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CONSOLIDATED  
MANAGEMENT REPORT  
THIRD QUARTER YEAR 2019  
JANUARY - SEPTEMBER**

# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



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

In accordance with the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es), a reconciliation of the accounts presented in the Financial Statements of certain alternative financial measures used in this document is published on the corporate website ([www.audaxrenovables.com](http://www.audaxrenovables.com)).



# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Executive Summary

- Audax Renovables, S.A. (hereinafter "Audax" or the "Group") manages the business of energy supplying as well as energy generation 100% renewable.
- Audax Renovables ends the third quarter of 2019 with a **Net Profit** amounting to EUR 18,513 thousands profits against to benefits of EUR 1,963 thousands compared to the same period of the previous year.

### Audax in figures:

| Consolidated Income Statement | 3Q2019        | 3Q2018       | Var. (%)    |
|-------------------------------|---------------|--------------|-------------|
| Operating income              | 783,053       | 711,114      | 10.1        |
| Gross margin                  | 98,425        | 73,933       | 33.1        |
| EBITDA                        | 58,213        | 33,940       | 71.5        |
| EBIT                          | 37,711        | 15,510       | n.a.        |
| <b>Net Profit / Loss</b>      | <b>18,513</b> | <b>1,963</b> | <b>n.a.</b> |

EUR thousands

***Audax Renovables ends third quarter of 2019 with a Net Profit of EUR 18,513 thousands, increasing its EBITDA by 71.5%.***

- The third quarter of 2019 Consolidated Income Statement includes UniEléctrica figures of the 9 firsts months of 2019, instead of that, in 2018 third quarter results there are consolidated UniEléctrica figures from April to September 2018, due to its incorporation to the group from its acquisition date.
- Regarding **supply division**, the good performance both in Spain and in the Rest of Europe compared to the same period of the previous year, contributes to the increase of Gross margin by 26% (without taking into consideration the effect of the compared figures of UniEléctrica commented above). The continuous improvement in the Group's operations management, implies a 33% increase in Gross margin, highlighting Spain, Poland and Italy.
- The **energy generation division** has placed its Operating income in line with same period of the previous year, emphasizing the good performance of the Postolin wind farm in Poland, both in production and prices. In relation to the EBITDA of this division, it has been affected by the sale result of Mudefer and Gestora generation projects and by the non-consolidation of their results since August, when their accounting consolidation perimeter exit concluded.

## Significant Events within the Reporting Period

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

- On February 18, Audax renewed its current program of promissory notes of €50 million, and extended it with a new program of up to €75 million with a maturity of up to 24 months.
- Audax informed on 4 February that started acting as representative for the sale of electric energy in the Portuguese market of the photovoltaic installation Ourika of 46MWp, developed by Welink Group and owned by the company Morningchapter S.A., controlled by Allianz Insurance Companies, under a power purchase agreement (PPA) for 20 years.
- On 7 February it was announced the signature of a representation agreement for the sale of electric power on the Portuguese market from the Solara4 photovoltaic power station of 218.8 MWp, pursuant to the 20-year fixed-price framework PPA, signed with WELink Investment Holdings (Ireland) Ltd., under which Audax will purchase the energy produced by photovoltaic projects in Spain and Portugal, with an option to achieve a total of 708 MW.
- On 19 March it has been closed a representation agreement for the long-term trade of electric power from different photovoltaic facilities owned by the company Trina Solar (Spain) Systems S.L.U. in Spain. The Group will acquire for 20 years, through PPA contracts, all the electrical energy produced by these photovoltaic facilities, with a capacity of up to 300 MWp.
- On April Audax communicated that the rating agency AXESOR awarded the **rating** of Audax Renovables, S.A. in **"BBB-" with stable outlook**.
- On 29 April, **General Shareholders' Meeting** has been held, where, in addition to publishing the resolutions adopted, the main course of action for 2022 were presented:
  1. Strengthen the Audax's leadership as the first independent supplier in the SME segment of the Spanish market.
  2. Double its profitability, by covering 2/3 of the energy supplied to its clients with long-term PPA contracts attached to third party and own solar PV assets developed in-house, following an assets rotation strategy.
  3. Replicate the success achieved in Spain on an international scale in those countries where it is already operating.
- On 8 May, Audax announced the incorporation of **photovoltaic projects for 320 MW** located in Andalucía, Castilla la Mancha and Murcia, 60 MW of which are in a very advanced stage. Projects mentioned have been acquired through purchase for a total combined price of EUR 19,848 thousands. The energy produced in the future by these photovoltaic projects will be sold through the incorporation of a PPA in the supply division of Audax.

# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Significant Events within the Reporting Period

- On May 28<sup>th</sup>, the first Audax Renovables' **Investor Day** was held. The company was presented by José Elías, Chairman, founder and majority shareholder; Eduard Romeu, Vice-President and CFO, and Anabel López, General Manager. The management used this opportunity to explain the history of the company, its main achievements and its guidelines:

### Audax Group targets

|                                 | 2018       |   | 2022     |
|---------------------------------|------------|---|----------|
| Clients                         | 306k       | ↗ | +500k    |
| Energy supplied                 | 10 TWh     | ↗ | ± 15 TWh |
| PPA coverage of supplied energy | 1,668 MW * | ↗ | 2/3      |
| Revenues                        | ±€1bn      | ↗ | ±€1.5bn  |
| EBITDA                          | €53m       | ↗ | +€100m   |
| NFD<br>NFD / EBITDA             | €320m      | ↗ | ± 1.5x   |

\* MW in PPA agreements 2018 - 1Q 2019

Audax is planning to end 2022 with more than 500,000 customers, over 15 TWh of energy supplied, approximately EUR 1.5 billion in revenue, over EUR 100 million EBITDA, doubling its profitability and reducing its financial leverage with its high cash generation profile.

