



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 2022)

(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 2022, 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.



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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 2022 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 2022 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 2022. 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.



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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)

Alberto Fernández Solar

28 September 2022

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2022

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

		Not audited	Audited
<u>Assets</u>	<u>Note</u>	<u>30/06/2022</u>	<u>31/12/2021</u>
Goodwill	5	137,942	137,942
Other intangible assets	5	200,669	200,048
Property, plant and equipment	5	122,010	117,200
Investments as per equity accounting	6	12,179	10,047
Financial assets	7	75,335	101,814
Deferred tax assets	15	15,352	13,358
Total non-current assets		563,487	580,409
Inventory		9,349	5,077
Trade and other receivables	7 and 9	358,512	319,450
Current tax assets		2,233	1,744
Financial assets	7	124,354	119,516
Time period adjustments and other current assets	9	65,310	78,769
Cash and other cash equivalents	10	196,094	244,149
Total current assets		755,852	768,705
Total assets		1,319,339	1,349,114
<u>Net Equity and Liabilities</u>	<u>Note</u>	<u>30/06/2022</u>	<u>31/12/2021</u>
Capital		44,029	44,029
Share premium account		420,316	420,316
Reserves		(334,509)	(337,191)
Profit (loss) for the year attributable to the parent company		139	2,838
Translation differences		(5,006)	(2,587)
Other comprehensive income		5,515	9,557
Equity attributed to the parent company		130,484	136,962
Non-controlling interests		13,970	11,962
Total net equity	11	144,454	148,924
Provisions	12	1,493	1,524
Bonds and other negotiable securities	13	450,833	447,821
Financial liabilities to credit institutions	13	73,991	81,783
Lease liabilities	13	16,000	15,326
Derivative financial instruments	8	7,287	5,387
Other financial liabilities	13	487	731
Subsidies	14	4,355	4,606
Other non-current liabilities		48,097	58,006
Deferred tax liabilities	15	21,420	21,455
Total non-current liabilities		623,963	636,639
Provisions	12	4,138	3,303
Bonds and other negotiable securities	13	195,389	202,993
Financial liabilities to credit institutions	13	41,155	39,599
Lease liabilities	13	1,316	1,178
Derivative financial instruments	8	15,665	8,427
Other financial liabilities	13	3,189	49,698
Trade and other payables		184,854	172,624
Current tax liabilities		3,175	3,881
Other current liabilities		102,041	81,848
Total current liabilities		550,922	563,551
Total net equity and liabilities		1,319,339	1,349,114

The notes 1 to 21 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2022.

* The consolidated balance sheet as at 31 December 2021 is presented solely and exclusively for comparative purposes

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

	Note	Not audited 30/06/2022	Not audited 30/06/2021
Ordinary income	16	1,321,287	688,625
Procurement	16	(1,257,977)	(638,134)
Other operating income		1,788	3,457
Wages and salaries	16	(14,800)	(13,845)
Other operating expenses	16	(25,063)	(21,741)
Amortisation and depreciation	5	(10,883)	(9,801)
Impairment and profit (loss) on disposal of fixed assets		(712)	(154)
Operating profit (loss)		13,640	8,407
Financial income		1,477	328
Financial expenses		(13,524)	(12,419)
Profit (loss) on disposal and change in value of financial instruments		794	579
Exchange differences		(231)	(705)
Financial profit (loss)	16	(11,484)	(12,217)
Profit (loss) of companies consolidated by equity accounting	6	2,043	(25)
Profit (loss) before tax from continuing operations		4,199	(3,835)
Income tax expense		(1,412)	(546)
Profit (loss) after tax from continuing operations		2,787	(4,381)
Profit (loss) for the year from discontinued operations		-	-
Consolidated profit (loss) for the year		2,787	(4,381)
Profit (loss) attributable to the parent company		139	(3,597)
Profit (loss) attributable to non-controlling interests		2,648	(784)
		30/06/2022	30/06/2021
Profit (loss) per share			
Basic		0.0003	(0.0082)
Diluted		0.0003	(0.0082)

The notes 1 to 21 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2022.

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

	Not audited	Not audited
	<u>30/06/2022</u>	<u>30/06/2021</u>
Consolidated profit (loss) for the year	<u>2,787</u>	<u>(4,381)</u>
Other comprehensive income		
Items to be reclassified to profit and loss statement		
Cash flow hedges	(4,492)	3,781
Translation differences of financial statements of businesses abroad	(2,419)	2,602
Other comprehensive income for the year, after tax	<u>(6,911)</u>	<u>6,383</u>
Total comprehensive income for the year	<u>(4,124)</u>	<u>2,002</u>
Total comprehensive income attributable to the parent company	(6,322)	1,634
Total comprehensive income attributable to non-controlling interests	2,198	368

The notes 1 to 21 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2022.

