



Report on Limited Review of Audax Renovables, S.A. and Subsidiaries

(Together with the condensed consolidated interim financial statements and the directors' report of Audax Renovables, S.A. and subsidiaries for the six-month period ended 30 June 2021)

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



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Report on Limited Review of 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 (together the "Group"), which comprise the balance sheet at 30 June 2021, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and explanatory notes (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, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information. 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 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.



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

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 2021 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial statements.

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 2020. 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 2021 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 2021. 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.



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

Other Matter

This report has been prepared at the request of the board of directors of Audax Renovables, S.A. in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, approved by Royal Legislative Decree 4/2015 of 23 October 2015 and enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Alejandro Núñez Pérez

29 September 2021

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2021

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

Assets	Note	Not audited 30/06/2021	Audited 31/12/2020*
Goodwill	5	137,942	137,942
Other intangible assets	5	198,173	159,487
Property, plant and equipment	5	104,592	87,429
Investments as per equity accounting	6	9,971	6,665
Financial assets	7	33,117	26,739
Deferred tax assets	14	8,768	8,109
Total non-current assets		492,563	426,371
Inventory		2,040	1,458
Trade and other receivables	9	245,041	221,068
Current tax assets		812	1,029
Financial assets	7	158,511	85,978
Time period adjustments and other current assets	9	42,072	42,479
Cash and other cash equivalents		339,699	368,233
Total current assets		788,175	720,245
Total assets		1,280,738	1,146,616
Net Equity and Liabilities	Note	30/06/2021	31/12/2020*
Capital		44,029	44,029
Share premium account		420,316	420,316
Reserves		(337,198)	(352,573)
Equity component of compound financial instruments		8,035	8,035
Profit (loss) for the year attributable to the parent company		(3,597)	26,385
Translation differences		(286)	(2,888)
Other comprehensive income		2,549	(80)
Equity attributed to the parent company		133,848	143,224
Non-controlling interests		10,198	7,818
Total net equity	10	144,046	151,042
Provisions	11	1,014	987
Bonds and other negotiable securities	12	476,615	371,123
Financial liabilities to credit institutions	12	82,358	82,339
Lease liabilities	2 and 12	12,609	7,801
Derivative financial instruments	8	8,430	5,346
Other financial liabilities	12	955	528
Subsidies	13	4,845	4,916
Other non-current liabilities		53,233	45,996
Deferred tax liabilities	14	17,404	16,502
Total non-current liabilities		657,463	535,538
Provisions		2,777	1,482
Bonds and other negotiable securities	12	200,950	136,754
Financial liabilities to credit institutions	12	30,994	53,649
Lease liabilities	2 and 12	1,279	1,132
Derivative financial instruments	8	-	483
Other financial liabilities	12	52,303	44,780
Trade and other payables		121,568	126,086
Current tax liabilities		2,305	1,379
Other current liabilities		67,053	94,291
Total current liabilities		479,229	460,036
Total net equity and liabilities		1,280,738	1,146,616

The notes 1 to 20 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2021. * The consolidated balance sheet as at 31 December 2020 is presented solely and exclusively for comparative purposes

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

	Note	Not audited 30/06/2021	Not audited 30/06/2020
Ordinary income	15	688,625	403,319
Procurement	15	(638,134)	(350,796)
Other operating income		3,457	482
Wages and salaries	15	(13,845)	(10,095)
Other operating expenses	15	(21,741)	(20,204)
Amortisation and depreciation	5	(9,801)	(9,886)
Impairment and profit (loss) on disposal of fixed assets		(154)	(2)
Operating profit (loss)		8,407	12,818
Financial income		328	2,069
Financial expenses		(12,419)	(7,941)
Profit (loss) on disposal and change in value of financial instruments		579	(678)
Exchange differences		(705)	(27)
Financial profit (loss)	15	(12,217)	(6,577)
Profit (loss) of companies consolidated by equity accounting	6	(25)	(15)
Profit (loss) before tax from continuing operations		(3,835)	6,226
Income tax expense		(546)	(58)
Profit (loss) after tax from continuing operations		(4,381)	6,168
Profit (loss) for the year from discontinued operations		-	-
Consolidated profit (loss) for the year		(4,381)	6,168
Profit (loss) attributable to the parent company		(3,597)	4,070
Profit (loss) attributable to non-controlling interests		(784)	2,098
		30/06/2021	30/06/2020
Profit (loss) per share	10		
Basic		(0.0082)	0.0092
Diluted		(0.0038)	0.0092

The notes 1 to 20 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2021.

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

	Not audited 30/06/2021	Not audited 30/06/2020
Consolidated profit (loss) for the year	(4,381)	6,168
Other comprehensive income		
Items to be reclassified to profit and loss statement		
Cash flow hedges	3,781	(1,132)
Translation differences of financial statements of businesses abroad	2,602	(2,594)
Other comprehensive income for the year, after tax	6,383	(3,726)
Total comprehensive income for the year	2,002	2,442
Total comprehensive income attributable to the parent company	1,634	506
Total comprehensive income attributable to non-controlling interests	368	1,936

The notes 1 to 20 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2021.

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

<i>In EUR</i>	Capital	Share premium	Reserves	Equity component of issued compound financial instruments	Profit (loss) attributable to the Parent Company	Translation differences	Other Comprehensive Income	Equity attributed to Parent Company	Non-controlling interests	Net equity
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
Recognised income and expenses	-	-	-	-	22,315	(1,976)	6,724	27,063	3,236	30,299
Changes to the scope	-	-	(391)	-	-	-	-	(391)	-	(391)
Other movements	-	-	-	8,035	-	-	-	8,035	-	8,035
Dividends	-	-	-	-	-	-	-	-	(187)	(187)
Balance at 31 December 2020	44,029	420,316	(352,573)	8,035	26,385	(2,888)	(80)	143,224	7,818	151,042
Recognised income and expenses	-	-	-	-	(3,597)	2,602	2,629	1,634	368	2,002
Dividends	-	-	(10,000)	-	-	-	-	(10,000)	(190)	(10,190)
Changes to the scope	-	-	-	-	-	-	-	-	2,202	2,202
Other movements	-	-	(1,010)	-	-	-	-	(1,010)	-	(1,010)
Reserves	-	-	26,385	-	(26,385)	-	-	-	-	-
Balance at 30 June 2021	44,029	420,316	(337,198)	8,035	(3,597)	(286)	2,549	133,848	10,198	144,046

The notes 1 to 20 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2021.

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

		<i>Not audited</i> 30.06.2021	<i>Not audited</i> 30.06.2020
<i>Cash flows from operating activities</i>			
Profit (loss) for the year before tax	Note	(3,835)	6,226
Adjustments to results		24,830	23,100
Amortisation and depreciation	5	9,801	9,886
Valuation adjustments due to impairment	9	2,077	6,180
Changes in provisions		1,298	(920)
Allocation of subsidies	13	(129)	(133)
Profit (loss) on derecognition and disposal of fixed assets		154	2
Profit (loss) on derecognition and disposal of financial instruments		(579)	678
Financial income	15	(328)	(2,069)
Financial expenses	15	12,419	7,941
Exchange differences		705	27
Changes in fair value of financial instruments		(613)	1,493
Other income and expenses		25	15
Changes in working capital		(55,421)	49,167
Inventory		(582)	636
Accounts receivable		(25,571)	6,822
Other current assets		407	(5,710)
Accounts payable		(6,552)	(20,813)
Other current liabilities		(23,482)	68,232
Other non-current assets and liabilities		359	-
Other cash flows from operating activities		(9,480)	(6,410)
Payments of interest		(10,643)	(6,630)
Collections of interest		1,163	220
Income tax payments		-	-
Cash flows from operating activities		(43,906)	72,083
<i>Cash flows from investment activities</i>			
Payments of investments		(87,637)	(75,695)
Group and associated companies	7, 22	(39,426)	-
Intangible assets	5	(1,573)	(351)
Property, plant and equipment	5	(13,594)	(4,466)
Other financial assets	7	(33,044)	(70,878)
Collection on divestments		1,348	10,273
Group and associated companies		1,018	9,795
Intangible assets	5	173	444
Property, plant and equipment	5	(43)	13
Other financial assets		200	21
Business unit		57	-
Cash flows from investment activities		(86,232)	(65,422)
<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		101,686	35,246
Issuance			
Bonds and other negotiable securities	12	297,645	51,028
Amounts owed to credit institutions	12	332	69,916
Payables to group companies and associates		-	13,580
Repayment			
Bonds and other negotiable securities	12	(133,200)	(42,498)
Amounts owed to credit institutions.	12	(22,489)	(40,296)
Other debts		(40,602)	(16,484)
Payments of dividends and remuneration of other financial liabilities			
Dividends		(82)	(4,516)
Cash flows from financing activities		101,604	15,503
Net increase/decrease in cash or equivalents		(28,534)	22,164
Cash and equivalents at the beginning of the year		368,233	150,784
Cash and equivalents at the end of the year		339,699	172,948

The notes 1 to 20 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2021.

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 Calle Temple nº 25, Badalona, Barcelona, Spain.

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 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 RENOVABLES GROUP (hereinafter, the Audax Renovables Group or the Group).

Moreover, the Audax Renovables Group is integrated with the Excelsior Group, whose parent company is Excelsior Times, S.L.U., with its registered address at Calle Temple, nº 25, Badalona, Barcelona, Spain. The Excelsior Group's consolidated annual accounts for the year 2020, approved on 30 June 2021, have been submitted to the Commercial Register in Barcelona.

The shares of Audax Renovables, S.A. are admitted to trading on the continuous market of the Spanish Stock Exchange. The annual accounts of Audax Renovables S.A. and the consolidated annual accounts of the Audax Renovables Group for the year ended on 31 December 2020 were approved by the General Meeting of Shareholders on 21 April 2021.

The interim condensed consolidated financial statements of the Audax Renovables Group as at 30 June 2021 were drawn up by the Directors of the Parent Company on 29 September 2021.

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 2021 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 2020, 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 2020, the date of the aforementioned consolidated annual accounts, till 30 June 2021.

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 2021 and as at 31 December 2020, the consolidated income statements for the periods of six months ended on 30 June 2021 and 2020, the consolidated comprehensive income statements for the periods of six months ended on 30 June 2021 and 2020, the consolidated statements of changes in net equity for the periods of six months ended on 30 June 2021 and 2020 and as at 31 December 2020, the consolidated cash flow statements for the periods of six months ended on 30 June 2021 and 2020, together with the explanatory notes to the consolidated financial statements for the period of six months ended on 30 June 2021.

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 2020.

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 2021 is presented solely for comparative purposes together with the relevant information for the period of six months ended on 30 June 2020, except for the consolidated balance sheet which compares the situation as at 30 June 2021 and at 31 December 2020.

