



Audax Renovables, S.A. and subsidiaries

Condensed Consolidated Interim Financial
Statements

30 June 2020

Consolidated Interim Directors' Report

30 June 2020

(With 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 consolidated balance sheet at 30 June 2020, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, for the preparation of condensed interim financial information, pursuant to article 12 of Royal Decree 1362/2007. 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 2020 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 that would be required in a complete set of 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 2019. 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 2020 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 2020. 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 Royal Legislative Decree 4/2015 of 23 October approving 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

22 September 2020

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

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
Appendix	31
Interim consolidated Directors' Report	33

Audax Renovables, S.A. and subsidiaries
Consolidated Balance Sheet
(EUR thousands)

<u>Assets</u>	Note	Not audited 30/06/2020	Audited 31.12.19*
Goodwill	5	137,942	137,945
Other intangible assets	5	98,650	106,280
Property, plant and equipment	5	75,476	75,347
Investments as per equity accounting	6	6,897	6,905
Financial assets	7	117,660	76,306
Deferred tax assets	14	8,757	7,390
Total non-current assets		445,382	410,173
Inventory		1,176	1,812
Trade and other receivables	9	135,334	148,336
Current tax assets		1,575	666
Financial assets	7	58,423	36,241
Time period adjustments and other current assets	9	31,951	26,241
Cash and other cash equivalents		172,948	150,784
Total current assets		401,407	364,080
Total assets		846,789	774,253
 <u>Net Equity and Liabilities</u>	 <u>Note</u>	 <u>30.06.20</u>	 <u>31.12.19</u>
Capital		44,029	44,029
Share premium account		420,316	420,316
Reserves		(352,182)	(364,322)
Profit (loss) for the year attributable to the parent company		4,070	25,417
Translation differences		(912)	1,682
Other comprehensive income		(6,804)	(4,901)
Equity attributed to the parent company		108,517	122,221
Non-controlling interests		4,769	33,493
Total net equity	10	113,286	155,714
Provisions	11	954	1,211
Bonds and other negotiable securities	12	134,250	143,184
Financial liabilities to credit institutions	12	99,231	46,554
Lease liabilities	2 and 12	7,840	8,267
Derivative financial instruments	8	6,867	4,009
Other financial liabilities	12	19,664	19,605
Subsidies	13	5,205	5,675
Other non-current liabilities		4,701	4,636
Deferred tax liabilities	14	16,122	17,637
Total non-current liabilities		294,834	250,778
Provisions		631	1,270
Bonds and other negotiable securities	12	85,413	67,534
Financial liabilities to credit institutions	12	48,216	71,121
Lease liabilities	2 and 12	1,299	1,362
Derivative financial instruments	8	7,447	4,060
Other financial liabilities	12	72,932	28,934
Trade and other payables		74,610	93,820
Current tax liabilities		3,800	2,267
Other current liabilities		144,321	97,393
Total current liabilities		438,669	367,761
Total net equity and liabilities		846,789	774,253

The notes 1 to 20 and the appendix I are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2020

* The consolidated balance sheet as at 31 December 2019 is presented solely and exclusively for comparative purposes

Audax Renovables, S.A. and subsidiaries
Consolidated Income Statement
(EUR thousands)

	Note	Not audited 30.06.20	Not audited 30.06.19
Ordinary income	15	403,319	525,124
Procurements	15	(350,796)	(463,783)
Other operating income		482	1,547
Wages and salaries	15	(10,095)	(10,431)
Other operating expenses	15	(20,204)	(18,498)
Amortisation and depreciation	5	(9,886)	(14,177)
Impairment and profit (loss) on disposal of fixed assets		(2)	(846)
Operating profit (loss)		12,818	18,936
Financial income		2,069	1,974
Financial expenses		(7,941)	(10,337)
Profit (loss) on disposal and change in value of financial instruments		(678)	202
Exchange differences		(27)	(11)
Financial profit (loss)	15	(6,577)	(8,172)
Profit (loss) of companies consolidated by equity accounting	6	(15)	(62)
Profit (loss) before tax from continuing operations		6,226	10,702
Income tax expense		(58)	(2,451)
Profit (loss) after tax from continuing operations		6,168	8,251
Profit (loss) for the year from discontinued operations		-	-
Consolidated profit (loss) for the year		6,168	8,251
Profit (loss) attributable to the parent company		4,070	6,760
Profit (loss) attributable to non-controlling interests		2,098	1,491
		30.06.20	30.06.19
Profit (loss) per share			
Basic		0.0092	0.0154
Diluted		0.0092	0.0154

The notes 1 to 20 and the appendix I are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2020

Audax Renovables, S.A. and subsidiaries
Consolidated Statement of Comprehensive Income
(EUR thousands)

	Not audited 30.06.20	Not audited 30.06.19
Consolidated profit (loss) for the year	<u>6,168</u>	<u>8,251</u>
Other comprehensive income		
Items to be reclassified to profit and loss statement		
Cash flow hedges	(1,132)	(5,802)
Translation differences of financial statements of businesses abroad	(2,594)	(47)
Other comprehensive income for the year, after tax	<u>(3,726)</u>	<u>(5,849)</u>
Total comprehensive income for the year	<u>2,442</u>	<u>2,402</u>
Total comprehensive income attributable to the parent company	506	911
Total comprehensive income attributable to non-controlling interests	1,936	1,491

The notes 1 to 20 and the appendix I are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2020

Audax Renovables, S.A. and subsidiaries
Consolidated Statement of Changes in Net Equity
(EUR thousands)

<i>In EUR</i>	Capital	Share premium	Reserves	Profit (loss) attributable to Parent Company	Translation differences	Other Comprehensive Income	Equity attributed to Parent Company	Non-controlling interests	Net equity
Balance at 31 December 2018	308,204	420,316	(637,245)	8,412	1,717	4,904	106,308	33,258	139,566
Recognised income and expenses	-	-	-	6,760	(47)	(5,802)	911	1,491	2,402
Dividends	-	-	-	-	-	-	-	(146)	(146)
Capital increase due to merger	(264,175)	-	264,175	-	-	-	-	-	-
Other movements	-	-	3,789	-	-	-	3,789	(5,647)	(1,858)
Reserves	-	-	8,412	(8,412)	-	-	-	-	-
Balance at 30 June 2019	44,029	420,316	(360,869)	6,760	1,670	(898)	111,008	28,956	139,964
Recognised income and expenses	-	-	-	18,657	12	(4,003)	14,666	1,585	16,251
Other movements	-	-	(3,453)	-	-	-	(3,453)	4,533	1,080
Dividends	-	-	-	-	-	-	-	(1,581)	(1,581)
Balance at 31 December 2019	44,029	420,316	(364,322)	25,417	1,682	(4,901)	122,221	33,493	155,714
Recognised income and expenses	-	-	-	4,070	(2,594)	(970)	506	1,936	2,442
Dividends	-	-	-	-	-	-	-	(4,516)	(4,516)
Changes to the scope	-	-	(13,277)	-	-	(933)	(14,210)	(26,144)	(40,354)
Other movements	-	-	-	-	-	-	-	-	-
Reserves	-	-	25,417	(25,417)	-	-	-	-	-
Balance at 30 June 2020	44,029	420,316	(352,182)	4,070	(912)	(6,804)	108,517	4,769	113,286

The notes 1 to 20 and the appendix I are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2020

Audax Renovables, S.A. and subsidiaries
Consolidated Cash Flow Statement
(EUR thousands)

		<i>Not audited</i>	<i>Not audited</i>
		<i>30.06.2020</i>	<i>30.06.2019</i>
<i>Cash flows from operating activities</i>			
Profit (loss) for the year before tax	Note	6,226	10,702
Adjustments to results		23,100	17,774
Amortisation and depreciation	5	9,886	14,177
Valuation adjustments due to impairment	5	6,180	2,112
Changes in provisions		(920)	(1,199)
Allocation of subsidies		(133)	137
Profit (loss) on derecognition and disposal of fixed assets		2	846
Profit (loss) on derecognition and disposal of financial instruments		678	(202)
Financial income	15	(2,069)	(1,974)
Financial expenses	15	7,941	10,337
Exchange differences		27	(11)
Changes in fair value of financial instruments		1,493	(6,449)
Other income and expenses		15	-
Changes in working capital		49,167	(24,444)
Inventory		636	3,152
Accounts receivable		6,822	(12,668)
Other current assets		(5,710)	(6,121)
Accounts payable		(20,813)	(7,329)
Other current liabilities		68,232	(1,478)
Other cash flows from operating activities		(6,410)	(8,459)
Payments of interest		(6,630)	(10,337)
Collections of interest		220	1,974
Income tax payments		-	(96)
Cash flows from operating activities		72,083	(4,427)
<i>Cash flows from investment activities</i>			
Payments of investments		(75,695)	(40,554)
Intangible assets	5	(351)	(19,200)
Property, plant and equipment	5	(4,466)	(2,999)
Other financial assets	7,16	(70,878)	-
Other assets		-	(18,355)
Collection on divestments		10,273	-
Group and associated companies	16	9,795	-
Intangible assets	5	444	-
Property, plant and equipment	5	13	-
Other financial assets		21	-
Cash flows from investment activities		(65,422)	(40,554)
<i>Cash flows from financing activities</i>			
Collections and payments for financial liability instruments:		(15,227)	-
Acquisition of equity instruments		(15,227)	-
Collections and payments for financial liability instruments		35,246	(4,830)
Issuance			
Bonds and other negotiable securities	12	51,028	96,400
Amounts owed to credit institutions	12	69,916	4,541
Payables to group companies and associates		13,580	16,384
Repayment			
Bonds and other negotiable securities	12	(42,498)	(75,560)
Amounts owed to credit institutions	12	(40,296)	(14,630)
Other debts		(16,484)	(31,965)
Payments of dividends and remuneration of other financial liabilities			
Dividends		(4,516)	-
Cash flows from financing activities		15,503	(4,830)
Net increase/decrease in cash or equivalents		22,164	(49,811)
Cash and equivalents at the beginning of the year		150,784	98,313
Cash and equivalents at the end of the year		172,948	48,502

The notes 1 to 20 and the appendix I are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2020

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

Audax Renovables, S.A., hereinafter referred to as 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.

Moreover, the Company's objects include energy retailing, purchase and sale of electricity, including export and import, fuel retailing for energy production, natural gas retailing, CO2 emissions trading and telecommunications retailing; as well as all the necessary additional activities.

Additionally, the Company 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 Stock Exchange and Collective Investment Institutions.

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 activities involving generation of electricity from renewable sources, energy and natural gas retailing, and constitute together the AUDAX RENEWABLES 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 Excelsior Group's consolidated annual accounts for the year 2019, formulated on 27 May 2020, 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 and have been included in the Ibex Small Cap since 23 March 2020. 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 2019 were approved by the General Meeting of Shareholders on 9 July 2020.

The interim condensed consolidated financial statements of the Audax Renovables Group as at 30 June 2020 were drawn up by the Directors of the Parent Company on 22 September 2020.

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, ACCOUNTING POLICIES AND VALUATION STANDARDS

a) *Applied accounting rules*

These interim condensed consolidated financial statements for the period of six months ended on 30 June 2020 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). However, this document does not include all the information and breakdowns required in the consolidated annual accounts by the

International Financial Reporting Standards adopted by the European Union (hereinafter, IFRS-EU). Therefore, in order to attain the correct interpretation of these interim condensed consolidated financial statements, the document shall be interpreted together with the consolidated annual accounts for the year ended on 31 December 2019, 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 2019, the date of the aforementioned consolidated annual accounts, till 30 June 2020.