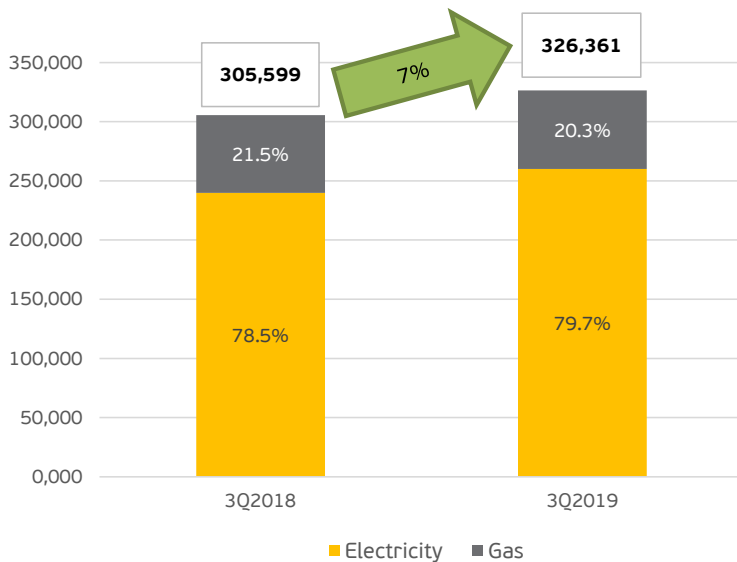
- On June 3<sup>rd</sup> it was announced a PPA signature with Statkraft, the major renewable energy producer in Europe. During 10 and a half year period, Statkraft will supply to Audax Renovables 525 GWh of electricity per year. The energy proceeds from its solar portfolio in Spain.
- On 1<sup>st</sup> August the Group signed the **transmission** on the direct participations of two of its Spanish subsidiaries. The operations have been the following:
  - Transmission of direct participations of 100% of the capital and associated loans of the company Parc Eòlic Mudéfer, S.L., a wind project located in the province of Tarragona, with an installed capacity of 57.6 MW;
  - Transmission of the 76% direct participation and associated credit rights of the company Gestora Fotovoltaica de Castellón, S.L., a solar project located in the province of Castellón, with an installed capacity of 1.0 MW;

The purchasers of the abovementioned participations were, respectively, Helia Renovables II, F.C.R., fund managed by Plenium Partners Asset Management SGEIC, S.A., and Minerva Renovables, S.A., company advised and managed by Kira Renovables, S.L.

## Key Figures

### Supply division:

#### Energy supply points

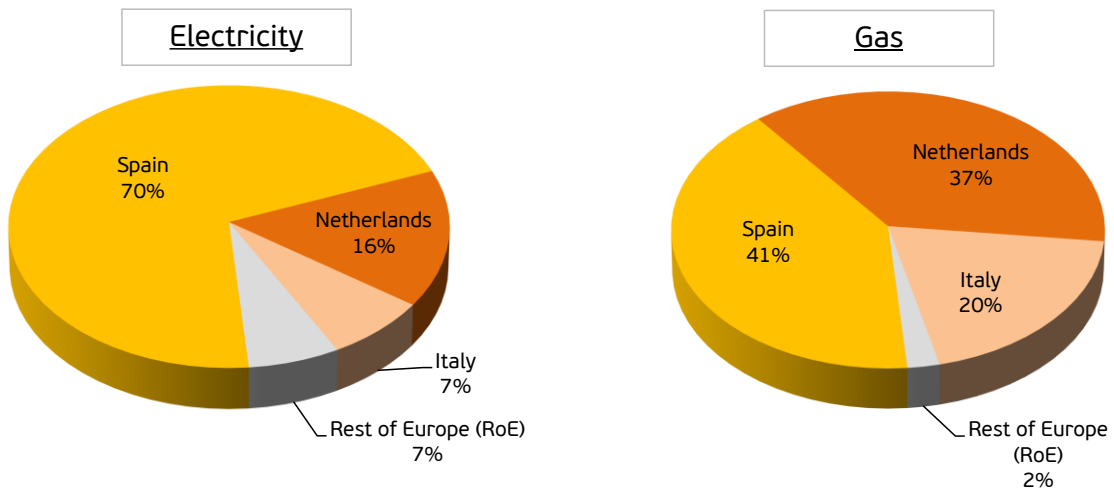


At the end of the third quarter of 2019, Audax has more than **326 thousand of active energy supply points**, 7% more than the same period of 2018.

The electricity supply points represents 79.7% of the total. From third quarter 2018 to third quarter 2019, the electricity supply points have been the ones that have increased more (+8% increase).

The gas supply accounts for 20.3% of the total supply points of the Group (+1% increase).

#### Energy supply points 3Q2019

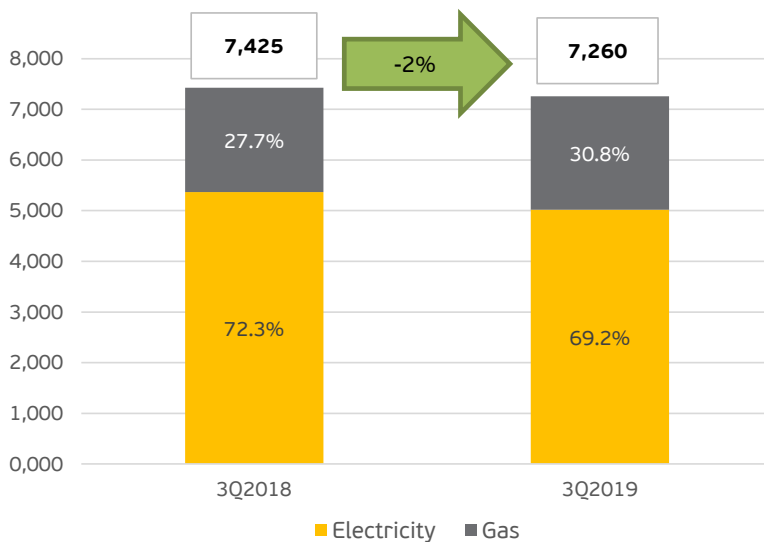


The most important markets where Audax Group operates are: Spain, the Netherlands and Italy. The Rest of Europe corresponds to Portugal, Poland and Germany.