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 2020	44,029	420,316	(352,573)	8,035	26,385	(2,888)	(80)	143,224	7,818	151,042
Restatement				(8,035)				(8,035)	-	(8,035)
Balance at 31 December 2020 Restated	44,029	420,316	(352,573)	-	26,385	(2,888)	(80)	135,189	7,818	143,007
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)	-	(3,597)	(286)	2,549	125,813	10,198	136,011
Recognised income and expenses	-	-	-	-	6,435	(2,301)	7,008	11,142	1,764	12,906
Dividends	-	-	-	-	-	-	-	-	-	-
Changes to the scope	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	7	-	-	-	-	7	-	7
Reserves	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	44,029	420,316	(337,191)	-	2,838	(2,587)	9,557	136,962	11,962	148,924
Recognised income and expenses	-	-	-	-	139	(2,419)	(4,042)	(6,322)	2,198	(4,124)
Dividends	-	-	-	-	-	-	-	-	(190)	(190)
Changes to the scope	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	(156)	-	-	-	-	(156)	-	(156)
Reserves	-	-	2,838	-	(2,838)	-	-	-	-	-
Balance at 30 June 2022	44,029	420,316	(334,509)	-	139	(5,006)	5,515	130,484	13,970	144,454

The notes 1 to 21 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2022.

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

		Not audited	Not audited
		30.06.2022	30.06.2021
<i>Cash flows from operating activities</i>			
Profit (loss) for the year before tax	Note	4,199	(3,835)
Adjustments to results		22,844	24,830
Amortisation and depreciation	5	10,883	9,801
Valuation adjustments due to impairment	5	1,100	2,077
Changes in provisions		835	1,298
Allocation of subsidies		(127)	(129)
Profit (loss) on derecognition and disposal of fixed assets		712	154
Profit (loss) on derecognition and disposal of financial instruments		(794)	(579)
Financial income		(1,477)	(328)
Financial expenses		13,524	12,419
Exchange differences		231	705
Changes in fair value of financial instruments		-	(613)
Profit (loss) of companies consolidated by equity accounting		(2,043)	25
Changes in working capital		(9,059)	(55,421)
Inventory		(4,272)	(582)
Accounts receivable		(40,162)	(25,571)
Other current assets		13,727	407
Accounts payable		5,134	(6,552)
Other current liabilities		21,778	(23,482)
Other non-current assets and liabilities		(5,264)	359
Other cash flows from operating activities		(7,463)	(9,480)
Payments of interest		(8,504)	(10,643)
Collections of interest		1,041	1,163
Cash flows from operating activities		10,521	(43,906)
<i>Cash flows from investment activities</i>			
Payments of investments		(35,300)	(87,637)
Intangible assets	5	(8,907)	(1,573)
Property, plant and equipment	5	(10,840)	(13,594)
Group and associated companies	17	(80)	(39,426)
Other financial assets	7	(15,473)	(33,044)
Collection on divestments		43,350	1,348
Group and associated companies		13,503	1,018
Intangible assets	5	1,120	173
Property, plant and equipment	5	1,555	(43)
Other financial assets	7	27,172	200
Business unit		(469)	57
Cash flows from investment activities		7,581	(86,232)
<i>Cash flows from financing activities</i>			
Collections and payments for financial liability instruments		(65,967)	101,686
Issuance			
Bonds and other negotiable securities	13	191,191	297,645
Amounts owed to credit institutions	13	33,269	332
Payables to group companies and associates	17	116	-
Repayment			
Bonds and other negotiable securities	13	(200,100)	(133,200)
Amounts owed to credit institutions	13	(39,375)	(22,489)
Payables to group companies and associates	17	(51,068)	(40,602)
Payments of dividends and remuneration of other financial liabilities		(190)	(82)
Dividends		(190)	(82)
Cash flows from financing activities		(66,157)	101,604
Net increase/decrease in cash or equivalents		(48,055)	(28,534)
Cash and equivalents at the beginning of the year		244,149	368,233
Cash and equivalents at the end of the year		196,094	339,699

The notes 1 to 21 and the appendix are an integral part of the Interim Condensed Consolidated Financial Statements as at 30 June 2022.

