



By fulfilling the provisions in Article 228 of the Redrafted Text of the Spanish Securities Market Act, approved by Legislative Royal Decree 4/2015 of 23 October, by virtue of this document, Audax Renovables, S.A. notifies the following to the Spanish Securities Market Commission and the general public:

RELEVANT EVENT

Formulation of the common merger project between Audax Renovables, S.A., as the Acquiring Company, and Audax Energía, S.A., as the Target Company.

The Board of Directors of Audax Renovables, S.A. (hereinafter referred to as **"Audax Renovables"**) and Audax Energía, S.A. (hereinafter referred to as **"Audax Energía"**) held on today's date have drawn up the common project for the merger by take-over of Audax Energía, as the Target Company, by Audax Renovables, as the Acquiring Company.

Audax Energía is a joint stock company with registered office in Badalona (08911), at Avenida Navarra, number 14, recorded in the Companies Registry of Barcelona in volume 45212, page 63, sheet B-365898 and is assigned Tax Identification Code (NIF) A-85258549. Its sole shareholder, at the time the merger must be approved, will be Eléctrica Nuriel (as specified below).

A presentation of the structure resulting from such merger, along with the details of the pro forma figures related thereto, are attached to this document as an annex.

The common merger project, which has been submitted to the Companies Registry of Barcelona to be filed, states the following, *inter alia*:

- (i) The swap ratio will be 300,287,276 new shares of the Acquiring Company for 1,800,000 shares of the Target Company. All the new shares issued will be subscribed therefore, on the date the merger is approved, the sole shareholder of the Target Company will be the company Banana Phone, S.L. (which is in process of changing its name to Eléctrica Nuriel, S.L., hereinafter referred to as **"Eléctrica Nuriel"**).
- (ii) The main appraisal method used for calculating the reference appraisals by the companies taking part in the merger to determine the swap ratio has been based on the following:
 - a. For the Acquiring Company, the weighted average, on the one hand, of the discounted cash flows of future business plans, which results in a



range of 110.679 and 134.412 million euros, of which the maximum of such range has been taken into consideration and, on the other hand, the simple average of the closing market price of the Acquiring Company from 1 January 2018 until 27 June 2018, equivalent to 222.915 million euros. For the weighting of both amounts twice the weighting of the appraisal using fundamental methods has been taken into consideration, in other words, the future discounted cash flows compared with the appraisal by the market price of the Acquiring Company. Therefore, the appraisal of the Acquiring Company in question amounts to 163.913 million euros.

- b. For the Target Company, the discounted cash flows of future business plans, resulting in a range of 327.953 and 378.969 million euros, with a central point of 351.569 million euros; in addition, as a comparison, the appraisal method has been used based on comparable multiples of listed companies with past and forecast economic data of the subsidiaries of the Target Company that market electrical energy in the financial years ended in December 2017, 2018, 2019 and 2020, considering, at diverse levels, their future prospects; therefore it has been verified that the appraisals calculated by using the main method are within a reasonable range and in accordance with the appraisal calculated using the comparative method.

(iii) When drawing up the common merger project, the independent directors of Audax Renovables obtained a fairness opinion issued by Ernst&Young Servicios Corporativos, S.L.

(iv) According to the contents of sections (i) and (ii) above the merger has been completed, the share capital of Audax Renovables will be assigned as follows:

Shareholder	Percentage holding
Eléctrica Nuriel	90.73%
<i>Free float</i>	9.27%
Total	100%

By virtue of the foregoing, Eléctrica Nuriel will undertake the required liquidity commitments so that, once the merger has been executed, the free float percentage thereof will be increased.

In Badalona (Barcelona), on 29 June 2018.

Francisco José Elías Navarro
Chairman of the Board of Directors of Audax Renovables, S.A.
Chairman of the Board of Directors of Audax Energía, S.A.



