



Audax Renovables, S.A. and subsidiaries

**Condensed Consolidated Interim Financial
Statements**

30 June 2018

Consolidated Interim Directors' Report

30 June 2018

(With Independent Limited Review Report thereon)

**(Free translation from the original in Spanish. In the
event of discrepancy, the Spanish-language version
prevails.)**



KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Limited Review on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of
Audax Renovables, S.A. commissioned by the Board of Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Audax Renovables, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the balance sheet at 30 June 2018, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). Pursuant to article 12 of Royal Decree 1362/2007 the Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.



Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2018 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2, which states that these interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2017. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2018 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2018. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Audax Renovables, S.A. and subsidiaries.

Other Matters

This report has been prepared at the request of the board of directors of Audax Renovables, S.A. in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Alejandro Núñez Pérez

26 July 2018

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2018

CONTENTS:

Description	Page
Interim condensed consolidated balance sheet	2
Interim condensed consolidated income statement	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in net equity	5
Interim condensed consolidated cash flow statement	6
Explanatory notes to the interim condensed consolidated financial statements	7
Interim consolidated Directors' Report	24
Appendix	29

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES - INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
(EUR thousands)

ASSETS	Note	30.06.18	31.12.17 *	LIABILITIES AND NET EQUITY	Note	30.06.18	31.12.17 *
NON-CURRENT ASSETS		214,162	212,780	NET EQUITY	9	84,790	80,860
Intangible assets:	5	31,233	32,202	SHAREHOLDERS' EQUITY		98,353	94,220
Goodwill		1,494	1,494	Capital		98,003	98,003
Other intangible assets		29,739	30,708	Share premium account		278,948	278,948
Property, plant and equipment	5	158,610	164,779	Reserves		(282,731)	(290,081)
Investments as per equity accounting	6	6,969	6,931	Profit (loss) for the period attributed to the parent company		4,133	7,350
Non-current financial assets	7	14,316	5,813	VALUE ADJUSTMENTS		(14,583)	(14,517)
Deferred tax assets	13	3,034	3,055	Hedging operations	8	(8,212)	(8,244)
				Translation differences		(6,371)	(6,273)
				NET EQUITY ATTRIBUTED TO THE PARENT COMPANY		83,770	79,703
				NON-CONTROLLING INTERESTS		1,020	1,157
				NON-CURRENT LIABILITIES		137,983	136,772
				Non-current provisions	10	1,794	1,762
				Non-current financial liabilities:	11	122,515	120,659
				Bank loans and bonds and other tradable securities		109,065	106,810
				Other non-current financial liabilities		13,450	13,849
CURRENT ASSETS		28,929	31,326	Deferred tax liabilities	13	7,203	7,386
Trade and other receivables:		5,967	6,910	Other non-current liabilities	12	6,471	6,965
Trade receivables for sales and services rendered		5,749	6,832	CURRENT LIABILITIES		20,318	26,474
Other receivables		218	78	Current financial liabilities:	11	14,981	19,861
Current financial assets	7	14,323	10,182	Bank loans and bonds and other tradable securities		13,524	19,046
Other current assets		355	56	Other financial liabilities		1,457	815
Cash and other equivalents		8,284	14,178	Trade and other payables:		4,737	6,029
				Other payables		4,717	5,865
				Current tax liabilities		20	164
				Other current liabilities	12	600	584
TOTAL ASSETS		243,091	244,106	TOTAL LIABILITIES AND NET EQUITY		243,091	244,106

Notes 1 to 19 and Appendix I are an integral part of the interim condensed consolidated financial statements as at 30.06.18

(*)Interim condensed consolidated balance sheet as at 31 December 2017 is presented solely for comparative purposes

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES – INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT			
(EUR thousands)			
	Notes	30.06.18	30.06.17*
Net turnover	4	17,373	17,568
Other operating income	12	320	138
Staff costs		(427)	(389)
Other operating expenses		(5,329)	(5,517)
Amortisation and depreciation	5	(5,797)	(5,793)
Impairment and profit (loss) on disposal of fixed assets	5	1,968	63
OPERATING PROFIT (LOSS)		8,108	6,070
Financial income		75	61
Exchange differences		(49)	152
Financial expenses		(3,924)	(4,018)
FINANCIAL INCOME (EXPENSES)		(3,898)	(3,805)
Profit (loss) of companies consolidated by equity accounting	6	(28)	(50)
PROFIT (LOSS) BEFORE TAX		4,182	2,215
Corporate Income Tax		(29)	(69)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		4,153	2,146
Net profit (loss) for the period from discontinued operations		-	-
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD		4,153	2,146
a) Profit (loss) attributed to the Parent Company		4,133	2,024
b) Profit (loss) attributed to non-controlling interests		20	122

PROFIT / (LOSS) PER SHARE			
(euros per share)			
	Notes	30.06.18	30.06.17
Basic	9	0.030	0.014
Diluted	9	0.030	0.014

Notes 1 to 19 and Appendix I are an integral part of the interim condensed consolidated financial statements as at 30.06.18

(*) Interim condensed consolidated income statement as at 30 June 2017 is presented solely for comparative purposes

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES – INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR thousands)		
	30.06.18	30.06.17*
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	4,153	2,146
INCOME AND EXPENSES CHARGED DIRECTLY TO NET EQUITY	(1,423)	24
a) Items that can be subject to reclassification to Income statement		
Cash flow hedges	(1,622)	119
Translation differences	(98)	(53)
Tax effect	297	(42)
b) Items that cannot be subject to reclassification to Income statement	-	-
RELEASES TO THE INCOME STATEMENT	1,367	1,356
Cash flow hedges	1,684	1,807
Translation differences	-	0
Tax effect	(317)	(451)
TOTAL RECOGNISED INCOME (EXPENSES) FOR THE PERIOD	4,097	3,526
Attributed to the Parent Company	4,067	3,350
Attributed to non-controlling interests	30	176

Notes 1 to 19 and Appendix I are an integral part of the interim condensed consolidated financial statements as at 30.06.18

(*) Interim condensed consolidated statement of comprehensive income as at 30 June 2017 is presented solely for comparative purposes

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES - INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
(EUR thousands)

	Share capital	Share premium account	Reserves	Profit and loss	Value adjustments	Total Parent Company	Non-controlling interests	Total
Balance at 31-12-16	98,003	278,948	(258,472)	(31,608)	(16,214)	70,657	502	71,159
Comprehensive income for the period	-	-	-	2,024	1,326	3,350	176	3,526
Transactions with shareholders or owners								
Dividends	-	-	-	-	-	-	(99)	(99)
Other changes in net equity								
Distribution of results	-	-	(31,608)	31,608	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30-06-17	98,003	278,948	(290,080)	2,024	(14,888)	74,007	579	74,586
Comprehensive income for the period	-	-	-	5,326	371	5,697	173	5,870
Transactions with shareholders or owners								
Changes of the scope	-	-	-	-	-	-	405	-
Other changes in net equity								
Other movements	-	-	(1)	-	-	(1)	-	(1)
Balance at 31-12-17	98,003	278,948	(290,081)	7,350	(14,517)	79,703	1,157	80,860
Comprehensive income for the period	-	-	-	4,133	(66)	4,067	30	4,097
Transactions with shareholders or owners								
Dividends	-	-	-	-	-	-	(167)	(167)
Other changes in net equity								
Distribution of results	-	-	7,350	(7,350)	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30-06-18	98,003	278,948	(282,731)	4,133	(14,583)	83,770	1,020	84,790

Notes 1 to 19 and Appendix I are an integral part of the interim condensed consolidated financial statements as at 30.06.18

