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**PROFIT AND LOSS REPORT**  
**FIRST HALF YEAR 2017**  
**JANUARY - JUNE**



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# PROFIT AND LOSS REPORT January – June 2017



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# PROFIT AND LOSS REPORT January – June 2017



## Executive Summary

- Audax Renovables ended the first half year 2017 with a profit of EUR 2,024 thousand, in contrast to the loss of EUR 6,800 thousand for the same period of the previous year.
- This difference between the two results of the first six months of the year is owed primarily to the following factors:
  - Higher sale price of the energy on the Spanish market (pool), which corresponds to the increase of EUR 3,148 thousand during the period.
  - Special remuneration received by the Spanish wind farms during the 2017 to 2019 regulatory term are higher than in the previous period by EUR 889 thousand due to the update of the parameters published in the decree ETU/130/2017.
  - Reduction in expenses and cost containment which have been implemented bring a substantial decrease in the operating costs.
  - At the close of June 2016 a provision was recorded for expenses related to the takeover bid by Audax Energía, S.A. amounting to EUR 1,067 thousand.
  - During the previous period an impairment provision related to the wind farm in Poland was registered amounting to EUR 3,409 thousand due to regulatory amendments approved in that country.
- Thus, a rise in market price of the energy in the first half year together with an increased production of the wind farms boost the income by 31% which, combined with the decrease in operating expenses, make the EBITDA increase by 82% after the effect of the hedge contracts for prices has been taken into account.
- Furthermore, on 30 January 2017, Audax Renovables renewed the corporate financing agreement for the amount of EUR 4.6 million, by extending the maturity date till 31 January 2018.
- On 29 June 2017 the General Meeting of Shareholders decided, among others, to change the name of the Company to "Audax Renovables, S.A.". Furthermore, it was decided to appoint KPMG Auditores, S.L. as the auditor of accounts of the Company for the period of three (3) years.

## Audax Renovables in figures

Consolidated income statement	1S2017	1S2016	Var. (%)
Operating income	17,706	13,522	31
Operating expenses	-5,906	-7,029	-16
<b>EBITDA</b>	<b>11,800</b>	<b>6,493</b>	<b>82</b>
<b>EBIT</b>	<b>6,070</b>	<b>-2,529</b>	<b>n.a.</b>
<b>Financial profit / loss</b>	<b>-3,805</b>	<b>-4,777</b>	<b>-20</b>
<b>Profit/loss attributable to the Parent Company</b>	<b>2,024</b>	<b>-6,800</b>	<b>n.a.</b>
<b>Net profit/loss attributable to the Parent Company</b>	<b>2,024</b>	<b>-6,800</b>	<b>n.a.</b>

EUR thousands

*Audax Renovables ended the first half year 2017 with a profit of EUR 2,024 thousand.*

## PROFIT AND LOSS REPORT January – June 2017



### Key Figures

- As at June 2017, the production breakdown by country is as follows:

GWh Production	1H2017	%	1H2016	%	% Var.
Spain	161.8	74%	146.6	74%	10%
France	16.5	8%	14.6	8%	14%
Poland	39.3	18%	36.7	18%	7%
<b>Total</b>	<b>217.6</b>	<b>100%</b>	<b>197.9</b>	<b>100%</b>	<b>10%</b>

- As at June 2017, the turnover breakdown by country is as follows:

Turnover (k€)	1H2017	%	1H2016	%	% Var.
Spain	14.4	81%	10.2	77%	40%
France	1.5	9%	1.3	10%	14%
Poland	1.7	10%	1.8	13%	-5%
<b>Total</b>	<b>17.6</b>	<b>100%</b>	<b>13.3</b>	<b>100%</b>	<b>32%</b>

*In Spain, the increase in production by 10% in 2017 compared to the previous year is mainly due to larger wind resources in wind farms in the South of Spain and also to an improved use of these resources by enhancing the performance of the plants which, together with a higher market price, have contributed to the increase of the turnover by 40%.*

*At an international level, similarly, the well performing wind farm in France has registered an increase in production by 14% compared to the same period of the previous year, with equal change in its turnover. The production of the wind farm in Poland has been 7% higher, however a lower price of the green certificates has been the reason for a diminished turnover than in the first half of 2016.*

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## Key Figures

- As at June 2017, the installed capacity breakdown by country is as follows:

Installed capacity (MW)	1H2017	%	1H2016	%
Spain	139	75%	139	75%
France	12	7%	12	7%
Poland	34	18%	34	18%
<b>Total</b>	<b>185</b>	<b>100%</b>	<b>185</b>	<b>100%</b>