In accordance with paragraph 20 of IAS 34, and for the purpose of providing comparative information, these interim condensed consolidated financial statements include the consolidated balance sheets as at 30 June 2020 and as at 31 December 2019, the consolidated income statements for the periods of six months ended on 30 June 2020 and 2019, the consolidated comprehensive income statements for the periods of six months ended on 30 June 2020 and 2019, the consolidated statements of changes in net equity for the periods of six months ended on 30 June 2020 and 2019 and as at 31 December 2019, the consolidated cash flow statements for the periods of six months ended on 30 June 2020 and 2019, together with the explanatory notes to the consolidated financial statements for the period of six months ended on 30 June 2020.

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 financial statements in compliance with the accounting principles of the country where it operates. 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 the consistency with the accounting policies adopted by the Audax Renovables Group.

The accounting policies used for drawing up these financial Statements coincide with the policies applied and described in the Consolidated Annual Accounts for the year ended on 31 December 2019.

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

b) Comparison of the information

As requested by the IFRS-EU, the information contained in these interim condensed consolidated financial statements as at 30 June 2020 is presented solely for comparative purposes together with the relevant information for the period of six months ended on 30 June 2019, except for the consolidated balance sheet which compares the situation as at 30 June 2020 and at 31 December 2019.

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.

Over the first half of the year the Group acquired a significant set of non-controlling interests. The companies whose shareholding was increased had been already considered to be group companies, since all their assets and liabilities belonged to the Group. Therefore, the effect of these operations is limited primarily to a decrease of the Non-controlling interests and of the Reserves (Note 10 and Note 2.c).

c) Changes in the consolidation scope

On 24 April 2020 Audax Renovables, S.A. entered into an agreement on the purchase of the Non-controlling interests of the Dutch company Main Energie, B.V. (formerly Audax Netherlands B.V.) for the amount of EUR 15,385 thousand. Through this transaction Audax Renovables, S.A. became the sole shareholder of the company, and previous cross-option agreements were exercised for put and call options over the shares of the company. This transaction involved a reduction of the Non-controlling interests of EUR 11,348 thousand and an increase of reserves of EUR 15,385 thousand.

On 29 June 2020 Audax Renovables purchased the Non-controlling interests of Eryx Investments 2017, S.L. - the parent of a group of energy retailing companies, including Unieléctrica Energía, S.A.. Through this operation Audax Renovables, S.A. has become the sole shareholder of that company. The purchase price of the transaction amounted to EUR 28,608 thousand and involved a decrease of the Non-controlling interests of EUR 13,799 thousand and a reduction of the reserves of EUR 18,150 thousand. The seller of this non-controlling interest is the related company, Eléctrica Nuriel, S.L.

On 29 June 2020 Audax Renovables purchased non-controlling interest of the company Fox Energía, S.L. - a subsidiary of Unieléctrica Energía, S.A. involved in the energy retailing. Through this transaction the Audax Renovables Group holds an 88.8% stake of the company. The purchase price of the transaction amounted to EUR 10,400 thousand and involved a decrease of the Non-controlling interests of EUR 997 thousand and a reduction of the reserves of EUR 8,897 thousand. The seller of this non-controlling interest was the related company, Electrica Nuriel, S.L.

In June 2020 the dissolution and liquidation of the companies Castellwind-03, S.L. and Entreyeltes 1, S.L. was approved. The dissolution of the companies did not involve any significant impact on the current financial statements.

In 2020 the companies Masqluz 2020, S.L. Alset Comercializadora, S.L., By Energyc Energía Eficiente, S.L., Love Energy, S.L. and Energía Ecológica Económica S.L. were set up, all of them dedicated to the energy retailing in Spain.

The Appendix I includes the companies in which Audax Renovables, S.A. has a direct or indirect shareholding, and which were included in the consolidation scope as at 30 June 2020.

d) 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 2020 and 31 December 2019 have been as follows:

	30 June 2020		31 December 2019		30 June 2019	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
US dollar	1.1198	1.1061	1.1081	1.1202	1.1658	1.2060
Polish zloty	4.4560	4.4105	4.2792	4.3009	4.3732	4.2316

e) *Going concern*

As at 30 June 2020, the Group presents negative working capital of EUR 37,262 thousand. This situation is primarily a consequence of the normal business evolution, as well as of financing the investments made in recent years.

Despite this working capital, the Group has sufficient capability to fulfil its obligations through its own cash generation as well as, among other factors, its financial resources. Among others, there is the promissory note programme with a limit of up to EUR 200 million, of which the amount of EUR 83,128 has been drawn down as at 30 June 2020. Moreover, it should be mentioned that in the months of June and July of 2020 Audax Renovables, S.A. registered new bond and note programmes with a total limit of EUR 700,000 thousand, of which the amount of EUR 20 thousand has been drawn down as at the date of these consolidated financial statements (Note 12 and Note 20).

On the grounds of the above information, the Directors consider that there is no doubt about the application of the going concern principle.

f) *Impact of the COVID-19 pandemic*

On 11 March 2020 the World Health Organisation declared the coronavirus COVID-19 outbreak to be a pandemic due to its quick propagation over the world, with more than 150 countries being affected. Most of the governments adopted and are still adopting restrictive measures to contain the propagation of the virus, such as isolation and confinement of persons, quarantine periods and restrictions to the free movement of persons, closure of public and private premises except for those of essential needs and sanitary facilities, borders closure and reduction of air, maritime, railway or road transport.

In Spain, as the Council of Ministers approved the Royal Decree 463/2020 of 14 March 2020 declaring the state of alarm in the country, and due to the crisis created by COVID-19, the Group adopted diverse measures in order to protect the interests of our interest groups: employees, clients, providers and business partners as well as the shareholders and, in a broader sense, the community in general, following at every moment the instructions published by the Government.

This situation has had a significant effect on the global economy, due to the disruption or slowing down of the supply chains and because of the considerable surge in economic uncertainty, which manifests itself in the increased volatility of asset prices, exchange rates, and the reduction of the long-term interest rates.

The impact of this situation on the Group is explained below.

Although at the date of drawing up these financial statements it is not possible to estimate the future impact of the present crisis, we can specify some of the impacts observed in the first half of 2020:

- There has been a decrease of the energy demand at the sector level, which affected in turn the sales figures of the energy retail segment of the Group and its corresponding procurement.
- An increase of the average collection period for trade and other receivables, as well as a potential increase of arrears in the case of the clients most affected by the COVID-19 crisis. In this respect, in the first half of the year 2020 the Group created a provision for delayed payment amounting to EUR 6,906 thousand (EUR 1,683 thousand in the first half year 2019), all this in accordance with the expected loss model established in IFRS 9.

As at the date of these financial statements, the Group's power stations have not been affected, and they are not expected to be significantly influenced by the effects of COVID-19.

The Group settles on time all its financial liabilities, as well as payments to its providers.

It should be mentioned that the Group acted ahead of time and reacted quickly to the new situation adopting diverse measures, such as:

- **Employees:** With the aim of preserving the health and safety, and protecting the work a family life balance of our employees, travelling was at first limited and later on entirely prohibited, training sessions on the subject of the pandemic were organised, and teleworking was coordinated and implemented for 100% of the employees, providing them with the necessary tools for their remote work in record time of 24/48 hours from the beginning of the state of alarm, and in this way ensuring the normal operation of Audax.
- **Customers:** Certain measures were implemented, such as: energy and gas supply at cost to hotels, retirement homes and hospitals, deferral of invoice payment for sole traders and SMEs for 6 months following the end of the state of alarm - upon request and after meeting certain requirements, as well as no cut-off of electricity or natural gas supply to vulnerable or disadvantaged customers.
- **Providers and business partners:** In order to ensure full effectiveness, the use of digital signature became widespread, apart from maintaining constant contact with them. The construction works of the generation projects have not been significantly affected and the projects are expected to be put into operation rather without delays with respect to the dates which were initially planned.

All this is possible owing to the commitment and effort of all the employees, their health, safety and satisfaction being a priority for the Group.

g) Segment reporting

Information about segments is disclosed in accordance with IFRS 8. The operating segments are the components of the Group that involve business activities from which revenue is obtained and expenses are incurred, including ordinary income and expenses from transactions with other components of the same Group. In regard to these segments, the financial information is separated and operating results are reviewed regularly by the Group's ultimate authority in the decision-making process in order to decide what resources must be assigned to the segment and to evaluate its performance.

The Group currently conducts the integrated businesses of energy retail and generation, and classifies the financial information in categories only according to the geographical scope. As a consequence, within segment reporting, information in these interim condensed consolidated financial statements is disclosed by geographical segments.

NOTE 3- ACCOUNTING ESTIMATES AND UNCERTAINTY SOURCES

Main risks and contingencies, as well as essential accounting estimates, coincide with the ones specified in the consolidated annual accounts for the year 2019, and there have been no significant changes since its disclosure.

NOTE 4 – SEGMENT REPORTING

The main format of segment reporting is by geographical segments.

The most important geographical segments of the Audax Renewables Group are the following:

- Spain and Portugal
- Rest of the World: the Group operates in Italy, Poland, Germany, the Netherlands, France and Panama.

The income of the specified segments for the period of six months ended on 30 June 2020 and 2019 is as follows:

30 June 2020	Spain and Portugal	Rest of Europe (1)	Total
Ordinary income	294,500	108,819	403,319
Procurements	(259,631)	(91,165)	(350,796)
Other operating income	307	175	482
Operating expenses and remunerations	(22,272)	(8,027)	(30,299)
Amortisation and depreciation	(4,346)	(5,540)	(9,886)
Impairment and profit (loss) on disposal of fixed assets	1	(3)	(2)
Operating profit (loss)	8,559	4,259	12,818
Financial profit (loss)	(3,961)	(2,616)	(6,577)
Participation in the profit (loss) of associates	-	(15)	(15)
Income before tax	4,598	1,628	6,226
Corporate income tax	(515)	457	(58)
Consolidated profit (loss) for the year	4,083	2,085	6,168
a) Profit (loss) attributable to the parent company			4,070
b) Profit (loss) attributable to non-controlling interests			2,098

Rest of Europe (1) includes Italy, Poland, Germany, the Netherlands, France and Panama

30 June 2019	Spain and Portugal	Rest of Europe (1)	Total
Ordinary income	386,950	138,174	525,124
Procurements	(344,688)	(119,095)	(463,783)
Other operating income	1,264	283	1,547
Operating expenses and remunerations	(19,045)	(9,884)	(28,929)
Amortisation and depreciation	(8,635)	(5,542)	(14,177)
Impairment and profit (loss) on disposal of fixed assets	(873)	27	(846)
Operating profit (loss)	14,973	3,963	18,936
Financial profit (loss)	(5,795)	(2,377)	(8,172)
Participation in the profit (loss) of associates	-	(62)	(62)
Income before tax	9,178	1,524	10,702
Corporate income tax	(2,137)	(314)	(2,451)
Consolidated profit (loss) for the year	7,041	1,210	8,251
a) Profit (loss) attributable to the parent company			6,760
b) Profit (loss) attributable to non-controlling interests			1,491

Rest of Europe (1) includes Italy, Poland, Germany, the Netherlands, France and Panama

NOTE 5 – INTANGIBLE AND TANGIBLE ASSETS

The movement for the period of six months ended on 30 June 2020 and for the year 2019 in the intangible and tangible assets accounts is as follows:

	Goodwill	Other intangible assets	Total intangible assets	Total tangible assets
Net book value 31.12.2018	138,564	111,510	250,074	166,597
Investment	-	15,446	15,446	1,606
Additions to scope	15	23,121	23,136	6,148
Depreciation charge	-	(17,305)	(17,305)	(8,923)
Derecognitions	(634)	(26,572)	(27,206)	(90,054)
Other movements	-	79	79	-
Translation differences	-	1	1	(27)
Net book value 31.12.2019	137,945	106,280	244,225	75,347
Cost	137,945	142,841	280,786	100,274
Accumulated depreciation	-	(36,561)	(36,561)	(24,927)
Net book value 31.12.2019	137,945	106,280	244,225	75,347
Investment	-	399	399	4,133
Depreciation charge	-	(7,575)	(7,575)	(2,311)
Derecognitions	-	(442)	(442)	(15)
Other movements	(3)	-	(3)	333
Translation differences	-	(12)	(12)	(2,011)
Net book value 30.06.2020	137,942	98,650	236,592	75,476
Cost	137,942	142,786	280,728	102,714
Accumulated depreciation	-	(44,136)	(44,136)	(27,238)
Net book value 30.06.2020	137,942	98,650	236,592	75,476

The recognitions from investment are costs incurred in the development and construction of a set of solar power stations of the Group.