**Joint project of merger
between Audax Renovables
and Audax Energía**

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Description of the Audax Group

Audax Renovables

Audax Energía

Transaction Scope

Joint Project of Merger

Description of the Audax Group

Energy Group Turnover
FY17

€959m

Energy Group EBITDA
FY17

€57m

TWh of electricity
sold FY17

6.8 TWh

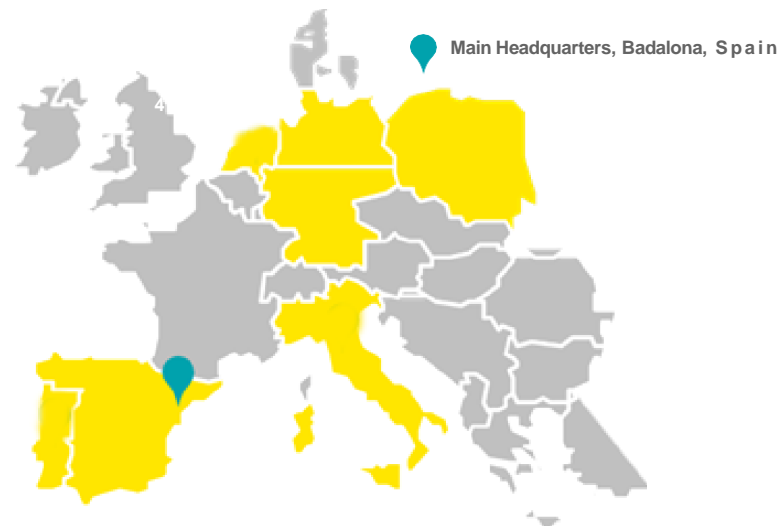
Installed capacity FY17

185 MW

Profile and strategy

- ▶ Geographical diversification with a strategy aimed at international expansion:
Audax operates in Spain, Portugal, Italy, Germany, Poland and the Netherlands, and 50% of its income is generated outside of Spain.
- ▶ Positioned mainly in the SMEs segment, which will be boosted by the recent acquisition of the UniEléctrica Group (ranking 13th on the electricity sales market in Spain).
- ▶ Retail business based on a commodity product on a very competitive market since the liberalisation of electricity retail sales in 1997. To set itself apart from its competitors, Audax implements the marketing strategy of product distinction and fostering sales force loyalty.
- ▶ In August of 2016 Audax begun its energy generating activity through the acquisition of Fersa Energías Renovables (currently Audax Renovables, S.A.) bringing about synergy and competitive advantages as a result of vertical integration.
- ▶ The Group hopes to continue developing its energy generating activity with the final aim of insuring that 100% of energy sold comes from renewable sources.

Group's presence



The Audax Group is present in eight countries.

Audax Group description – Major historical landmarks

Phase I: Initial Phase and Organic Growth



Trade share by Lublin Develops, S.L. in favor of Orus Energía, S.L. becoming the sole partner of the company.

2009

Setting-up of Orus Energía, S.L. by Mr. José Elías.

2012

2013



Audax Energía was acquired by Banana Phone, company owned by Mr. José Elías (65%) and José Manuel Imañas (35%). Introduction in the **Portuguese market**.

2014



Acquisition by Mr. José Elías of Banana Phone and Eléctrica Nuriel 100%. **MARF** bonds debt issuance (€ 21m). Acquisition of Generiber. Introduction in the Italian market with the acquisition of Big Energy.



2015



Setting-up of **Audax Energie GmbH** in **Germany**. Start of market gas .
Acquisition of client portfolio in **Italy** of **Compagnia Energetica Italiana** (CEI).



2016



Introduction in **Poland** by buying 50% of the Polish company Deltis Energía. Acquisition of 70.86% of **Fersa Energías Renovables, S.A.** for € 50m.

2017



Acquisition of 71.97% of the **Dutch** marketer **MAIN Energie**.

Issuance of a bond program (€ 65m) due in 2022.

2018

PPA signature for the purchase of production of a 660 MW solar facility. Acquisition of **UniEléctrica** Group, one of the leading Spanish independent retailers.



The Group's strategy has focused in recent years on two fundamental pillars (i) **The process of internationalization** with the implementation in Portugal (2013), Italy (2014), Germany (2015), Poland (2016) and Netherlands (2017) and (ii) the **generation of energy** through the acquisition of 70.86% of the shares of listed company on the Spanish stock exchange Fersa Energías Renovables SA, allowing **vertical integration in production and sale**.