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.

c) Changes in the consolidation scope

In the second quarter of the year 2021 the Group entered into an agreement with the company Rocío Servicios Fotovoltaicos S.L.U. (formerly Audax Fotovoltaica, S.L.U.) and Audax Green S.L.U. (companies belonging to the Excelsior Group) for the purchase of shares of the following companies:

Company name	Country of residence	Transaction date	% acquired
Audax Solar SPV XXVII, S.L.	Spain	28/05/2021	50.00%
Audax Solar SPV XXVIII, S.L.	Spain	28/05/2021	50.00%
Audax Solar SPV XXIX, S.L.	Spain	28/05/2021	50.00%
Audax Solar SPV XXX, S.L.	Spain	28/05/2021	50.00%
Audax Solar SPV XXXI, S.L.	Spain	28/05/2021	50.00%
Audax Solar SPV XV, S.L.	Spain	28/05/2021	60.00%
Merfonda Solar, S.L.	Spain	28/05/2021	100.00%
Sarda Solar, S.L.	Spain	28/05/2021	100.00%
Audax Solar SPV XXIV, S.L.U.	Spain	28/05/2021	100.00%
Audax Solar SPV XXV, S.L.U.	Spain	28/05/2021	100.00%
Green Show, L.D.A.	Portugal	28/05/2021	100.00%
ADX Fotovoltaico - Solar Da Luz, L.D.A	Portugal	28/05/2021	100.00%
ADX Fotovoltaico - Solar Do Ceu, L.D.A	Portugal	28/05/2021	100.00%
Clever Road, L.D.A.	Portugal	28/05/2021	100.00%
Audax Solar SPV Italia 1, S.R.L.	Italy	11/06/2021	100.00%
Audax Solar SPV Italia 2, S.R.L.	Italy	11/06/2021	100.00%
Audax Solar SPV Italia 3, S.R.L.	Italy	11/06/2021	100.00%
Audax Solar SPV Italia 4, S.R.L.	Italy	11/06/2021	100.00%
Audax Solar SPV Italia 5, S.R.L.	Italy	11/06/2021	100.00%
Audax Solar SPV Italia 6, S.R.L.	Italy	11/06/2021	100.00%

The total purchase price (fair value) of this transaction amounted to EUR 43,011 thousand and was endorsed by an independent expert through a report at the request of the governing bodies and their delegated committees, as it was a case of related party transaction.

The main object of all the acquired companies involves development and operation of photovoltaic power stations.

The Group, after conducting an analysis, considers that the transactions do not fall under the IFRS-3 requirements to be classified as a business combination and, therefore, has recognised these as asset acquisitions.

The companies Audax Solar SPV XV, S.L., Merfonda Solar, S.L., Sarda Solar, S.L., Audax Solar SPV XXIV, S.L.U., Audax Solar SPV XXV, S.L.U., ADX Fotovoltaico - Solar Da Luz, L.D.A, ADX Fotovoltaico - Solar Do Ceu, L.D.A, Clever Road, L.D.A., Audax Solar SPV Italia 1, S.R.L., Audax Solar SPV Italia 2, S.R.L., Audax Solar SPV Italia 3, S.R.L., Audax Solar SPV Italia 4, S.R.L., Audax Solar SPV Italia 5, S.R.L. and Audax Solar SPV Italia 6, S.R.L. have been consolidated by the full consolidation method. The breakdown of the assets and liabilities incorporated at fair value at the date of their incorporation to the Group is as follows:

	<u>EUR thousands</u>
Intangible assets	36,943
Tangible assets	4,658
Other assets	445
Total assets	42,046
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Non-controlling interests	2,194
Other net liabilities	2,733
Total liabilities	4,927
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Total acquired net assets	37,119

Moreover, at the date of the acquisition a total of loans amounting to EUR 2,468 thousand was assumed, as it had been recorded under liabilities in the balance sheet of the acquired companies.

On the other hand, the companies Audax Solar SPV XXVII, S.L., Audax Solar SPV XXVIII, S.L., Audax Solar SPV XXIX, S.L., Audax Solar SPV XXX, S.L., Audax Solar SPV XXXI, S.L. are integrated in these financial statements by the equity method, bringing about an increase of EUR 3,301 thousand in investments as per equity accounting (Note 6). With regard to these companies a total of loans amounting to EUR 124 thousand was likewise assumed.

Moreover, on 30 June Audax Renovables, S.A., in its capacity as client, signed a framework agreement with the company Rocío Servicios Fotovoltaicos, S.L.U. (formerly Audax Fotovoltaica S.L.U.), in its capacity as contractor, which regulates the bases of performing the construction works (EPC contract) and of operation and maintenance, including repowering (O&M contract) of the photovoltaic plants. In accordance with the provisions of the agreement, Audax Renovables, S.A. commissions the design, engineering, purchase management and construction (under the "turnkey" modality), as well as operating and maintenance services - including repowering - for its portfolio of projects located in Spain, Portugal and Italy; as a consideration, Rocío Servicios Fotovoltaicos, S.L.U. receives a remuneration based on the "open books" system plus a margin.

On 18 January 2021 Audax Renovables acquired 100% of shares of the companies Centauro Energía Solar, S.L., Tohora Solar inversiones, S.L. and Tarakona Solar inversiones, S.L. for the total amount of EUR 2,483 thousand from third companies Idena Solar, S.L. and Energy Pool España, S.L. The main object of the acquired companies involves development, construction and operation of various photovoltaic power generation projects.

The Group, after conducting an analysis, considers that the transactions do not fall under the IFRS-3 requirements to be classified as a business combination and, therefore, has recognised these as asset acquisitions. Consequently, the breakdown of the assets and liabilities incorporated at fair value at the date of their incorporation to the group is as follows:

	<u>EUR thousands</u>
Intangible assets	2,408
Tangible assets	462
Other assets	92
Total assets	2,962
Other net liabilities	479
Total liabilities	479
Total acquired net assets	2,483

Moreover, on 18 January 2021 Audax Renovables S.A. acquired non-controlling interest of 25% of the company Alset Comercializadora, S.L. The transaction did not have any significant impact on these financial statements.

On 6 July 2020 the Company signed a purchase and sale contract with E.ON Hungária Zrt., a subsidiary of the German multinational group E.ON, for the purchase of 100% of share capital of the company E.ON Energiakereskedelmi Kft. (hereinafter Audax Hungria), an electricity retailer in Hungary. In accordance with the provisions of IFRS 3 the Group should measure the final effect of a business combination within a period of twelve months. By the date of these interim condensed consolidated financial statements, and within the aforementioned period of twelve months, the Group has completed the process of valuation of the acquired assets and liabilities at their fair value, which did not involve any changes to the provisional measurement carried out in the consolidated annual accounts for the year 2020.

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 2021.

The changes in the consolidation scope explained in this section shall be taken into account for the purpose of comparability of the interim condensed consolidated financial statements.

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 2021, 30 June 2020 and 31 December 2020 have been as follows:

	30 June 2021		31 December 2020		30 June 2020	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
US dollar	1.1884	1.2060	1.2271	1.1453	1.1198	1.1061
Hungarian forint	351.68	358.02	366.24	364.12	-	-
Polish zloty	4.5201	4.5470	4.5597	4.4502	4.4560	4.4105

e) 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.

f) New regulations in the energy sector

The most important new regulations in the Spanish energy sector, published in the BOE (Official State Gazette) in the first half year of 2021 listed below.

- Royal Decree 148/2021, of 9 March, establishing the calculation methodology of the electricity system charges.
- Resolution of 28 April 2021, of the Directorate General for Energy Policy and Mines, establishing the minimum content and model of the electricity invoice to be applied by the reference retailers.
- Order TED/371/2021, of 19 April, establishing the amounts of the electric power system charges and the capacity payments, applicable from 1 June 2021.
- Royal Decree-Law 12/2021, of 24 June, on adopting urgent measures in the area of energy tax and energy generation, as well as on the management of the regulatory fee and of the charge for the use of water. The regulation establishes a reduction of the tax rate from 21% to 10% in the electricity invoice and establishes the calculation to be included in the tax base of the tax on electric power production within the relevant period.
- Royal Decree 477/2021, of 29 June, approving the direct licence to the autonomous communities and the cities of Ceuta and Melilla on grants for the implementation of various programmes of incentives connected with the self-supply and storage, with renewable energy sources, as well as for the implementation of renewable thermal systems in the residential sector, within the Recovery, Transformation and Resilience Plan.
- Order TED/456/2021, of 29 April, determining the content and the conditions for the purpose of submitting to the Ministry for the Ecological Transition and the Demographic Challenge of the information on prices applied to the electricity end users.
- Law 7/2021, of 20 May, on climate change and energy transition. Emission reduction targets for the year 2030 and 2050.
- Royal Decree-Law 23/2020, of 23 June, approving the measures in the energy sector and other areas for the purpose of economic recovery.
- Order TED/275/2021, of 18 March, establishing the obligations to contribute to the National Fund of Energy Efficiency in the year 2021.
- Circular 3/2021, of 17 March, of the National Commission on Markets and Competition, amending the Circular 3/2020, of 15 January, establishing the calculation methodology of the electricity transport and distribution fees.

- Resolution of 24 June 2021, of the National Commission on Markets and Competition (CNMC), determining the necessary information to be provided in the QR codes in order to access the CNMC comparison of gas and electricity offers, which should be included in the electricity invoice, and the information to be included in the links related to the electronic invoices.
- Order HAC/172/2021, of 25 February, establishing the structure and operation of the taxpayers' register of the Special Electricity Tax, approving the Form 560 - "Special Electricity Tax". Self Supply", and determining the method and procedure of submitting the form. Electricity tax amounts to 5.1127% and is applied to the items of capacity and use specified in the electricity invoice. In order to calculate it, it is necessary to know only the cost of the energy item and the capacity item, add them up and apply to the result the tax of 5.1127%.
- Circular 2/2021, of 10 February, of the National Commission on Markets and Competition, establishing the methodology and conditions of electricity labelling for the purpose of informing about the source of the electricity consumed and its impact on the environment.
- Resolution of 18 March 2021, of the National Commission on Markets and Competition, establishing the amounts of the access fees to the electricity transport and distribution networks, applicable from 1 June 2021.

These are not considered by the Group as important regulatory changes, because their impact in the first half year of 2021 has been none or not significant in comparison to the situation as at 31 December 2020.