Translation differences include, basically, the impact of the valuation of the assets belonging to the investments made in Poland. Over the period of six months ended on 30 June 2020, the negative impact is mainly due to the depreciation of the Polish zloty.

The breakdown of goodwill by country is as follows:

	30.06.2020	31.12.2019
Spain	40,087	40,087
the Netherlands	94,391	94,391
France	860	860
Poland	2,599	2,599
Other	5	8
TOTAL	137,942	137,945

The breakdown of intangible assets by country is as follows:

	30.06.2020	31.12.2019
Spain	62,004	65,547
Italy	2,869	3,086
Germany	163	166
Poland	2,268	2,169
France	2,702	2,956
the Netherlands	28,644	32,336
Other	-	20
TOTAL	98,650	106,280

The breakdown of tangible assets by country is as follows:

	30.06.2020	31.12.2019
Spain	33,985	31,080
France	6,629	6,904
Italy	25	24
Germany	5	5
Poland	33,976	36,477
the Netherlands	755	756
Other	101	101
TOTAL	75,476	75,347

Assets impairment test

The Audax Renovables conducted impairment tests of the entirety of its assets as at 31 December 2019. As at 30 June 2020 the Group considers that, according to the nature of its business, possible impairment indicators originated by the present situation of sanitary crisis caused by COVID-19 are not significant and, consequently, there is no need to update the impairment tests.

NOTE 6 – INVESTMENTS ACCOUNTED FOR BY EQUITY METHOD

The movement in this account during the first six months of 2020 has been as follows:

-	Balance 31.12.2019	Participation in profit (loss)	Differences exchange	Balance 30.06.2020
<u>Company</u>				
Parque Eólico Toabré S.A.	6,905	(15)	7	6,897
Total	6,905	(15)	7	6,897

The movement in 2019 was as follows:

-	Balance 31.12.2018	Participation in profit (loss)	Differences exchange	Balance 31.12.2019
<u>Company</u>				
-				
Parque Eólico Toabré S.A.	6,992	(87)	-	6,905
Total	6,992	(87)	-	6,905

NOTE 7 – FINANCIAL ASSETS

The breakdown of the financial assets classified by their nature and category is as follows:

	30.06.2020			31.12.2019		
	Current	Non-current	Total	Current	Non-current	Total
Assets designated at fair value through profit and loss						
Equity instruments						
Not traded	-	113	113	-	113	113
Total	-	113	113	-	113	113
Financial assets at amortised cost						
Unsecured loans						
Floating rate	-	245	245	-	1,003	1,003
Total	-	245	245	-	1,003	1,003
Trade and other receivables						
Receivables from sales and services	155,954	-	155,954	158,042	-	158,042
Other receivables	5,377	-	5,377	10,111	-	10,111
Less impairment	(25,997)	-	(25,997)	(19,817)	-	(19,817)
Total (Note 9)	135,334	-	135,334	148,336	-	148,336
Loans to group entities (Note 16)						
Total	75	107,084	107,159	49	66,753	66,802
Deposits and sureties granted						
Fixed-term deposits	36,218	616	36,834	19,786	400	20,186
Other financial assets	5,429	-	5,429	3,309	-	3,309
Total	44,418	9,378	53,796	25,707	8,437	34,144
Total	179,827	116,707	296,534	174,092	76,193	250,285
Equity instruments at fair value through other comprehensive income						
Traded	13,930	-	13,930	10,344	-	10,344
Hedge derivatives						
Contracted on organised markets (Note 8)	-	840	840	141	-	141
Total	13,930	840	14,770	10,485	-	10,485
Total financial assets	193,757	117,660	311,417	184,577	76,306	260,883

Deposits and sureties granted relate to the amounts transferred to the lessors as a guarantee for the existing lease contracts and the amounts paid out as a guarantee for the purpose of operating on the electricity market. The amounts are represented at paid out value which does not differ significantly from their fair value.

Fixed-term deposits consist mainly of deposits made to different financial institutions which do not yield interest at market interest rate.

In the first half of 2020 the Group has made fixed-term deposits amounting to EUR 22,267 thousand.

The heading Other current financial assets relates primarily to the Debt Service Reserve Account (DSRA) amounting to EUR 3,210 thousand (EUR 3,276 thousand at 31 December 2019) which constitute an additional guarantee for the bank syndicate and are subject to restrictions in application, as is described in Note 12.

NOTE 8 – DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of the derivative financial instruments accounted for under the heading of "Financial assets" and "Derivative financial instruments" is as follows:

	30.06.2020		31.12.2019	
	Non-current	Current	Non-current	Current
<i>Assets arising from derivatives</i>				
Energy price hedges	840	-	-	141
Total assets	840	-	-	141
<i>Liabilities arising from derivatives</i>				
Energy price hedges	4,694	7,447	2,393	4,060
Interest rate swaps	2,173	-	1,616	-
Total liabilities	6,867	7,447	4,009	4,060

The Group is exposed to fluctuations in interest rates since its bank borrowings are made at floating interest rates. Therefore, related to its loans, the Group has hedging contracts on variations in Euribor / Wibor interest rates in order to ensure a maximum rate.

Furthermore, the Group entered into hedging contracts as a form of security measure against fluctuations in electricity selling prices.

The fair value of the different financial instruments is calculated using the cash flow discount valuation method. The assumptions used in these valuation techniques are based on prices of observable, current market transactions of the same instrument, such as, for example, the interest rate.

Therefore, the variables on which the valuation of the hedging derivatives is based in this section can be observed in an official market (Level 2).

NOTE 9 - TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables is as follows:

	At 30.06.2020	At 31.12.2019
Trade receivables	155,558	157,651
Trade receivables from group companies	396	391
Other receivables	5,377	10,111
Valuation adjustments for bad debt	(25,997)	(19,817)
Total trade and other receivables	135,334	148,336

Under the heading of "Trade receivables" the Group puts mainly the invoicing amounts corresponding to the months of May and June 2020 that have not yet been collected.

Since the usual meter read date does not coincide with the balance sheet date, the Group estimates the volume of sales to customers, which has not yet been invoiced. The accumulated balance of electricity and gas retailing which has not yet been invoiced is featured in under the heading "Trade and other receivables". As at 30 June 2020, the estimates of the retailing companies amount to EUR 55,101 thousand (EUR 63,814 thousand as at 31 December 2019).

The movement of valuation adjustments for bad debt is as follows:

Balance at 31 December 2019	(19,817)
Allocations	(6,906)
Reversals	474
I.3.2 Applications	252
Balance at 30 June 2020	(25,997)

In the first half of 2020 the Group allocated EUR 6,906 thousand to the provision for delayed payment (EUR 1,683 thousand in the first half of 2019). The increase of this provision is mainly due to the allocations made - as a consequence of the COVID-19 crisis - in accordance with the expected loss model established in IFRS 9.

The breakdown of "Other current assets" is as follows:

	At	At
	30.06.2020	31.12.2019
Prepaid expenses for insurance	118	137
Prepaid expenses for commissions	27,801	21,810
Prepaid expenses for renting	34	57
Other prepaid expenses	161	465
Advances to staff	22	7
Receivables from Public Administrations	3,815	3,765
Total	31,951	26,241

"Prepaid expenses for commissions" correspond to payments of commissions made in advance to commission agents for new clients acquisition, depending on the duration of the contract which usually is a period of one year.

NOTE 10 - EQUITY

Share capital

The share capital of the Parent Company as at 30 June 2020 and 31 December 2019 is represented by 440,291,054 shares of a single value of EUR 0.1 each. As at 31 December 2018, the share capital was represented by 440,291,054 shares with a value of EUR 0.7 each. On 29 April 2019, and with the aim to restore the equilibrium to the financial situation of the Parent Company, the General Meeting of Shareholders approved a reduction of the share capital reducing by EUR 0.6 the nominal value of the shares. As a consequence of the share capital reduction there was an increase in the Parent Company's reserves of EUR 264,175 thousand.

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 2020 was of EUR 1.74 per share (EUR 2.14 per share as at 31 December 2019).

The breakdown of the shareholders of the Parent Company holding more than 10% shares as at

30 June 2020 and 31 December 2019 is as follows:

	At 30.06.2020	At 31.12.2019
Shareholders	%	%
Electrica Nuriel, S.L.U.(*)	82.67%	88.48%
Rest of shareholders	17.33%	11.52%
Total	100.00%	100.00%

(*) Additionally, Electrica Nuriel, S.L.U, has the right to purchase 8,000,000 shares of Audax Renovables, S.A., which represent 1.82% of the Parent Company.

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 limit indicated, 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 part that exceeds 10% of the capital already increased.

As at 30 June 2020 the Parent Company has a Legal Reserve valued at EUR 19,027 thousand (EUR 19,027 thousand as at 31 December 2019).

c) Treasury shares

As at 30 June 2020 and 31 December 2019, the Parent Company does not own treasury shares.

d) Translation differences

This account in the consolidated balance sheet includes the net exchange differences arising from the translation into euro of the balances of functional currencies of the consolidated companies whose functional currency is not the euro. At 30 June 2020 as well as at 31 December 2019 the balances reflect mainly the impact of the historical price fluctuations of the Polish zloty against the euro.

e) Distribution of earnings

The General Meeting of Shareholders held on 9 July 2020 approved the following profit allocation of the Parent Company for the year 2019:

Base of distribution	EUR
Profit and (loss)	16,812,748
Total	16,812,748

Base of distribution	EUR
To compensate losses from previous years	16,812,748
Total	16,812,748

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 arithmetic mean of ordinary shares circulating during the period:

	At 30.06.2020	At 30 .06.2019
Number of shares	440,291,054	440,291,054
Average number of shares	440,291,054	440,291,054
Profit (loss) attributable to the Parent Company (EUR thousand)	4,070	6,760
Profit / (loss) per share (euro per share)		
- Basic	0.0092	0.0154
- Diluted	0.0092	0.0154

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

f) Non-controlling interests

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

Balance at 31 December 2018	33,258
Profit (loss) for the year	5,921
Valuation adjustments	(2,845)
Dividend distribution	(1,727)
Other movements	(1,114)
Balance at 31 December 2019	33,493
Profit (loss) for the year	2,098
Valuation adjustments	(162)
Dividend distribution	(4,516)
Purchase of Non-controlling interests (Note 2.c)	(26,144)
Balance at 30 June 2020	4,769

In the first half of 2020 the companies Eryx Investments, 2007, S.L., Fox Energía, S.A, Nabalia Energía 2000, S.L., Acsol Energía Global, S.L., Vivo Energía Futura, S.L., and Iris Energía Eficiente, S.L. have distributed dividends. As a consequence of this distribution, the non-controlling interests have decreased by EUR 4,516 thousand.