## Key Figures

### Supply division:

#### Energy supplied (GWh)

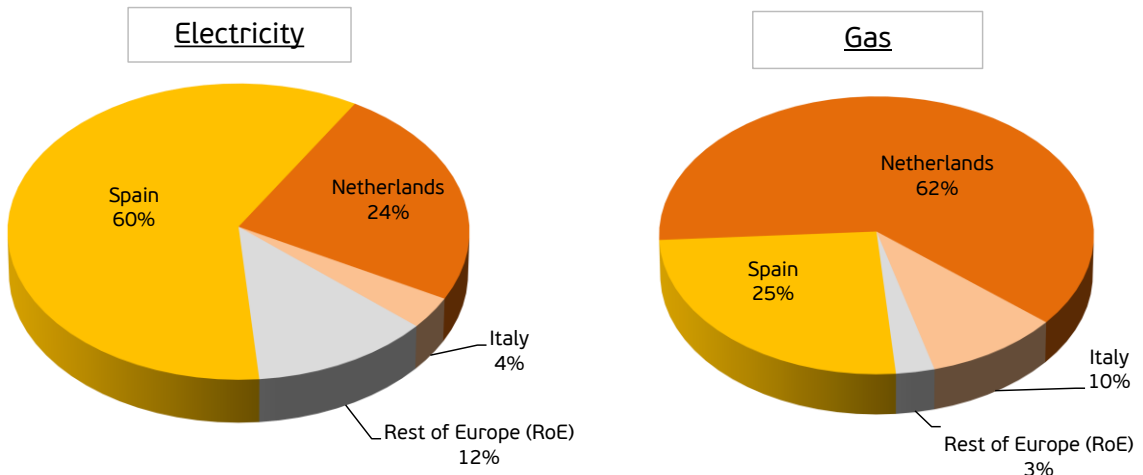


The total amount of energy supplied by Audax until the third quarter of 2019 is of **7.3 TWh**, compared to 7.4 TWh of the same period of the previous year. Nevertheless, this reduction is related with the decrease in this period by 2.8% of the peninsular demand adjusted to working days and temperature, according to R.E.E. report \*.

The supplied electricity accounts for 69.2% of the total and the gas supplied accounts for the 30.8% of the same total.

\* R.E.E.: Boletín mensual de energía eléctrica #33 - septiembre 2019 - Red Eléctrica de España

#### Energy supplied 3Q2019



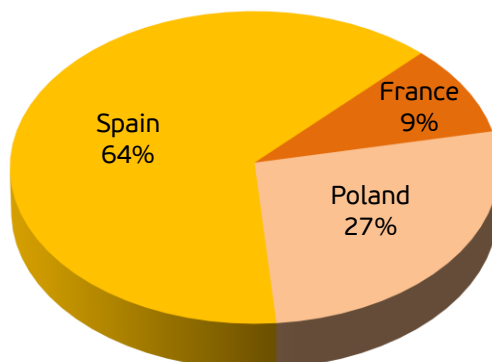
Spain is the market where the Group carries out the biggest supply of electricity, and regarding gas supply, the Netherlands is the main market.

## Key figures

### ■ Generation division:

The detail of installed capacity as at 30<sup>th</sup> September by country is as follows:

#### Installed capacity - 127 MW



- The Group announced on 1<sup>st</sup> August the transmission of two purchase and sale contracts in which it carries on the direct participations of two of its Spanish subsidiaries. The operations have been the following:
  - Transmission of direct participations of 100% of the capital and associated loans of the company Parc Eòlic Mudéfer, S.L., a wind project located in the province of Tarragona, with an installed capacity of 57.6 MW;
  - Transmission of the 76% direct participation and associated credit rights of the company Gestora Fotovoltaica de Castellón, S.L., a solar project located in the province of Castellón, with an installed capacity of 1.0 MW;

The abovementioned operations, are part of the Group's debt reduction target and are in line with asset rotation strategy undertaken by de Company, objectives presented on its Investor Day celebrated in May. Therefore, the installed capacity in the third quarter 2019 stands at 127 MW, all corresponding to wind technology.

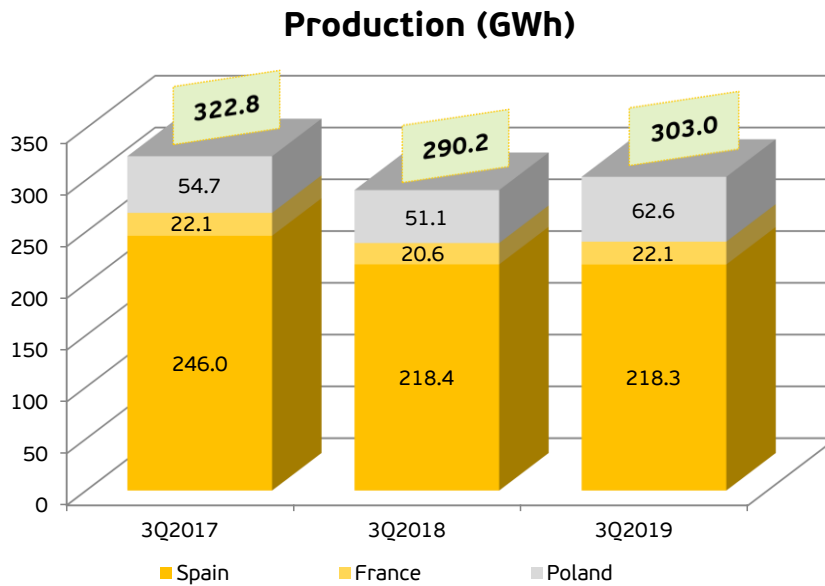
- On 8<sup>th</sup> May, Audax announced the incorporation of photovoltaic projects for 320 MW located in Andalucía, Castilla la Mancha and Murcia; 60 MW of which are in a very advanced stage. Projects mentioned will supply, once its commissioning starts up, around 600 GWh per year of green energy, which is equivalent to the annual consumption of more than 175.000 households.
- The construction works of the first stage of the Toabré Wind Farm of 66 MW in Panama, continues its development for its scheduled commissioning at the end of the next year.



## Key Figures

### ■ Generation division:

The production distribution by country is as follows:



- Accumulated production to the third quarter 2019 was **303 GWh**, up by 4.4% on the same period of the previous year, mainly due to higher wind resource in all the countries and better exploitation of it. All of that, taking into account that production of Mudefer wind farm of 57.6 MW and Gestora solar plant of 1 MW, are not accounted in this figures of the third quarter of 2019 since their sale on 1<sup>st</sup> August 2019.



# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Consolidated Income Statement