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES - INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT			
(EUR thousands)			
	Note	30.06.18	30.06.17*
CASH FLOW FROM OPERATING ACTIVITIES		8,511	3,686
Profit (loss) before tax		4,182	2,215
Adjustments to results		7,755	9,497
Amortisation and depreciation	5	5,797	5,793
Value adjustments due to impairment	5		
Changes in provisions			50
Allocation of grants	12		(138)
Profit (loss) from write-offs and disposal of fixed assets		(1,968)	(63)
Interest income		(75)	(61)
Borrowing costs		3,924	4,018
Exchange differences		49	(152)
Profit (loss) from companies consolidated by equity accounting	6	28	50
Changes in working capital		317	(3,549)
Other cash flows from operating activities		(3,743)	(4,477)
Interests paid		(3,818)	(4,533)
Interests collected		75	61
Payments of corporate income tax			(5)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(10,781)	(130)
Payment of investments		(12,781)	(130)
Tangible, intangible assets and real estate investments		(105)	(130)
Other financial assets		(12,676)	-
Collection on divestment		2,000	-
Collection on divestment		2,000	-
CASH FLOWS FROM FINANCING ACTIVITIES		(3,624)	(5,405)
Collection / (payment) for financial liabilities		(3,624)	(5,306)
Issuance		23,718	600
Collection of grants		-	-
Returns and amortisation		(27,342)	(5,906)
Payments for dividends and the remuneration of other net equity instruments		-	(99)
EFFECT OF CHANGES IN EXCHANGE RATES		-	-
INCREASE / (DECREASE) IN NET CASH AND EQUIVALENTS		(5,894)	(1,849)
CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD		14,178	15,668
CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD		8,284	13,819
BREAKDOWN OF NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD			
Cash and banks		8,284	10,246
Other financial assets		-	3,573
TOTAL NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD		8,284	13,819

Notes 1 to 19 and Appendix I are an integral part of the interim condensed consolidated financial statements as at 30.06.18

(*) Interim condensed consolidated cash flow statement as at 30 June 2017 is presented solely for comparative purposes

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

Audax Renovables, S.A. (formerly Fersa Energías Renovables, S.A.), hereinafter, the Parent Company, was incorporated in Barcelona on 10 July 2000 for an unlimited duration.

Its registered address is Avenida Navarra, nº14 in Badalona.

It is mainly engaged in all types of activities related to the development of electricity generation from renewable sources, for which purpose it can set up, acquire and hold shares, bonds, participations and rights in companies whose corporate objects are the development, construction and exploitation of facilities for the generation of electricity from renewable energy sources.

Additionally, it may acquire, hold, administer and dispose of all types of titles, securities, financial assets, rights, interests or shares in individual or social enterprises, on its own behalf, excluding intermediaries, and under the applicable legislation on Securities Market and Collective Investment Institutions.

On 29 June 2017, the General Meeting of Shareholders of the Parent Company resolved to change its corporate name from Fersa Energías Renovables, S.A to Audax Renovables S.A.

Audax Renovables, S.A. is a holding company which is the parent company of a Group of subsidiary companies, joint ventures and associated companies that are engaged in the generation of electricity from renewable sources and constitute together the AUDAX RENOVBLES GROUP (hereinafter, the Audax Renovables Group or the Group).

Furthermore, the Audax Renovables Group is part of the Excelsior Group whose parent company is Excelsior Times.S.L.U., with its registered address at Avenida Navarra, nº 14, Badalona. The consolidated annual accounts of the Excelsior Group for the year 2017, drawn up on 29 March 2018, will be submitted to the Commercial Register in Barcelona.

The shares of Audax Renovables, S.A. are admitted to trading on the continuous market of the Spanish Stock Exchange. The annual accounts of Audax Renovables S.A. and the consolidated annual accounts of the Audax Renovables Group for the year ended on 31 December 2017 were approved by the General Meeting of Shareholders on 27 June 2018.

The interim condensed consolidated financial statements of the Audax Renovables Group as at 30 June 2018 were drawn up by the Directors of the Parent Company on 26 July 2018.

On 29 June 2018, the boards of directors of the companies Audax Renovables, S.A. and Audax Energía, S.A. formulated a joint project of a merger by acquisition between the companies Audax Renovables, S.A., as the acquiring company, and Audax Energía, S.A., as the acquired company. The exchange ratio will be of 300,287,276 new shares of the Acquiring Company in exchange for 1,800,000 shares of the Acquired Company.

The figures presented in these interim condensed consolidated financial statements are stated in thousand euros, except for the figures of profit per share which are expressed in euros per share, unless specified otherwise.

NOTE 2 – BASIS OF PRESENTATION

These interim condensed consolidated financial statements for the period of six months ended on 30 June 2018 have been drawn up in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" included in the International Financial Reporting Standards adopted by the European Union (IFRS-EU). The interim condensed consolidated financial statements shall be interpreted together with the consolidated annual accounts for the year ended on 31 December 2017, which were drawn up in accordance with the IFRS-EU. Consequently, it was not necessary to repeat or update certain notes or estimates included in the aforementioned consolidated annual accounts. Instead, some selected enclosed explanatory notes contain an explanation of events or adjustments that are likely to be of importance for the description of the changes in the consolidated financial situation and in the consolidated operating results, of the consolidated comprehensive income and the consolidated cash flow statements of the Group since 31 December 2017, the date of the aforementioned consolidated annual accounts, till 30 June 2018.

In accordance with paragraph 20 of IAS 34, and for the purpose of providing comparative information, these interim condensed consolidated financial statements include the interim condensed consolidated balance sheets as at 30 June 2018 and as at 31 December 2017, the interim condensed consolidated income statements for the period of six months ended on 30 June 2018 and 2017, the interim condensed consolidated comprehensive income statements for the periods of six months ended on 30 June 2018 and 2017, the interim condensed consolidated statements of changes in net equity for the periods of six months ended on 30 June 2018 and 2017 and as at 31 December 2017, the interim condensed consolidated cash flow statements for the periods of six months ended on 30 June 2018 and 2017, together with the explanatory notes to the interim condensed consolidated financial statements for the period of six months ended on 30 June 2018.

The interim condensed consolidated financial statements of the Audax Renovables Group have been prepared on the basis of the financial statements of Audax Renovables, S.A. and the subsidiary companies belonging to the Group. Each company draws up its own financial statements according to the accounting principles and standards of the country in which it carries out its operations. The adjustments and reclassifications, which were necessary to harmonise the principles and criteria and put them in line with the IFRS-EU, have been carried out during the consolidation process. Furthermore, the accounting policies have been modified for the consolidated companies, when necessary, in order to ensure their consistency with the accounting policies adopted by the Audax Renovables Group.

The information set out in these interim condensed consolidated financial statements is the responsibility of the Directors of the Parent Company.

Comparison of the information

As requested by the IFRS-EU, the information contained in these interim condensed consolidated financial statements as at 30 June 2018 is presented solely for comparative purposes together with the relevant information for the period of six months ended on 30 June 2017, except for the consolidated balance sheet which compares the situation as at 30 June 2018 and at 31 December 2017.

In accordance with IAS 34, in order to identify the information to be specified for each of the individual accounts of the interim condensed consolidated financial statements or other aspects, the Group has taken into consideration their relative importance in relation to the interim condensed consolidated financial statements.

Main risks and contingencies and accounting estimates

Main risks and contingencies, as well as essential accounting estimates, coincide with the ones specified in the consolidated annual accounts for the year 2017, and there have been no significant changes since its disclosure.