The breakdown of the non-controlling interests by entity as at 30 June 2020 and 31 December 2019 is as follows:

	30.06.2020	31.12.2019
Main Energie, B.V. (formerly Audax Netherlands, B.V)	-	11,325
Eryx investments 2017, S.L. *	4,208	21,497
Eoliennes de Beausemblant, SAS	652	540
Other	(91)	131
	4,769	33,493

*includes Unieléctrica Energía S.A. and its subsidiaries.

In the first half of 2020 the Group acquired non-controlling interests of Main Energie, B.V, Eryx Investments 2017, S.L. and of Fox Energía, S.L. (a subsidiary of Unieléctrica Energía, S.L.) (Note 2.c).

NOTE 11 – NON-CURRENT PROVISIONS

The breakdown of provisions as at 30 June 2020 and 31 December 2019 is as follows:

	Balance 30.06.2020	Balance 31.12.2019
Provision for liabilities	-	269
Dismantling provision	954	942
Total	954	1,211

Provision for liabilities

This account includes mainly the provisions created in order to tackle contingent liabilities towards certain public entities with a maturity of over one year. During the first half year of 2020 the maturity term of these provisions has become shorter than one year, therefore they are accounted for as current payables.

Dismantling provision

As at 30 June 2020 the Group has recorded a provision of EUR 954 thousand to cover the costs of dismantling the wind farms that are now in operation.

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

NOTE 12 – FINANCIAL LIABILITIES

The breakdown of the financial liabilities, without including trade and other payables, for the first six months of 2020, is as follows:

	30.06.2020	31.12.2019
Bonds and other negotiable securities	134,250	143,184
Amounts owed to credit institutions	99,231	46,554
Lease liabilities	7,840	8,267
Financial derivatives liabilities (Note 8)	6,867	4,009
Other financial liabilities	19,664	19,605
Total non-current financial liabilities	267,852	221,619
Bonds and other negotiable securities	85,413	67,534
Amounts owed to credit institutions	48,216	71,121
Lease liabilities	1,299	1,362
Financial derivatives liabilities (Note 8)	7,447	4,060
Other financial liabilities	72,932	28,934
Total current financial liabilities	215,307	173,011

Over the first half year of 2020 the following changes to the financial liabilities of the Group took place:

Bonds and other negotiable securities

On 30 June 2020 Audax Renovables, S.A. increased its promissory note programme on the Alternative Fixed-Income Market (MARF) registered initially in January 2017 for the amount of EUR 50,000 thousand and later increased to EUR 75,000 thousand in February 2019. The outstanding amount of the new increase registered under the name of "Audax 2020 Note Programme" is EUR 200,000 thousand, and its maturity date is 30 March 2021. As at 30 June 2020, the total drawn down balance amounts to EUR 83,128 thousand (EUR 74,478 thousand as at 31 December 2019).

On 26 June 2020 Audax Renovables, S.A. registered a Euro-Commercial Paper Programme (ECP) of a maximum outstanding amount of EUR 300,000 thousand on the Irish Stock Exchange. As at 30 June 2020 the Company has not drawn down any amount under this programme.

Amounts owed to credit institutions

The breakdown of bank loans is the following:

	30.06.2020	31.12.2019
Project Finance	25,853	29,181
Loans	73,378	17,373
Total non-current	99,231	46,554
	30.06.2020	31.12.2019
Project Finance	4,834	4,683
Loans	23,300	18,725
Lines of credit	251	13,391
Reverse factoring and similar	19,831	34,322
Total current	48,216	71,121

The companies included in the consolidation scope Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemant and Eólica Postolin Sp. z o.o. have entered into loan agreements with lending institutions in the Project Finance scheme under which the entirety of their shares are pledged.

Regarding the loans for financing the wind farms with liabilities under "Project Finance", as at 30 June 2020 there are no indications of future noncompliance with the requirements set forth in those agreements, which could give rise to their early redemption.

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 2020, the following reserve funds were included in the "Other current financial assets" account:

Company	30.06.2020	31.12.2019
Eólica el Pedregoso, S.L.	768	768
Eólica del Pino, S.L.	385	385
Eoliennes de Beausemant, SAS	632	632
Eólica Postolin Sp. z o.o.	1,425	1,491
Total	3,210	3,276

In the first half of 2020 the Parent Company signed loan agreements with the companies Finalbion SV, S.L., Gedesco Innovfin, S.L. and Toro Finance for the amount of EUR 19,815 thousand and with maturity dates between 2021 and 2025.

Additionally, the Parent Company and other companies of the Group have signed ICO loans with various financial institutions for the amount of EUR 54,477 thousand. These loans are covered by a line of guarantees for businesses and sole traders, approved by the Royal Decree-Law 8/2020 of 17 March 2020 on urgent extraordinary measures to tackle the economic and social impact of COVID-19, under which the Ministry of Economic Affairs and Digital Transformation will issue guarantees to the loans granted by the credit institutions to the businesses and sole traders in order to help maintain the employment and alleviate the economic effects of the crisis.

Lease liabilities

Lease liabilities correspond to the application of IFRS 16 from 1 January 2019.

Under this standard a right-of-use asset and a lease liability is recorded at present value of the fixed payments to be made over the lease term.

The majority of the leases affected by this regulation correspond to the lease of land where the power plants are installed, as well as lease of office space.

Other financial liabilities

The breakdown of other financial liabilities is as follows:

	30.06.2020	31.12.2019
Accounts payable to Group entities (Note 16)	435	434
Other debts	19,229	19,171
Total other non-current financial liabilities	19,664	19,605
Accounts payable to Group entities (Note 16)	72,463	28,388
Other debts	469	546
Total other current financial liabilities	72,932	28,934

Other liabilities include also a debt of the Dutch company belonging to the Group, called Main Energie B.V (formerly Audax Netherlands) amounting to EUR 19,229 of a subordinated loan with the entity Kartesia.

The leverage ratio is as follows:

	At 30.06.2020	At 31.12.2019
Non-current financial liabilities		
Bonds and other negotiable securities	134,250	143,184
Financial liabilities to credit institutions	99,231	46,554
Lease liabilities	7,840	8,267
Other financial liabilities	19,229	19,171
Current financial liabilities		
Bonds and other negotiable securities	85,413	67,534
Financial liabilities to credit institutions	48,216	71,121
Lease liabilities	1,299	1,362
Other financial liabilities	469	546
Derivatives	13,474	7,928
Cash and other cash equivalents		
Other financial assets *	(124,540)	(65,482)
Cash and other cash equivalents	(172,948)	(150,784)
Net financial debt:	111,933	149,401
Of the Parent Company (Note 12)	108,517	122,221
Of the minority interests (Note 12)	4,769	33,493
Net equity:	113,286	155,714
Leverage (Net financial debt / (Net financial debt + Net equity))	49.7%	49.0%

* Includes non-current financial assets with guarantee (Note 16)

NOTE 13 – SUBSIDIES

The company Eólica Postolin, Sp. z o.o. 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 subsidies are recorded in the profit (loss) according to the depreciation of the wind farm. In the first six months of the year 2020 under "Other operating income" the amount of EUR 133 thousand was recorded (EUR 137 thousand in the first six months of the year 2019).

NOTE 14 – CORPORATE INCOME TAX

The movement during the first half year 2020 and over the year 2019 corresponding to the deferred tax assets and liabilities is as follows:

	Balance at 31.12.2019	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance at 30.06.2020
Deferred tax assets	7,390	1,606	(176)	-	-	(63)	8,757
Deferred tax liabilities	(17,637)	(222)	1,690	-	-	47	(16,122)
Total	(10,247)	1,384	1,514	-	-	-	(7,365)

	Balance at 31.12.2018	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance at 31.12.2019
Deferred tax assets	5,461	5,040	(1,958)	(1,799)	639	7	7,390
Deferred tax liabilities	(29,755)	(659)	7,800	5,623	(639)	(7)	(17,637)
Total	(24,294)	4,381	5,842	3,824	-	-	(10,247)

The main deferred tax assets include the tax effect of recognition of derivative liabilities (Note 8), as well as temporary differences from recognised expenses that have not yet become tax-deductible, and tax credits from tax-loss carry-forwards available for offset.

Deferred tax liabilities include mainly the tax effect of the purchase price allocation to certain intangible assets in business combination transactions, the most important of them being the tax deferred liability connected with the business combinations of Audax Netherlands B.V. and of Unieléctrica Energía S.A..

In addition to the aforementioned deferred tax assets recorded as at 30 June 2020, the Audax Renewables Group has tax loss carry-forwards (TLCs) available for offset amounting to EUR 142,379 thousand, as well as a deferred tax asset balance of EUR 4,972 thousand. The Audax Renewables Group has decided not to recognise these amounts in its interim condensed consolidated financial statements as it considers that there are uncertainties regarding the ability to recover them.

The Parent Company, as well as other companies of the Group, are subject to Corporate Income Tax under the consolidated tax system, where Excelsior Times, S.L. is the head entity of the tax group:

NOTE 15 – INCOME AND EXPENSES

Ordinary income and procurement

The breakdown of Ordinary income is as follows:

	30.06.2020			30.06.2019		
	Spain and Portugal	Rest of Europe	Total	Spain and Portugal	Rest of Europe	Total
Operating income						
Energy retailing	292,688	103,410	396,098	371,178	133,128	504,306
Energy generation	1,812	5,409	7,221	15,520	5,298	20,818
Total	294,500	108,819	403,319	386,698	138,426	525,124

The breakdown of Procurement is as follows:

	30.06.2020			30.06.2019		
	Spain and Portugal	Rest of Europe	Total	Spain and Portugal	Rest of Europe	Total
Procurement and others						
Energy retailing	259,631	91,165	350,796	344,455	119,328	463,783
Total	259,631	91,165	350,796	344,455	119,328	463,783

Staff costs

The breakdown of Staff costs as at 30 June 2020 and 2019 is as follows:

	30.06.2020	30.06.2019
Wages and salaries	7,812	8,205
Employer contributions	2,033	1,958
Other social expenses	250	268
Total	10,095	10,431

The average number of employees for the first six months of the year 2020 and 2019 has been as follows:

	Average number	
	30.06.2020	30.06.2019
Management *	3	3
Managers, professionals, technicians and similar	96	105
Back office staff	369	355
Other salaried staff	70	69
Total	538	532

In accordance with the provisions of the Gender Equality Act, Organic Law 3/2007 of 22 March 2007, published in the Official State Gazette BOE of 23 March 2007, the number of employees of the Audax Renovables Group as at 30 June 2020 and 2019 broken down by category and gender is as follows:

	30.06.2020		30.06.2019	
	Women	Men	Women	Men
Management *	1	2	2	1
Managers, professionals, technicians and similar	20	81	30	81
Back office staff	224	150	221	138
Other salaried staff	35	33	35	33
Total	280	266	288	253

Other operating expenses

The breakdown of Other operating expenses as at 30 June 2020 and 2019 is as follows:

	30.06.2020	30.06.2019
Leases	111	285
Repairs and maintenance	1,342	2,276
Counselling services	2,946	3,559
Insurance premiums and commissions	1,324	981
Supplies and other services	830	989
Other operating expenses	3,842	5,089
Taxes	3,561	4,407
Loss, impairment and change in provisions	6,248	912
Total	20,204	18,498

Net Financial Income (Expense)

The breakdown of this account in the consolidated profit and loss statement as at 30 June 2020 and 2019 is as follows:

	30.06.2020	30.06.2019
Financial income from shareholding in third parties	10	-
Financial income from group companies receivables	1,849	1,748
Financial income from third party receivables	210	226
Financial expenses arising from bond issuing	(3,593)	(2,962)
Financial expenses from debt and other financial cost	(4,348)	(7,375)
Impairment and profit (loss) on disposal of financial instruments	(678)	202
Change in fair value of financial instruments	-	-
Exchange differences	(27)	(11)
Financial profit (loss)	(6,577)	(8,172)

NOTE 16 – INFORMATION ON RELATED PARTY TRANSACTIONS

The transactions carried out in the first half year of 2020 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 which, while not being significant, have exercised the power to appoint a member of the Board of Directors.