| Consolidated Income Statement *                    | 3Q2019         | 3Q2018         | Var.          | Var. (%)     |
|--|----------------|----------------|---------------|--------------|
| Net turnover                                       | 781,947        | 709,707        | 72,240        | 10.2         |
| Other income                                       | 1,106          | 1,407          | -301          | -21.4        |
| <b>Operating income</b>                            | <b>783,053</b> | <b>711,114</b> | <b>71,939</b> | <b>10.1</b>  |
| Costs of sales                                     | -684,628       | -637,181       | -47,447       | 7.4          |
| <b>Gross margin</b>                                | <b>98,425</b>  | <b>73,933</b>  | <b>24,492</b> | <b>33.1</b>  |
| Operating expenses                                 | -44,937        | -41,997        | -2,940        | 7.0          |
| Deterioration, reversal and disposal results       | 4,725          | 2,004          | 2,721         | 135.8        |
| <b>EBITDA</b>                                      | <b>58,213</b>  | <b>33,940</b>  | <b>24,273</b> | <b>71.5</b>  |
| Assets amortisation                                | -20,502        | -18,430        | -2,072        | 11.2         |
| <b>EBIT</b>  | <b>37,711</b>  | <b>15,510</b>  | <b>22,201</b> | <b>143.1</b> |
| Financial income                                   | 3,025          | 2,859          | 166           | 5.8          |
| Financial expenses                                 | -14,409        | -14,225        | -184          | 1.3          |
| Exchange differences                               | -50            | -61            | 11            | -18.0        |
| Profit/loss from disposal of financial instruments | 373            | 189            | 184           | 97.4         |
| <b>Financial profit/loss</b>                       | <b>-11,061</b> | <b>-11,238</b> | <b>177</b>    | <b>-1.6</b>  |
| Share in the profit/loss of associated companies   | -77            | -42            | -35           | 83.3         |
| <b>Profit/loss before tax</b>                      | <b>26,573</b>  | <b>4,230</b>   | <b>22,343</b> | <b>n.a.</b>  |
| Corporate income tax                               | -4,272         | -1,592         | -2,680        | 168.3        |
| <b>Consolidated profit/loss for the year</b>       | <b>22,301</b>  | <b>2,638</b>   | <b>19,663</b> | <b>n.a.</b>  |
| Profit/loss attributed to minority interests       | -3,788         | -675           | -3,113        | n.a.         |
| <b>Net Profit / Loss</b>                           | <b>18,513</b>  | <b>1,963</b>   | <b>16,550</b> | <b>n.a.</b>  |

EUR thousands

\* 3Q2019 non-audited / 3Q2018 non-audited

- The **Operating income** grew by 10%, mainly due to includes UniEléctrica figures of the 9 firsts months of 2019, instead of that, in the third quarter of 2018 results it shows the consolidated UniEléctrica figures from April to September 2018, due to its incorporation to the group from its acquisition date.
- Regarding **supply division**, the good performance both in Spain and in the Rest of Europe compared to the same period of the previous year, contributes to the increase of Gross margin by 26%, without taking in consideration the effect of the compared figures of UniEléctrica commented above (being, in that case, the increase of 33% consolidated).
- Besides, the energy **generation division** supplies to the Operating income a similar amount compared to the same period of the last year (0.5% less), taking into account that the Mudefer wind farm and the Gestora solar plant have exit the consolidated perimeter since August. This Operating income not provided by abovementioned projects, it has been compensated with the good performance either in production and prices of the Postolin wind farm in Poland.
- The Group's **EBITDA** amounts to EUR 58,213 thousands, compared to EUR 33,940 thousands of the previous year, growing by 71.5% in this period.
- Audax Renovables ends the third quarter of 2019 with a **Net Profit** of EUR 18,513 thousands, compared to the profits of EUR 1,963 thousands of the same period of the previous year.

# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Consolidated Income Statement

The overview of the results up to EBITDA of the main business divisions by geographical region is as follows:

| 3Q2019                                       | Supply             |                               |                 | Generation    |                               |                 | TOTAL         |
|--|--------------------|-------------------------------|-----------------|---------------|-------------------------------|-----------------|---------------|
|  | Spain and Portugal | Rest of Europe <sup>(1)</sup> | Subtotal Retail | Spain         | Rest of Europe <sup>(2)</sup> | Subtotal Gener. |               |
| Operating income                             | 570,696            | 185,101                       | 755,797         | 19,966        | 7,290                         | 27,256          | 783,053       |
| Costs of sales                               | -520,353           | -164,275                      | -684,628        | 0             | 0                             | 0               | -684,628      |
| <b>Gross margin</b>                          | <b>50,343</b>      | <b>20,826</b>                 | <b>71,169</b>   | <b>19,966</b> | <b>7,290</b>                  | <b>27,256</b>   | <b>98,425</b> |
| Operating expenses                           | -25,212            | -13,242                       | -38,454         | -5,174        | -1,309                        | -6,483          | -44,937       |
| Deterioration, reversal and disposal results | 27                 | 35                            | 62              | 4,663         | 0                             | 4,663           | 4,725         |
| <b>EBITDA</b>                                | <b>25,158</b>      | <b>7,619</b>                  | <b>32,777</b>   | <b>19,455</b> | <b>5,981</b>                  | <b>25,436</b>   | <b>58,213</b> |

EUR thousands

| 3Q2018                                       | Supply             |                               |                 | Generation    |                               |                 | TOTAL         |
|--|--------------------|-------------------------------|-----------------|---------------|-------------------------------|-----------------|---------------|
|  | Spain and Portugal | Rest of Europe <sup>(1)</sup> | Subtotal Retail | Spain         | Rest of Europe <sup>(2)</sup> | Subtotal Gener. |               |
| Operating income                             | 521,757            | 161,957                       | 683,714         | 21,492        | 5,908                         | 27,400          | 711,114       |
| Costs of sales                               | -489,785           | -147,396                      | -637,181        | 0             | 0                             | 0               | -637,181      |
| <b>Gross margin</b>                          | <b>31,972</b>      | <b>14,561</b>                 | <b>46,533</b>   | <b>21,492</b> | <b>5,908</b>                  | <b>27,400</b>   | <b>73,933</b> |
| Operating expenses                           | -16,529            | -16,117                       | -32,646         | -7,832        | -1,519                        | -9,351          | -41,997       |
| Deterioration, reversal and disposal results | -3                 | 54                            | 51              | 1,953         | 0                             | 1,953           | 2,004         |
| <b>EBITDA</b>                                | <b>15,440</b>      | <b>-1,502</b>                 | <b>13,938</b>   | <b>15,613</b> | <b>4,389</b>                  | <b>20,002</b>   | <b>33,940</b> |

EUR thousands

Rest of Europe <sup>(1)</sup> of Supply division includes Italy, Poland, Germany and Netherlands

Rest of Europe <sup>(2)</sup> of Generation division includes France and Poland

- In the **supply** division in **Spain and Portugal** zone, the good business performance and the incorporation of UniEléctrica in 2018 April, is reflected in the evolution of the EBITDA in the region of Spain and Portugal, the latter amounting to EUR 25,158 thousands compared to EUR 15,440 thousands of the previous year (+63% increase).
- The **Rest of Europe** supply division, amounted its Operating income to EUR 185,101 thousands for the third quarter of 2019, compared to EUR 161,957 thousands of the same period of the previous year (+14% increase).
- In the **generation** division, the exit of Mudefer and Gestora projects implies the decrease of the Operating income in Spain, but due to the good performance of Postolin wind farm in Poland and the disposals results, provides that EBITDA of this division has increased by 27%.
- The Group's **EBITDA** has reached EUR 58,213 thousands, compared to EUR 33,940 thousands of the previous year, growing by 71.5%.

# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Consolidated Balance Sheet

| ASSETS                                  | sep-19         | dec-18         | Var.           | Var. (%)     |
|---|----------------|----------------|----------------|--------------|
| Property, plant and equipment           | 101,399        | 166,597        | -65,198        | -39.1        |
| Goodwill                                | 138,791        | 138,564        | 227            | 0.2          |
| Other intangible assets                 | 126,447        | 111,510        | 14,937         | 13.4         |
| Non-current financial assets            | 115,765        | 99,355         | 16,410         | 16.5         |
| Investments as per equity accounting    | 6,994          | 6,992          | 2              | 0.0          |
| Deferred tax assets                     | 2,975          | 5,461          | -2,486         | -45.5        |
| <b>Non-current assets</b>               | <b>492,371</b> | <b>528,479</b> | <b>-36,108</b> | <b>-6.8</b>  |
| Stocks                                  | 1,513          | 4,513          | -3,000         | -66.5        |
| Trade and other receivables             | 137,747        | 136,076        | 1,671          | 1.2          |
| Current tax assets                      | 829            | 1,432          | -603           | -42.1        |
| Current financial assets                | 40,177         | 44,460         | -4,283         | -9.6         |
| Other current assets                    | 25,175         | 19,626         | 5,549          | 28.3         |
| Cash and cash equivalents               | 79,165         | 98,313         | -19,148        | -19.5        |
| <b>Current assets</b>                   | <b>284,606</b> | <b>304,420</b> | <b>-19,814</b> | <b>-6.5</b>  |
| <b>Total Assets</b>                     | <b>776,977</b> | <b>832,899</b> | <b>-55,922</b> | <b>-6.7</b>  |
| LIABILITIES AND NET EQUITY              | sep-19         | dec-18         | Var.           | Var. (%)     |
| Capital                                 | 44,029         | 308,204        | -264,175       | -85.7        |
| Share premium                           | 420,316        | 420,316        | 0              | n.a.         |
| Other reserves                          | -346,297       | -623,212       | 276,915        | -44.4        |
| Profit/loss for the year                | 18,513         | 8,997          | 9,516          | n.a.         |
| Translation differences                 | 1,032          | 1,717          | -685           | -39.9        |
| Hedging                                 | -872           | 4,904          | -5,776         | n.a.         |
| Minority interests                      | 31,355         | 33,258         | -1,903         | -5.7         |
| <b>Net Equity</b>                       | <b>168,076</b> | <b>154,184</b> | <b>13,892</b>  | <b>9.0</b>   |
| Provisions                              | 1,331          | 2,670          | -1,339         | -50.1        |
| Non-current financial debt              | 162,589        | 226,811        | -64,222        | -28.3        |
| Other non-current financial liabilities | 31,974         | 45,782         | -13,808        | -30.2        |
| Grants                                  | 5,531          | 5,869          | -338           | -5.8         |
| Other non-current liabilities           | 4,570          | 11,874         | -7,304         | -61.5        |
| Deferred tax liabilities                | 22,346         | 29,755         | -7,409         | -24.9        |
| <b>Non-current liabilities</b>          | <b>228,341</b> | <b>322,761</b> | <b>-94,42</b>  | <b>-29.3</b> |
| Current provisions                      | 915            | 949            | -34            | -3.6         |
| Current financial debt                  | 183,146        | 171,698        | 11,448         | 6.7          |
| Trade and other payables                | 81,535         | 93,313         | -11,778        | -12.6        |
| Other current financial liabilities     | 26,705         | 16,957         | 9,748          | 57.5         |
| Other current liabilities               | 88,259         | 73,037         | 15,222         | 20.8         |
| <b>Current liabilities</b>              | <b>380,560</b> | <b>355,954</b> | <b>24,606</b>  | <b>6.9</b>   |
| <b>Total Liabilities</b>                | <b>776,977</b> | <b>832,899</b> | <b>-55,922</b> | <b>-6.7</b>  |

EUR thousands

sep-19 non-audited / dec-18 audited

The decrease of the **Consolidated Balance Sheet** figures showed is due to, mainly, to the exit of the consolidated accounting perimeter of the Mudefer and Gestora generation companies the last month of August. As a consequence of the merger process that took place in 2018, the shareholders' equity of the Parent Company have been situated below one half of the share capital, which involves equity imbalance. In the General Shareholders' Meeting held on April 29, 2019, it was approved the reduction of the nominal value of the shares in order to re-establish the capital balance.

# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Consolidated Balance Sheet

| <b>Net Financial Debt</b>                | <b>sep-19</b>  | <b>dec-18</b>  | <b>Var.</b>    | <b>%</b>     |
|--|----------------|----------------|----------------|--------------|
| Financial Debt <sup>(1)</sup>            | 345,735        | 398,509        | -52,774        | -13.2        |
| Other financial liabilities              | 29,115         | 62,778         | -33,663        | -53.6        |
| Derivatives                              | 2,813          | -863           | 3,676          | -426.0       |
| Cash and other financial assets          | -117,815       | -114,640       | -3,175         | 2.8          |
| <b>Net Financial Debt <sup>(2)</sup></b> | <b>259,848</b> | <b>345,784</b> | <b>-85,936</b> | <b>-24.9</b> |
| <b>Net Equity <sup>(3)</sup></b>         | <b>168,076</b> | <b>154,184</b> | <b>13,892</b>  | <b>9.0</b>   |
| <b>Leverage <sup>(4)</sup></b>           | <b>60.7%</b>   | <b>69.2%</b>   | <b>-8.4</b>    | <b>-12.2</b> |

EUR thousands

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

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

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

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

- The sale of the generation projects, reduce **Net Financial Debt** in an amount of EUR 50.258 thousands of the total reduction accumulated to September 2019 amounting EUR 85,936 thousands.
- In February 2019, Audax registered a promissory note program under the name "Audax 2019 Promissory Note Program", in the Alternative Fixed-Income Market ("MARF"), for a maximum amount of EUR 75 millions and with repayment terms of up to 24 months.
- The entry into force of **IFRS 16** "Financial leases" applicable as of January 1, 2019, implies that Other financial liabilities increases by EUR 9,132 thousands compared with December 2018.
- During the third quarter of 2019, Other financial liabilities were paid, which reduces the amount of this heading and Cash and other current financial assets.
- As at 30 September 2019, the Net Financial Debt amounts to EUR 259,848 thousands, compared to EUR 345,784 thousands as at 31 December 2018 (decreasing by 24.9%). Besides, the **Leverage** declined by 12.2% (8.4 basis points).
- Without taking into consideration the application of IFRS 16, Net Financial Debt would be at EUR 250,716 thousand (decreasing by 27.5%) and Leverage at 59.9%, decreasing this magnitude by 13.4% compared with December 2018.