Transactions in foreign currency

The exchange rates against the Euro of the main currencies of the companies in the Audax Renovables Group as at 30 June 2018 and 31 December 2017 have been as follows:

	30 June 2018		31 December 2017		30 June 2017	
	Closing rate	Average year-to-date rate	Closing rate	Average year-to-date rate	Closing rate	Average year-to-date rate
US Dollar	1.1658	1.2060	1.1993	1.1307	1.1412	1.0878
Polish Zloty	4.3732	4.2316	4.1770	4.2556	4.2259	4.2707

NOTE 3 – ACCOUNTING POLICIES AND NEW REGULATIONS

The accounting policies followed in these interim condensed consolidated financial statements are consistent with the ones applied in the consolidated annual accounts for the year ended on 31 December 2017.

New accounting standards and interpretations IFRS-EU

IFRS 9 Financial instruments

The IFRS 9, Financial instruments, was implemented on 1 January 2018, with no significant impact.

In general terms, the Group continues to measure payables and receivables, as well as financial liabilities, first at its fair value and then at amortised cost. In terms of impairment, the Group has no financial assets of significant value that could be affected by the new expected loss model; there is also no historical basis for delays in payments as a result of implementing the new expected loss model.

In terms of the Group's hedges, there was no significant impact made by the new standard, because there are no significant differences between IFRS 9 and IAS 39 in this area.

IFRS 15 Revenue from contracts with customers

The IFRS 15, Revenue from contracts with customers, was implemented on 1 January 2018, with no significant impact due to the nature of conducted activities being the process of generating energy from renewable sources.

IFRS 15 establishes a new model for registering revenue from contracts with customers in such a way as to reflect the transaction of the transfer of goods or services in an amount reflecting the remuneration value which the company expects to receive in exchange for said goods or services.

The standard provides a new five-step model:

- Identifying the contract with a customer
- Identifying individual performance obligations in the contract
- Determining the transaction price
- Allocating the transaction price to the performance obligations in the contract
- Registering the revenue when the entity satisfies a performance obligation

This new model states that revenue is generated when (or as) control over the goods or services is transferred to the customer, and in the amount the entity expects to receive. Depending on specified criteria, revenue is registered within a given period in such a way as to reflect the fulfilment of obligations in the contract by the entity, or at a given moment when the customer obtains control over the goods or services.

Based on the analyses conducted as a result of implementing the standard on 1 January 2018, implementing IFRS 15 "Revenue from contracts with customers" had no significant impact.

Moreover, a turnover opening balance split into segments and geographical areas was presented in the explanatory notes (Note 4).

Other standards

As at the date of these interim condensed consolidated financial statements of the Audax Renovables Group, the following standards and interpretations have been issued by the IASB but have not yet entered into force, either because their effective date is subsequent to the date of these interim condensed consolidated financial statements or because they have not been adopted by the European Union (IFRS-EU):

- IFRS 16 Leases. Effective for annual periods beginning on 1 January 2019.
- IFRIC 23 tax uncertainties. Effective for annual periods beginning on 1 January 2018.
- Amendments to IAS 28 investments in associates and joint ventures. Effective for annual periods beginning on or after 1 January 2019.
- Amendments to IFRS 9 Early payment with compensation. Effective for annual periods beginning on or after 1 January 2019.

The Directors of the Parent Company have not considered the anticipated application of the Standards and interpretations detailed above and, in any circumstances, its application will be taken into consideration upon approval by the European Union.

In any circumstances, the Directors of the Parent Company have evaluated the possible impacts of future application of these standards and consider that its entry into force will not have significant effect on the consolidated annual accounts of the Group, except for the future IFRS 16 on leases, as the Group is currently evaluating its impact.

Changes in the consolidation scope

APPENDIX I contains a list of all the companies in which Audax Renovables, S.A. has a direct or indirect shareholding, and which have been included in the consolidation scope.

During the first half of 2018, as part of intra-group transactions, 100% of the shares of the Explotación Eólica La Pedrera, S.L. company were transferred to Audax Energía, S.A., the parent company of Audax Renovables, S.A., for the amount of EUR 2,000 thousand. As a result of this transaction, a profit in the amount of EUR 1,983 thousand before tax was registered in the "Impairment and profit (loss) on disposal of fixed assets", due to provisions created earlier covering the full amount of consolidated book value of these assets.

Changes in regulations

At the end of June 2018 changes in regulations in Poland were announced, impacting, among others, the way of calculating tax on properties where facilities for generating renewable energy are located. The amendment significantly reduces the amount of property tax paid by the Postolin wind farm. The changes in regulations caused an operating expenses reduction of EUR 294 thousand in the first half year of 2018.

NOTE 4 – SEGMENT REPORTING

a) Main format for presentation of segment reporting: business segment

Audax Renovables Group operates in the segments of wind and solar energy.

The income by segments for the periods of six months ended on 30 June 2018 and 2017 is as follows:

30 June 2018	Wind				Total	Solar	TOTAL
	Spain	Other Western Europe countries	Eastern Europe	Latin America		Western Europe	
Turnover by segments	13,454	1,397	2,111	-	16,962	411	17,373
EBITDA (*)	8,999	1,125	1,503	-	11,627	310	11,937
Depreciation charge	(4,558)	(377)	(731)	-	(5,666)	(131)	(5,797)
Surplus provisions	-	-	-	-	-	-	-
Profit (loss) on disposal of fixed assets	1,968	-	-	-	1,968	-	1,968
Operating profit (loss)	6,409	748	772	-	7,929	179	8,108
Net financial income (expenses)	(2,889)	(99)	(818)	-	(3,806)	(92)	(3,898)
Participation in profit (loss) of the year of associates	-	-	-	(28)	(28)	-	(28)
Profit (loss) before tax	3,520	649	(46)	(28)	4,095	87	4,182
Corporate Income Tax	-	-	-	-	-	-	(29)
Profit (loss) from continuing operations	-	-	-	-	-	-	4,153
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-
Consolidated profit (loss) for the period	-	-	-	-	-	-	4,153
a) Profit (loss) attributed to the parent company	-	-	-	-	-	-	4,133
b) Profit (loss) attributed to minority interest	-	-	-	-	-	-	20

EBITDA(*): Operating profit plus depreciation charge and impairment and surplus provisions

30 June 2017	Wind				Total	Solar	TOTAL
	Spain	Other Western Europe countries	Eastern Europe	Latin America		Western Europe	
Turnover by segments	13,942	1,516	1,687	-	17,145	423	17,568
EBITDA (*)	9,431	1,256	791	-	11,478	322	11,800
Depreciation charge	(4,562)	(376)	(724)	-	(5,662)	(131)	(5,793)
Surplus provisions	-	-	-	-	-	-	-
Profit (loss) on disposal of fixed assets	63	-	-	-	63	-	63
Operating profit (loss)	4,932	880	67	-	5,879	191	6,070
Net financial income (expense)	(2,717)	(116)	(877)	-	(3,710)	(95)	(3,805)
Participation in profit (loss) of the year of associates	-	-	-	(50)	(50)	-	(50)
Profit (loss) before tax	2,215	764	(810)	(50)	2,119	96	2,215
Corporate income tax	-	-	-	-	-	-	(69)
Profit (loss) from continuing operations	-	-	-	-	-	-	2,146
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-
Consolidated profit (loss) for the period	-	-	-	-	-	-	2,146
a) Profit (loss) attributed to the parent company	-	-	-	-	-	-	2,024
b) Profit (loss) attributed to minority interest	-	-	-	-	-	-	122

EBITDA(*): Operating profit plus depreciation and impairment and surplus provisions

b) Secondary format for presentation of segment reporting: geographic segment

Given the presence of the Audax Renovables Group in various countries, information is grouped by geographic segments. The Audax Renovables Group's registered office, where its main operations are carried out, is currently in Spain. The areas of operations cover different countries, with Spain, France, Poland and Panama standing out.