- The Audax Renovables' portfolio breakdown by country as at June 2017 is as follows:

MW	Operating	Under development	Total portfolio	%
Spain	139	50	189	51%
France	12	0	12	3%
Poland	34	34	68	19%
Panama *	0	99	99	27%
<b>TOTAL</b>	<b>185</b>	<b>183</b>	<b>368</b>	<b>100%</b>

\* Attributable capacity (30% of 330 MW)



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## PROFIT AND LOSS REPORT January – June 2017



### Consolidated Income Statement

Consolidated Profit and Loss	1H2017	1H2016	Var. (%)
Net turnover	17,568	13,345	32
Other income	138	177	-22
<b>Operating income</b>	<b>17,706</b>	<b>13,522</b>	<b>31</b>
Operating expenses	-5,906	-7,029	-16
<b>EBITDA</b>	<b>11,800</b>	<b>6,493</b>	<b>82</b>
Amortisation, depreciation and impairment	-5,793	-6,424	-10
Impairment of assets	0	658	
Impairment and profit/loss from disposal of fixed assets	63	-3,256	n.a.
<b>EBIT</b>	<b>6,070</b>	<b>-2,529</b>	<b>n.a.</b>
Financial income	61	15	n.a.
Financial expenses	-4,018	-4,819	-17
Exchange differences	152	27	n.a.
<b>Financial profit/loss</b>	<b>-3,805</b>	<b>-4,777</b>	<b>-20</b>
Share in the profit/loss of associated companies	-50	-38	32
<b>Profit/loss before tax</b>	<b>2,215</b>	<b>-7,344</b>	<b>n.a.</b>
Corporate Income Tax	-69	386	n.a.
<b>Consolidated profit/loss for the year</b>	<b>2,146</b>	<b>-6,958</b>	<b>n.a.</b>
Profit/loss attributed to minority interests	-122	158	n.a.
<b>Net profit/loss attributed to the Parent Company</b>	<b>2,024</b>	<b>-6,800</b>	<b>n.a.</b>

EUR thousands

### Analysis of the Results

- The net turnover, including the effect of the price hedging contracts, has amounted to EUR 17,568 thousand, which implies an increase of 32% compared to the same period of 2016 (EUR 13,345 thousand), primarily due to higher prices on the energy market (pool) in Spain in the first half year and to the increase in production as well as higher special remunerations during the new regulatory term.
- Operating expenses, without taking into consideration the effect of the increase of the 7% tax on generation of electricity and other accounts affected by a higher turnover, are 16% lower due to the Company's cost containment policy. Moreover, in the previous year a provision was made for the costs related to the takeover bid by Audax Energía S.A..
- In June 2016, as a consequence of new regulations in Poland, the impairment tests were updated and a provision of EUR 3,408 thousand was recorded.
- Financial expenditure has decreased by 17% compared to the same period of the previous year, owing, among others, to a reduction in financial burden from the project finance.
- Audax Renovables ends the first half year 2017 with a Net Profit Attributable to the Parent Company amounting to EUR 2,024 thousand, against loss of EUR 6,800 thousand for the same period of the previous year.

## PROFIT AND LOSS REPORT January – June 2017



### Consolidated Balance Sheet

ASSETS	Jun-17	Dec-16	Var.	var. (%)
Property, plant and equipment	169,180	172,478	-3,298	-1.9
Goodwill	1,494	1,494	0	n.a.
Other intangible assets	31,669	32,673	-1,004	-3.1
Non-current financial assets	5,767	5,704	63	1.1
Investments as per equity accounting	7,154	7,442	-288	-3.9
Deferred tax assets	5,379	5,847	-468	-8.0
<b>Non-current assets</b>	<b>220,643</b>	<b>225,638</b>	<b>-4,995</b>	<b>-2.2</b>
Trade and other receivables	5,900	5,892	8	0.1
Other current financial assets	3,801	3,636	165	4.5
Other current assets	409	115	294	n.a.
Cash and cash equivalents	13,819	15,668	-1,849	-11.8
<b>Current assets</b>	<b>23,929</b>	<b>25,311</b>	<b>-1,382</b>	<b>-5.5</b>
<b>Total Assets</b>	<b>244,572</b>	<b>250,949</b>	<b>-6,377</b>	<b>-2.5</b>
LIABILITIES AND NET EQUITY	Jun-17	Dec-16	Var.	var. (%)
Capital	98,003	98,003	0	n.a.
Other reserves	-11,132	20,476	-31,608	n.a.
Profit/loss for the year	2,024	-31,608	33,632	n.a.
Translation differences	-6,152	-6,099	-53	0.9
Hedging	-8,736	-10,115	1,379	-13.6
Minority interests	579	502	77	15.3
<b>Net Equity</b>	<b>74,586</b>	<b>71,159</b>	<b>3,427</b>	<b>4.8</b>
Bank loans	112,856	117,870	-5,014	-4.3
Other non-current liabilities	32,135	34,213	-2,078	-6.1
<b>Non-current liabilities</b>	<b>144,991</b>	<b>152,083</b>	<b>-7,092</b>	<b>-4.7</b>
Bank loans	18,317	18,554	-237	-1.3
Trade and other payables	4,805	8,001	-3,196	-39.9
Other current financial liabilities	1,260	488	772	n.a.
Other current liabilities	613	664	-51	-7.7
<b>Current liabilities</b>	<b>24,995</b>	<b>27,707</b>	<b>-2,712</b>	<b>-9.8</b>
<b>Total Liabilities</b>	<b>244,572</b>	<b>250,949</b>	<b>-6,377</b>	<b>-2.5</b>