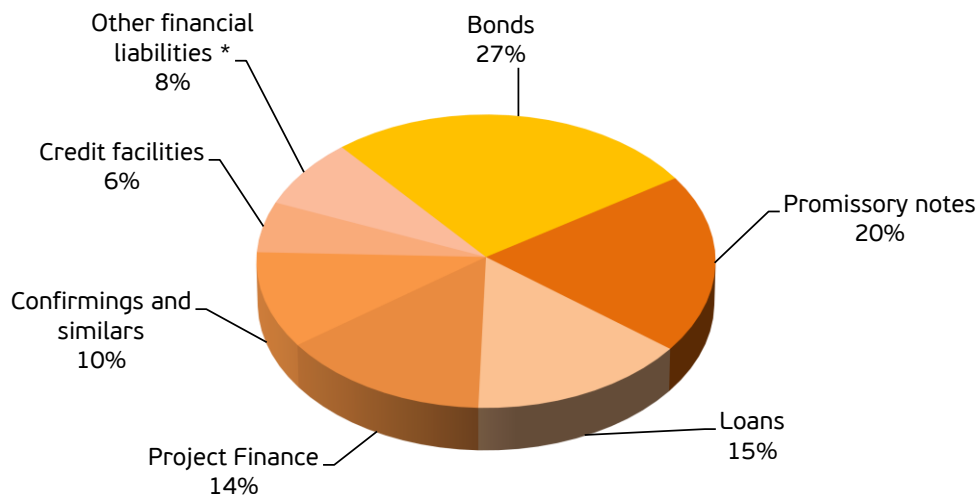
## Consolidated Balance Sheet

### Financial Debt Structure:

In percentage terms, the structure of the Group's Financial Liabilities<sup>(1)</sup> shows that the bonds and promissory notes issued in the MARF are those that represent the greatest weight. With the sale of the generation projects, discussed above, the liabilities in Project Finance mode were reduced.

(1) Financial Liabilities = Financial Debt + Other financial liabilities

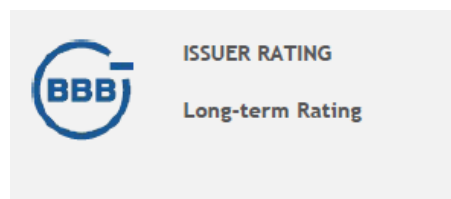
### 3Q2019 Financial Liabilities Breakdown



\* Other financial liabilities includes EUR 9,132 thousands due to the application of the IFRS 16 rule regarding leases liabilities accounting treatment.

### Rating:

The rating agency AXESOR awarded on April 29<sup>th</sup> the **rating** of Audax Renovables, S.A. in **"BBB-" with stable outlook**.



# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



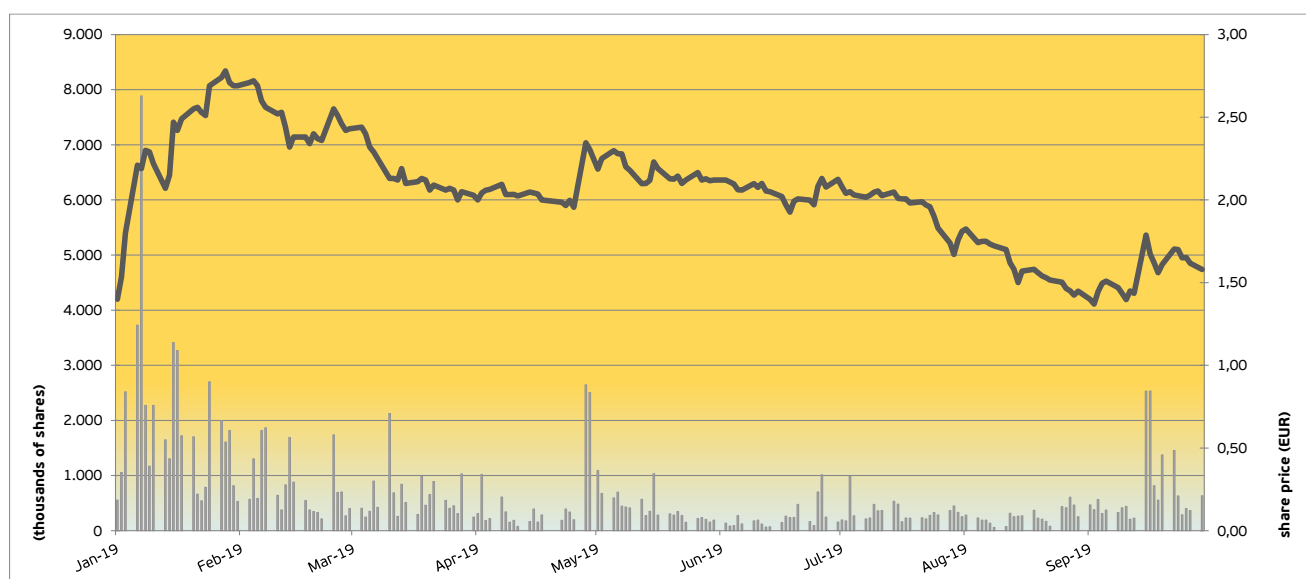
## Stock Exchange Information

### Audax Renovables - ADX.MC

3Q2019

Units

|   |             |           |
|---|-------------|-----------|
| Number of shares admitted to trading        | 440,291,054 | Num.      |
| Share price at the beginning of the period  | 1.400       | € / share |
| Share price at the end of the period        | 1.579       | € / share |
| Maximum trading price                       | 2.780       | € / share |
| Minimum trading price                       | 1.370       | € / share |
| Trading price fluctuation during the period | 12.79       | %         |
| Capitalisation at the end of the period     | 695,219,574 | €         |
| Number of traded shares                     | 128,426,493 | Num.      |
| Effective volume                            | 277,629,025 | €         |
| Daily volume of traded shares (average)     | 672,390     | Num.      |
| Effective daily volume (average)            | 1,453,555   | €         |