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 energy sources, and natural gas retailing, and constitute together the AUDAX RENOVBLES 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 2021, approved on 30 June 2022, 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 2021 were approved by the General Meeting of Shareholders on 16 June 2022.

The interim condensed consolidated financial statements of the Audax Renovables Group as at 30 June 2022 were drawn up by the Directors of the Parent Company on 28 September 2022.

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 2022 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 2021, 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 2021, the date of the aforementioned consolidated annual accounts, till 30 June 2022.

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 2022 and as at 31 December 2021, the consolidated income statements for the periods of six months ended on 30 June 2022 and 2021, the consolidated comprehensive income statements for the periods of six months ended on 30 June 2022 and 2021, the consolidated statements of changes in net equity for the periods of six months ended on 30 June 2022 and 2021 and as at 31 December 2021, the consolidated cash flow statements for the periods of six months ended on 30 June 2022 and 2021, together with the explanatory notes to the consolidated financial statements for the period of six months ended on 30 June 2022.

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 2021.

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 2022 is presented solely for comparative purposes together with the relevant information for the period of six months ended on 30 June 2021, except for the consolidated balance sheet which compares the situation as at 30 June 2022 and at 31 December 2021.

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

On 15 March 2022 Audax Renovables acquired 100% of shares of the company Ulises Power, S.L. for the total amount of EUR 484 thousand from third company Idena Solar, S.L. The main object of the acquired company involves development, construction and operation of various photovoltaic power generation projects.

On 15 March 2022 Solar Buaya Inversiones S.L.U. set up the company SET Carmona 400KV Renovables, S.L. together with third partners, where it holds 8.20% of shares for the amount of EUR 820. The main object of the new company involves development, construction and operation of various photovoltaic projects.

On 26 April 2022 Audax Renovables set up the companies ADX Sonne, S.L. and Arianna Solar, S.L. for the amount of EUR 3 thousand each. The main object of the new companies involves development, construction and operation of various photovoltaic projects.

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 2022.

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 2022, 31 December 2021 and 30 June 2021 have been as follows:

	30 June 2022		31 December 2021		30 June 2021	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
US dollar	1.0387	1.0917	1.1326	1.1851	1.1884	1.2060
Hungarian forint	397.04	376.8314	369.19	359.01	351.6800	358.0186
Polish zloty	4.6904	4.6388	4.5969	4.5711	4.5201	4.5470

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

On a European level there are the following important new regulations introduced in the first half of the year 2022:

- Communication from the Commission COM/2022/108 of 8 March 2022 on the proposition of the REPowerEU Plan, which establishes actions for increasing the production of ecological energy, diversifying the supplies and reducing the demand, with special attention to Russian natural gas, following the Crisis of the war in Ukraine.
- Communication from the Commission COM/2022/230 of 18 May 2022 on REPower Plan, which recommends a set of measures in order to reduce the dependence on Russian fossil fuels by fast forwarding the energy transition towards clean energy in Europe.

The most important new regulations in the Spanish energy sector, published in the BOE (Official State Gazette) in the first half of 2022 are listed below.

- Order TED/220/2022, of 16 March, establishing the obligations to contribute to the National Fund of Energy Efficiency in the year 2022.
- Royal Decree-Law 6/2022, of 29 March 2022, adopting urgent measures as part of the National Plan addressing the economic and social consequences of the war in Ukraine in order to mitigate the impact of the current situation, which includes, among others, the extension until June 2022 of the fiscal measures related to the 5% VAT rate on electricity, the temporary exemption from IVPEE (7% tax), the reduced rate of 0.5% of the Excise Duty on Electricity, and the applicable electricity subsidy (Bono Social), the extension of the gas rate, and the modification of the RECORE system, as well as the simplification of the license granting process for renewable energy projects.
- Royal Decree-Law 10/2022, of 13 May 2022, establishing temporary mechanism of adjusting the production costs in order to reduce the price of electricity on the wholesale market.
- The law establishes a regulatory instrument, whose object is to reduce marginal pricing of electricity on the wholesale markets of the Iberian Peninsula and, ultimately, to stimulate the reduction of retail prices paid by all the end consumers of electricity. This measure implies that the natural gas, coal and cogeneration plants without regulated remuneration will receive a subsidy for the difference between the price of gas in MIBGAS and the reference price of €40/MWh during the first six months, which will be increased by €5/MWh up to €70/MWh (an average of €48.8/MWh). Moreover, the RDL includes the following three regulations: 1) a revision of the PVPC before 1 October 2022 incorporating a basket of term contracts (annual, quarterly and monthly) and of spot contracts (day and intraday), 2) a revision of the indexation of the economic system of renewables, cogeneration and waste in order to bring liquidity to the PVPC, and 3) with regard to the financing of the electricity subsidy (Bono social), a regulation is established to record within the maximum term of 6 months the cost of financing the entities which carry out regulated activities.
- Order PCM/466/2022, of 25 May 2022, publishing the Resolution of the Council of Ministers of 24 May 2022, which approves the plan of energy saving and efficiency measures to be taken by the General State Administration and the institutional public sector in line with the communications of the European Commission with regard to the REPowerEU Plan.
- Royal Decree-Law 11/2022, of 25 June 2022, which extends the suspension of the fiscal and social measures and gas reduction mechanism previously prolonged until June 2022 by Royal Decree 6/2022, until 31 December 2022 in order to address the economic and social consequences of the War in Ukraine, as well as in order to tackle social and economic vulnerability situations and support social and economic recovery of the island of La Palma, among other adopted measures.