Net turnover of the Audax Renovables Group by geographic sector is set out below:

	30.06.18	30.06.17
Spain	13,865	14,365
France	1,397	1,516
Poland	2,111	1,687
Total	17,373	17,568

NOTE 5 – INTANGIBLE AND TANGIBLE ASSETS

The movement for the period of six months ended on 30 June 2018 and for the year 2017 in the intangible and tangible assets accounts is as follows:

	Goodwill	Other intangible assets	Total intangible assets	Total tangible assets
Cost	51,086	146,025	197,111	284,738
Accumulated amortisation	-	(18,831)	(18,831)	(78,782)
Impairment provision	(49,592)	(94,521)	(144,113)	(33,478)
Net book value 31/12/16	1,494	32,673	34,167	172,478
Investment	-	7	7	270
Transfers and other	-	-	-	-
Divestment	-	(38)	(38)	(1)
Amortisation	-	(1,934)	(1,934)	(9,657)
Impairment provision charge/reversal	-	-	-	(63)
Translation differences	-	-	-	1,752
Net book value 31/12/17	1,494	30,708	32,202	164,779
Cost	43,949	122,167	166,116	283,457
Accumulated amortisation	-	(20,766)	(20,766)	(88,558)
Impairment provision	(42,455)	(70,693)	(113,148)	(30,120)
Net book value 31/12/17	1,494	30,708	32,202	164,779
Investment	-	-	-	105
Divestment	-	(7)	(7)	-
Amortisation	-	(962)	(962)	(4,835)
Impairment provision	-	-	-	-
Translation differences	-	-	-	(1,439)
Net book value 30/06/18	1,494	29,739	31,233	158,610
Cost	37,726	100,912	138,638	277,562
Accumulated amortisation	-	(21,728)	(21,728)	(93,207)
Impairment provision	(36,232)	(49,445)	(85,677)	(25,745)
Net book value 30/06/18	1,494	29,739	31,233	158,610

Translation differences include, basically, the impact of the valuation of the assets belonging to the investments made in Poland. During the period of six months closed on 30 June 2018, the negative impact is mainly due to the depreciation of the Polish zloty by 4.6%.

In the first six months of 2018 no significant investments have been made.

As at 30 June 2018 the Group does not have commitments for the purchase assets (nor did it have such commitments as at 31 December 2017).

Assets impairment test

The Audax Renovables Group conducted impairment tests of the entirety of its assets as at 31 December 2017 without registering any significant impairment as a result of the tests. As at 30 June 2018 the Group has not updated impairment tests of its wind farms, as there were no signals of significant additional impairment, nor there had been significant changes in the assumptions in comparison with the close of the year 2017.

NOTE 6 – INVESTMENTS AS PER EQUITY ACCOUNTING

The movement in this account during the first six months of 2018 has been as follows:

	Balance 31.12.17	Participation in results	Translation differences	Balance 30.06.18
<u>Company</u>				
Parque Eólico Toabré, S.A (Panama)	6,931	(28)	66	6,969
Total	6,931	(28)	66	6,969

The movement in 2017 was as follows:

	Balance 31.12.16	Participation in results	Translation differences	Balance 31.12.17
<u>Company</u>				
Parque Eólico Toabré S.A. (formerly Fersa Panamá SA.)	7,442	(133)	(378)	6,931
Total	7,442	(133)	(378)	6,931

NOTE 7 - FINANCIAL ASSETS

The breakdown of the financial assets, excluding “Trade and other receivables”, “Other current assets” and “Cash and other equivalents” as at 30 June 2018 and 31 December 2017, classified by their nature and category, is as follows:

	Financial assets at fair value with changes in Net Equity	Financial assets measured at amortized cost	Financial assets measured at fair value with changes in results	Total
At 30 June 2018				
Equity instruments	188	-	-	188
Other non-current financial assets	-	14,128	-	14,128
Non-current financial assets	188	14,128	-	14,316
Other current financial assets	-	3,017	11,306	14,323
Current financial assets	-	3,017	11,306	14,323

	Financial assets at fair value with changes in Net Equity	Financial assets measured at amortized cost	Financial assets measured at fair value with changes in results	Total
At 31 December 2017				
Equity instruments	188	-	-	188
Other non-current financial assets	-	5,625	-	5,625
Non-current financial assets	188	5,625	-	5,813
Other current financial assets	-	7,010	3,172	10,182
Current financial assets	-	7,010	3,172	10,182

The increase in the accounts of payables and receivables in 2018 is due mainly to contributions made to the Parque Eólico Toabré, S.A. company with the aim of increasing the share capital later on.

As at 30 June 2018, other current financial assets include the Debt Service Reserve Fund (FRSD) in the amount of EUR 8,840 thousand (Note 11).

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of the derivative financial instruments, registered in the 'Other financial liabilities' account is as follows:

	At 30.06.18		At 31.12.17	
	Assets	Liabilities	Assets	Liabilities
Derivative financial instruments				
Cash flow interest rate hedge				
Non-current	-	(8,023)	-	(9,660)
Current	-	-	-	-
Cash flow interest rate trading				
Non-current	-	(2,138)	-	(973)
Current	-	-	-	-
Cash flow energy price hedge				
Non-current	-	(698)	-	(664)
Current	-	(1,119)	-	(652)
Total	-	(11,978)	-	(11,949)

As at 30 June 2018, the Audax Renovables Group (except for the companies: Eólica el Pedregoso, S.L., Eólica del Pino, S.L. and Parque Eólico Hinojal, S.L.) does not have any derivatives that do not meet the criterion for hedge accounting under IFRS-EU and, accordingly, the variations in the value of these financial instruments are recorded (net of tax) under net equity as valuation adjustments.

As a result of a refinancing process carried out in 2015 by the companies Eólica el Pedregoso, S.L. and Eólica del Pino, S.L. and of a refinancing process of Parque Eólico Hinojal carried out in 2018, their respective hedging contracts on interest rate fluctuation were paid off and new hedging contracts were formed. During the first half year of 2018, the amount of EUR 226 thousand was transferred to the consolidated income statement, corresponding to the transfer, – to be carried out in the remaining time of the residual period of the paid-off derivative – of the value of the paid-off derivative instruments as at the repayment date (EUR 143 thousand in the first half year of 2017).

As at 30 June 2018, the new derivatives purchased by these three companies do not meet entirely the criterion for hedge accounting under IFRS-EU, therefore variations in the value of these financial instruments have been recorded in the consolidated income statement for the period by the positive amount of EUR 141 thousand (positive amount of EUR 243 thousand in the same period of 2017).

The Group's valuation of the fair value of its derivatives includes an adjustment of bilateral credit risk for the purpose of reflecting both its own risk and the counterparty's risk in the fair value of the derivatives, in accordance with IFRS 13.

The fair value of individual derivatives is calculated using the discounted cash flow method. The premise employed in this valuation method is based on the observable prices of current market transactions concerning the same instrument, i.e. interest rates.

Due to the above, the variables on which the valuation of derivatives is based, are observable in the active market (Level 2).

NOTE 9 - EQUITY

Share capital

As at 30 June 2018 and 31 December 2017 the share capital of the Parent Company is represented by 140,003,778 shares of a unit value of EUR 0.7 each.

All of the shares have been fully subscribed and paid up and have the same political and economic rights.

All the shares of Audax Renovables, S.A. are admitted to official trading on the continuous market of the Spanish Stock Exchange. The price of the Parent Company's shares as at 30 June 2018 was of EUR 2.40 per share (EUR 0.44 per share as at 31 December 2017).