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 2020, 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 Renovables Group are the following:

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

The income of the specified segments for the period of six months ended on 30 June 2021 and 2020 is as follows:

30 June 2021	Spain and Portugal	Rest of World ⁽¹⁾	Total
Ordinary income	394,702	293,923	688,625
Procurement	(367,470)	(270,664)	(638,134)
Other operating income	1,734	1,723	3,457
Operating expenses and remunerations	(20,750)	(14,836)	(35,586)
Amortisation and depreciation	(3,908)	(5,893)	(9,801)
Impairment and profit (loss) on disposal of fixed assets	-	(154)	(154)
Operating profit (loss)	4,308	4,099	8,407
Financial profit (loss)	(11,059)	(1,158)	(12,217)
Participation in the profit (loss) of associates	-	(25)	(25)
Income before tax	(6,751)	2,916	(3,835)
Corporate income tax	368	(914)	(546)
Consolidated profit (loss) for the year	(6,383)	2,002	(4,381)
a) Profit (loss) attributable to the parent company			(3,597)
b) Profit (loss) attributable to non-controlling interests			(784)

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

30 June 2020	Spain and Portugal	Rest of World ⁽¹⁾	Total
Ordinary income	294,500	108,819	403,319
Procurement	(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 World (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 2021 and for the year 2020 in the intangible and tangible assets accounts is as follows:

	Goodwill	Other intangible assets	Total intangible assets	Total tangible assets
Net book value 31.12.2019	137,945	106,280	244,225	75,347
Investment	-	2,562	2,562	15,530
Additions to scope	-	66,817	66,817	3,290
Depreciation or amortisation charge	-	(15,580)	(15,580)	(4,074)
Derecognitions	-	(540)	(540)	(25)
Other movements	(3)	0	(3)	358
Translation differences	-	(52)	(52)	(2,997)
Net book value 31.12.2020	137,942	159,487	297,429	87,429
Cost	137,942	211,348	349,290	106,624
Accumulated amortisation and depreciation	-	(51,861)	(51,861)	(19,195)
Net book value 31.12.2020	137,942	159,487	297,429	87,429
Investment	-	6,969	6,969	14,018
Additions to scope (Note 2)	-	39,351	39,351	5,120
Depreciation or amortisation charge	-	(7,568)	(7,568)	(2,234)
Derecognitions	-	(173)	(173)	(111)
Other movements	-	-	0	-
Translation differences	-	107	107	370
Net book value 30.06.2021	137,942	198,173	336,115	104,592
Cost	137,942	256,809	394,751	125,337
Accumulated amortisation and depreciation	-	(58,636)	(58,636)	(20,745)
Net book value 30.06.2021	137,942	198,173	336,115	104,592

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

The additions to the scope relate to the incorporation to the Group of a set of companies dedicated to the development and construction of solar farms (Note 2).

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 appreciation of the Polish zloty.

The breakdown of goodwill by country is as follows:

	30.06.2021	31.12.2020
Spain	40,087	40,087
the Netherlands	94,391	94,391
France	860	860
Poland	2,599	2,599
Others	5	5
TOTAL	137,942	137,942

The breakdown of intangible assets by country is as follows:

	30.06.2021	31.12.2020
Spain	137,488	123,151
Italy	7,870	2,576
Germany	128	139
Poland	2,154	2,168
France	2,477	2,589
the Netherlands	22,364	24,958
Hungary	4,354	3,906
Portugal	21,338	-
TOTAL	198,173	159,487

The breakdown of tangible assets by country is as follows:

	30.06.2021	31.12.2020
Spain	60,953	47,547
France	6,100	6,375
Italy	2,376	24
Germany	4	2
Poland	32,006	32,485
the Netherlands	1,284	863
Hungary	36	32
Portugal	1,732	-
Others	101	101
TOTAL	104,592	87,429

The net cash flow generated by various investments and divestments is the negative amount of EUR 15,037 thousand.

Assets impairment test

The Audax Renewables conducted impairment tests of the entirety of its assets as at 31 December 2020. As at 30 June 2021 the Group considers that there are no signs of impairment, as there were no significant changes in the assumptions related to the end of the year 2020 and, consequently, no additional asset impairment tests have been carried out.

NOTE 6- INVESTMENTS ACCOUNTED FOR BY EQUITY METHOD

The movement in this account during the first six months of 2021 has been as follows:

	Balance 31/12/2020	Recognitions	Participation in profit (loss)	Translation differences	Balance 30/06/2021
<u>Company</u>					
Parque Eólico Toabré S.A.	6,665	-	(25)	30	6,670
Audax Solar SPV XXVII, S.L.	-	663	-	-	663
Audax Solar SPV XXVIII, S.L.	-	663	-	-	663
Audax Solar SPV XXIX, S.L.	-	663	-	-	663
Audax Solar SPV XXX, S.L.	-	663	-	-	663
Audax Solar SPV XXXI, S.L.	-	649	-	-	649
Total	6,665	3,301	(25)	30	9,971

The recognitions for the period relate to the acquisition of 50% of certain companies (Note 2).

The movement in 2020 was as follows:

	Balance 31/12/2019	Participation in profit (loss)	Translation differences	Balance 31/12/2020
<u>Company</u>				
Parque Eólico Toabré S.A.	6,905	(51)	(189)	6,665
Total	6,905	(51)	(189)	6,665

NOTE 7 – FINANCIAL ASSETS

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

	30/06/2021			31/12/2020		
	Current	Non-current	Total	Current	Non-current	Total
Assets designated at fair value through profit and loss						
Equity instruments						
Not traded	-	1,116	1,116	-	1,613	1,613
Total	-	1,116	1,116	-	1,613	1,613
Financial assets at amortised cost						
Unsecured loans						
Floating rate	-	588	588	-	621	621
Total	-	588	588	-	621	621
Trade and other receivables						
Receivables from sales and services	271,669	-	271,669	243,883	-	243,883
Other receivables	2,989	-	2,989	4,725	-	4,725
Less impairment	(29,617)	-	(29,617)	(27,540)	-	(27,540)
Total (Note 10)	245,041	-	245,041	221,068	-	221,068
Loans to group entities (Note 22)						
Total	39,426	11,471	50,897	152	12,124	12,276
Deposits and sureties granted						
Fixed-term deposits	91,354	686	92,040	69,423	762	70,185
Other financial assets	5,567	-	5,567	3,158	-	3,158
Total	100,633	18,264	118,897	74,822	12,370	87,192
Total	385,100	30,323	415,423	296,042	25,115	321,157
Equity instruments at fair value through other comprehensive income						
Traded	8,333	-	8,333	7,637	-	7,637
Hedge derivatives	10,119	1,678	11,797	3,367	11	3,378
Contracted on organised markets (Note 9)						
Total	18,452	1,678	20,130	11,004	11	11,015
Total financial assets	403,552	33,117	436,669	307,046	26,739	333,785

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 2021 the Group has made fixed-term deposits amounting to EUR 21,855 thousand.

The heading Other current financial assets relates primarily to the Debt Service Reserve Account (DSRA) amounting to EUR 3,111 thousand (EUR 3,130 thousand at 31 December 2020) which constitute an additional guarantee for the bank syndicate and are subject to restrictions in application, as is described in Note 12.

Cash flows generated in the account of other financial assets of the Statement of Cash Flows correspond mainly to new investments in fixed-term deposits, to the guarantees deposited for the purpose of operating on the electricity market, and to the loans granted to third parties.

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:

	30/06/2021		31/12/2020	
	Non-current	Current	Non-current	Current
<i>Assets arising from derivatives</i>				
Energy price hedges	1,678	10,119	11	3,367
Total assets	1,678	10,119	11	3,367
<i>Liabilities arising from derivatives</i>				
Energy price hedges	7,244	-	3,517	483
Interest rate swaps	1,186	-	1,829	-
Total liabilities	8,430	-	5,346	483

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 30.06.2021	At 31.12.2020
Trade receivables	270,978	243,788
Trade receivables from group companies	691	95
Other receivables	2,989	4,725
Valuation adjustments for bad debt	(29,617)	(27,540)
Total trade and other receivables	245,041	221,068

Under the heading of "Trade receivables" the Group puts mainly the invoicing amounts corresponding to the months of May and June 2021 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 2021, the estimates of the retailing companies amount to EUR 119,265 thousand (EUR 107,128 thousand as at 31 December 2020).

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

Balance at 31.12.2020	(27,540)
Allocations	(3,422)
Reversals	2,200
Releases	395
Others	(1,250)
Balance at 30.6.21	(29,617)

In the first half of 2021 the Group allocated EUR 3,422 thousand to the provision for delayed payment (EUR 6,906 thousand in the first half of 2020).

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

	At 30.06.2021	At 31.12.2020
Prepaid expenses for insurance	292	259
Prepaid expenses for commissions	28,331	28,061
Prepaid expenses for renting	298	36
Other prepaid expenses	3,959	559
Advances to staff	58	32
Receivables from Public Administrations	9,134	13,532
Total	42,072	42,479

"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 2021 and 31 December 2020 is represented by 440,291,054 shares of a single value of EUR 0.1 each.

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

All the shares of Audax Renovables, S.A. are admitted to official trading on the continuous market of the Spanish Stock Exchange. The price of the Parent Company's shares as at 30 June 2021 was of EUR 1.96 per share (EUR 1.94 per share as at 31 December 2020).

The breakdown of the shareholders of the Parent Company holding more than 10% shares as at 30 June 2020 and 31 December 2020 is as follows:

	At 30.06.2021	At 31.12.2020
Shareholders	%	%
Electrica Nuriel, S.L.U.(*)	65.30%	72.09%
Rest of shareholders	34.70%	27.91%
Total	100.00%	100.00%

(*) Additionally, Eléctrica Nuriel, S.L.U. has various rights to purchase 48,000,000 shares of Audax Renovables, S.A., which represent 10.90% 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 2021 the Parent Company has a Legal Reserve valued at EUR 8,806 thousand (EUR 8,806 thousand as at 31 December 2020).

c) Treasury shares

As at 30 June 2021 and 31 December 2020, 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. As at 30 June 2021, as well as at 31 December 2020, the balances reflect mainly the impact of the historical price fluctuations of the Polish zloty and the Hungarian forint against the euro.

e) Distribution of earnings and dividends

The General Meeting of Shareholders held on 21 April 2021 approved the following profit allocation of the Parent Company for the year 2020:

Base of distribution	EUR
Profit and (loss)	19,197,650
Total	19,197,650

Base of distribution	EUR
For dividends	10,000,000
To compensate losses from previous years	9,197,650
Total	19,197,650

In July 2021 the payment of dividends was carried out.

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 30.06.2021	At 30.06.2020
Number of shares	440,291,054	440,291,054
Average number of shares	440,291,054	440,291,054
Average number of shares diluted	491,943,947	-
Profit (loss) attributable to the Parent Company*	(3,597)	4,070
Profit (loss) for the year attributable to the Parent Company diluted*	(1,878)	4,070
Profit / (loss) per share (euro per share)		
- Basic	(0.0082)	0.0092
- Diluted	(0.0038)	0.0092

*EUR thousands

The basic gain per share is calculated by dividing the profit for the year attributable to the holders of equity instruments of the Parent Company by the weighted arithmetic mean of ordinary shares circulating over the year.