In addition to the information regarding the specific regulations of the countries where the group's subsidiaries are present, special attention is paid to the Law of 26 of January of 2022 on special measures protecting fuel gas consumers, introduced in Poland by the "Anti-inflation Shield", which entered into force on 1 February 2022. This measure applies, upon request, a compensatory tariff to certain groups of consumers, calculated

on the basis of the sum of the real cost of fuel purchase and the advance compensation corresponding to the month following the compensation request, and has caused a reduction of the tariffs applied by the energy companies which operate in the gaseous fuels retail sector.

The regulatory changes in the rest of the countries where the Group has its subsidiaries are not considered as particularly important, because their impact in the first half of 2022 has been none or not significant in comparison to the situation as at 31 December 2021.

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 2021, and there have been no significant changes since its disclosure.

Despite these estimates having been conducted based on the best available data regarding the events analysed at the date of these Financial Statements, it is possible that future events may cause them to change (up or down) in future periods, which would be carried out prospectively, recording the effect of the change in future periods.

With regard to the Russian invasion of Ukraine, while it should be stated that the Group has no significant direct exposure to the Russian gas nor to the Russian counterparties, it cannot be guaranteed that it will not be indirectly affected by the crisis, through the effect of the sanctions on the UE economies, higher interest rates, greater volatility of the exchange rates and commodity prices, possible interruptions of the supply chain, higher inflation, and possible Russian cyberattacks.

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.

Below we present the most important figures of the operating segments identified for the half-year periods ended on 30 June 2022 and 2021:

30 June 2022	Spain and Portugal	Rest of World (1)	Total
Ordinary income	702,808	618,479	1,321,287
Procurement	(656,121)	(601,856)	(1,257,977)
Other operating income	969	819	1,788
Operating expenses and remunerations	(20,524)	(19,339)	(39,863)
Amortisation and depreciation	(5,338)	(5,545)	(10,883)
Impairment and profit (loss) on disposal of fixed assets	(616)	(96)	(712)
Negative consolidation differences	-	-	-
Operating profit (loss)	21,178	(7,538)	13,640
Financial profit (loss)	(11,334)	(150)	(11,484)
Participation in the profit (loss) of associates	-	2,043	2,043
Income before tax	9,844	(5,645)	4,199
Corporate income tax	(498)	(914)	(1,412)
Consolidated profit (loss) for the year	9,346	(6,559)	2,787
a) Profit (loss) attributable to the parent company			139
b) Profit (loss) attributable to non-controlling interests			2,648

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

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)
Negative consolidation differences	0	0	-
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 and Panama

The breakdown of ordinary income by country is the following:

	30/06/2022	30/06/2021
Spain and Portugal	702,808	394,702
Spain	614,120	337,764
Portugal	88,688	56,938
Rest of World	618,479	293,923
The Netherlands	154,168	61,840
Italy	72,473	31,588
Poland	20,996	10,579
Germany	5,441	10,764
France	958	1,514
Hungary	364,443	177,638
Total ordinary income	1,321,287	688,625

The breakdown of non-current assets, without financial assets and deferred tax assets, by segment and by country, is as follows:

	30/06/2022	31/12/2021
Spain and Portugal	288,336	280,639
Spain	264,497	256,835
Portugal	23,839	23,804
Rest of World	172,285	174,551
Italy	10,565	10,295
Poland	33,695	35,332
Germany	188	110
France	8,701	9,076
Hungary	7,919	5,085
The Netherlands	111,111	114,547
Others	106	106
Total ordinary income	460,621	455,190

NOTE 5 – INTANGIBLE AND TANGIBLE ASSETS

The movement for the period of six months ended on 30 June 2022 and for the year 2021 in the intangible and tangible assets accounts is as follows:

	Goodwill	Other intangible assets	Total intangible assets	Total tangible assets
Net book value 31.12.2020	137,942	159,487	297,429	87,429
Investment	-	17,923	17,923	29,913
Additions to scope (Note 2)	-	41,084	41,084	5,349
Amortisation and depreciation	-	(17,017)	(17,017)	(4,951)
Derecognitions	-	(1,396)	(1,396)	(186)
reversal of impairment	-	-	-	-
Other movements	-	-	-	-
Translation differences	-	(33)	(33)	(354)
Net book value 31.12.21	137,942	200,048	337,990	117,200
Cost	137,942	268,926	406,868	141,346
Accumulated amortisation and depreciation	-	(68,878)	(68,878)	(24,146)
Net book value 31.12.21	137,942	200,048	337,990	117,200
Investment	-	8,907	8,907	10,733
Additions to scope (Note 2)	-	479	479	630
Amortisation and depreciation	-	(8,117)	(8,117)	(2,766)
Derecognitions	-	(1,120)	(1,120)	(2,267)
Transfers	-	887	887	(887)
Translation differences	-	(415)	(415)	(633)
Net book value 30.06.22	137,942	200,669	338,611	122,010
Cost	137,942	277,664	415,606	148,776
Accumulated amortisation and depreciation	-	(76,995)	(76,995)	(26,766)
Net book value 30.06.22	137,942	200,669	338,611	122,010

The recognitions from investment in tangible assets are mainly costs incurred in the development and construction of a set of solar power stations. The recognitions from investment in intangible assets relate primarily to the development and implementation of a set of computer software, as well as to lease rights in connection with the application of IFRS 16 to certain customer acquisition costs.

The additions to scope during the period of six months ended on 30 June 2022 correspond to the incorporation of the company Ulises Power, S.L. to the Group (Note 2). The additions in the same period of six months in the year 2021 corresponded mainly to the incorporation of a set of companies involved in the development of solar power stations.

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 2022, the negative impact was mainly due to the depreciation of the Polish zloty and the Hungarian forint.

The breakdown of goodwill by country is as follows:

	30.06.2022	31.12.2021
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:

	30.06.2022	31.12.2021
Spain	144,266	142,961
Italy	7,691	7,544
Germany	186	107
Poland	1,931	2,055
France	2,286	2,387
The Netherlands	15,485	18,788
Hungary	7,486	4,868
Portugal	21,338	21,338
TOTAL	200,669	200,048

The breakdown of tangible assets by country is as follows:

	30.06.2022	31.12.2021
Spain	80,144	73,787
France	5,555	5,829
Italy	2,874	2,751
Germany	2	3
Poland	29,165	30,678
The Netherlands	1,235	1,368
Hungary	433	217
Portugal	2,501	2,466
Others	101	101
TOTAL	122,010	117,200

The net cash flow generated by various investments and divestments is the negative amount of EUR 17,072 thousand.

Allocations and reversals due to asset impairment

As indicated in the Consolidated Annual Accounts for the year 2021, the Group analyses, at least once a year, the value of its assets by conducting impairment tests. Moreover, the Group develops an impairment test if any of its assets show any indication of impairment.

The recoverable amount of an asset is whichever is higher between its fair value less costs of disposal or its value in use, which is understood to mean the present value of the future estimated cash flows.

The macroeconomic situation experienced in the first half year shows, as a consequence of the geopolitical circumstances, an increase of uncertainties in the capital markets and in commodity prices. However, based on the information available at the date of these Interim Consolidated Financial Statements, the

consequences of this situation are considered to be of limited duration. Therefore, it is not expected that they should have significant negative effect on the business plans and, consequently, on the recoverable value of the assets.