The breakdown of the shareholders of the Parent Company holding more than 10% shares as at 30 June 2018 and 31 December 2017 is as follows:

	30.06.18	31.12.17
Shareholders		
Audax Energía, S.A.	70.86%	70.86%
Other shareholders (*)	29.14%	29.14%
Total	100.00%	100.00%

(*) None of them holds more than 10%.

Other equity accounts:

a) Share premium account

The share premium is unrestricted. This account can only be affected by resolutions of the General Meeting of Shareholders of the Parent Company.

b) Legal reserve

The companies that report profit for the financial year are obliged to allocate 10% of the profit to this reserve until it reaches at least 20% of share capital. This reserve, as long as it does not exceed the aforementioned limit, can only be used to offset losses if there are no other reserves sufficiently available to do so. On the other hand, it can also be used to increase share capital in the amount that exceeds 10% of the capital already increased.

As at 30 June 2018, the Parent Company has a Legal Reserve valued at EUR 17,029 thousand (EUR 16,266 thousand as at 31 December 2017).

c) Treasury shares

As at 30 June 2018 and 31 December 2017, the Parent Company does not own treasury shares.

d) Translation differences

This account comprises the net amount of the exchange rate differences arising from the translation into euros of the balances of the consolidated companies whose functional currency is different than euro, as well as the net amount of changes in the value of hedging instruments of net investments in foreign operations.

The movement in the balance of this account during the first six months of 2018 and during the year 2017 has been as follows:

	30.06.18	31.12.17
Opening balance	(6,273)	(6,152)
Write-off, divestments and transfers	-	-
Transfers	-	-
Variation in exchange differences	(98)	(121)
Closing balance	(6,371)	(6,273)

The following is a breakdown of the provisions for translation differences by functional currency as at 30 June 2018 and 31 December 2017:

Functional currency	30.06.18	31.12.17
Polish Zloty	(6,307)	(6,143)
US Dollar	(64)	(130)
Total	(6,371)	(6,273)

e) Distribution of profits and losses

The General Meeting of Shareholders held on 27 June 2018 resolved to distribute the profit for the year 2017 of the Parent Company, amounting to EUR 7,635 thousand, in the following way:

	EUR thousands
Legal reserve	763
Retained losses	6,872
Total	7,635

Profit/ (Loss) per share:

Profit or loss per share is calculated by dividing the profit attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares circulating during the period:

	(EUR)	
	30.06.18	30.06.17
Number of shares	140,003,778	140,003,778
Average number of shares	140,003,778	140,003,778
Profit (loss) attributable to the Parent Company (EUR)	4,132,863	2,024,185
Average number of treasury shares	-	-
Average number of shares in circulation	140,003,778	140,003,778
Profit / (loss) per share (euros per share)		
- Basic	0.0295	0.0145
- Diluted	0.0295	0.0145

There are no financial instruments that could dilute the profit per share.

f) Non-controlling interest

The movement of the non-controlling interest has been as follows:

Balance at 31.12.2016	502
Profit (loss) attributed to minority interests	282
Expenses recognized directly in net equity	67
Dividends	(99)
Divestments	405
Balance at 31.12.2017	1,157
Profit (loss) attributed to minority interests	20
Expenses recognized directly in net equity	8
Dividends	(167)
Other	2
Balance at 30.06.2018	1,020

NOTE 10 – PROVISIONS AND CONTINGENCIES

	Balance 31.12.16	Additions	Translation differences	Balance 31.12.17	Additions	Translation differences	Balance 30.06.18
Provision for dismantling	1,666	84	12	1,762	43	(11)	1,794
Total	1,666	84	12	1,762	43	(11)	1,794

As at 30 June 2018, the Group has recorded a provision of EUR 1,794 thousand to cover the costs of dismantling the wind farms that are now in operation.

There have been no significant changes neither in the reasons nor in the amounts of the provisions for dismantling in comparison with the situation at 31 December 2017.

The Directors of the Parent Company consider that the provisions and other recorded liabilities cover sufficiently the ones referred to in this note.

NOTE 11 – FINANCIAL LIABILITIES

The movement in this account during the period of the first six months of 2018 and during the year 2017 is as follows:

	Balance 31.12.17	Recognitions	Derecognitions	Cancellations by payment	Translation differences	Transfers	Balance 30.06.18
Bank loans	106,810	19,675	-	(12,034)	(2,843)	(2,543)	109,065
Derivative liabilities	11,297	-	(438)	-	-	-	10,859
Other financial liabilities	2,552	39	-	-	-	-	2,591
Total non-current financial liabilities	120,659	19,714	(438)	(12,034)	(2,843)	(2,543)	122,515
Bank loans	19,046	5,214	-	(13,279)	-	2,543	13,524
Derivative liabilities	652	467	-	-	-	-	1,119
Other financial liabilities	163	175	-	-	-	-	338
Total current financial liabilities	19,861	5,856	-	(13,279)	-	2,543	14,981

	Balance 31.12.16	Recognitions	Derecognitions	Cancellations by payment	Translation differences	Transfers	Balance 31.12.17
Bank loans	117,870	(100)	-	(581)	1,221	(11,600)	106,810
Derivative liabilities	14,270	-	(2,973)	-	-	-	11,297
Other financial liabilities	1,272	1,280	-	-	-	-	2,552
Total non-current financial liabilities	133,412	1,180	(2,973)	(581)	1,221	(11,600)	120,659
Bank loans	18,554	7,088	-	(18,196)	-	11,600	19,046
Derivative liabilities	334	318	-	-	-	-	652
Other financial liabilities	154	9	-	-	-	-	163
Total current financial liabilities	19,042	7,415	-	(18,196)	-	11,600	19,861

The companies Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemblant, Parque Eólico Hinojal S.L., Parc Eólic Mudèfer S.L., Gestora Fotovoltaica de Castellón S.L. and Eólica Postolin Sp. z o.o. have bank loans under Project Finance agreements for which they have pledged the entirety of their treasury shares.

Regarding the loans for financing the wind farms with liabilities under "Project Finance", as at 30 June 2018 there are no indications of future noncompliance with the requirements set forth in those agreements, which could give rise to their early redemption.

On 31 January 2018 the corporate syndicated loan signed in January of 2012 was cancelled by the means of a new corporate loan agreement signed with Banco Santander, S.A. and Banco Popular Español, S.A. for the amount of EUR 3,400 thousand. Later on, the loan was totally repaid.

On 10 April 2018 the process of optimising the debt under the Project Finance modality between the company Parque Eólico Hinojal and Banco Santander S.A.. The new loan was taken out on terms typical for this kind of contracts, putting in place restrictions on dividend distribution and requirements concerning compliance with certain ratios. The new contract extends the date of debt settlement to 30 June 2026.

Furthermore, these loans require that companies record a Debt Service Reserve Fund (FRSD) through their bank accounts as additional guarantee for the bank syndicate. As at 30 June 2018, the following reserve funds were included in the "Other current financial assets" account, whereas as at 31 December 2017 they were registered in the "Cash and other cash equivalents" account:

Company	30.06.18	31.12.17
Eólica el Pedregoso, S.L.	768	768
Eólica del Pino, S.L.	385	385
SAS Eoliennes de Beausemblant	632	632
Parque Eólico Hinojal, S.L.	1,784	1,899
Parc Eólic Mudèfer S.L.	3,819	3,573
Eólica Postolin Sp, z.o.o.	1,452	1,520
Total	8,840	8,777

As at 30 June 2018, the Group's liquidity amounts to EUR 17,124 thousand, which corresponds to cash and cash equivalents and the corresponding reserve funds.