According to the above definition, Eléctrica Nuriel, S.L.U. is considered to be a related party.

- The Directors and Senior Management of any company belonging to the Audax Renovables Group and their immediate families, "Directors" meaning members of the Board of Directors, and "Senior Management" meaning people who report directly to the Company's Board of Directors or its Chief Executive Officer and, at all events, its internal auditor. Transactions with the Directors and senior management of the Audax Renovables Group are disclosed in Note 17.
- All the companies belonging to the Excelsior Group.

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

The amounts of the related party transactions are as follows:

30.06.2020	Group companies	Other related parties	Total
Income			
Net sales	267	16	283
Financial Instruments			
Financial income	1,849	-	1,849
Total income	2,116	16	2,132
Expenses			
Purchases	85	-	85
Purchase of shares	39,008	-	39,008
Purchase of fixed assets	-	50	50
Other received services	1,198	-	1,198
Total Expenses	40,291	50	40,341

Income

In the first half year of 2020, Audax Renovables, S.A. has supplied energy to the companies of the Excelsior Group, the most significant operation being the supply to Aspy Prevención, S.L.U. for the amount of EUR 129 thousand.

Audax Renovables, S.A. has charged interest amounting to EUR 1,711 thousand in the first half of 2020 on the loans granted to Excelsior Times, S.L.U.

Expenses

In the first half year of 2020, Audax Renovables, S.A. has purchased energy from Svendborg PV VII, S.L.U. (a company of the Excelsior Group) for the amount of EUR 85 thousand.

Purchase of shares in the first half of 2020 refers to the acquisition of company shares by Audax Renovables, S.A. from Eléctrica Nuriel, S.L.U. (a company of the Excelsior Group) for a total amount of EUR 39,008 thousand (Note 2.c).

In the first half year of 2020, the company Excelsior Times, S.L.U., the parent company of the Excelsior Group, has rendered management services to Audax Renovables, S.A., the parent company of the Audax Renovables Group, for the amount of EUR 1,080 thousand.

Likewise in the first half year of 2020, Audax Renovables, S.A. sustained some of the costs of Orus Renovables, S.L.U. (a company belonging to the Excelsior Group) amounting to EUR 81 thousand, for lease of office space.

b) Balances with related parties

Accounts payable and receivable with related parties as at 30 June 2020 and 31 December 2019 are as follows:

30.06.2020	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 7)	95,687	11,397	107,084
Total non-current assets	95,687	11,397	107,084
Trade and other receivables			
Short-term receivables from group companies and associates	396	-	396
Loans and receivables			
Loans (Note 7)	75	-	75
Total current assets	471	-	471
Total assets	96,158	11,397	107,555
Long-term payables to group companies and associates	-	435	435
Total non-current liabilities	-	435	435
Short-term payables to group companies and associates	72,458	5	72,463
Trade and other payables			
Short-term payables to suppliers, group companies and associates	87	-	87
Total current liabilities	72,545	5	72,550
Total liabilities	72,545	440	72,985
31.12.2019	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 7)	55,412	11,341	66,753
Total non-current assets	55,412	11,341	66,753
Trade and other receivables			
Short-term receivables from group companies and associates	391	-	391
Loans and receivables			
Loans (Note 7)	49	-	49
Other financial assets			-
Total current assets	440	-	440
Total assets	55,852	11,341	67,193
Long-term payables to group companies and associates	-	434	434
Total non-current liabilities	-	434	434
Short-term payables to group companies and associates	28,407	(19)	28,388
Trade and other payables			
Short-term payables to suppliers, group companies and associates	135	-	135
Total current liabilities	28,542	(19)	28,523
Total liabilities	28,542	415	28,957

As at 30 June 2020 the loans and receivables balances with the group companies correspond mainly to loans granted by Audax Renovables, S.A. and its subsidiaries to Excelsior Times, S.L.U.. As at 30 June 2020 the amount of non-current loans granted to Excelsior Times S.L.U. is of EUR 95,520 thousand (EUR 55,283 thousand as at 31 December 2019), including the principal and interest. In relation to these loans Audax Renovables, S.A. has been issued a guarantee in

highly liquid assets of a maximum amount of EUR 69,600 thousand as at 30 June 2020, and therefore considered to be liquid assets for the purpose of calculating the leverage (Note 12). In the first half of 2020 these loans have generated cash outflow amounting to EUR 47,549 thousand.

In connection with the Loans and receivables from group companies there has been an inflow of EUR 9,038 thousand from the repayment of a loan granted to Excelsior Times, S.L. by Explotación Eólica a Pedrera, S.L.

Loans and non-current receivables with other related parties include loans granted to the companies incorporated by the equity method and other investee companies which do not comprise the Group, in the amount of EUR 11,397 thousand (EUR 11,341 thousand as at 31 December 2019).

The balance as at 30 June 2020 in Short-term payables to group companies correspond mainly to the payables to the Eléctrica Nuriel, S.L. company in the amount of EUR 59,587 thousand. This payable derives mainly from the obligation assumed by the Parent Company because of the purchase of minority shares of the companies Eryx Investments 2017, S.L.U. and Fox Energía, SA from Eléctrica Nuriel, S.L., as well as the obligation arising from the handover of the shares of Audax Renovables by Eléctrica Nuriel, S.L. in order to settle the debt incurred by Audax with third parties for the purchase of several companies.

This account includes also a payable from the Parent Company to Audax Fotovoltaica, S.L.U. amounting to EUR 14,142 thousand for the purchase in 2019 of the shares of Audax Solar SPV IV S.L.U, Audax Solar SPV VI S.L.U., Audax Solar SPV IX S.L.U. and Aznalcollar Solar S.A.U., as well as a payable arising from the assignment of the agreements on purchase and sale of the shares of Botey Solar, S.L., Corot Energía, S.L., Las Piedras Solar, S.L., Da Vinci Energía, S.L. and Elogia Calañas, S.L.

NOTE 17 - INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration of the members of the Board of Directors

In the first half year of 2020, the amount accrued by all the members of the Board of Directors of Audax Renovables, S.A. is of EUR 186 thousand (EUR 82 thousand in the first half year of 2019) for their membership of the Board of Directors and of its different Delegated Committees, as well as corresponding, where appropriate, to their employment relationship or their direct responsibility at different executive levels.

The remuneration comprises the performance of duties either individually or jointly and the oversight and responsibility required by the office.

As at 30 June 2020 the Board of Directors of the Parent Company is composed of 5 men (5 men as at 30 June 2019).

Other information on Directors

In the first half year of 2020 no situations of direct or indirect conflict of interest occurred between the members of the Board of Directors and the Company.

Management's remuneration

The remuneration charged for all kinds of reasons in the first half year of 2020 by the Group's Senior Management amounted to EUR 132 thousand (EUR 128 thousand for the same period in 2019). Furthermore, there is 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 2020 the Senior Management of the Group is made up of 1 woman and 2 men, including the internal auditor (2 women and 1 man as at 30 June 2019).

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Guarantees with third parties

As at 30 June 2020 the Group has been given bank guarantees amounting to EUR 84,660 thousand (EUR 56,212 thousand as at 31 December 2019) to cover the relevant obligations with third parties.

The Directors of the Parent Company do not expect that significant liabilities arise from these guarantees and sureties that have been granted, which could affect these Interim Condensed Consolidated Financial Statements.

Contingencies

The Audax Renovables Group considers that the provisions and value adjustments recorded in these consolidated half-year accounts adequately cover the risks related to any possible contingencies and therefore, it does not expect that they will generate any liabilities or value adjustments other than those which have been recorded (Note 11).

NOTE 19 – SIGNIFICANT ASPECTS OF THE PARENT COMPANY

With the exception of what has already been mentioned in these interim condensed consolidated financial statements for the period of six months ended on 30 June 2020, there have been no significant aspects likely to affect the Parent Company, Audax Renovables, S.A.

NOTE 20 – SUBSEQUENT EVENTS

On 9 July 2020 the General Meeting of Shareholders of Audax Renovables, S.A. was held and, among others, the Company's individual and consolidated annual accounts for the year 2019 were approved.

On 3 July 2020 the Company registered a fixed income green bond programme for a nominal amount of up to EUR 400,000 thousand under the name of "EUR 400,000,000 Senior Unsecured Notes Programme Audax Renovables, S.A. 2020" in the Alternative Fixed-Income Market ("MARF"). On 3 September 2020 the Company carried out the first issuance under this programme, for the amount of EUR 20,000 thousand, named "Issue Number 1 of Senior Unsecured Notes of Audax Renovables, S.A. 2020" with maturity in April 2022, which has been totally drawn down as at the date of these interim condensed consolidated financial statements.

In July 2020 Audax Renovables signed a purchase and sale contract on the acquisition of 100% of the share capital of the Hungarian electricity retailer E.ON Energiakereskedelmi Kft. The seller of the shares was E.ON Hungária Zrt., a subsidiary of the German multinational E.ON. The price of the transaction will be determined after the conditions precedent are fulfilled.

Moreover, after 30 June 2020 Audax Renovables has signed an agreement on the purchase of 75% of the Portuguese company Energía Simples, an energy retailer in Portugal. The seller of the shares is the PH Energia Group. The completion of this transaction is also subject to certain conditions precedent.

Between 1 July 2020 and the date of drawing up these interim condensed consolidated financial statements no other events took place, apart from those mentioned previously in the notes to these financial statements, which would affect significantly the Group's consolidated results of the Group or its consolidated financial situation.

APPENDIX I:

AUDAX RENEWABLES GROUP COMPANIES AS AT 30 JUNE 2020

a) Shareholdings in subsidiary companies

Company name	Registered address	Country	Objects	Shareholding	
				Direct	Indirect
ADS Energy 8.0., S.L.U.	Calle Ramón Rubial 6-8, 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Generacion Iberia, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Audax Energia, S.R.L.	Via Candiolo, 2, 10048 Vinovo (Torino) Italia	Italy	Retailing	100.00%	-
Audax Energie, GmbH	Otto Franke Strabe, 97, 12489 Berlin, Germany	Germany	Retailing	100.00%	-
Audax Energia Sp. z o.o.	ul. Żurawia 6/12, 00-503 Warsaw (Poland)	Poland	Retailing	100.00%	-
Main Energie, B.V.	Stammerkamp 1 . 1112 Ve Diemen (The Netherlands)	the Netherlands	Retailing	100.00%	-
Eólica El Pedregoso, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	80.00%	-
Eólica del Pino, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	80.00%	-
Fersa Asesoramiento y Gestión, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Eoliennes De Beausemblant, S.A.S.	1 Chemin Lavigne 64800 Mirepeix (France)	France	Generation	80.00%	-
Eólica Postolin Sp. z o.o.	ul. Libelta 2/1, 85-080 Bydgoszcz, Poland	Poland	Generation	100.00%	-
Eolica Warblewo Sp. z o.o.	ul. Libelta 2/1, 85-080 Bydgoszcz, Poland	Poland	Generation	64.50%	-
Audax Solar SPV IV, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV VI, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV IX, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Aznalcóllar Solar, S.A.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Botey Solar, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Corof Energia, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Las Piedras Solar, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Da Vinci Energia, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Elogia Calañas, S.L.U.	Calle Velázquez, 150, 5º - Madrid	Spain	Generation	100.00%	-
Masajuz 2020, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Alset Comercializadora, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
By Energyc Energia Eficiente, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Love Energy, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Energía Ecológica Económica, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Enyx Investments 2017, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Unieléctrica Energia, S.A.	Avenida Brillante 114, Córdoba	Spain	Retailing	-	100.00%
Explotación Eólica La Pedrera, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	-	100.00%
Fox Energia, SA	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	20.46%	68.75%
Nabaiia Energia 2.000, S.A.	Plaça Urquinaona 7, Barcelona (Barcelona)	Spain	Retailing	-	57.50%
Acsol Energia Global, S.A.	Rd de Europa 60 (edificio Eurocentre), Vilanova i la Geltrú (Barcelona)	Spain	Retailing	-	63.34%
Vivo Energia Futura, S.A.	Avda. San Salvador 18, local, Badalona (Barcelona)	Spain	Retailing	-	63.33%
Iris Energia Eficiente, S.A.	Avda. Miguel de Cervantes 23, Murcia	Spain	Retailing	-	67.00%
Cima Energia Comercializadora, S.L.	Avenida Portugal, 27 4º - oficina 8, 26001, Logroño, La Rioja	Spain	Retailing	-	67.34%
Ahorre Luz Servicios Online, S.L.	Plaza Urquinaona número 7 Barcelona	Spain	Retailing	-	57.50%
Propensalternativa Unipessoal, LDA	Avda. das Nações Unidas, 23, Telheiras, 1600531 Lisboa (Portugal)	Portugal	Retailing	-	57.50%

b) Shareholdings in associated companies and joint ventures

Company name	Registered address	Country	Objects	Shareholding		Controlling relation
				Direct	Indirect	
Parque Eólico Toabré, S.A.	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, PANAMÁ	Panamá	Generation	30.00%	-	Significant influence