The main circumstances which the Group takes into account in order to evaluate the existence of impairment signs are the following:

- Repetitive losses in cash-generating units;
- Actual net cash flows, or results, deriving from the exploitation of the asset, which are significantly lower than estimated;
- Negative change in one of the key assumptions on which the cash flows forecasts are based;
- Significant changes with unfavourable effect for the Group, which occurred during the year or are expected to occur in immediate future, in the form or manner in which the asset is used or is expected to be used, such as, for example, plans to interrupt or restructure the business activity to which the asset belongs, or plans to dispose of the asset;
- Identification of unforeseen contingent liabilities in the CGUs subject to valuation, unforeseen significant sanctions or failure to meet certain ratios related to financial liabilities.

As a result of the analysis carried out, and taking into account the circumstances mentioned before, the Group considers that there are no indications of asset impairment as at 30 June 2022, therefore, no additional asset impairment tests have been carried out.

Determination of the Cash-Generating Units (CGU)

In order to carry out the impairment tests, the goodwill and the intangible and tangible assets have been allocated to the cash-generating unit (CGU) of the Group according to the kind of business that represents the lowest level to which the goodwill is allocated and is subject to internal control by the management of the Group.

For the purpose of identifying the CGUs, the generation business and the retailing business are considered as different CGUs.

As at 30 June 2022, the identified Cash-Generating Units (CGUs) are as follows:

- Cash-Generating Units of Generation of France, Spain and Poland.
- Cash-Generation Units of Retailing of Italy, the Netherlands, Hungary, Germany, Spain and Poland.

The group of assets considered in the CGUs specified before has not changed since the previous estimation of its recoverable value made in 2021.

NOTE 6- INVESTMENTS ACCOUNTED FOR BY EQUITY METHOD

The movement in this account during the first six months of 2022 has been as follows:

	Balance 31.12.21	Recognitions	Participation in profit (loss)	Translation differences	Balance 30.06.22
<u>Company</u>					
Parque Eólico Toabré S.A.	6,751	-	2,043	86	8,880
Audax Solar SPV XXVII, S.L.	662	-	-	-	662
Audax Solar SPV XXVIII, S.L.	662	-	-	-	662
Audax Solar SPV XXIX S.L.	662	-	-	-	662
Audax Solar SPV XXX, S.L.	662	-	-	-	662
Audax Solar SPV XXXI, S.L.	648	-	-	-	648
Others	-	3	-	-	3
Total	10,047	3	2,043	86	12,179

During the current year, the company Parque Eólico Toabré, S.A. has begun to generate energy in tests and, therefore, has generated income and profit from the production of the wind farm Toabré of 66 MW. The Group holds 30% of shares of that company.

The movement in 2021 was as follows:

	Balance 31.12.20	Recognitions	Participation in profit (loss)	Translation differences	Balance 31.12.2021
<u>Company</u>					
Parque Eólico Toabré S.A.	6,665	-	(51)	137	6,751
Audax Solar SPV XXVII, S.L.	-	663	(1)	-	662
Audax Solar SPV XXVIII, S.L.	-	663	(1)	-	662
Audax Solar SPV XXIX S.L.	-	663	(1)	-	662
Audax Solar SPV XXX S.L.	-	663	(1)	-	662
Audax Solar SPV XXXI, S.L.	-	649	(1)	-	648
Total	6,665	3,301	(56)	137	10,047

The recognitions for the year 2021 relate to the acquisition of 50% of certain companies involved in the development and construction of photovoltaic projects.

NOTE 7 – FINANCIAL ASSETS

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

	30.06.22			31.12.21		
	Current	Non-current	Total	Current	Non-current	Total
Assets designated at fair value through profit and loss						
Equity instruments						
Not traded						
	-	1,117	1,117	-	1,116	1,116
Total	-	1,117	1,117	-	1,116	1,116
Financial assets at amortised cost						
Unsecured loans						
Floating rate						
	-	415	415	-	723	723
Total	-	415	415	-	723	723
Trade and other receivables						
Receivables from sales and services						
	378,693	-	378,693	344,448	-	344,448
Other receivables						
	11,550	-	11,550	5,633	-	5,633
Less impairment						
	(31,731)	-	(31,731)	(30,631)	-	(30,631)
Total (Note 9)	358,512	-	358,512	319,450	-	319,450
Loans to group entities (Note 19)						
	-	37,046	37,046	-	50,293	50,293
Total	-	37,046	37,046	-	50,293	50,293
Deposits and sureties granted						
	35,035	19,106	54,141	11,265	42,206	53,471
Fixed-term deposits						
	61,677	2,814	64,491	73,416	1,507	74,923
Other financial assets						
	2,388	-	2,388	2,473	-	2,473
Total	99,100	21,920	121,020	87,154	43,713	130,867
Total	457,612	59,381	516,993	406,604	94,729	501,333
Equity instruments at fair value through other comprehensive income						
Traded						
	4,569	-	4,569	7,239	-	7,239
Hedge derivatives						
Contracted on organised markets (Note 8)						
	20,685	14,837	35,522	25,123	5,969	31,092
Total	25,254	14,837	40,091	32,362	5,969	38,331
Total financial assets	482,866	75,335	558,201	438,966	101,814	540,780

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 2022 the Group has made fixed-term deposits amounting to EUR 12,900 thousand.