*Audax Renovables' share price until the third quarter of 2019 has risen in value by 12.79%, maintaining high daily trading volume averages that gives to the share liquidity in the market.*

# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Significant Events

### SE: Company

| Date       | # Registration | Description   |
|------------|----------------|---|
| 2019/01/29 | 274277         | As a continuation of the relevant event number 273350, we inform you that has been registered the deed of elevation to public and execution of the corporate resolutions by virtue of which the merger by takeover was approved.  |
| 2019/02/04 | 274454         | The Company signs a power purchase agreement (PPA) with Morningchapter S.A., controlled by Allianz Insurance Companies.   |
| 2019/02/07 | 274588         | The Company signs a power purchase agreement (PPA) with WELink Investment Holdings Ltd.   |
| 2019/02/18 | 274808         | The Company announces the registration of a promissory note program under the name "Audax 2019 Promissory Note Program" in the Alternative Fixed Income Market ("MARF"), for a maximum amount of 75,000,000 euros and with amortization terms of the promissory notes of up to 24 months. |
| 2019/03/19 | 276233         | The Company signs a power purchase agreement (PPA) with Trina Solar (Spain) System, S.L.U.  |
| 2019/03/27 | 276456         | Publication of the notice of the Shareholders' General Meeting and setting the corresponding documentation available to shareholders.   |
| 2019/03/29 | 276565         | The Company reports information about news in press.  |
| 2019/04/29 | 277585         | The Company reports that the rating agency AXESOR has awarded the rating of Audax Renovables, S.A. in "BBB-" with stable outlook.   |
| 2019/04/29 | 277586         | The Company sends the resolutions approved at the General Shareholders' Meeting.  |
| 2019/04/29 | 277587         | The Company sends a presentation of the General Shareholders' Meeting.  |
| 2019/04/29 | 277588         | The Company presents the lines of actions for the future for 2022.  |
| 2019/05/07 | 277863         | The Company announces the call for Investor Day 2019 will hold on May 28th, 2019.   |
| 2019/05/08 | 277936         | The Company announces the incorporation of photovoltaic projects for 320 MW.  |
| 2019/05/10 | 278049         | The Company reports additional comments regarding Significant Event with registration number 277936 sent last May 8.  |
| 2019/05/23 | 278527         | Audax Renovables announces that on May 28th, at 11:00 a.m. CET, a webcast presentation will be held for analysts and institutional investors on the strategy and perspectives of the Group.   |
| 2019/05/28 | 278645         | The Company sends a document that was presented in its Investor's Day.  |
| 2019/05/28 | 278673         | The Company sends a press release on the Investor Day.  |
| 2019/07/03 | 279861         | The Company signs a power purchase agreement (PPA) with Statkraft.  |
| 2019/08/01 | 281024         | The Company reports that has concluded sells purchase agreements of two of its subsidiaries.  |



# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Significant Events

### SE: Economic Reports

| Date       | # Registration | Description   |
|------------|----------------|---|
| 2019/02/28 | 275558         | The Company reports information of second half 2018 results.                      |
| 2019/02/28 | 275559         | The Company reports Consolidated Financial Statements of the second half of 2018. |
| 2019/03/15 | 276122         | The Company reports 2018 Corporate Governance Report.                             |
| 2019/03/15 | 276123         | The Company reports 2018 Annual Remuneration Report.                              |
| 2019/05/15 | 278277         | The Company reports first quarter 2019 financial information.                     |
| 2019/09/23 | 281927         | The Company sends first half 2019 consolidated results report.                    |
| 2019/09/26 | 282036         | The Company reports information of first half 2019 results.                       |



# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Subsequent Events

### SE: Subsequent Events

| Date       | # Registration | Description   |
|------------|----------------|---|
| 2019/10/16 | 282621         | The Company announces the registration in the Alternative Fixed Income Market ("MARF"), of an extension of the promissory notes program issued in October 2018, amounting 35 millions euros of nominal value. |
| 2019/11/06 | 283394         | Call announcement of the General Assembly of Bondholders- ISIN Code ES0305039010.   |
| 2019/11/06 | 283395         | Call announcement of the General Assembly of Bondholders- ISIN Code ES0305039028.   |



## About Audax Renovables

- Incorporated in the year 2000, Audax Renovables, S.A. is mainly involved in retailing and generating energy from 100% renewable sources.
- In 2003 the shares of Audax Renovables were admitted to trading on the secondary market of Barcelona Stock Exchange and in 2007 were included in the SIBE (integrated stock exchange system) of Madrid Stock Exchange. Now the shares are traded on the Spanish continuous market with the ticker symbol of ADX.MC.
- Today, the Group is the result of the merger between Audax Renovables, S.A., and its parent company, Audax Energía, S.A., which gave birth to an energy group whose activities are focused on electricity and gas supplying as well as on the production of 100% renewable energy.
- Audax with its activity of supplying electricity and gas is present in Spain, Portugal, Italy, Germany, Poland and the Netherlands.
- The energy generation division of Audax Renovables handles a portfolio of operating plants of 127 MW in Spain, France and Poland of wind farms. The company owns also a project under construction in Panama of 66 MW and has acquired solar plants in development for 320 MW in Spain.
- For more information, please visit [www.audaxrenovables.com](http://www.audaxrenovables.com) / [www.audaxenergia.com](http://www.audaxenergia.com)



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# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