AUDAX RENOVABLES GROUP COMPANIES AS AT 31 DECEMBER 2019

a) Shareholdings in subsidiary companies

Company name	Registered address	Country	Objects	Shareholding	
				Direct	Indirect
ADS Energy 8.0., S.L.U.	Calle Ramón Rubial 6-8, 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Propensaltemativa Unipessoal, LDA	Avda. das Nações Unidas, 23, Telheiras, 1600531 Lisboa (Portugal)	Portugal	Retailing	-	100.00%
Generación Iberia, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Audax Energía, S.R.L.	Via Candiolo, 2, 10048 Vinovo (Torino) Italia	Italy	Retailing	100.00%	-
Audax Energie, GmbH	Otto Franke Strabe, 97, 12489 Berlin, Germany	Germany	Retailing	100.00%	-
Audax Energia Sp. z o.o.	ul. Żurawia 6/12, 00-503 Warsaw (Poland)	Poland	Retailing	100.00%	-
Main Energie, B.V.	Stammerkamp 1, 1112 Ve Diemen (The Netherlands)	the Netherlands	Retailing	71.97%	-
Eólica El Pedregoso, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	80.00%	-
Eólica del Pino, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	80.00%	-
Entreyeltes 1, S.L.	Calle Farmaceutico Obdulio Fernandez 11, Bajo (Burgos)	Spain	Generation	51.00%	-
Castellwind 03, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	60.48%	-
Fersa Asesoramiento y Gestión, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Eoliennes De Beausemblant, S.A.S.	1 Chemin Lavigne 64800 Mirepeix (France)	France	Generation	80.00%	-
Eólica Postolin Sp. z o.o.	ul. Libelta 2/1, 85-080 Bydgoszcz, Poland	Poland	Generation	100.00%	-
Eolica Warblewo Sp. z o.o.	ul. Libelta 2/1, 85-080 Bydgoszcz, Poland	Poland	Generation	64.50%	-
Audax Solar SPV IV, SLU	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV VI, SLU	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV IX, SLU	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Aznalcóllar solar, S.L.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Botey Solar, S.L.	Avenida Republica Argentina 37, 4º dcha - 41011 Sevilla	Spain	Generation	100.00%	-
Corot Energía, S.L.	Avenida Republica Argentina 37, 4º dcha - 41011 Sevilla	Spain	Generation	100.00%	-
Las Piedras Solar, S.L.	Avenida Republica Argentina 37, 4º dcha - 41011 Sevilla	Spain	Generation	100.00%	-
Da Vinci Energía, S.L.	Avenida Republica Argentina 37, 4º dcha - 41011 Sevilla	Spain	Generation	100.00%	-
Elogia Calañas, S.L.	Calle Velázquez, 150, 5º - Madrid	Spain	Generation	100.00%	-
Eryx Investments, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Retailing	80.00%	-
Unieléctrica Energía, S.A.	Avenida Brillante 114, Córdoba	Spain	Retailing	-	80.00%
Explotación Eólica La Pedrera, S.L.U.	Avenida Navarra 14, 08911 Badalona (Barcelona)	Spain	Generation	-	80.00%
Fox Energía, SA	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	-	54.67%
Nabalía Energía 2.000, S.A.	Plaça Urquinaona 7, Barcelona (Barcelona)	Spain	Retailing	-	46.00%
Acsol Energía Global, S.A.	Rd de Europa 60 (edificio Eurocentre), Vilanova i la Geltrú (Barcelona)	Spain	Retailing	-	50.67%
Vivo Energía Futura, S.A.	Avda. San Salvador 18, local, Badalona (Barcelona)	Spain	Retailing	-	50.66%
Iris Energía Eficiente, S.A.	Avda. Miguel de Cervantes 23, Murcia	Spain	Retailing	-	53.60%
Cima Energía Comercializadora, S.L.	Avenida Portugal, 27 4º - oficina 8, 26001, Logroño, La Rioja	Spain	Retailing	-	41.27%
Ahorre Luz Servicios Online, S.L.	Plaza Urquinaona número 7 Barcelona	Spain	Retailing	-	46.00%

b) Shareholdings in associated companies and joint ventures

Company name	Registered address	Country	Objects	Shareholding		Controlling relation
				Direct	Indirect	
Parque Eólico Toabré, S.A.	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, PANAMÁ	Panamá	Generation	30.00%	-	Significant influence

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT AS AT 30 JUNE 2020

1. Entity's situation

Audax Renovables, S.A. (hereinafter: Audax Renovables, Audax or the Company), incorporated in the year 2000 under the name of Fersa Energías Renovables, S.A., currently has its registered office at: Avenida de Navarra número 14, 08911 Badalona (Barcelona).

Audax and its Subsidiaries (hereinafter: the Group) operates on the markets in Spain, Portugal, Poland, Germany, Italy, France, the Netherlands and Panama. The Group is the result of a merger by absorption between Audax Renovables, S.A. and its parent company, Audax Energía, S.A., carried out in the year 2018.

Its principal objects include:

- Development, construction and exploitation of all kinds of activities related to electricity generation from 100% renewable sources.
- Energy retailing, purchase and sale of electricity, including export and import, fuel retailing for energy production, natural gas retailing, CO2 emissions trading and telecommunications retailing; as well as all the necessary additional activities.

In 2003 the shares of Audax 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 with the ticker symbol of ADX.MC.

The share capital of Audax, as at 30 June 2020 is distributed in the following manner:

Shareholder	Shareholding
Eléctrica Nuriel, S.L.	82.67%
Free float	17.33%
Total	100.00%

1.1. Organisational structure

The Group manages jointly the businesses of both generating renewable energy and retailing electricity and gas in order to optimise the vertical integration that has been carried out. This allows the governing bodies of the company to facilitate the decision-making process within the existing business lines.

The information on the entity's management structure, the functions and the different regulations of the Board of Directors' committees is available in the corporate governance report at the following link: <https://www.audaxrenovables.com/informe-del-gobierno-corporativo/>

1.2. Company's structure

The majority shareholder of Audax is Eléctrica Nuriel, S.L. with a shareholding of 82.67% (additionally, it has the right to purchase 1.82% of the shares), and the rest of shareholders hold 17.33%.

In turn, 100% of shares of Eléctrica Nuriel, S.L. belong to Excelsior Times, S.L.U. with its registered address at: Avenida de Navarra número 14, 08911 Badalona (Barcelona).

The information on the companies of the Audax Group as at 30 June 2020 is available in the Appendix I to these Interim Consolidated Financial Statements.

1.3. Profile and strategy

The Group's strategy in recent years has been centred around three fundamental pillars:

- (i) A strong process of internationalisation referred to the retailing activity by establishing the company in different European countries: Portugal (2013), Italy (2014), Germany (2015), Poland (2016) and the Netherlands (2017).
- (ii) A better positioning on the Spanish market by way of both organic and inorganic growth.
- (iii) The maintenance and optimisation of the facilities for the generation of energy from 100% renewable sources, thus enabling the vertical integration with the retailing activity and providing the customers with 100% renewable energy.

The main course of action towards 2022 presented in the first half year 2019 is as follows:

1. Strengthen Audax's leadership as the top independent retailer in the SME segment in Spain.
2. Double its profitability covering 2/3 of the energy supplied under long-term PPA contracts based on own and third parties' production and on the assets rotation policy.
3. Replicate the success achieved in Spain on the international markets where the Group operates.

2. Evolution and results of the business

2.1. Significant events of the period

This management report must be viewed in the context of the exceptional circumstances of the COVID-19 pandemic. As a consequence, the results presented in it are influenced by the evolution of the markets where the Group operates, as well as by the measures taken in connection with the possible future economic impact, which in the first half year has been limited to a reduced electricity and gas demand from our clients and to a lower average price.

The Group considers that the overall impact of the COVID-19 pandemic involves a decline in electricity and gas demand (which in Spain has been of 8% and 9% respectively in that period), as well as a lower price of both utilities in the market. On the other hand, the activities related to the power-generation projects development and construction have not been affected in that period, nor were the Group's investment and financing strategies.

Audax Renovables ends the first half year of 2020 with a Net Profit amounting to EUR 4,070 thousand in comparison to the profit of EUR 6,760 thousand for the same period of the previous year and the EBITDA* amounting to EUR 22,704 thousand.

**EBITDA defined as Operating profit (loss) – Amortisation and depreciation*

Among the most important events of the period we can point out the following:

- On 20 January Audax announced the commencement of the construction of the photovoltaic plant of Cañamares in the Fontanar municipality (Guadalajara, Castilla-La Mancha) with 5 MWp capacity. Furthermore, the Company announced the plan to sign an EPC contract and commence the construction of the photovoltaic plants Carolina I and II of 10 MWp together, both being located in the municipality of El Casar (Guadalajara, Castilla-La Mancha).
- On 12 March the notice convening the General Meeting of Shareholders for the days of 16 or 17 of April of 2020 was published, but considering the uncertainty and the extraordinary circumstances caused by the propagation of COVID-19, the Board of Directors of the Company decided to call off the Meeting until further notice.

- On 30 March Audax registered a promissory note programme under the name of "Audax Promissory Note Programme 2020" on the Alternative Fixed-Income Market ("MARF"), with a maximum outstanding balance of EUR 200,000,000 and a maturity date on 30 March 2021.
- On 2 April the Company informed of the confirmation of its corporate rating. Audax Renovables, S.A. was awarded a "BBB-" stable outlook rating by the rating agency AXESOR.
- On 5 June the Company informed of the modification of the motion on 2019 profit distribution.
- On 8 June the notice convening the General Meeting of Shareholders for 9 July 2020 was published and the relevant documentation was made available to the shareholders.
- On 9 July Audax Renovables announced the approval of its Reference Regulatory Framework for Green Financing after meeting the requirements established by the International Capital Markets Association (ICMA) and obtaining from the expert Vigeo Eiris the highest level of assurance.

2.2. Profit or loss for the financial year

It should be mentioned for comparative purposes that the Consolidated Income Statement for the first half year 2020 includes the extraordinary adjustments caused by the COVID-19 effect in the provisions recorded in that period, and in the first half of 2019 adjustments were made because of the sale of generation assets.