The heading Other current financial assets relates primarily to the Debt Service Reserve Account (DSRA) amounting to EUR 2,445 thousand (EUR 2,445 thousand at 31 December 2021) which constitute an additional guarantee for the bank syndicate and are subject to restrictions in application, as is described in Note 13.

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 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.

As at 30 June 2022 and 31 December 2021 the breakdown of assets and liabilities related to derivative financial instruments is as follows:

	30.06.22		31.12.21	
	Non-current	Current	Non-current	Current
Assets from derivative financial instruments				
Energy price hedges	13,657	20,685	5,765	25,123
Interest rate swaps	1,180	-	204	-
Total assets	14,837	20,685	5,969	25,123
Liabilities from derivative financial instruments				
Energy price hedges	7,287	15,617	5,241	8,427
Interest rate swaps	-	48	146	-
Total liabilities	7,287	15,665	5,387	8,427

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.

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

Electricity derivatives

As at 30 June 2022, the Group holds hedge contracts against the risk of electricity price fluctuations, which are mostly clearing house agreements. As at 30 June 2022 the net fair value of these derivative financial instruments is an asset amounting to EUR 11,438 thousand (total asset of EUR 17,220 thousand as at 31 December 2021).

These contracts have been used entirely for the purpose of hedging the price of electricity purchase in the face of possible increase of the market price. There are no hedge derivatives acquired in order to hedge the sale price of electricity or the purchase or sale of natural gas.

The electricity price hedge derivatives comply with the IFRS-EU standards for the application of hedge accounting, therefore the changes in the value of these financial instruments are recorded (at the after tax amount) under net equity.

NOTE 9 - TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables is as follows:

	At 30.06.22	At 31.12.21
Clients	378,172	344,111
Trade receivables from group companies	521	337
Other receivables	11,550	5,633
Valuation adjustments for bad debt	(31,731)	(30,631)
Total trade and other receivables	358,512	319,450

Under the heading of "Trade receivables" the Group puts mainly the invoicing amounts corresponding to the months of May and June 2022 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 2022, the estimates of the retailing companies amount to EUR 119,870 thousand (EUR 107,204 thousand as at 31 December 2021).

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

Balance at 31.12.21	(30,631)
Allocations	(6,111)
Reversals	2,603
Releases	2,408
Others	-
Balance at 30.6.22	(31,731)

In the first half of 2022 the Group allocated EUR 6,111 thousand to the provision for delayed payment (EUR 3,422 thousand in the first half of 2021).

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

	At 30.06.22	At 31.12.21
Prepaid expenses for insurance	2,026	1,673
Prepaid expenses for commissions	20,922	26,423
Prepaid expenses for renting	33	97
Other prepaid expenses	13,046	19,823
Advances to staff	35	37
Receivables from Public Administrations	29,248	30,716
Total	65,310	78,769

"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.

On 7 March 2022 the Administrative Litigation Chamber of the Supreme Court issued judgment no. 285/2022 by which it admitted in part the administrative appeal lodged by the Group against Royal Decree 897/2017, which regulates the definitions of vulnerable consumer and bono social (a discount rate). The judgment grants the Group the right to be indemnified and receive compensation of the amounts paid for the bono social and its associated costs. As a consequence of the court judgment, the Group recognised an asset to be received from Public Administration in the amount of EUR 3,222 thousand.

NOTE 10 - CASH AND OTHER CASH EQUIVALENTS

The heading "Cash and other cash equivalents" includes:

	At 30.06.22	At 31.12.21
Cash and banks	182,685	242,517
Short-term investments of high liquidity	13,408	1,632
Total	196,094	244,149

The Group does not receive significant interest remunerations over cash and other cash equivalents.

As at 30 June 2022 and 21 December 2021, there are no significant restrictions to the disposable cash and cash equivalents.

