100%
Explotación Eólica La Pedrera S.L.	100%
Castellwind 03 S.L	60%
Entreyeltes 1, S.L.	51%
Berta Energies Renovables, S.L.	26%
Eoliennes de Beausemblant, SAS	80%
Eólica Postolin Sp	100%
Eólica Warblewo Sp	65%
Parque Eólico Toabré, S.A. (anteriormente Fersa Panamá, S.A.)	30%
A.I.E. Subestación y Línea 2004	30%
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	16%
Aprofitament d'Energies Renovables de L'Ebre S.L.	15%



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