The diluted gain per share is calculated by dividing the diluted profit for the year attributable to the Parent Company by the diluted arithmetic mean of shares.

f) Non-controlling interests

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

Balance at 31 December 2019	33,493
Profit (loss) for the year	3,785
Dividend distribution	(4,703)
Purchase of Non-controlling interests	(26,144)
Other movements	1,387
Balance at 31 December 2020	7,818
Profit (loss) for the year	(784)
Valuation adjustments	1,152
Incorporations to scope	2,202
Dividend distribution	(190)
Balance at 30 June 2021	10,198

The breakdown of the non-controlling interests by entity as at 30 June 2021 and 31 December 2020 is as follows:

	30.06.2021	31.12.2020
Subsidiaries of Uniléctrica Energía S.A.	7,576	7,276
Eoliennes de Beausemblant, SAS	509	569
Audax Solar SPV XV, S.L.U.	2,192	-
Others	(79)	(27)
Total	10,198	7,818

NOTE 11- NON-CURRENT PROVISIONS

The breakdown of provisions as at 30 June 2021 and 31 December 2020 is as follows:

	Balance at 30.06.2021	Balance at 31.12.2020
Provision for liabilities	16	16
Dismantling provision	998	971
Total	1,014	987

Dismantling provision

As at 30 June 2021 the Group has recorded a provision of EUR 998 thousand to cover the costs of dismantling the power plants and facilities 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 2021, is as follows:

	30/06/2021	31/12/2020
Debt from issue of bonds and other negotiable securities	476,615	371,123
Amounts owed to credit institutions	82,358	82,339
Lease liabilities	12,609	7,801
Financial derivatives liabilities (Note 8)	8,430	5,346
Other financial liabilities	955	528
Total non-current financial liabilities	580,967	467,137
Debt from issue of bonds and other negotiable securities	200,950	136,754
Amounts owed to credit institutions	30,994	53,649
Lease liabilities	1,279	1,132
Financial derivatives liabilities (Note 8)	-	483
Other financial liabilities	52,303	44,780
Total current financial liabilities	285,526	236,798

Over the first half year of 2021 the following changes to the financial liabilities of the Group took place:

Bonds and other negotiable securities

On 13 April 2021 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, and to EUR 200,000 thousand in March 2020. The outstanding amount of the new increase registered under the name of "Audax 2021 Note Programme" is EUR 300,000 thousand, and its maturity date is 13 April 2022. As at 30 June 2021, the total drawn down balance amounts to EUR 249,104 thousand (EUR 156,824 thousand as at 31 December 2020).

The Company approved in 2017 a programme for issuing plain bonds on the Alternative Fixed-Income Market (MARF), of which bonds of a nominal value of EUR 65,000 thousand with maturity in June 2022 and fixed nominal annual interest of 4.20% were subscribed.

Also in 2018 the Company approved a new programme for issuing bonds worth EUR 35,000 thousand, which was later increased by another EUR 35,000 thousand, with maturity in October 2023 and fixed nominal annual interest rate of 5.5%.

On 30 November 2020 the Company announced an offer of swap transaction for the holders of those bonds for a new issue of green bonds by the Company under its programme named "EUR 400,000,000 Senior Unsecured Notes Programme Audax Renovables, S.A. 2020" in exchange for the early redemption of the Existing Bonds owned by the holders.

As a consequence of this swap transaction the Company carried out a second issue of green bonds named "Issue Number 2 of Senior Unsecured Notes of Audax Renovables, S.A. 2020" for the amount of EUR 200,000 thousand, at the interest rate of 4.20% and with maturity on 18 December 2027. This new issue was subscribed partly by the previous holders of the 2017 and 2018 emissions, and partly by new investors.

As at 31 December 2020 the outstanding balance of the 2017 bond amounted to EUR 26,600 thousand and the outstanding balance of the 2018 bond amounts to EUR 17,505 thousand, corresponding to the holders who did not take part in the swap transaction offered by the Company.

In the first half of 2021 the entirety of the 2017 bond was cancelled for the amount of EUR 26,600 thousand.

On 15 June 2021, due to the great interest of the investors in subscribing the green bonds of the issue named "Issue Number 2 of Senior Unsecured Notes of Audax Renovables, S.A. 2020", the Company decided to increase this issue by EUR 100,000 thousand under the name of "Issue Number 3 of Senior Unsecured Notes of Audax Renovables, S.A. 2020".

The cash flow generated by the increase of the bond programme, the increase of the green bonds, and the redemption of bonds and promissory notes, was the positive amount of EUR 164,445 thousand.

Amounts owed to credit institutions

The breakdown of bank loans is the following:

	30/06/2021	31/12/2020
Project Finance	20,733	22,330
Loans	61,625	60,009
Total non-current	82,358	82,339
	30/06/2021	31/12/2020
Project Finance	4,307	4,897
Loans	15,096	30,103
Lines of credit	250	264
Reverse factoring and similar	11,341	18,385
Total current	30,994	53,649

The companies included in the consolidation scope Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemblant 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 2021 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 2021, the following reserve funds were included in the "Other current financial assets" account:

Company	30/06/2021	31/12/2020
Eólica el Pedregoso, S.L.	717	730
Eólica del Pino, S.L.	363	370
Eoliennes de Beausemblant, SAS	632	632
Eólica Postolin Sp. z o.o.	1,399	1,398
Total	3,111	3,130

In the first half of 2021 the Parent Company carried out the settlement of loans in the amount of EUR 7,268 thousand, corresponding mainly to the loan agreements entered into with Finalbion SV, S.L. and Toro Finance for the amount of EUR 5,823 thousand.

In the first half of 2021 the Parent Company and other companies of the Group proceeded to renegotiate with various financial institutions the ICO loans signed during the year 2020, in order to postpone the maturity dates of the loans.

Audax Netherlands B.V. settled in the first half of 2021 the loans granted by credit institutions, corresponding to the credit institutions ING Bank and Rabobank, in the amount of EUR 4,405 thousand.

Net cash flow shown in the Cash Flow Statement is a negative amount of EUR 22,157 thousand, corresponding to the settlement of various loans.

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:

	30/06/2021	31/12/2020
Accounts payable to Group entities (Note 16)	527	525
Other debts	428	3
Total other non-current financial liabilities	955	528
Accounts payable to Group entities (Note 16)	41,640	44,226
Other debts	10,663	554
Total other current financial liabilities	52,303	44,780

The increase in Other current liabilities is mainly due to the approval by the General Meeting of Shareholders of the Parent Company held on 21 April 2021 of the allocation of profit for the year 2020 to Dividends to be paid in the amount of EUR 10,000 thousand.

The leverage ratio is as follows:

	At 30.06.2021	At 31.12.2020
Non-current financial liabilities		
Bonds and other negotiable securities	476,615	371,123
Financial liabilities to credit institutions	82,358	82,339
Lease liabilities	12,609	7,801
Other financial liabilities	429	4
Current financial liabilities		
Bonds and other negotiable securities	200,950	136,754
Financial liabilities to credit institutions	30,994	53,649
Lease liabilities	1,279	1,132
Other financial liabilities	10,663	554
Derivatives	(3,367)	2,451
Cash and other cash equivalents		
Other financial assets	(99,310)	(83,730)
Cash and other cash equivalents	(339,699)	(368,233)
Net financial debt:	373,521	203,844
Of the Parent Company (Note 10)	133,848	143,224
Of the minority interests (Note 10)	10,198	7,818
Net equity:	144,046	151,042
Leverage (Net financial debt / (Net financial debt + Net equity))	72.2%	57.4%

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 2021 under "Other operating income (expenses)" the amount of EUR 129 thousand was recorded (EUR 133 thousand in the first six months of the year 2020).

NOTE 14 - CORPORATE INCOME TAX

The movement during the first half year 2021 and over the year 2020 corresponding to the deferred tax assets and liabilities is as follows:

	Balance 31.12.20	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance 30/06/2021
Deferred tax assets	8,109	1,477	(828)	-	-	10	8,768
Deferred tax liabilities	(16,502)	(2,336)	1,440	-	-	(6)	(17,404)
Total	(8,393)	(859)	612	-	-	4	(8,636)

	Balance at 31.12.2019	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance 31/12/2020
Deferred tax assets	7,390	1,519	(1,861)	1,172	-	(111)	8,109
Deferred tax liabilities	(17,637)	(626)	2,356	(723)	-	128	(16,502)
Total	(10,247)	893	495	449	-	17	(8,393)

The main deferred tax assets include the tax effect of recognition of derivatives (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 2021, the Audax Renovables Group has tax loss carry-forwards (TLCs) available for offset amounting to EUR 221,229 thousand, as well as a deferred tax asset balance of EUR 4,605 thousand. The Audax Renovables 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.

As a result of the reduction of the shareholding of Electrica Nuriel, S.L.U. in Audax Renovables, S.A. (Note 10), the Parent Company, as well as its subsidiaries, have ceased to be subject to the consolidated tax system together with Excelsior Times, S.L. and, from 1 January 2021, they belong to their own consolidated tax group, Audax Renovables, S.A. being the head entity of the new tax group.

NOTE 15 - INCOME AND EXPENSES

Ordinary income and procurement

The breakdown of Ordinary income is as follows:

—	<u>30.06.2021</u>			<u>30.06.2020</u>		
	Spain and Portugal	Rest of World ⁽¹⁾	Total	Spain and Portugal	Rest of World ⁽²⁾	Total
Total operating revenue	394,702	293,923	688,625	294,500	108,819	403,319

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

Rest of World (2) includes Italy, Poland, Germany, the Netherlands, France and Panama

The breakdown of Procurement is as follows:

—	<u>30.06.2021</u>			<u>30.06.2020</u>		
	Spain and Portugal	Rest of World ⁽¹⁾	Total	Spain and Portugal	Rest of World ⁽²⁾	Total
Total Procurement	367,470	270,664	638,134	259,631	91,165	350,796

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

Rest of World (2) includes Italy, Poland, Germany, the Netherlands, France and Panama

Staff costs

The breakdown of Staff costs as at 30 June 2021 and 2020 is as follows:

	<u>30.06.2021</u>	<u>30.06.2020</u>
Wages and salaries	10,763	7,812
Employer contributions	2,566	2,033
Other social expenses	516	250
Total	13,845	10,095

The average number of employees for the first six months of the year 2021 and 2020 has been as follows:

	<u>Average number</u>	
	<u>30.06.2021</u>	<u>30.06.2020</u>
Senior Management*	3	3
Management	21	18
Leadership	33	30
Middle Management	253	48
Others	462	439
Total	772	538

* including internal auditor.

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 2021 and 2020 broken down by category and gender is as follows:

	30.06.2021		30.06.2020	
	Women	Men	Women	Men
Senior Management*	1	2	1	2
Management	3	16	4	16
Leadership	12	22	6	25
Middle Management	188	67	10	40
Others	270	219	259	183
Total	474	326	280	266

* including internal auditor.