Audax Renovables

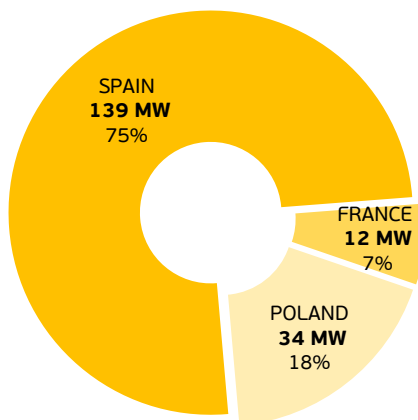
Background:

- ❖ Audax Renovables was incorporated in 2000, under the name of Fersa Energías Renovables, S.A., based in Barcelona, its main activity is the generation of electricity from renewable sources.
- ❖ In 2003 begins trading on the secondary market of the Barcelona stock exchange, and in 2007 it is listed on the "SIBE" of the Madrid stock exchange.
- ❖ On 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. As part of its integration into the Audax Group it is renamed Audax Renovables, S.A.
- ❖ Audax Renovables currently manages a total operating portfolio of 185 MW in Spain, France and Poland, being one of the leading operators in Spain in the renewable energy sector.

2017 Main Consolidated Figures

In operation	185 MW
Production	456 GWh
Operating income	37 € Millions
EBITDA	25 € Millions

Installed capacity - 185 MW

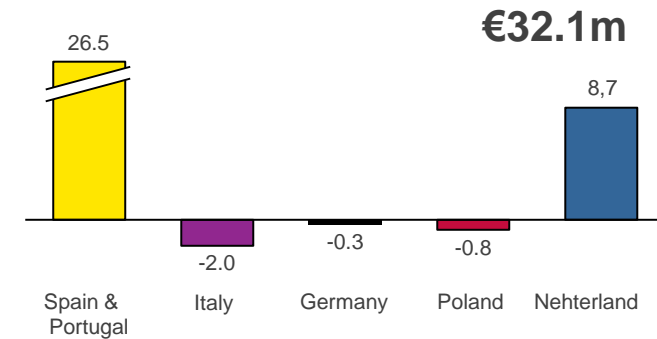


Audax Energía

Audax is authorized to pursue the activity of sale of electricity and gas in the Portuguese and Spanish MIBEL area (Iberian Electricity Market), in Italy, Germany, Poland and the Netherlands. It has recently acquired Grupo UniEléctrica, one of the leading independent Spanish marketers.



EBITDA FY17 added retailer business ⁽²⁾



L Electricity

G Gas

Portugal
Business
Revenues: €98.7m
EBITDA¹: integrated*
Starting year: 2013
Staff: 12
GWh Electricity: integrated*
GWh Gas: integrated*
Market: 6th marketer position thanks to the indexed rate. Positive evolution of the business in customers and billing. We started commercialization of gas.

Spain²
Business
Revenues: €633,5m
EBITDA: €26.5m
Starting year: 2008
Staff: 309
GWh Electricity: 4,913
GWh Gas: 355
Market: With the acquisition of UniEléctrica, the Group will become the 7th operator of the electricity market.