## Companies of the Group

| Company                               | Holding<br>direct + indirect |
|---------------------------------------|------------------------------|
| Eólica El Pedregoso, S.L.             | 80%                          |
| Eólica Del Pino, S.L.                 | 80%                          |
| Parque Eólico Hinojal, S.L.U.         | 100%                         |
| Fercom Eólica, S.L.U.                 | 100%                         |
| Fersa Asesoramiento y Gestión, S.L.U. | 100%                         |
| Parc Eòlic Coll De Som, S.L.U.        | 100%                         |
| Castellwind 03, S.L.                  | 60%                          |
| Entreyeltes 1, S.L.                   | 51%                          |
| Eoliennes De Beausemblant, S.A.S.     | 80%                          |
| Eólica Postolin Sp Z.o.o              | 100%                         |
| Eolica Warblewo Sp Z.o.o              | 65%                          |
| Berta Energies Renovables, S.L.       | 26%                          |
| Parque Eólico Toabré, S.A.            | 30%                          |
| A.I.E. Subestación y Línea 2004       | 30%                          |
| Generación Iberia, S.L.               | 100%                         |
| ADS Energy 8.0., S.L.U.               | 100%                         |
| Eryx Investments, S.L.U.              | 80%                          |
| Unieléctrica Energía, S.A.            | 80%                          |
| Explotación Eólica La Pedrera, S.L.U. | 80%                          |
| Fox Energía, SA                       | 54%                          |
| Nabalía Energía 2.000, S.A.           | 46%                          |
| Acsol Energía Global, S.A.            | 51%                          |
| Vivo Energía Futura, S.A.             | 51%                          |
| Iris Energía Eficiente, S.A.          | 54%                          |
| Cima Energía Comercializadora, S.L.   | 41%                          |
| Ahorre Luz Servicios Online, S.L.     | 46%                          |
| Propensalternativa Unipessoal, LDA    | 100%                         |
| Audax Energía, S.R.L.                 | 100%                         |
| Audax Energie, GmbH                   | 100%                         |
| Audax Energía, SP. Z O.O.             | 100%                         |
| Audax Netherlands B.V.                | 72%                          |
| Main Energie, B.V.                    | 72%                          |
| Audax Solar SPV III, S.L.U.           | 100%                         |
| Audax Solar SPV IV, S.L.U.            | 100%                         |
| Audax Solar SPV V, S.L.U.             | 100%                         |
| Audax Solar SPV VI, S.L.U.            | 100%                         |
| Audax Solar SPV IX, S.L.U.            | 100%                         |
| Aznalcóllar Solar, S.L.               | 100%                         |
| Botey Solar, S.L.                     | 100%                         |
| Corot Energía, S.L.                   | 100%                         |
| Las Piedras Solar, S.L.               | 100%                         |
| Da Vinci Energía, S.L.                | 100%                         |



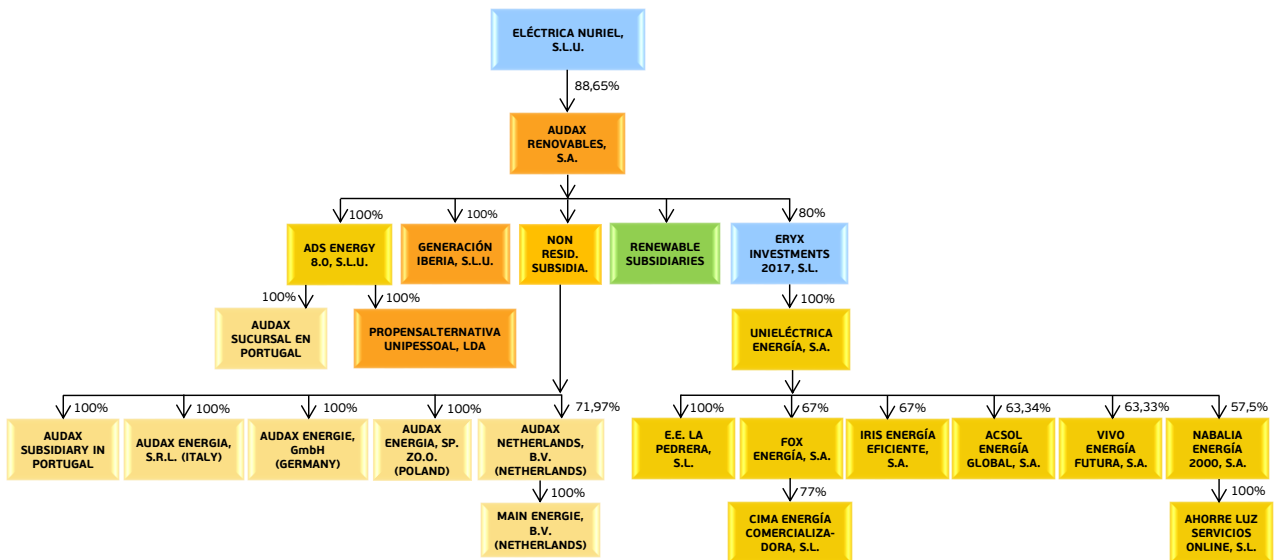
# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



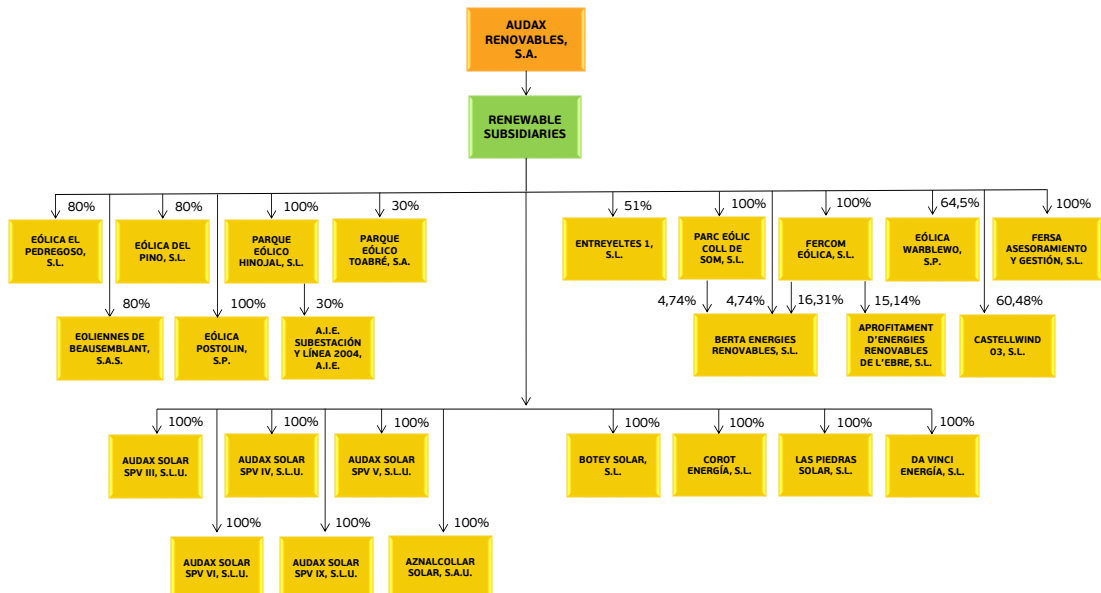
## Companies of the Group

### Organizational Chart

- The majority shareholder of Audax Renovables, S.A. as at 30 September 2019 is Eléctrica Nuriel, S.L., which holds 88.65% of the shares, being the rest to the free float of the market. At the same time, 100% of the shares of Eléctrica Nuriel, S.L. are owned by Excelsior Times, S.L.U.



Within the “RENEWABLE SUBSIDIARIES” there are the following companies:



# CONSOLIDATED MANAGEMENT REPORT 3Q 2019



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