2.3. Analysis of the results

The most significant results figures for the first half year of 2020 in comparison to the first half year of 2019 are as follows:

Consolidated Income Statement	1H2020	1H2019	Var. (%)
Operating income	403,801	526,671	-23.3
Gross margin	53,005	62,888	-15.7
EBITDA	22,704	33,113	-31.4
EBIT	12,818	18,936	-32.3
Net Profit / Loss	4,070	6,760	-39.8

EUR thousands

Due to the situation of COVID-19 pandemic, the Operating income has decreased because of a lower average prices on the national utilities market in the first half year, electricity price being 44% lower and gas price 55% lower than in the same period of the previous year. Likewise, on the other European markets where the Group operates the energy prices have also been substantially reduced in comparison to the same period of the previous year. Moreover, a decline in energy demand in all the European countries where the Group operates, which was due to the home confinement, also contributed to the decrease in the income.

As a compensation to the decrease in income, the implementation of improvements in the procurement management has made the Gross Margin increase by 1% over the operating income placing it at 13% compared to 12% in the same period of the previous year.

Operating expenses in this period include the additional provisions created by the Group in the amount of EUR 4.8 million as a precaution against possible future delay in payments caused by the COVID-19 pandemic.

The Group's EBITDA amounts to EUR 22.7 million, compared to EUR 33.1 million in the same period of the previous year.

The Audax Renovables Group ends the first half of 2020 with a Net Profit of EUR 4.1 million against the profit of EUR 6.8 million for the same period of the previous year.

2.4. Profit and loss by segments

The overview of the results up to EBITDA of the main geographical regions is as follows:

1H2020	Spain and Portugal	Rest of Europe ⁽¹⁾	TOTAL
Operating income	294,807	108,994	403,801
Costs of sales	-259,631	-91,165	-350,796
Gross margin	35,176	17,829	53,005
Operating expenses	-22,272	-8,027	-30,299
Deterioration, reversal and disposal results	1	-3	-2
EBITDA	12,905	9,799	22,704

EUR thousands

1H2019	Spain and Portugal	Rest of Europe ⁽¹⁾	TOTAL
Operating income	388,215	138,456	526,671
Costs of sales	-344,688	-119,095	-463,783
Gross margin	43,527	19,361	62,888
Operating expenses	-19,046	-9,883	-28,929
Deterioration, reversal and disposal results	-873	27	-846
EBITDA	23,608	9,505	33,113

Rest of Europe (1) includes Italy, Poland, Germany, France and Netherlands

EUR thousands

The major difference between both periods stems from the market evolution in connection with the COVID-19 pandemic, as well as from the sale of assets in the previous year, making the operating income decrease by 23% (and placing it at EUR 404 million), and the EBITDA decrease by 31% (to EUR 23 million) in comparison to the same period of the previous year.

However, the number of clients has grown by 21% in comparison to the previous year and the Gross Margin has achieved EUR 53 million. The consolidated Gross Margin over the Operating income has increased by 1% in Spain and Portugal and by 2% in the Rest of Europe. Moreover, the Rest of Europe region shows an increase of 3% in its EBITDA against the same period of the previous year.

The Group's EBITDA amounts to EUR 22.7 million, compared to EUR 33.1 million in the same period of the previous year. In the Rest of Europe segment there has been an increase of 3% in its EBITDA against the same period of the previous year.

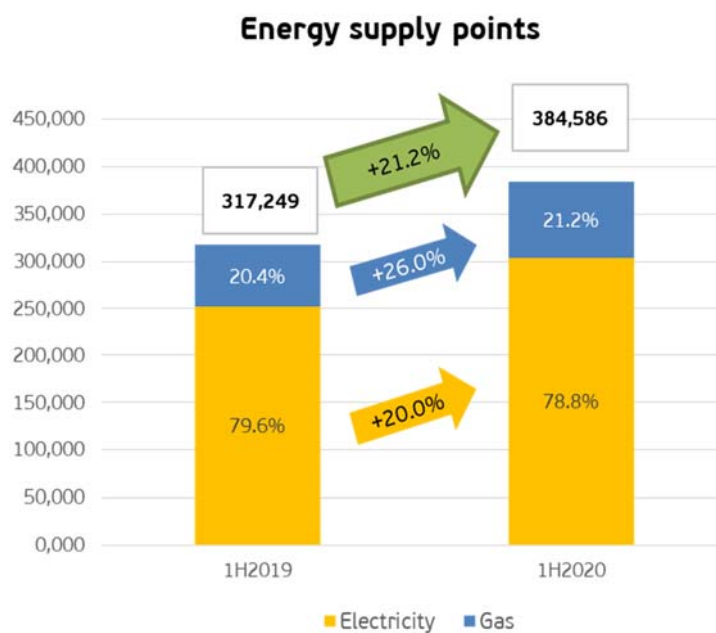
2.5. Principal operating figures

The principal figures are as follows:

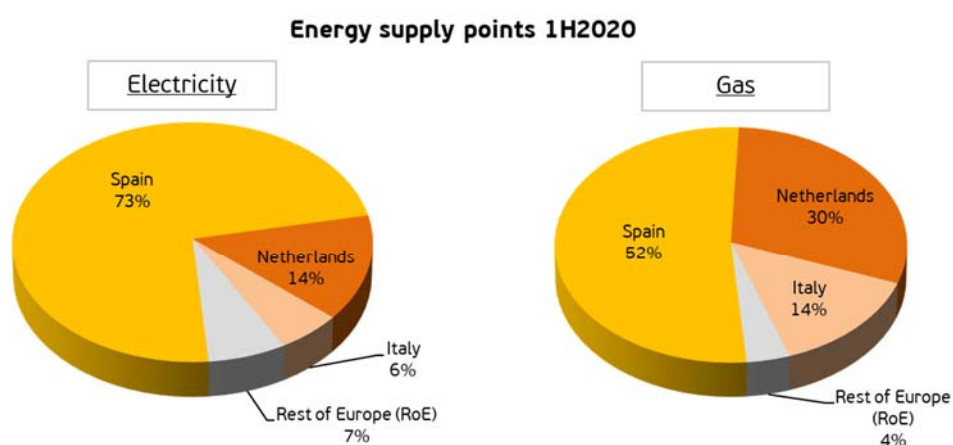
Supply points:

At the balance sheet date of the first half year of 2020 Audax has more than 384 thousand active energy supply points, approximately 21.2% more than at the end of the same period of 2019.

Of the total number of supply points, 78.8% are electricity supply points. Natural gas supply points, whose number increased the most throughout this period, represent 21.2% of the total number of the Group's supply points.



The distribution of the supply points by geographical region and type of energy at the end of the first half year 2020 is as follows:

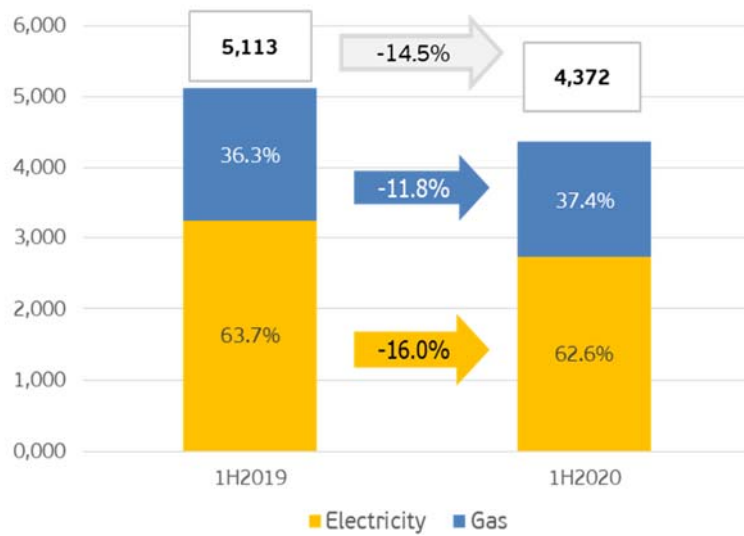


Supplied energy:

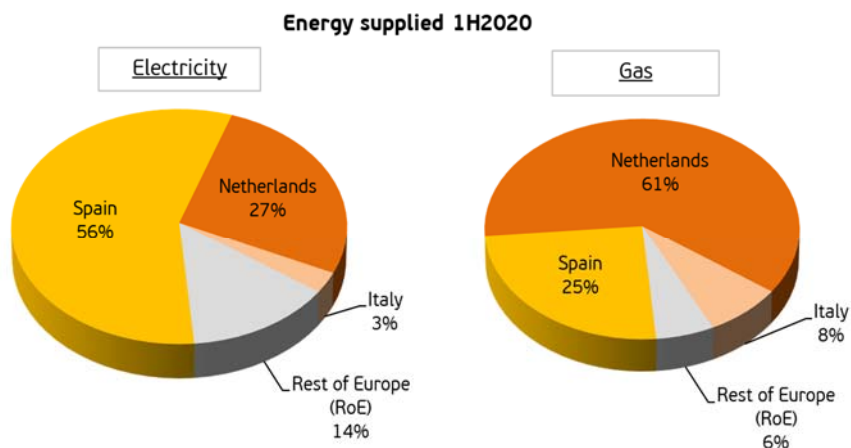
The total amount of energy supplied by Audax in the first half year of 2020 has been of 4.4 TWh compared to 5.1 TWh for the same period of the previous year. This decrease is connected with the COVID-19 pandemic, but also with a mild winter (especially in the Netherlands, with a lower gas consumption) and with the reduction over this period (12 months) by 8% of the electricity demand and by 10% of the gas demand in Spain. Within the Group, supplied electricity represents 63%, whereas gas constitutes 37% of the total over this period.

The supplied electricity constitutes 62.6% of the total amount of supplied energy and the supplied natural gas represents 37.4% of the total.

Energy supplied (GWh)

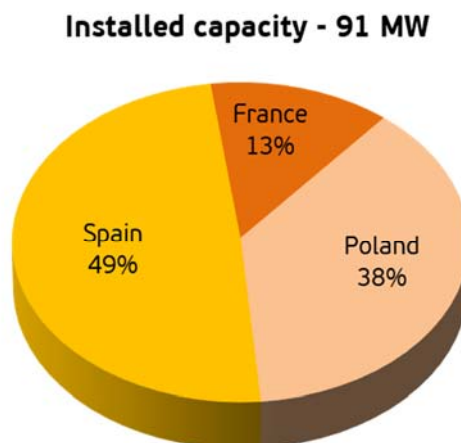


The distribution of the supplied energy by geographical region and type of energy at the end of the first half year 2020 is as follows:



Installed capacity and production:

In 2019 the Group sold three of its Spanish subsidiaries with operating projects of a total installed capacity of 94.6 MW. At the same time, new photovoltaic projects of 320 MW have been incorporated, of which 5 MWp are in the final stage of construction and 10 MWp are in the initial stage of construction. As at 30 June 2020 the installed capacity in operation is the following:



In 2019 the Group sold three of its Spanish subsidiaries with operating projects of a total installed capacity of 94.6 MW.