EUR thousands

*The consolidated balance sheet for the first half year 2017 shows a decrease in the "Bank loans" and "Cash and cash equivalents" accounts, mainly due to the repayments of the project finance loans related to the operating projects during the period.*

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### Consolidated Balance Sheet

#### Net Financial Debt

- As at 30 June 2017 the net financial debt amounts to EUR 126 million and corresponds almost entirely to financing of investments in property, plant and equipment of the wind farms ("Project Finance" modality), with a maturity period between 12 and 15 years. The principal of the bank loans of Audax Renovables (corporate debt) as at 30 June 2017 amounts to EUR 4.6 million.
- This debt implies a financial leverage of 62.8% as shown in the table below.

Net Financial Debt	Jun-17	Dec-16	Var.	%
Bank loans	131,173	136,424	-5,251	-3.8%
Other liabilities (derivatives)	12,583	14,604	-2,021	-13.8%
Cash and other current financial assets	-17,620	-19,304	1,684	-8.7%
<b>Net Financial Debt</b>	<b>126,136</b>	<b>131,724</b>	<b>-5,588</b>	<b>-4.2%</b>
<b>Leverage*</b>	<b>62.8%</b>	<b>64.9%</b>		

EUR thousands

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



*Gestora Fotovoltaica*

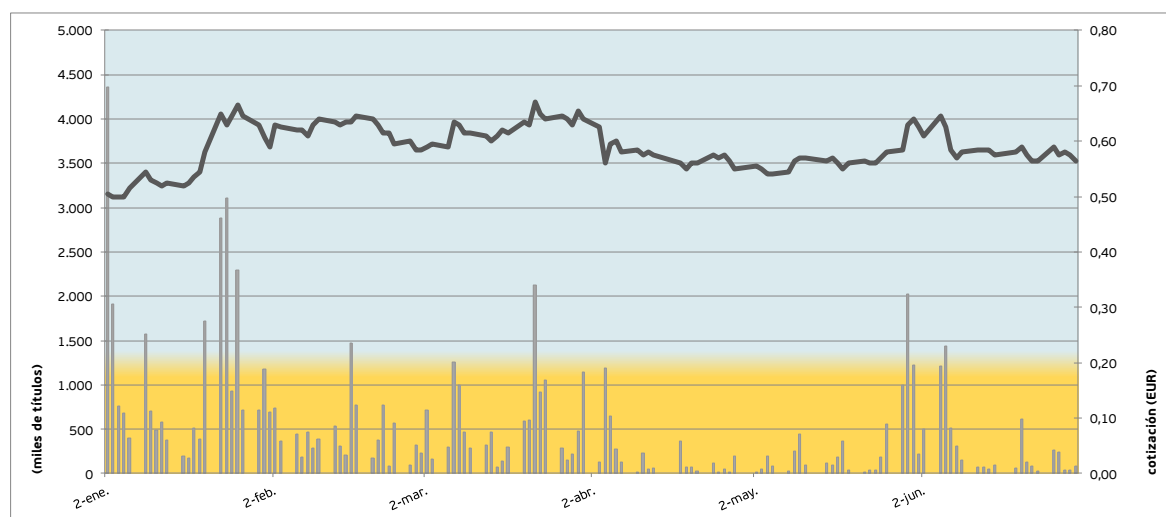


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### Stock Exchange Information