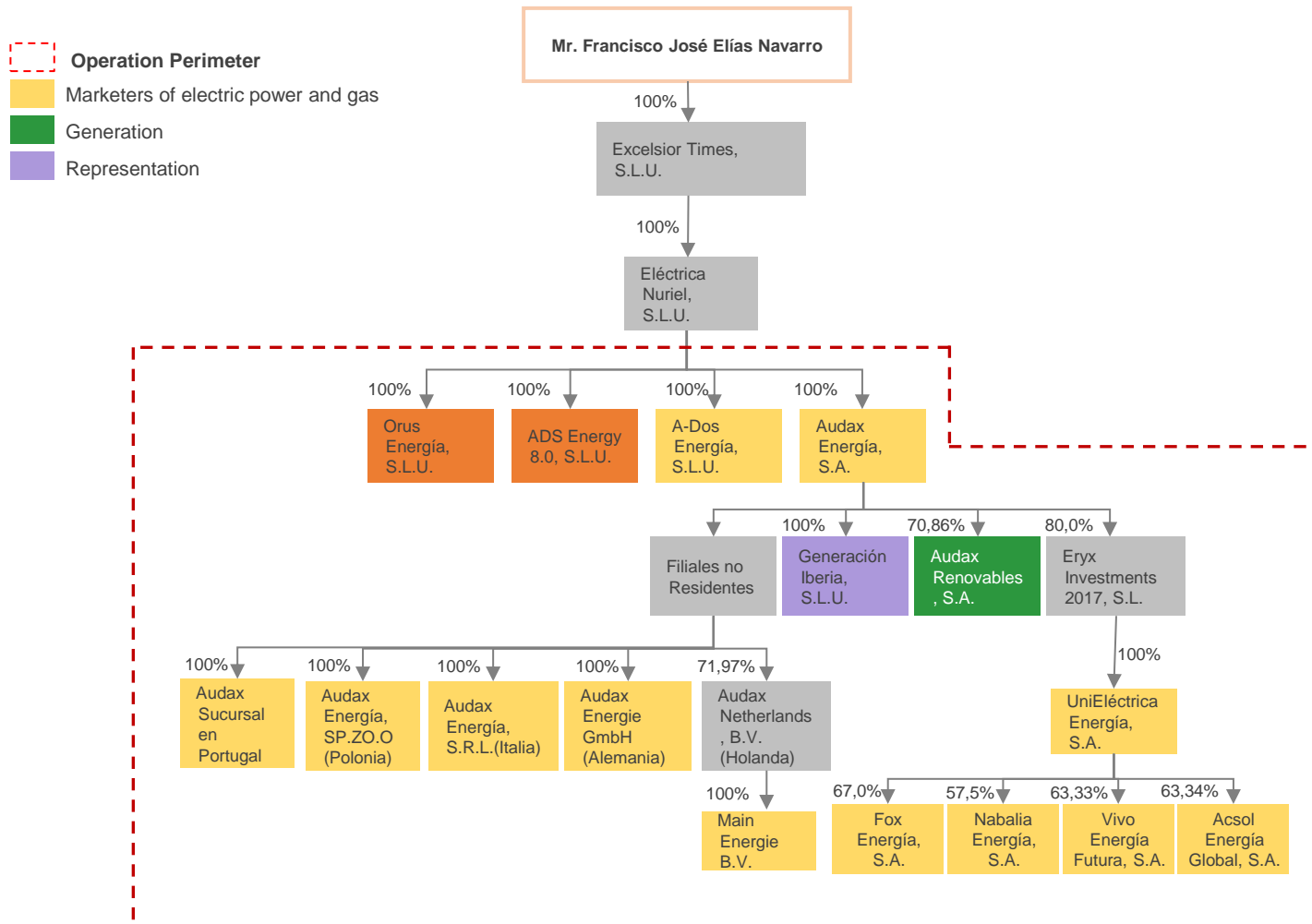
Italy
Business
Revenues : €65.0m
EBITDA: €(2.0)m
Starting year: 2015
Staff: 48
GWh Electricity: 263
GWh Gas: n.d.
Market: Entering into the market with the acquisition of Big Energy and CEI's client portfolio in 2015 to accelerate the presence in the country.

Germany
Business
Revenues: €1.9m
EBITDA: €(0.3)m
Starting year: 2015
Staff : 6
GWh Electricity: n.d.
GWh Gas: n.a.
Market: It is one of the main energy markets in Europe with more than 3 million SMEs. An important development is foreseen for the next exercises.

Poland
Business
Revenues: €4.6m
EBITDA: €(0.8)m
Starting year: 2016
Staff: 21
GWh Electricity: 92
GWh Gas: n.a.
Market: Entering into the market with the acquisition of Deltis SP. Zoo. (currently Audax Energía, SP.ZO.O).















Netherlands
Business
Revenues: €118.2m
EBITDA: €8.7m
Starting year: 2017
Staff: 119
GWh Electricity: 1,490
GWh Gas: 177
Market: Potential market of more than 850,000 companies.