Other operating expenses

The breakdown of Other operating expenses as at 30 June 2021 and 2020 is as follows:

	30.06.2021	30.06.2020
Leases	153	111
Repairs and maintenance	1,467	1,342
Counselling services	4,435	2,946
Insurance premiums and commissions	1,477	1,324
Supplies and other services	1,893	830
Other operating expenses	5,831	3,842
Taxes	5,672	3,561
Loss, impairment and change in provisions	813	6,248
Total	21,741	20,204

Net Financial Income (Expense)

The breakdown of this account in the consolidated profit and loss statement as at 30 June 2021 and 2020 is as follows:

	30.06.2021	30.06.2020
Financial income from shareholding in third parties	-	10
Financial income from group companies receivables	2	1,849
Financial income from third party receivables	326	210
Financial expenses arising from bond and promissory note issuing	(7,886)	(3,593)
Financial expenses from debt and other financial cost	(4,533)	(4,348)
Impairment and profit (loss) on disposal of financial instruments	579	(678)
Change in fair value of financial instruments	-	-
Exchange differences	(705)	(27)
Financial profit (loss)	(12,217)	(6,577)

NOTE 16 – INFORMATION ON RELATED PARTY TRANSACTIONS

The transactions carried out in the first half year of 2021 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:

30.06.2021	Group companies	Other related parties	Total
<i>Income and similar</i>			
Net sales	221	18	239
Services rendered	173	2	175
Financial Instruments			
Financial income	2	-	2
Total income	396	20	416
<i>Expenses and similar</i>			
Purchases	150	-	150
Purchase of shares	43,011	-	43,011
Purchase of fixed assets	-	1,645	1,645
Other received services	1,410	-	1,410
Total Expenses	44,571	1,645	46,216

Income

In the first half year of 2021, 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 168 thousand.

Expenses

In the first half of 2021, 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 150 thousand.

Purchase of shares in the first half of 2021 refers to the acquisition of company shares by the Group from Rocio Servicios Fotovoltaicos, S.L.U. (formerly Audax Fotovoltaica, S.L.U.) and Audax Green, S.L.U., both companies belonging to the Excelsior Group, for a total amount of EUR 43,011 thousand (Note 2.c).

In the first half year of 2021, 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 of 2021, 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 149 thousand, for lease of office space.

All the transactions with related parties are carried out at market prices.

b) Balances with related parties

Accounts payable and receivable with related parties as at 30 June 2021 and 31 December 2020 are as follows:

30.06.2021	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 7)		11,471	11,471
Total non-current assets	-	11,471	11,471
Trade and other receivables			
Short-term receivables from group companies and associates	691	-	691
Loans and receivables			
Loans (Note 7)	39,426	-	39,426
Other financial assets	-	-	-
Total current assets	40,117	-	40,117
Total assets	40,117	11,471	51,588
<u>Long-term payables to group companies and associates</u>		527	527
Total non-current liabilities	-	527	527
Short-term payables to group companies and associates	41,669	(29)	41,640
Trade and other payables			
Short-term payables to suppliers, group companies and associates	915	-	915
Total current liabilities	42,584	(29)	42,555
Total liabilities	42,584	498	43,082

2020	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 7)	653	11,471	12,124
Total non-current assets	653	11,471	12,124
Trade and other receivables			
Short-term receivables from group companies and associates	95	-	95
Loans and receivables			
Loans (Note 7)	152	-	152
Other financial assets	-	-	-
Total current assets	247	-	247
Total assets	900	11,471	12,371
Long-term payables to group companies and associates	-	525	525
Total non-current liabilities	-	525	525
Short-term payables to group companies and associates	44,253	(26)	44,227
Trade and other payables			
Short-term payables to suppliers, group companies and	196	-	196
Total current liabilities	44,449	(26)	44,423
Total liabilities	44,449	499	44,948

In connection with the Loans and receivables from group companies there has been an inflow of EUR 517 thousand from the payment of interest 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 11,471 thousand (EUR 11,471 thousand as at 31 December 2020).

In the first half of 2021 Audax Renovables, S.A. proceeded to repay a debt towards Eléctrica Nuriel, S.L. amounting as at 31 December 2020 to EUR 39,781 thousand included in Current payables to group companies, and to make contributions to that company in the amount of EUR 39,426 thousand included in current loans and receivables.

Current payables to group companies include a debt of the Parent Company to Audax Green, S.L. in the amount of EUR 39,061 thousand, arising mainly from the transfer of claims made by Audax Fotovoltaica, S.L. to Audax Green, S.L. for the sale of various photovoltaic companies to Audax Renovables, S.A. (Note 2).

Likewise, it includes the payable to Audax Green, S.L. in the amount of EUR 1,152 thousand corresponding to the purchase of two photovoltaic companies in Portugal by Audax Renovables, S.A. and Generación Iberia, S.L.U.

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 of 2021, the amount accrued by all the members of the Board of Directors of Audax Renovables, S.A. is of EUR 268 thousand (EUR 186 thousand in the first half year of 2020) 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 2021 the Board of Directors of the Parent Company is composed of 4 men and 2 women (5 men as at 30 June 2020).

Other information on Directors

In the first half year of 2021 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 2021 by the Group's Senior Management amounted to EUR 282 thousand (EUR 132 thousand for the same period in 2020). 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 2021 the Senior Management of the Group is made up of 1 woman and 2 men, including the internal auditor (1 woman and 2 men as at 30 June 2020).

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Guarantees with third parties

As at 30 June 2021 the Group has been given bank guarantees amounting to EUR 142,009 thousand (EUR 157,887 thousand as at 31 December 2020) 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 2021, there have been no significant aspects likely to affect the Parent Company, Audax Renovables, S.A.

NOTE 20- SUBSEQUENT EVENTS

On 16 July 2021 Audax Renovables proceeded to the payment of EUR 10,000 thousand of dividends (Note 10).

During the current month of September 2021 in Spain the Royal Decree-Law 17/2021 was approved introducing urgent measures to mitigate the impact of the increase of the price of natural gas on the retail market of gas and electricity. Among the measures adopted there is the reduction of the tax rate of the Excise Duty on Electricity from 5.11% to 0.5%, an extension of the temporary suspension of the Electricity Production Tax until 31 December 2021 (suspended since last July), as well as certain measures which contribute to the reduction of the electricity invoice. The Directors of the Parent Company are currently evaluating the effects of the aforementioned Royal Decree and, in a first estimate, subject to review, they do not consider, as at the date of this report, that the measures established should have a significant impact on the Group's financial statements.

APPENDIX I:

AUDAX RENEWABLES GROUP COMPANIES AS AT 30 JUNE 2021

a) Shareholdings in subsidiary companies

Company name	Registered address	Country	Objects	Shareholding	
				Direct	Indirect
Generación Iberia, S.L.U.	C/Temple 25 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 Energía Sp. z o.o.	ul. Żurawia 6/12, 00-503 Warsaw	Poland	Retailing	100.00%	-
Main Energie, B.V.	Stammerkamp 1, 1112 Ve Diemen (The Netherlands)	the Netherlands	Retailing	100.00%	-
E.ON Energiakereskedelmi Kft	Vaci ut 17, H1134 Budapest (Hungary)	Hungary	Retailing	100.00%	-
Eólica El Pedregoso, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	80.00%	-
Eólica del Pino, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	80.00%	-
Eoliennes De Beausemblant, S.A.S.	1 Chemin Lavigne 64800 Mirepeix (France)	France	Generation	80.00%	-
Eólica Postolín 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.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV VI, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV VII, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV IX, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV X, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV XXVI, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Aznalcóllar Solar, S.A.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Solar Buaya Inversiones, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Corinto Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Botey Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Corot Energía, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Las Piedras Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Da Vinci Energía, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Elogia Catañas, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Centaurus Energía Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Tohora Solar Inversión, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Tarakona Solar Inversión, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV XV, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	60.00%	-
Merfonda Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	60.00%	-
Sarda Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	60.00%	-
Audax Solar SPV XXIV, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Audax Solar SPV XXV, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100.00%	-
Green Show, L.D.A.	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	100.00%	-
ADX Fotovoltaico - Solar Da Luz, L.D.A	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	100.00%	-
ADX Fotovoltaico - Solar Do Ceu, L.D.A	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	100.00%	-
Clever Road, L.D.A.	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	100.00%	-
Audax Solar SPV Italia 1, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100.00%	-
Audax Solar SPV Italia 2, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100.00%	-
Audax Solar SPV Italia 3, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100.00%	-
Audax Solar SPV Italia 4, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100.00%	-
Audax Solar SPV Italia 5, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100.00%	-
Audax Solar SPV Italia 6, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100.00%	-
ADS Energy 8.0., S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Masfuz 2020, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Alset Comercializadora, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
By Energyc Energía Eficiente, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Love Energy, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Energía Ecológica Económica, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Feed Energía, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75.00%	-
Eryx Investments 2017, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	100.00%	-
Unieléctrica Energía, S.A.	Avenida Brillante 114, Córdoba	Spain	Retailing	-	100.00%
Explotación Eólica La Pedrera, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	-	100.00%
Fox Energía, SA	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	20.46%	68.75%
Nabalía Energía 2.000, S.A.	Plaça Urquinaona 7, Barcelona (Barcelona)	Spain	Retailing	-	57.50%
AcsoI Energía Global, S.A.	Rd de Europa 60 (edificio Eurocentre), Vilanova i la Geltrú (Barcelona)	Spain	Retailing	-	63.34%
Vivo Energía Futura, S.A.	Avda. San Salvador 18, local, Badalona (Barcelona)	Spain	Retailing	-	63.33%
Iris Energía Eficiente, S.A.	Calle Castellón 4 Bajo, Local 1, Orihuela (Alicante)	Spain	Retailing	-	67.00%
Cima Energía Comercializadora, S.L.	Avenida Portugal, 27 4º - oficina 8. 26001, Logroño, La Rioja	Spain	Retailing	-	68.69%
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

Shareholding						
Company name	Registered address	Country	Objects	Direct	Indirect	Controlling relation
Audax Solar SPV XXVII, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50.00%	-	Significant influence
Audax Solar SPV XXVIII, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50.00%	-	Significant influence
Audax Solar SPV XXIX, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50.00%	-	Significant influence
Audax Solar SPV XXX, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50.00%	-	Significant influence
Audax Solar SPV XXXI, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50.00%	-	Significant influence
Parque Eólico Toabré, S.A.	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, Panama	Panama	Generation	30.00%	-	Significant influence