The production in the first half of 2020 has achieved 103 GWh, nearly identical to the figure of the same period of the previous year, if we compare the data between the same operating power stations, with the excellent performance of the wind farm Postolin in Poland due to stronger wind resources. The distribution of the production by country is as follows:

Production (GWh)	1H2020	%	1H2019	%
Spain	35.5	34%	170.3	73%
France	14.8	14%	16.8	7%
Poland	52.7	51%	46.7	20%
Total	103.0	100%	233.8	100%

3. Liquidity and Capital Resources

3.1. Leverage

Net Financial Debt	jun-20	dec-19	Var.	%
Financial Debt ⁽¹⁾	367,110	328,393	38,717	11.8
Other financial liabilities	28,837	29,346	-509	-1.7
Derivatives	13,474	7,928	5,546	70.0
Cash and other financial assets	-297,488	-216,266	-81,222	37.6
Net Financial Debt ⁽²⁾	111,933	149,401	-37,468	-25.1
Net Equity ⁽³⁾	113,286	155,714	-42,428	-27.2
Leverage ⁽⁴⁾	49.7%	49.0%	0.7	1.5

EUR thousands

(1) Financial Debt = Debt of bonds and other marketable securities + Bank debts

(2) Net Financial Debt = Financial Debt + Other financial liabilities + Derivatives + Cash and other financial assets

(3) Net Equity = Parent Company Net Equity + minority interests

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

The Net Financial Debt has been reduced by EUR 37.5 million, and is 25.1% lower than at the end of the previous year, amounting to EUR 112 million against EUR 149 million as at 31 December 2019. The Group's leverage is of 49.7%.

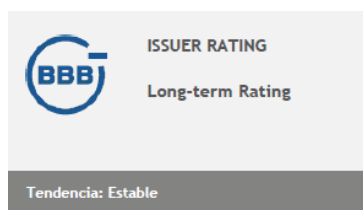
The Cash and other cash equivalents account in both periods includes a credit balance recognised by Audax Renovables, S.A. against the parent company Excelsior Times, S.L., considered as cash equivalent.

Owing to the implementation of IFRS 16 "Financial lease", the account of Other financial liabilities shows the amount of EUR 9,139 thousand. Without the application of IFRS 16 the Net Financial Debt would be of EUR 102,794 thousand and the Leverage of 47.6%.

On 30 March 2020 Audax registered a promissory note programme named "Audax Promissory Note Programme 2020" on the Alternative Fixed-Income Market (MARF), with a maximum outstanding balance of EUR 200,000,000 and maturity date on 30 March 2021.

3.2. Rating management

On 2 April the rating agency AXESOR confirmed the "BBB-" stable outlook rating awarded to Audax Renovables, S.A.



4. R+D+i activities

As at 30 June 2020 the Group allocated EUR 290 thousand to the R+D+i activities.

5. Personnel

As at 30 June 2020 the number of the Group's employees is 546.

6. Natural environment

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

As at 30 June 2020 the Group incurred environmental expenditure amounting to EUR 32 thousand, mainly for wildlife conservation.

7. Acquisition and disposal of treasury shares

As at 30 June 2020 the Company does not hold treasury shares.

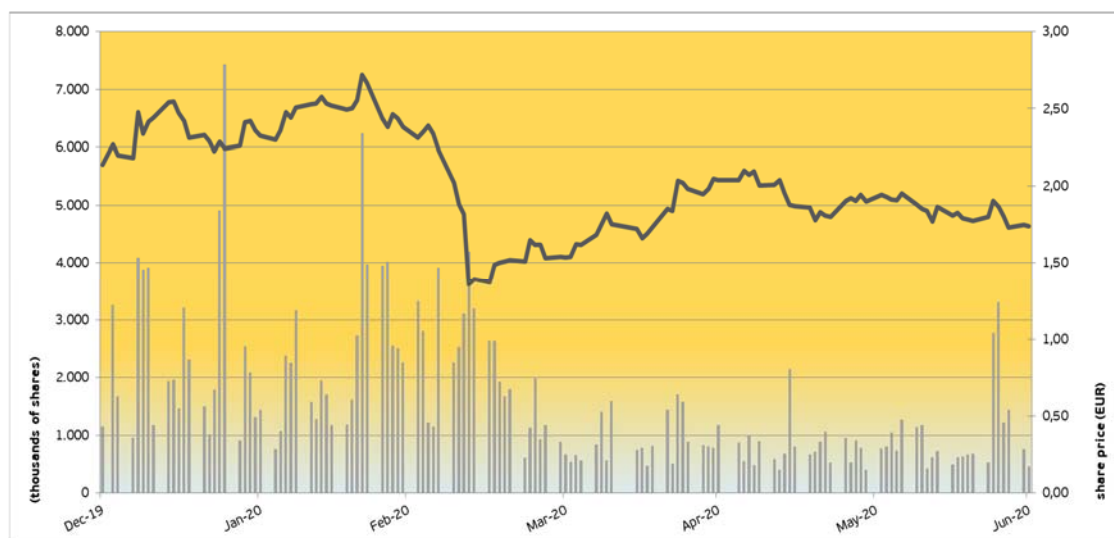
8. Other important information

8.1. Stock market information

The majority shareholder of Audax is Eléctrica Nuriel, S.L. with a shareholding of 82.67% (additionally, it has the right to purchase 1.82% of the shares), and the rest of shareholders hold 17.33%.

The price of the shares of Audax Renovables has been affected by the situation resulting from the COVID-19 pandemic, after having achieved a maximum of EUR 2.72 per share over the period.

The stock market evolution of Audax during the first half year of 2020 has been as follows:



The following table shows the main trading data:

Audax Renovables - ADX.MC	1H2020	Units
Number of shares admitted to trading	440,291,054	Num.
Share price at the beginning of the period	2.140	€ / share
Share price at the end of the period	1.740	€ / share
Maximum trading price	2.720	€ / share
Minimum trading price	1.358	€ / share
Trading price fluctuation during the period	-18.69	%
Capitalisation at the end of the period	766,106,434	€
Number of traded shares	205,083,951	Num.
Effective volume	437,222,257	€
Daily volume of traded shares (average)	1,627,650	Num.
Effective daily volume (average)	3,470,018	€

8.2. Dividend policy

The goal of the Board of Directors of Audax is to maximise the remuneration to the shareholders.

Audax endeavours to ensure the dividend payout, providing that pertinent factors are fulfilled regarding cash generation and distributable reserves availability. Due to these determinants, it is not possible to guarantee the amount of the dividend nor the year in which the distribution is going to take place.

8.3. Other information

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-UE) Audax reports on Alternative Performance Measures (APM). In compliance with IFRS-UE, these measures, in addition to the financial ones, 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 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 Income Statement	1H2020	1H2019	Var. (%)
Operating income	403,801	526,671	-23.3
Gross Margin	53,005	62,888	-15.7
EBITDA	22,704	33,113	-31.4
EBIT	12,818	18,936	-32.3

EUR thousands

The reconciliation between the EBITDA and the Consolidated profit and loss for the year is as follows:

	1H2020	1H2019
EBITDA	22,704	33,113
Assets amortisation	-9,886	-14,177
EBIT	12,818	18,936
Financial income	2,069	1,974
Financial expenses	-7,941	-10,337
Exchange differences	-27	-11
Profit/loss from disposal of financial instruments	-678	202
Financial profit/loss	-6,577	-8,172
Share in the profit/loss of associated companies	-15	-62
Profit/loss before tax	6,226	10,702
Corporate income tax	-58	-2,451
Consolidated profit/loss for the year	6,168	8,251
Profit/loss attributed to minority interests	-2,098	-1,491
Net Profit / Loss	4,070	6,760

EUR thousands

The main operating figures are as follows:

Production (GWh)	1H2020	%	1H2019	%	Var. (%)
Spain	35.5	34%	170.3	73%	-79.2
France	14.8	14%	16.8	7%	-11.9
Poland	52.7	51%	46.7	20%	12.8
Total	103.0	100%	233.8	100%	-55.9

Energy supply points	1H2020	1H2019	% Var.
Spain	264,466	200,280	32.0
Electricity	221,987	175,979	26.1
Gas	42,479	24,301	74.8
Netherlands	67,966	64,545	5.3
Electricity	43,546	40,008	8.8
Gas	24,420	24,537	-0.5
Italy	28,328	34,642	-18.2
Electricity	16,895	20,106	-16.0
Gas	11,433	14,536	-21.3
Rest of Europe (RoE)	23,826	17,782	34.0
Electricity	20,685	16,501	25.4
Gas	3,141	1,281	n.a.
TOTAL ENERGY SUPPLY POINTS	384,586	317,249	21.2
Total Electricity	303,113	252,594	20.0
Total Gas	81,473	64,655	26.0

Energy supplied (GWh)	1H2020	1H2019	% Var.
Spain	1,958	2,328	-15.9
Electricity	1,549	1,923	-19.4
Gas	408	405	0.8
Netherlands	1,737	2,015	-13.8
Electricity	732	811	-9.7
Gas	1,005	1,204	-16.5
Italy	205	318	-35.5
Electricity	78	121	-35.8
Gas	127	197	-35.3
Rest of Europe (RoE)	472	452	4.3
Electricity	376	402	-6.4
Gas	95	50	89.7
TOTAL ENERGY SUPPLIED	4,372	5,113	-14.5
Total Electricity	2,736	3,257	-16.0
Total Gas	1,636	1,856	-11.8

The Net Financial Debt is as follows:

Net Financial Debt	jun-20	dec-19	Var.	%
Non-current financial liabilities	260,550	217,176	43,374	20.0
Debt of bonds and other marketable securities	134,250	143,184	-8,934	-6.2
Bank loans	99,231	46,554	52,677	113.2
Financial leases liabilities (IFRS 16)	7,840	8,267	-427	-5.2
Other financial liabilities	19,229	19,171	58	0.3
Current financial liabilities	135,397	140,563	-5,166	-3.7
Debt of bonds and other marketable securities	85,413	67,534	17,879	26.5
Bank loans	48,216	71,121	-22,905	-32.2
Financial leases liabilities (IFRS 16)	1,299	1,362	-63	-4.6
Other financial liabilities	469	546	-77	-14.1
Derivatives	13,474	7,928	5,546	70.0
Cash and financial assets equivalents	-297,488	-216,266	-81,222	37.6
Current financial assets	-124,540	-65,482	-59,058	90.2
Cash and cash equivalents	-172,948	-150,784	-22,164	14.7
Net Financial Debt *	111,933	149,401	-37,468	-25.1
Of the Parent Company	108,517	122,221	-13,704	-11.2
Of the Minority interest	4,769	33,493	-28,724	-85.8
Net Equity	113,286	155,714	-42,428	-27.2
Leverage ***	49.7%	49.0%	0.7	1.5

EUR thousands

* Net Financial Debt = Non-current financial liabilities + Current financial liabilities + Derivatives + Cash and others

** Net Equity = Net Equity of the Parent Company + of the Minority interest

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

The following table shows the main stock market data:

Audax Renovables - ADX.MC			
Stock Market Data	1H2020	1H2019	Units
Number of shares admitted to trading	440,291,054	440,291,054	Num.
Share price at the beginning of the period	2.140	1.400	€ / share
Share price at the end of the period	1.740	2.078	€ / share
Maximum trading price	2.720	2.780	€ / share
Minimum trading price	1.358	1.400	€ / share
Trading price fluctuation during the period	-18.69	48.43	%
Capitalisation at the end of the period	766,106,434	914,924,810	€
Number of traded shares	205,083,951	99,769,595	Num.
Effective volume	437,222,257	228,409,594	€
Daily volume of traded shares (average)	1,627,650	798,157	Num.
Effective daily volume (average)	3,470,018	1,827,277	€
Number of shares	440,291,054	440,291,054	Num.
Average number of shares	440,291,054	440,291,054	Num.
Profit/Loss attributable to Parent Company	4,070,044	6,760,342	€
Profit/Loss per share			
- Basic	0.0092	0.0154	€ / share
- Diluted	0.0092	0.0154	€ / share

9. Significant events subsequent to the balance sheet date

See Note 20 of these Interim Condensed Consolidated Financial Statements as at 30 June 2020.