Operation Perimeter




















Operation Perimeter

Audax Renovables is composed of operating and non-operating companies, with the operating companies being the following:

	Acquiring Company						
	80%	80%	80%	100%	100%	76%	100%
Active name	Eoliennes de Beausemblant SAS ("Beausemblant")	Eólica del Pino, S.L. ("Pino")	Eólica el Pedregoso, S.L. ("Pedregoso")	Parc Eòlic Mudefer S.L. ("Mudefer")	Parque Eólico Hinojal, S.L.U. ("Hinojal")	Gestora Fotovoltaica Castellón ("Gestora")	Eólica Postolín ("Postolín")
Location	 Auvergne-Rhône-Alpes	 Cádiz	 Cádiz	 Tarragona	 Cádiz	 Castellón	 Pomorskie
Technology							
Installed capacity (MW)	12.0	15.0	30.0	57.6	38.0	0.9	34.0
IT	n.a.	IT-00656	IT-00656	IT-00660 / IT-00659	IT-00657	IT-00057	n.a.
COD	2007	2006	2006	2010	2007	2007	2015
Regulatory life end	2027	2026	2026	2030	2027	2037	2030

Operation Perimeter

	Target Company									
Company	Audax Italia			Audax Polonia				Main Energy 	Audax Alemania	
Sector	Electricity & Gas	Gas	Electricity & Gas	Electricity & Gas	Electricity	Electricity	Electricity	Electricity & Gas	Electricity	Representation
Country operation										
Revenues (v.s/total) FY17	€65,0m (7,1%)	€25,6m (2,8%)	€354m (38,4%)	€4,6m (0,4%)	€247m (26,8%)	€72m (7,9%)	€21m (2,3%)	€118m (12,8%)	€1,9m (0,2%)	€11,8m (1,3%)
EBITDA FY17	-€2.0m	-€1.0m	€16.4m	-€0.8m	€11.7m	€0.3m	-€0.6m	€8.7m	-€0.3m	€0.3m

Joint Project of Merger – Exchange Ratio and *Fairness Opinion*

The exchange ratio will be of 300,287,276 new shares of the Acquiring Company in exchange for 1,800,000 shares of the Target Company. The entirety of the newly issued shares will be subscribed by the company Banana Phone, S.L. (currently undergoing the change of company name to Eléctrica Nuriel, S.L., hereinafter: "Eléctrica Nuriel"), which, as of the day of the merger approval, will be the sole shareholder of the Target Company.

At the time of drafting the joint project of merger, **the independent directors of Audax Renovables were provided with a *fairness opinion*** issued by *Ernst&Young Servicios Corporativos, S.L*

Joint Project of Merger – Valuation Method

The **main valuation method** used by the companies involved in the Merger to determine the exchange ratio was based on the following data:

- **For the Acquiring Company** – on the one hand, the weighted mean of discounted cash flow on future business plans, giving as a result a range of €110.679 million and €134.412, from which the highest figure was taken into account and, on the other hand, the arithmetic mean of the closing quotes from 1 January 2018 till 27 June 2018 of the Acquiring Company, equal to €222.915 million. In order to weigh both amounts, double weighting was given to the valuation with the main methods, i.e. discounted future cash flow, over the Acquiring Company quote valuation. Thus **the amount of the Acquiring Company valuation taken into account is of €163.913 million.**
- **For the Target Company** – discounted cash flow on future business plans, giving as a result a range of €327.953 million and €378.969 million and a central point of **€351,569 million**; additionally, as a means of comparison, another valuation method was based on comparable multiples of listed companies with historical and prospective economic data of the subsidiary companies of the Target Company operating in the electricity retail sales sector and concerning financial years ended in December of 2017, 2018, 2019 and 2020, taking into consideration in different measures their future prospects, and thus making it possible to confirm that the valuation results obtained by the use of the main method were within a reasonable range and within the valuation results achieved by the use of the comparative method.

Joint Project of Merger – Share Capital of Audax Renovables upon Completion of Merger

After the merger is completed, the distribution of the share capital of Audax Renovables will be as follows:

Shareholder	Shareholding
Eléctrica Nuriel	90.73%
<i>Free float</i>	9.27%
Total	100.00%

*Eléctrica Nuriel will undertake the necessary liquidity commitments in order to increase the percentage of its free float after the merger is completed.



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