AUDAX RENEWABLES GROUP COMPANIES AS AT 31 DECEMBER 2020

a) Shareholdings in subsidiary companies

Company name	Registered address	Country	Objects	Shareholding	
				Direct	Indirect
Generación Iberia, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	100%	-
Audax Energía, S.R.L.	Via Candiolo, 2, 10048 Vinovo (Torino) Italia	Italy	Retailing	100%	-
Audax Energie, GmbH	Otto Franke Strabe, 97, 12489 Berlin, Germany	Germany	Retailing	100%	-
Audax Energía Sp. z o.o.	ul. Żurawia 6/12, 00-503 Warsaw	Poland	Retailing	100%	-
Main Energie, B.V.	Stammerkamp 1, 1112 Ve Diemen (The Netherlands)	the Netherlands	Retailing	100%	-
E.ON Energiakereskedelmi Kft	Vaci ut 17, H1134 Budapest (Hungary)	Hungary	Retailing	100%	-
Eólica El Pedregoso, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	80%	-
Eólica Del Pino, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	80%	-
Eoliennes De Beausemblant, S.A.S.	1 Chemin Lavigne 64800 Mirepeix (France)	France	Generation	80%	-
Eolica Postolin Sp. z o.o.	ul. Libelta 2/ 1.85- 080 Bydgoszcz, Poland	Poland	Generation	100%	-
Eolica Warblewo Sp. z o.o	ul. Libelta 2/ 1.85- 080 Bydgoszcz, Poland	Poland	Generation	65%	-
Audax Solar SPV IV, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV VI, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV VII, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV IX, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV X, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XXVI, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Aznalcóllar Solar, S.A.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Solar Buaya Inversiones, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Corinto Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Botey Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Corot Energía, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Las Piedras Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Da Vinci Energía, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Elogia Calañas, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
ADS Energy 8.0., S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	100%	-
Masqluz 2020, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Alset Comercializadora, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
By Energyc Energía Eficiente, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Love Energy, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Energía Ecológica Económica, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Feed Energía, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Eryx Investments 2017, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Retailing	100%	-
Unieléctrica Energía, S.A.	Avenida Brillante 114, Córdoba	Spain	Retailing	-	100%
Explotación Eólica La Pedrera, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	-	100%
Fox Energía, SA	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	20%	69%
Nabalia Energía 2.000, S.A.	Plaça Urquinaona 7, Barcelona (Barcelona)	Spain	Retailing	-	58%
Acsol Energía Global, S.A.	Rd de Europa 60 (edificio Eurocentre), Vilanova i la Geltrú (Barcelona)	Spain	Retailing	-	63%
Vivo Energía Futura, S.A.	Avda. San Salvador 18, local, Badalona (Barcelona)	Spain	Retailing	-	63%
Iris Energía Eficiente, S.A.	Calle Castellón 4 Bajo, Local 1, Orihuela (Alicante)	Spain	Retailing	-	67%
Cima Energía Comercializadora, S.L.	Avenida Portugal, 27 4 º - oficina 8. 26001, Logroño, La Rioja	Spain	Retailing	-	68%
Ahorre Luz Servicios Online, S.L.	Plaza Urquinaona número 7 Barcelona	Spain	Retailing	-	58%
Propensalternativa Unipessoal, LDA	Avda. das Nações Unidas, 23, Telheiras,1600531 Lisboa (Portugal)	Portugal	Retailing	-	58%

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	Panama	Wind	30.00%	-	Significant influence

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
CONSOLIDATED DIRECTORS' REPORT AS AT 30 JUNE 2021

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: Calle Temple No. 25, 08911 Badalona (Barcelona).

Audax and its Subsidiaries (hereinafter: the Group) operates on the markets in Spain, Portugal, Poland, Germany, Italy, France, the Netherlands, Panama and Hungary.

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. From 23 March 2020 Audax Renovables, S.A. is included in the IBEX SMALL CAP®.

In August 2016 Audax Energía, S.A., after its takeover bid had been accepted by 70.86% of the shareholders of Audax Renovables, became the majority shareholder the latter. The transaction was in line with the strategy of Audax Energía, S.A. of vertical integration between the generation and the retailing activities in order to mitigate the impact of electricity price fluctuations on the business margins.

On 25 January 2019 the Commercial Register in Barcelona registered the merger by absorption approved on 23 November 2018 by the board of directors of both companies, Audax Renovables, S.A. as the absorbing company, and Audax Energía, S.A. as the absorbed company.

The distribution of the share capital of Audax as at 30 June 2021 is as follows:

Shareholder	Shareholding	
	30.06.2021	30.06.2020
Eléctrica Nuriel, S.L.	65.30%	82.67%
Free float	34.70%	17.33%
Total	100.00%	100.00%

1.1. Organisational structure

The Group manages jointly the businesses of both generating renewable energy and retailing 100% renewable 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/en/corporate-governance-report/>

1.2. Company's structure

The majority shareholder of Audax is Eléctrica Nuriel, S.L. with a shareholding of 65.30% (additionally, it has the right to purchase 10.90% of the shares), and the rest of shareholders hold 34.70%.

In turn, 100% of shares of Eléctrica Nuriel, S.L. belong to Excelsior Times, S.L.U. with its registered address at: Calle Temple No. 25, 08911 Badalona (Barcelona).

The information on the companies of the Audax Group as at 30 June 2021 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 Group in different European countries: Portugal (2013), Italy (2014), Germany (2015), Poland (2016), the Netherlands (2017) and Hungary (2020).
- (ii) . A better positioning on the Spanish market by way of both organic and inorganic growth.
- (iii) . The maintenance, optimisation and development of the facilities for the generation of energy from 100% renewable sources, thus enabling the vertical integration with the retailing activity and consequently providing the customers with 100% renewable energy.

Audax has reshaped its strategy in 2021 to become the benchmark in 100% renewable energy generation by developing into an integral energy group. Thus, the presentation of the Strategic Plan 2021-2026 introduces the pillars on which the Group will rely in the next years:

1. To have a business model which is unique in the renewable energy sector by developing and operating projects of 100% renewable energy generation within the retail business, as well as by stocking up through private PPAs.
2. To consolidate in the Iberian market by holding the leading position in the retail market of renewable energy for SMEs in Spain.
3. To continue the internationalisation process by applying the national strategy in the European countries by virtue of a scalable business model, and exploring new opportunities in new markets.

These three pillars translate into 3 quantifiable objectives to be obtained by the year 2026:

- a) To operate 4.3 GW of installed capacity in renewable projects located mainly in Spain, Italy and Portugal.
- b) To attain 20.6 TWh of supplied energy (10.5 TWh in 2020).
- c) To exceed the amount of EUR 400 million in EBITDA (7 times the current EBITDA).

2. Evolution and results of the business

2.1. Significant events of the period

This Directors' Report is presented in a context still marked by the effects of the COVID-19 pandemic, the first half of 2021 showing a gradual improvement of the economic mood in the world, explained primarily by the continuing advance of the vaccination campaign.

Nevertheless, due to the evident gradual increase of consumption, the expectations for global recovery and growth have caused, among other factors, a very pronounced surge in commodity prices.

The adverse market situation, together with the strong increase and volatility of prices in the wholesale market, may unfavourably affect the retailers of clean electricity. Therefore, it is even more convenient from the strategic point of view to proceed with the vertical integration of the electricity generation and retail branches of Audax in order to avoid such volatility of the pool prices, given that in the case of renewable energy it is not necessary to purchase CO₂ or natural gas.

The company has increased by 43% the number of its clients in the first half of the year, aiming to improve its market share in the future, both in clients and in supplied energy, and to ensure a better position on the market, which, in short term, requires that we renounce part of the margin due to the current situation of rising prices.

Regarding power generation, Audax has continued its operations by developing, building and putting into operation its portfolio, all this in spite of the slow progress which we still experience from certain official bodies while carrying out the procedures for project launch.

Given all the above factors, and the measures adopted by the Group, we expect that the situation will return to normal during the second half of the year, and trust that we will be able to comply with the expected goals by the end of the current year.

Under the current market circumstances, we would like to highlight the excellent growth of operating income which, in the first half of 2021 was 71% higher compared to the same period of the previous year.

However, in order to partially reduce the margin, the EBITDA amounts to EUR 18.2 million, with a forecast of the results being normal again over the second half of the year. In this context, the net result is a loss of EUR 3.6 million.

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

- In the first half of 2021 the Group incorporated into its generation portfolio a set of projects which together have a capacity of 1,968 MWp and which the Group will be developing and putting into operation over the next months. Thus the Group bolsters its total project portfolio so that it reaches 2,524 MW.

Audax has reshaped its strategy in order to become the benchmark in 100% renewable energy generation by developing into an integral energy group.

The acquired projects are located in Spain, Italy and Portugal, which are the Group's strategic markets, where some of its companies already carry out their retailing business.

- In a context still marked by the effects of the COVID-19 pandemic, in the first half of 2021 the Group has continued carrying out the development and construction of its photovoltaic and wind projects.
- In the first half of 2021 15 MW have been connected to the grid in the plants of Cañamares and Carolinas I and II, while the works of 40 MW (Zarzueta I, II, III and IV and Alberizas I, II, III and IV) have been completed and expecting the finalisation of the procedures for putting the plants into operation by the end of October.
- Moreover, the works of 14.5 MW (Calañas, Arenales, Toconal) have continued and, as at the date of this report, 90% on average of the works being completed and in the process of putting the plants into operation through the procedures of official bodies, including REE.

- Overall, the Group will invest in completing the aforementioned constructions the total amount of EUR 41 million of CAPEX, within its clear commitment to produce photovoltaic energy in its own power plants.
- In Panama, the project of the wind farm Toabré, 100% of works of the farm and the substations and 85% of the transmission line having been executed, is right now ready to begin the field testing stage of the greatest part of the turbines, planned for the last quarter of the current year.
- In the first half of the year Anabel López Porta and Rosa González Sans have been appointed as new members of the Board of Directors of the Company, the former being later appointed new member of the Audit Committee and of the Appointments and Remuneration Committee.
- On 7 June 2021 the Strategic Plan was presented introducing the strategy and future perspectives of the Company for the period between 2021 and 2026. The presentation is available at the following link: [Presentation of the New Strategic Plan 2021-2026](#)
- In June the Group announced an increase of the issue named “Issue Number 2 of Senior Unsecured Notes of Audax Renovables, S.A. 2020” carried out within the Issuer programme named “EUR 400,000,000 Senior Unsecured Notes Programme Audax Renovables, S.A. 2020” registered on 3 July 2020 on the Alternative Fixed-Income Market (MARF) at the interest rate of 4.20%. Given the great demand from the investors for the subscription of green bonds issued under the TAP of the 2020 issue, Audax increased the issue by the final amount of EUR 100 million.
- In July, in order to comply with the Company's commitment to the shareholders, and upon approval of the Ordinary General Meeting of Shareholders, Audax Renovables proceeded with the payment of EUR 10 million of dividends payable out of the profit for the year 2020.
- During the current month of September 2021 in Spain the Royal Decree-Law 17/2021 was approved introducing urgent measures to mitigate the impact of the increase of the price of natural gas on the retail market of gas and electricity. Among the measures adopted there is the reduction of the tax rate of the Excise Duty on Electricity from 5.11% to 0.5%, an extension of the temporary suspension of the Electricity Production Tax until 31 December 2021 (suspended since last July), as well as certain measures which contribute to the reduction of the electricity invoice.

The Directors of the Parent Company are currently evaluating the effects of the aforementioned Royal Decree and, in a first estimate, subject to review, they do not consider, as at the date of this report, that the measures established should have a significant impact on the Group's financial statements.
- In the context of electricity prices volatility, it is even more convenient, from the strategic point of view, to proceed with the vertical integration of the branches of electricity generation and retail.