NOTE 12 – OTHER CURRENT LIABILITIES AND OTHER NON-CURRENT LIABILITIES

The breakdown of the "Other non-current liabilities" and "Other current liabilities" accounts as at 30 June 2018 and 31 December 2017 is as follows:

	30.06.18	31.12.17
Grants received	5,871	6,381
Long-term deferred payments	600	584
Other non-current liabilities	6,471	6,965
Short-term deferred payments	600	584
Other current liabilities	600	584

a) Received grants

received non-repayable grants from the European Union through the Polish Ministry of Economy for the construction of its wind farm amounting to PLN 38,354 thousand (EUR 9,169 thousand). The received subsidy is registered in the profit (loss) according to the depreciation of the wind farm. During the first six months of 2018 the amount of EUR 137 thousand has been recorded under "Other operating income".

b) Deferred payments

These accounts include mainly outstanding payments for the purchase of the Parque Eólico Toabré S.A. (formerly Fersa Panamá, S.A.) company. As at 30 June 2018, the amount payable in more than 12 months is of EUR 600 thousand (EUR 584 thousand as at 31 December 2017). Furthermore, the amount payable in less than 12 months is of EUR 600 thousand (EUR 584 thousand as at 31 December 2017).

NOTE 13 – CORPORATE INCOME TAX

The movement during the first half year of 2018 and in 2017 corresponding to the deferred tax assets and liabilities is as follows:

	Balance 31.12.17	Recognitions	Derecognitions	Transfers	Translation differences	Balance 30.06.18
Deferred tax assets	3,055	125	(146)	-	-	3,034
Deferred tax liabilities	(7,386)	(31)	214	-	-	(7,203)
Total	(4,331)	94	68	-	-	(4,169)

	Balance 31.12.16	Recognitions	Derecognitions	Transfers	Translation differences	Balance 31.12.17
Deferred tax assets	5,847	280	(1,382)	(1,724)	34	3,055
Deferred tax liabilities	(9,485)	(52)	427	1,724	-	(7,386)
Total	(3,638)	228	(955)	-	34	(4,331)

In addition to the aforementioned deferred tax assets recorded as at 30 June 2018, the Audax Renovables Group has tax loss carry-forwards (TLCs) available for offset amounting to EUR 144,738 thousand, as well as a deferred tax asset balance of EUR 9,295 thousand. The Audax Renovables Group has decided not to recognise these amounts in its interim condensed consolidated financial statements, as they do not meet the requirements under IFRS-EU to be accounted for as assets.

As from 1 January 2017, Audax Renovables, S.A. and some of the subsidiaries of the Audax Renovables Group are subject to Corporate Income Tax under the consolidated tax system along with the following subsidiaries in Spain:

Excelsior Times, S.L.U	Svendborg PV VII, S.L.U	Fercom Eólica, S.L.U
A-Dos Energía, S.L.U	Aspy Global servicios, S.L.U	Parc Eòlic Coll de Som, S.L.U
Eléctrica Nuriel, S.L.U	Aspy Prevención, S.L.U	Parc Eòlic l'Arram, S.L.U
Audax Energía, S.A.	Spay Seguridad y Salud, S.L.U	Audax Solar SPVI, S.L.U
Orus Energía, S.L.	Aspy Salud Global, S.L.U	The Energy House Group, S.L.U
Banana Phone, S.L.U	Aspy Formación, S.L.U	Eryx Investments 2017, S.L.
Audax Green, S.L.U	Audax Renovables, S.A.	Audax Fotovoltáica, S.L.U
Orus Properties, S.L.U	Fersa Asesoramiento y Gestión, S.L.U	Audax Solar SPV II, S.L.U
Orus Renovables, S.L.U	Parque Eólico Hinojal, S.L.U	ADS Energy 8.0, S.L.U
Generación Iberia, S.L.U	Parc Eolic Mudefer, S.L.U	

NOTE 14 – AVERAGE NUMBER OF EMPLOYEES

The average number of employees during the first six months of 2018 and 2017 breaks down as follows:

	30.06.18	30.06.17
Men	8	8
Women	4	4
Total	12	12

In accordance with the provisions of the Organic Law 3/2007, of 22 March, on gender equality, published in the Official State Gazette (BOE) of 23 March 2007, the number of employees of the Audax Renovables Group on 30 June 2018 and 2017 broken down by category and gender is as follows:

	30 June 2018			30 June 2017		
	Men	Women	Total	Men	Women	Total
Management	1	1	2	1	1	2
Technicians	7	3	10	7	3	10
Other	-	-	-	-	-	-
Total	8	4	12	8	4	12

NOTE 15 – INFORMATION ON RELATED PARTY TRANSACTIONS

The transactions carried out in the first half year of 2018 between Audax Renovables, S.A. and the natural or legal persons related to it are specified below.

Related parties are:

- Significant shareholders of Audax Renovables, S.A., meaning those who directly or indirectly hold an interest equal to or exceeding 3%, as well as shareholders who, while not being significant, have exercised the power to appoint a member of the Board of Directors.

According to this definition, the following are considered related parties of Audax Energía, S.A.

- The Directors and Senior Management of any company of the Audax Renovables Group and their immediate families, "Directors" meaning members of the Board of Directors and "Senior Management" meaning immediate subordinates of the Board or of the company's CEO and, in any circumstances, the internal auditor.
- The companies belonging to the Excelsior Group.

a) Transactions with significant shareholders and companies of the Excelsior Group

During the first half year of 2018, Audax Renovables, S.A. has accrued interest amounting to EUR 39 thousand of the loan signed in 2017 with its main shareholder, Audax Energía, S.A., in the amount of EUR 1,850 thousand.

The Audax Renovables Group, through its subsidiary wind farms in Spain, entered into the following hedge contracts for fixed price of sale and base load capacity (MW) with A-Dos Energía, S.L.U., a company belonging to the Excelsior Group:

- With A-Dos Energía, S.L.U. – a hedge contract for fixed price of sale and base load capacity (MW) for the Cal 2018 period with maximum limit of 10MW per hour (generated by all the wind farms every hour) at the price of EUR 44/MWh.

The accumulated impact of the aforementioned hedges during the first half year of 2018 has brought about a smaller income of EUR 203 thousand.

Moreover, in 2018 Audax Renovables covered the costs of the Orus Renovables company (which is part of the Excelsior Group) in the amount of EUR 5 thousand for lease of office space.

In the first half year of 2018, as part of an intra-group transaction, a contract was made to transfer 100% of shares in the Explotación Eólica La Pedrera, S.L. company to the Audax Energía, S.A. company, which is the parent company of Audax Renovables, S.A., for the amount of EUR 2,000 thousand. The result of this transaction was a profit in the amount of EUR 1,983 thousand before tax, due to provisions created earlier in the full amount of consolidated book value; the profit was registered in the "Impairment and profit (loss) on disposal of fixed assets" account.

b) Transactions with Directors and senior management

There are no transactions with Directors and senior management other than those mentioned in note 16.

NOTE 16 - INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration of the members of the Board of Directors

During the first half year of 2018 the remuneration of the members of the Board of Directors of Audax Renovables, S.A. amounts to EUR 43 thousand (EUR 36 thousand during the first half year of 2017), comprising solely the remuneration for personal attendance at the meetings held by the Board of Directors. The remuneration (of a fixed amount per attended meeting) comprises the performance of duties either individually or jointly and the oversight and responsibility required by the function.

As at 30 June 2018 the Board of Directors of the Parent Company is composed of 6 men (7 men as at 30 June 2017).

Other information on Directors

During the first half year of 2018 no situation of direct or indirect conflict of interest arose regarding members of the Board of Directors.