Stock Exchange Data	1H2017	Units
Number of shares admitted to trading	140,003,778	Shares
Share price at the beginning of the period (2 Jan. 2017)	€0.505	per share
Share price at the end of the period (30 Jun. 2017)	€0.565	per share
Maximum trading price	€0.670	per share
Minimum trading price	€0.500	per share
Trading price fluctuation during the period	11.88	%
Capitalisation at the end of the period	79,102,135	€
Number of traded shares (from 2 Jan. to 30 Jun.)	66,187,147	shares
Effective volume (from 2 Jan. to 30 Jun.)	39,662,748	€
Daily volume of traded shares (average)	529,497	shares
Effective daily volume (average)	317,302	€



*Audax Energía, S.A. owns 70.86% of the shares of Audax Renovables, S.A. after the acquisition completed in August 2016 at the price of EUR 0.50 per share.*

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### Significant Events within the Period

#### Significant Events: the Company

Date	Registration Number	Item
30/01/2017	247635	The Company announces the conclusion of a modificatory and non-extinctive novation of the Financing Agreement signed on 31 January 2012. The Novation fundamentally consists in extending the maturity date of said agreement till 31 January 2018 for the overdue amount of EUR 4.6 million.
26/05/2017	252549	Press release of a call to General Meeting of Shareholders and disclosure of the pertinent documents to the shareholders.
29/06/2017	254063	The Company submits the resolutions passed at the General Meeting of Shareholders held on 29 June 2017, in particular the following: <ul style="list-style-type: none"><li>▪ The decision is made to change the name of the Company to "Audax Renovables, S.A."</li><li>▪ In accordance with the provisions of article 264.1 of the Companies Act it is decided to appoint KPMG Auditores, S.L. as the auditor of accounts of the Company for the period of three (3) years.</li></ul>

#### Significant Events: Economic Reports

Date	Registration Number	Item
21/02/2017	248338	The Company submits the information on the profit and loss for the second half year 2016.
21/02/2017	248339	The Company issues the Press Release on profit and loss for the year 2016.
21/02/2017	248340	The Company submits the Consolidated Profit and Loss Statement for the second half year 2016.
21/02/2017	248342	The Company submits the Annual Corporate Governance Report for the year 2016.
23/02/2017	248486	The Company submits the Annual Report on directors' remuneration for the year 2016.
09/05/2017	251812	The Company submits the interim financial information for the first half year 2017.
09/05/2017	251813	The Company issues the Press Release on profit and loss for the first half year 2017.



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### About Audax Renovables

- Audax Renovables, S.A. (formerly Fersa Energías Renovables, S.A) was incorporated in the year 2000 and is mainly involved in generating electricity from 100% renewable sources.
- In 2003 the shares of Audax Renovables 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 as FRS.MC.
- On 19 May 2016 Audax Energía, S.A. made a bid to purchase 100% of shares of Audax Renovables. The offer was accepted by the shareholders representing 70.86% of the Audax Renovables' share capital and consequently Audax Energía, S.A. became the majority shareholder on 12 August 2016.
- Today Audax Renovables handles a portfolio of operating plants of 185 MW in Spain, France and Poland, of which 1 MW corresponds to solar energy and the rest to wind farms. Audax Renovables owns a portfolio of operating assets of high technological quality and an average age of 9 years.
- For more information, please visit [www.audaxrenovables.com](http://www.audaxrenovables.com)



*Pedregoso*

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### Companies of the Group

Company	Holding direct + indirect
Eólica El Pedregoso, S.L	80%
Eólica Del Pino, S.L	80%
Parc Eòlic Mudefer, S.L.	100%
Parque Eólico Hinojal , S.L	100%
Gestora Fotovoltaica de Castellón, S.L. (and subsidiaries)	76%
Fercom Eólica, S.L.	100%
Fersa Asesoramiento y Gestión, S.L.	100%
Parc Eòlic Coll De Som, S.L.	100%
Explotación Eólica La Pedrera S.L.	100%
Castellwind 03 S.L	60%
Entreyeltes 1, S.L.	51%
Berta Energies Renovables, S.L.	26%
Ferrolterra Renovables, S.L.	37%
Fersa-Aventalia, S.L.	80%
Eoliennes de Beausemblant, SAS	80%
Eólica Postolin Sp. z o.o.	100%
Eólica Warblewo Sp. z o.o.	65%
Eólica Cieplowody Sp. z o.o.	100%
Parque Eólico Toabré, S.A. (formerly Fersa Panamá, S.A.)	30%
A.I.E. Subestación y Línea 2004	30%
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	16%
Aprofitament d'Energies Renovables de L'Ebre S.L.	15%



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