2.2. Analysis of the results

The most significant results figures for the first half year of 2021 in comparison to the first half year of 2020 are as follows:

Consolidated profit and loss	June-21	June-20	Var. (%)	Var.
Operating income	692,082	403,801	71	288,281
Gross margin	53,948	53,005	2	943
EBITDA	18,208	22,704	-20	-4,496
EBIT	8,407	12,818	-34	-4,411
Net profit or loss	-3,597	4,070	n.a.	-7,667

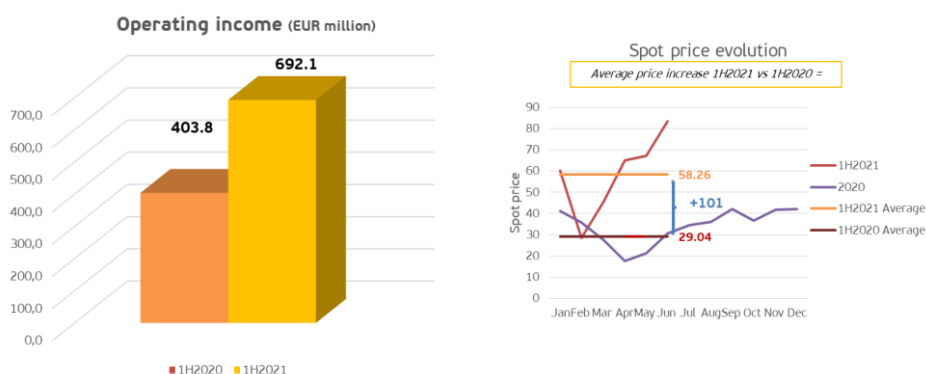
EUR thousand

Accounts of the Consolidated Income Statement:

- Operating income = Ordinary income + other operating income
- Gross margin = Operating income + procurement
- EBITDA (Gross operating profit or loss) = Gross margin + remuneration expenses + other operating expenses + impairment and profit or loss on disposal + differences in business combinations
- EBIT (Operating profit or loss) = Gross operating profit or loss (EBITDA) + amortisation and depreciation

In the first half of 2021 operating income amounted to EUR 692 million, 71% more than in the same period of the previous year.

The electricity price on the wholesale market became double in comparison to the previous year, due to a gradual improvement of the economic mood in the world, explained primarily by the continuing advance of the vaccination campaign, and specifically the natural gas price and the average price of the CO2 emission rights.



This situation has forced the Group to adapt and change its pricing policy by reducing the price validity period in order to contain the impact of the price volatility.

Likewise, for many months the Company has been working on several aspects simultaneously: the continuity of its policy of cost reduction, the implementation of improvements in the digitalisation of its operations in order to be able to better anticipate these situations, the renegotiation of contracts in certain cases in order to avoid specifically the transactions which do not bring the expected margin or have a negative margin.

It should be noted also that regarding the PPAs with third parties the operation commencement dates are not fulfilled, resulting in delays which affect our price hedges. In spite of the established penalties, specifically because of the situation of rising prices which we are facing currently, in certain cases, the Group has been renegotiating new operation commencement dates, which may give the right to collect the penalties.

Moreover, and due to the exceptional situation occurred in the first six months of the year and persisting at the date of this report, Audax trusts that it will be able to regain the margin by managing the current situation of rising prices in the electricity and gas retail.

The generation business curbs the dimension of the impact on the Group of the current volatility of prices and, consequently, of the margin.

Therefore, the management for the current year has been modified on the basis of a different performance foreseen for the second half of the year. The Group, in the current situation, continues working in order for the various management measures oriented towards the efficiency of the business to produce the expected result.

2.3. Profit and loss by segments

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

1H2021	Spain and Portugal	Rest of Europe ⁽¹⁾	TOTAL
Operating income	396,436	295,646	692,082
Procurement and others	-367,470	-270,664	-638,134
Gross margin	28,966	24,982	53,948
Operating expenses	-20,751	-14,835	-35,586
Impairment, reversal and profit (loss) on disposal	0	-154	-154
EBITDA	8,215	9,993	18,208

Rest of Europe ⁽¹⁾ includes Italy, Poland, Germany, France, the Netherlands and Hungary. EUR thousand

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

Rest of Europe ⁽¹⁾ includes Italy, Poland, Germany, France and the Netherlands. EUR thousand

In the first half of 2021 the outstanding increase in operating income should be highlighted, the figure being 71% bigger than in the same period of 2020, due primarily to the increase of the average prices on the markets (on average, of 100% in electricity and 158% in natural gas), a bigger volume of the supplied energy (+80%), as well as an increase of the number of supply points (+43%). In Spain and Portugal, the increase in income has been of 34%, and in the rest of Europe it was of 172%.

The incorporation of the Hungarian subsidiary has brought more than EUR 179 million in income, its operating expenses having also an impact on the Group's EBITDA for the period.

2.4. Principal operating figures

The principal figures are as follows:

Installed capacity and production:

Over the year 2020 and the beginning of 2021 Audax reshapes its strategy to become the benchmark in 100% renewable energy generation by bolstering its total project portfolio so that it reaches **2,524 MW**.

The Group runs a portfolio of operating wind farms of 91 MW in Spain, France and Poland, and of photovoltaic plants of 55 MWp in Spain. The Group has also a wind project of 66 MW under construction in Panama, as well as photovoltaic projects of 21 MWp, which in total gives 87 MW under construction, and a photovoltaic portfolio of 2,291 MWp in various stages of development, located in Spain, Portugal and Italy.

In summary, as at 30 June 2021 Audax has projects in the following stages:

MW	Early Stage	Grid Connection	Backlog	Under Construction	Operation	Total pipeline	%
Spain	246	130	1,113	21	100	1,610	64%
Italy	60	138	4	0	0	201	8%
Portugal	397	204	0	0	0	601	24%
France	0	0	0	0	12	12	0%
Poland	0	0	0	0	34	34	1%
Panamá*	0	0	0	66	0	66	3%
TOTAL	703	472	1,116	87	146	2,524	100%

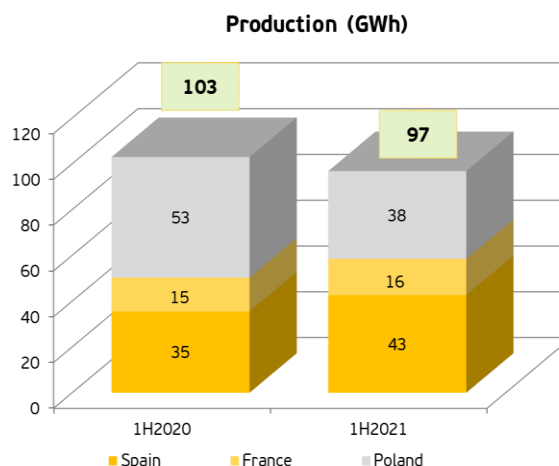
* Audax holds 30% stake

The production in the first half of 2021 was of 97 GWh, being 6% lower than in the same period of the previous year. The production in Spain (+20%) and France (+7%) has been bigger than in the same period of the previous year due to higher wind resources and to the contribution of 6% of the production made by the new photovoltaic plants put into operation. In Poland the production has been consistent with the normal historical average in the first half year, but lower due to the exceptional wind resources occurred in the same period of the previous year.

The distribution of the production by country is as follows:

Production (GWh)	1H2021	%	1H2020	%
Spain	42.6	44%	35.5	35%
France	15.9	16%	14.8	14%
Poland	38.3	40%	52.7	51%
Total	96.8	100%	103.0	100%

The production described before in graphic form is as follows:

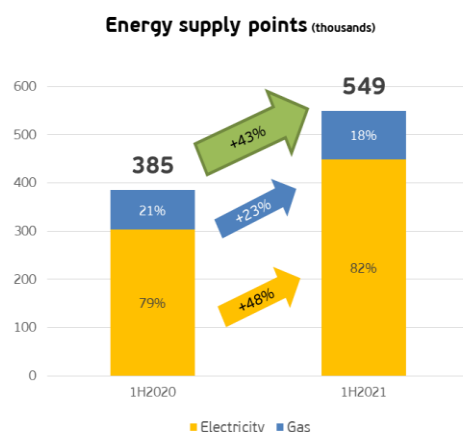


Supply points:

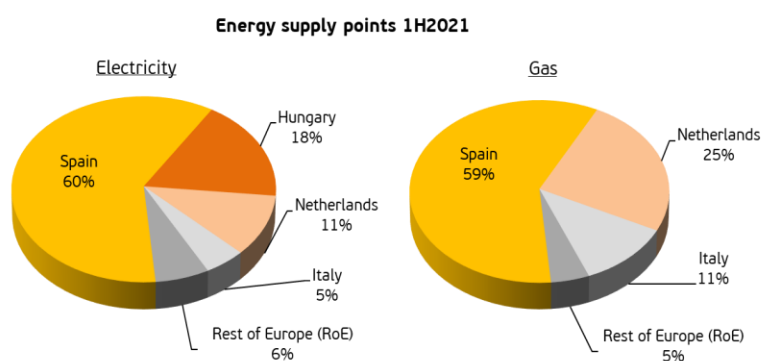
Audax has more than 549 thousand active energy supply points, approximately 43% more than at the end of the first half of 2020. The countries where the number of supply points has increased most, by this order, are the following: Portugal, Poland and Spain, without taking into account the incorporation of Hungary in the last quarter of 2020. In this regard, for comparison purposes without taking Hungary into account, the increase from the same period of the previous year would be of 22%.

The electricity supply points constitute 82% of the total number, having increased in the first half of 2021 by 48%.

The gas supply points represent 18% of the total number of the Group's supply points, which is 23% more in comparison to the same period of the previous year.



The distribution of the supply points by geographical region and type of energy is as follows:



Supplied energy:

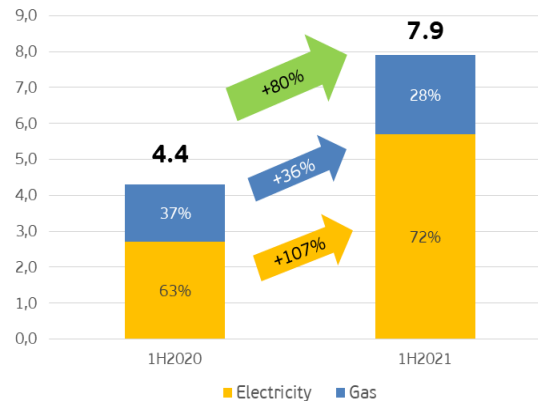
The total amount of energy supplied by Audax in the first half year of 2021 has been of 7.9 TWh compared to 4.4 TWh for the same period of the previous year. Taking into account the impact of the COVID-19 pandemic related to the decrease of the electricity and gas demand in that period, apart from the addition of the energy supplied in Hungary, the Group has managed to increase by 80% the amount of supplied energy.

The electricity and gas demand in Spain has increased on average by 5.2% and 6.5% in comparison to the first half of 2020 (increasing also in the rest of the countries where the Group operates).

Without Hungary, at a comparable level, the supplied energy has increased by 23%.