Management's remuneration

The total remuneration accrued during the first half year of 2018 to the Management of the Group amounts to EUR 142 thousand (EUR 94 thousand of remuneration during the same period of the year 2017). There is also one contract which establishes the right to receive a severance payment in the event of termination of the employment relationship for certain reasons.

As at 30 June 2018, the Management of the Group is composed of 1 woman and 1 man including the internal auditor (1 woman and 1 man as at 30 June 2017).

NOTE 17 - SURETIES AND GUARANTEES WITH THIRD PARTIES

The Audax Renovables Group has not granted nor cancelled significant sureties additional to those specified as at 31 December 2017.

The Directors of the Parent Company estimate that liabilities not anticipated as at 30 June 2018, if any, which could arise from the commitments indicated in this Note and in Note 10, would not be significant to these interim condensed consolidated financial statements.

NOTE 18 – SIGNIFICANT ASPECTS OF THE PARENT COMPANY

With the exception of the merger project (Note 1), during the first half year of 2018 there have been no significant aspects likely to affect the Parent Company, Audax Renovables, S.A..

NOTE 19 – SUBSEQUENT EVENTS

On 11 July 2018, the Parent Company, Audax Renovables, S.A., entered into an ordinary contract to issue promissory notes for up to the amount of EUR 5,000 thousand with the company Toro Finance, S.L.U. (Bravo Capital), with maturity date in October 2018.

Except for the aforementioned one, there have been no significant events subsequent to the date of the execution of these interim condensed consolidated financial statements for the period of six months ended on 30 June 2018.

AUDAX RENOVABLES GROUP

CONSOLIDATED DIRECTORS' REPORT AS AT 30 JUNE 2018

1. SIGNIFICANT EVENTS

Audax Renovables ended the first half year of 2018 with a Net Profit Attributable to the Parent Company amounting to EUR 4,133 thousand, compared to the profit of EUR 2,024 thousand for the same period of the previous year, which means an increase of 104%.

Energy generation by companies in the Audax Renovables portfolio in the first half of 2018 amounted to 203.5 GWh, of which 75% was generated in Spain (which is equivalent to 79% of income), while 7% (8% of income) was generated in France, and 18% (13% of income) in Poland. The production of the wind farms during this period was 7% lower than in the first half of 2017.

The average energy price on Spain's pool market during this period was 2.1% lower than during the corresponding period of last year. The price of Green Certificates at the closing of this period in Poland was 75.17 PLN/MWh (17.8 €/MWh), while at the closing of the period in the previous year it was 22.46 PLN/MWh (5.3 €/MWh), which means a 235% increase.

At the end of June 2018 changes in regulations in Poland were announced, impacting, among others, the way of calculating tax on properties where facilities for generating renewable energy are located. The amendment significantly reduces the amount of property tax paid by the Postolin wind farm.

Lower sales figures for the portfolio companies, resulting from a decrease in production and a lower average price of energy (pool) in Spain, as well as a 3% decrease in operating expenses compared to the first half of 2017, had no impact on the EBITDA, which saw a 1% increase compared to the first half of 2017.

The syndicated corporate loan taken out in January 2012 was restructured in the first quarter of 2018 through entering into a new corporate loan agreement with Banco Santander, S.A. and Banco Popular Español, S.A. in the amount of EUR 3,400 thousand. Following that, on 10 April 2018, the debt was settled in full as a result of a new transaction of debt optimisation as part of project finance for Parque Eólico Hinojal.

In the first half of 2018, as part of an intra-group transaction, a contract was made to transfer 100% of shares in the Explotación Eólica La Pedrera, S.L. company to the Audax Energía, S.A. company, which generated a profit in the amount of EUR 1,983 thousand before tax, due to provision created earlier covering the full amount of consolidated book value of these assets.

In May this year Audax Renovables issued a statement about the start of construction of the first stage of the Toabré wind farm in Panama, with an installed capacity of 66 MW. The investment will amount to over USD 150 million. A loan agreement with Banco Prival, S.A. was made for the duration of 12 years and for a total amount of USD 104 million, for the purpose of financing the first stage.

On 29 June 2018 the Boards of Directors of the companies Audax Renovables, S.A. and Audax Energía, S.A. submitted to the Spanish National Securities Market Commission (CNMV) a joint project of merger by acquisition between the companies, with Audax Renovables, S.A. as the acquiring company and Audax Energía, S.A. as the acquired company. The exchange ratio will be of 300,287,276 new shares of the Acquiring Company in exchange for 1,800,000 shares of the Acquired Company.

On 11 July 2018, the Parent Company, Audax Renovables, S.A., entered into an ordinary contract to issue promissory notes for up to the amount of EUR 5,000 thousand with the company TORO FINANCE, S.L.U. (BRAVO CAPITAL), with maturity date in October 2018.

2. OPERATING INFORMATION

The installed capacity as at 30 June 2018 is of 185 MW.

The production during the first half year amounted to 203,5 GWh, compared to 2017.6 GWh in the same period of the previous year, due mainly to smaller wind resources in the wind farms in southern Spain and in Poland.

3. HEADLINE FIGURES

Net turnover has amounted to EUR 17,373 thousand, meaning a 1% decrease in comparison to the same period of the year 2017 (EUR 17,568 thousand), mainly due to the revaluation of the green certificates in Poland by 235% and a limited negative impact of hedging transactions made to hedge energy prices, which compensated for lower average energy prices on the Spanish pool market, which saw a 2.1% decrease compared to the same period of the previous year.

Operating expenses decreased by 3% due to the company implementing a cost reduction policy as well as, among others, due to amendments to legislation implemented in Poland limiting the amount of property tax, which contributed to a 1% increase of EBITDA.

In the first half year of 2018, part of an intra-group transaction, a contract was made to transfer 100% of shares in the Explotación Eólica La Pedrera, S.L. company to the Audax Energía, S.A. company, which generated a profit in the amount of EUR 1,983 thousand before tax, due to provisions created earlier covering the full amount of consolidated book value of these assets.

Financial expenditure has decreased by 2% compared to the same period of the previous year, owing mainly to a reduction in financial burden from the project finance.

Audax Renovables ends the first half year of 2018 with a Net Profit Attributable to the Parent Company amounting to EUR 4,133 thousand, compared to profit of EUR 2,024 thousand for the same period of the previous year, which means an increase of 104%.

4. ALTERNATIVE PERFORMANCE MEASURES

AUDAX RENOVABLES reports on Alternative Performance Measures (APM) in order to supplement the consolidated financial statements presented in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). These measures, in addition to the financial measures and in compliance with IFRS-EU, are used for the purpose of establishing budgets and goals and of managing business, assessing its financial and operating performance and comparing it with previous periods and with the performance of the competitors. The presentation of such measures is assumed to be helpful because they can be used for analysis and comparison of profitability between companies and industries, as the impact of the financial structure and of the accounting effects other than cash flows are excluded.

Non-financial measures are also presented, because these and other similar measures are generally used by investors, securities analysts and other brokers as complementary performance measures.

In general, these APM are used in the Directors' report so there is direct traceability to the consolidated income statement and no reconciliation is needed.