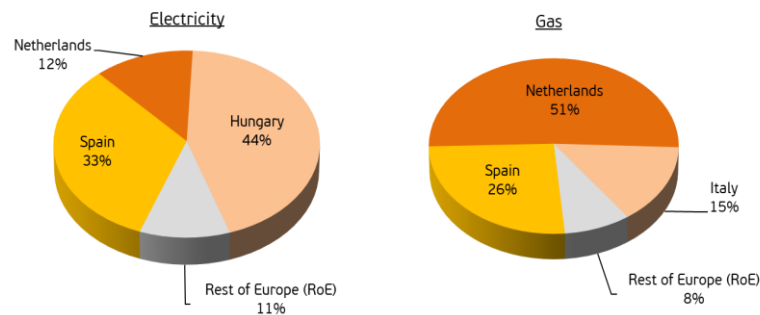
Within the Group, supplied electricity represents 72%, whereas gas constitutes 28% of the total over this period.

Energy supplied (TWh)



The distribution of the supplied energy by geographical areas and types of energy is presented below, Hungary being the market where the Group supplies most electricity, and the Netherlands being the principal market of the gas supply.

Energy supplied 1H2021



3. Liquidity and Capital Resources

1.1. Leverage

Net Financial Debt	Jun-21	Dec -20	Var.	%
Financial Debt ⁽¹⁾	790,917	643,865	147,052	22.8
Other financial liabilities	24,979	9,491	15,488	163.2
Assets and liabilities arising from derivatives	-3,367	2,451	-5,818	n.a.
Cash and equivalents	-439,009	-451,963	12,954	-2.9
Net financial debt (2)	373,520	203,844	169,676	83.2
Net Equity (3)	144,046	151,042	-6,996	-4.6
Leverage (4)	72.2%	57.4%	14.7	25.6

(EUR thousands)

(1) Financial Debt = Debt from issued bonds and other negotiable securities + Amounts owed to credit institutions

(2) Net Financial Debt = Financial Debt + Other liabilities + Derivatives + Cash and other cash equivalents

(3) Net Equity = Net equity of the Parent Company + of the minority interests

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

The Net Financial Debt amounts to EUR 374 million, compared to EUR 204 million as at 31 December 2020, with Cash and other cash equivalents remaining in EUR 439 million. The Group's leverage is of 72.2%.

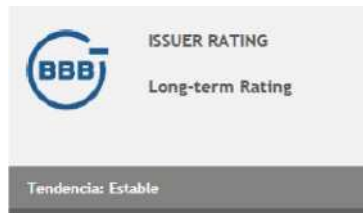
Owing to the implementation of IFRS 16 "Financial lease", the account of Other financial liabilities includes the amount of EUR 13,888 thousand. Without the application of IFRS 16 the Net Financial Debt would be of EUR 359,632 thousand and the Leverage of 71.4%.

In the previous year as well as in the first half of 2021 there was no impact on the Group's financing and investment strategies resulting from the situation of the COVID-19 pandemic. Therefore, with the financing transactions carried out in recent months, Audax may face with guarantees the investments in generation, the commitments of the next 5 years and any possible situation in which we may be affected by legislative changes.

The Group has a solid and comfortable financial position, which will allow it to follow its roadmap for the development and construction of the Group's portfolio of photovoltaic projects.

1.2. Rating management

On 8 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 2021 the Group has allocated EUR 575 thousand to the R+D+i activities, while in the same period of the previous year the amount allocated to this purpose was of EUR 290 thousand.

5. Staff

As at 30 June 2021 the number of the Group's employees is 800, the number at the end of the previous year being 546 employees.

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 2021 the Group has incurred environmental expenditure amounting to EUR 32 thousand, mainly for wildlife conservation, and the same amount of EUR 32 thousand was spent for this purpose in the same period of the previous year.

7. Acquisition and disposal of treasury shares

As at 30 June 2021 the Company does not hold treasury shares.

8. Other important information

8.1. Stock market information

The majority shareholder of Audax Renovables is Eléctrica Nuriel, S.L. with a shareholding of 65.30% (additionally, it has the right to purchase 10.90% of the shares), and the rest of shareholders hold 34.70%.

Market capitalisation of Audax share at the end of the period amounts to more than EUR 862 million.

The stock market evolution of Audax during the first half year of 2021 has been as follows:



The following table shows the main trading data:

Audax Renovables - ADX.MC	1H2021	Units
Number of shares admitted to trading	440,291,054	No.
Share price at the beginning of the period	1.944	€/ share
Share price at the end of the period	1.957	€/ share
Maximum trading price	2.360	€/ share
Minimum trading price	1.881	€/ share
Trading price fluctuation during the period	0.67	%
Capitalisation at the end of the period	861,649,593	€
Number of traded shares	240,524,477	No.
Effective volume	508,891,655	€
Daily volume of traded shares (average)	1,908,924	No.
Effective daily volume (average)	4,038,823	€

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.

The ordinary general meeting of shareholders of the Company on its meeting held on 21 April 2021 decided on the payment of a dividend of a gross amount of EUR 0.02271225 per share to all the shares of the Company (numbers from 1 to 440,291,054 inclusive), for the profit for the year 2020, the total amount being of EUR 10 million. The payment was carried out on 16 July 2021 through Entidades Participantes en la Sociedad de Gestión de los Sistemas de

Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), by the use of the means which IBERCLEAR makes available to the entities.

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 profit and loss	1H2021	1H2020	Var. (%)
Operating income	692,082	403,801	71
Gross margin	53,948	53,005	2
EBITDA	18,208	22,704	-20
EBIT	8,407	12,818	-34

(EUR thousands)

Accounts of the Consolidated Income Statement:

- Operating income = Ordinary income + other operating income
- Gross margin = Operating income + procurement
- EBITDA (Gross operating profit or loss) = Gross margin + remuneration expenses + other operating expenses + impairment and profit or loss on disposal + differences in business combinations
- EBIT (Operating profit or loss) = Gross operating profit or loss (EBITDA) + amortisation and depreciation

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

	1H2021	1H2020
EBITDA	18,208	22,704
Amortisation, depreciation and provisions	-9,801	-9,886
EBIT	8,407	12,818
Financial income	328	2,069
Financial expenses	-12,419	-7,941
Exchange differences	-705	-27
Profit or loss from changes in financial instruments	579	-678
Financial profit (loss)	-12,217	-6,577
Participation in the profit (loss) of associates	-25	-15
Profit before tax	-3,835	6,226
Corporate income tax	-546	-58
Consolidated profit or loss for the year	-4,381	6,168
Profit or loss attributed to minority interests	784	-2,098
Net profit or loss	-3,597	4,070

(EUR thousands)

The main operating figures are as follows:

	1H2021	%	1H2020	%	Var. (%)
Spain	42.6	44%	35.5	35%	20
France	15.9	16%	14.8	14%	7
Poland	38.3	40%	52.7	51%	-27
Total	96.8	100%	103.0	100%	-6

Supply Points	1H2021	1H2020	% Var.
Spain	329,484	264,466	24.6
Electricity	270,426	221,987	21.8
Gas	59,058	42,479	39.0
Hungary	79,683	0	n.a.
Electricity	79,683	0	n.a.
Gas	0	0	n.a.
the Netherlands	72,868	67,966	7.2
Electricity	47,906	43,546	10.0
Gas	24,962	24,420	2.2
Italy	33,487	28,328	18.2
Electricity	21,950	16,895	29.9
Gas	11,537	11,433	0.9
Rest of Europe (RoE)	33,520	23,826	40.7
Electricity	28,830	20,685	39.4
Gas	4,690	3,141	49.3
TOTAL SUPPLY POINTS	549,042	384,586	42.8
Total Electricity	448,795	303,113	48.1
Total Gas	100,247	81,473	23.0

Supplied Energy (GWh)	1H2021	1H2020	% Var.
Spain	2,423	1,958	23.8
Electricity	1,848	1,549	19.3
Gas	576	408	40.9
the Netherlands	1,843	1,737	6.1
Electricity	707	732	-3.4
Gas	1,136	1,005	13.1
Hungary	2,498	0	n.a.
Electricity	2,498	0	n.a.
Gas	0	0	n.a.
Rest of Europe (RoE)	1,112	677	64.3
Electricity	602	454	32.4
Gas	511	223	n.a.
TOTAL SUPPLIED ENERGY	7,877	4,372	80.2
Total Electricity	5,655	2,736	n.a.
Total Gas	2,222	1,636	35.8

The Net Financial Debt is as follows:

Net Financial Debt	Jun-21	Dec -20	Var.	%
Non-current financial liabilities	572,010	461,267	110,743	24.0
Debt from issue of bonds and other negotiable securities	476,615	371,123	105,492	28.4
Amounts owed to credit institutions	82,358	82,339	19	0.0
Financial lease liabilities (IFRS 16)	12,609	7,801	4,808	61.6
Other financial liabilities	428	4	424	n.a.
Current financial liabilities	243,886	192,089	51,797	27.0
Debt from issue of bonds and other negotiable securities	200,950	136,754	64,196	46.9
Amounts owed to credit institutions	30,994	53,649	-22,655	-42.2
Financial lease liabilities (IFRS 16)	1,279	1,132	147	13.0
Other financial liabilities	10,663	554	10,109	n.a.
Derivatives	-3,367	2,451	-5,818	n.a.
Cash and other cash equivalents	-439,009	-451,963	12,954	-2.9
Other current financial assets	-99,310	-83,730	-15,580	18.6
Cash and other cash equivalents	-339,699	-368,233	28,534	-7.7
Net Financial Debt *	373,520	203,844	169,676	83.2
Of the Parent Company	133,848	143,224	-9,376	-6.5
Of minority interests	10,198	7,818	2,380	30.4
Net Equity **	144,046	151,042	-6,996	-4.6
Leverage ***	72.2%	57.4%	14.7	25.6

(EUR thousands)

* Net Financial Debt = Amounts owed to credit institutions + Other liabilities (derivatives) - Cash and other current financial assets

** Net Equity = Net equity of the Parent Company + of the minority interests

*** 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	1H2021	1H2020	Units
Number of shares admitted to trading	440,291,054	440,291,054	No.
Share price at the beginning of the period	1.944	2.140	€ / share
Share price at the end of the period	1.957	1.740	€ / share
Maximum trading price	2.360	2.720	€ / share
Minimum trading price	1.881	1.358	€ / share
Trading price fluctuation during the period	0.67	-18.69	%
Capitalisation at the end of the period	861,649,593	766,106,434	€
Number of traded shares	240,524,477	205,083,951	No.
Effective volume	508,891,655	437,222,257	€
Daily volume of traded shares (average)	1,908,924	1,627,650	No.
Effective daily volume (average)	4,038,823	3,470,018	€
Number of shares at the end of the period	440,291,054	440,291,054	No.
Average number of shares	440,291,054	440,291,054	No.
Average number of shares diluted	491,943,947	-	No.
Profit (loss) attributable to the Parent Company	-3,596,924	4,070,044	€
Profit (loss) attributable to the Parent Company diluted	-1,878,176	4,070,044	€
Profit / loss per share			
- Basic	-0.0082	0.0092	€ / share
- Diluted	-0.0038	0.0092	€ / share

9. Significant events subsequent to the balance sheet date

See Note 20 of these Interim Condensed Consolidated Financial Statements as at 30 June 2021.