The APM that the Group considers most important are set out below:

Consolidated profit and loss	1S2018	1S2017	Var. (%)
Operating income	17,693	17,706	0%
Operating expenses	(5,756)	(5,906)	-3%
EBITDA ⁽¹⁾	11,937	11,800	1%
EBIT ⁽²⁾	8,108	6,070	34%

(EUR thousands)

⁽¹⁾ EBITDA defined as the "Net turnover", "Other operating income", "Staff costs", "Other operating expenses", "Amortisation and depreciation" and "Impairment and profit (loss) on disposal of fixed assets" added together

⁽²⁾ EBIT defined as the "Operating profit (loss)"

The reconciliation between EBITDA and the Consolidated Profit (loss) for the period is presented below:

	1S2018
EBITDA	11,937
Amortisation and depreciation	-5,797
Impairment and profit (loss) on disposal of fixed assets	1,968
OPERATING PROFIT (LOSS)	8,108
Financial income	75
Financial expenses	-3,924
Exchange differences	-49
Profit (loss) of companies measured by equity accounting	-28
Profit (loss) before tax	4,182
Corporate income tax	-29
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	4,153

Production (GWh)	1S2018	%	1S2017	%	% Var.
Spain	152.0	75%	161.8	74%	-6%
France	15.1	7%	16.5	9%	-9%
Poland	36.3	18%	39.3	18%	-7%
Total	203.5	100%	217.6	100%	-7%

Net Financial Debt	Jun-18	Dec-17	Var.
Bank loans	122,589	125,856	(3,267)
Corporate loan - Tranche B	0	4,600	(4,600)
Debt of the operating farms and other	122,589	121,256	1,333
Other liabilities (derivatives)	11,978	11,949	30
Cash and other current financial assets	(22,607)	(24,360)	1,854
Current financial assets	(14,323)	(10,182)	(4,141)
Cash and other cash equivalents	(8,284)	(14,178)	5,894
Net Financial Debt *	111,960	113,445	(1,485)
Net Equity	84,790	80,860	3,930
Leverage**	56.9%	58.4%	-1.5%

(miles de euros)

* Net Financial Debt = Bank loans + Other liabilities (derivatives) – Cash and other current financial assets

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

Stock Market Data	1S2018	1S2017	Units
Number of shares admitted to trading	140,003,778	140,003,778	Number
Price at the beginning of the period	0.450	0.505	€ / share
Price at the closing of the period	2.400	0.565	€ / share
Maximum price	3.200	0.670	€ / share
Minimum price	0.450	0.500	€ / share
Price fluctuation during the period	433.33	11.88	%
Capitalisation at the closing of the period	336,009,067	79,102,135	€
Number of traded shares	389,664,291	66,187,147	Number
Effective volume	789,898,971	39,662,748	€
Daily volume of traded shares (average)	3,092,574	529,497	Number
Effective daily volume (average)	6,269,039	317,302	€
Number of shares	140,003,778	140,003,778	Number
Average number of shares	140,003,778	140,003,778	Number
Profit/Loss attributable to the Parent Company	4,132,863	2,024,185	€
Profit/Loss per share			
- Basic	0.0295	0.0145	€ / share
- Diluted	0.0295	0.0145	€ / share

5. MAIN RISKS RELATED TO THE BUSINESS OF THE AUDAX RENOVABLES GROUP

a – Operational risks:

The Group's activities are exposed to various business risks, such as the wind conditions and other meteorological conditions. The operational risk of the group is subject to technological failures, human error or errors due to external factors.

The Group makes the necessary investments to mitigate these risks and to have appropriate policies on its insurance coverage.

The Group companies are subject to current legislation in each country in relation to tariffs at which they invoice their electricity production. A modification of the legal regulatory framework is likely to affect the results of the business.

It should be noted that the Group's activities are subject to compliance with the environmental legislation in force and, accordingly, subject to approval by the authorities and the granting of the respective licenses and authorisations.

b – Financial risk and Financial instruments:

The Group is exposed to fluctuations in interest rate curves as its entire debt to financial entities is at a floating rate. Accordingly, the Group takes out interest rate hedge contracts, basically insuring against maximum interest rates.

The Group's activities outside Spain are exposed to the risk of foreign currency exchange rate fluctuations, which could affect the net income of the respective investee companies, their market value and release to results to the Audax Renovables Group.

6. ENVIRONMENT

Environmental matters are borne in mind throughout the entire process of obtaining authorisation, building the plants and preparing the studies based on the legislation governing each company.

During the first half year of 2018 and in relation to the facilities that are in operation, the Group has incurred environmental expenditure of EUR 61 thousand, primarily for wildlife conservation.

7. STAFF

As at 30 June 2018 the number of employees of the Group is 12.

8. TREASURY SHARES

As at 30 June 2018 the Parent Company does not have treasury shares.

9. RESEARCH AND DEVELOPMENT EXPENSES

The Group has not incurred any expenses of this type during the current period.

10. SUBSEQUENT EVENTS

See note 19 of the interim condensed consolidated financial statements.

APPENDIX I

AUDAX RENOVABLES GROUP COMPANIES AS AT 30 JUNE 2018

Company	Address	Shareholding percentage	Consolidation method
Eólica El Pedregoso, S.L	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	80%	I.G.
Eólica Del Pino, S.L	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	80%	I.G.
Parc Eòlic Mudefer, S.L.	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	100%	I.G.
Fercom Eólica, S.L.	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	100%	I.G.
Gestora Fotovoltaica de Castellón, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica Fer, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Weinsberg Ecotec, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica Ecotec, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Joso Fotovoltaica, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica Padua, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica Vergos, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica La Mola, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Inversions Trautt, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica de Castelló, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Fotovoltaica de les Coves, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Inversions Vinroma, S.L.	Avinguda Diagonal, número 459, 2º 2ª, Barcelona ESPAÑA	76%	I.G.
Parque Eólico Hinojal , S.L	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	100%	I.G.
Eólica Postolin Sp	Ul. Libelta 2/1, Bydgoszcz, POLONIA	100%	I.G.
Fersa Asesoramiento y Gestión, S.L.	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	100%	I.G.
Parc Eòlic Coll De Som, S.L.	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	100%	I.G.
Eólica Warblewo Sp	Ul. Libelta 2/1, Bydgoszcz, POLONIA	65%	I.G.
Eoliennes De Beausemblant, SAS	1 Chemin de Lavigne (64800) Mirepeix, Ródano-Alpes, FRANCIA	80%	I.G.
Castellwind 03 S.L	Avenida de Navarra 14 - 08911 Badalona (Barcelona)	60%	I.G.
Entreyeltes 1, S.L.	C/Farmacéutico Obdulio Fernandez 11 Burgos ESPAÑA	51%	I.G.
Berta Energías Renovables, S.L.	Travessera de Gràcia, 56 entresuelo Barcelona ESPAÑA	26%	P.E.
Parque Eólico Toabré, S.A.	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, PANAMÁ	30%	P.E.
A.I.E. Subestación y Línea 2004	Doctor Romagosa 1, planta 3 46002 (Valencia)	30%	P.E.

I.G.- Full Consolidation; P.E.- Equity Accounting

LETTER OF CONFIRMATION

AUDAX RENOVABLES GROUP



Interim condensed consolidated financial statements and consolidated Directors' report as at 30 June 2018

We express our approval of the content of the Interim condensed consolidated financial statements comprising the Interim condensed consolidated balance sheet, the Interim condensed consolidated income statement, the Interim condensed consolidated statement of comprehensive income, the Interim condensed consolidated statement of changes in net equity, the Interim condensed consolidated cash flow statement together with the Explanatory notes and the Consolidated Directors' report of the Audax Renewables Group for the first half year of 2018, signed by all Directors.

BOARD OF DIRECTORS

Mr Francisco José Elías Navarro
Chairman

Mr Eduard Romeu Barceló
Member

Mr Rafael Garcés Beramendi
Member

Mr Ramiro Martínez-Pardo del Valle
Member

Mr Josep Maria Echarri Torres
Member

Mr Pedro Luis Fernández Pérez
Member

Badalona, 26 July 2018.