NOTE 11 – NET EQUITY

Share capital

The share capital of the Parent Company as at 30 June 2022 and 31 December 2021 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 2022 was of EUR 1.14 per share (EUR 1.26 per share as at 31 December 2021).

The breakdown of the shareholders of the Parent Company holding more than 10% shares as at 30 June 2022 and 31 December 2021 is as follows:

	At 30.06.2022	At 31.12.2021
Shareholders	%	%
Electrica Nuriel, S.L.U.(*)	65.01%	65.15%
Rest of shareholders	34.99%	34.85%
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 2022 the Parent Company has a Legal Reserve valued at EUR 8,806 thousand (EUR 8,806 thousand as at 31 December 2021).

c) Treasury shares

As at 30 June 2022 and 31 December 2021, 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 2022, as well as at 31 December 2021, 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 16 June 2022 approved the following allocation of loss for the year 2021 of the Parent Company:

Base of distribution	EUR
Profit and (loss)	-4,935,471
Total	-4,935,471
<hr/>	
Base of distribution	EUR
To losses from previous years	-4,935,471
Total	-4,935,471

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 30.06.2022	At 30.06.2021
Number of shares	440,291,054	440,291,054
Average number of shares	440,291,054	440,291,054
Profit (loss) attributable to the Parent Company*	139	(3,597)
Result for the year attributable to the Parent Company diluted*	139	(3,597)
Profit / (loss) per share (euro per share)		
- Basic	0.0003	(0.0082)
- Diluted	0.0003	(0.0082)

*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 31.12.20	7,818
Profit (loss) for the year	(1,593)
Dividend distribution	(190)
Incorporations to scope	2,202
Other movements	3,725
Balance at 31.12.21	11,962
Profit (loss) for the year	2,648
Valuation adjustments	(190)
Incorporations to scope	-
Other movements	(450)
Balance at 30.6.22	13,970

The breakdown of the non-controlling interests by entity as at 30 June 2022 and 31 December 2021 is as follows:

	30/06/2022	31/12/2021
Subsidiaries of Uniléctrica Energía S.A.	10,286	8,722
Eoliennes de Beausemblant, SAS	440	589
Audax Solar SPV XV, S.L.U.	2,191	2,191
Others	1,053	460
Total	13,970	11,962

NOTE 12 - PROVISIONS

The breakdown of provisions as at 30 June 2022 and 31 December 2021 is as follows:

	Balance at 30.06.2022	Balance at 31.12.2021
Non-current provisions	1,493	1,524
Provision for liabilities	224	450
Dismantling provision	1,269	1,074
Current provisions	4,138	3,303
Provision for liabilities	4,138	3,303
Total	5,631	4,827

Dismantling provision

As at 30 June 2022 the Group has recorded a provision of EUR 1,269 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.

Provision for liabilities

On 11 May 2022 the Competition Directorate issued a proposition of a resolution against several companies of the Group, as it considered their conduct as a potential infringement of article 3 of Law 15/2007 of 3 July 2007 on Competition Protection ("LDC"). The Involved Companies, upon being informed of the proposed resolution, did not agree with it and made their relevant representations on 9 June 2022, and the single procedural step is to be taken by the CNMC Council before the Involved Companies are informed of the pertinent resolution. Additionally, the Regulatory Supervision Chamber of the CNMC has resolved on imposing economic sanction on Audax Renovables for the potential irregular conduct in consumer contracts under article 65.43 of Law 24/2013. The company intends to lodge an appeal with the National High Court, as it does not agree with the reasons stated in the resolution. The Group understands that there is an infringement of the rights of the companies involved, and that there are no reasons for these proceedings to be carried out, however, in 2022 it considered appropriate to allocate EUR 1,500 thousand to the provision for current liabilities in order to cover the maximum probable sanction risk of these proceedings.

NOTE 13 – FINANCIAL LIABILITIES

The breakdown of the financial liabilities, without including trade and other payables, for the first six months of 2022, is as follows:

	30.06.22	31.12.21
Debt from issue of bonds and other negotiable securities	450,833	447,821
Amounts owed to credit institutions	73,991	81,743
Lease liabilities	16,000	15,326
Financial derivatives liabilities (Note 8)	7,287	5,387
Other financial liabilities	487	731
Total non-current financial liabilities	548,598	551,008
Debt from issue of bonds and other negotiable securities	195,389	202,993
Amounts owed to credit institutions	41,155	39,599
Lease liabilities	1,316	1,178
Financial derivatives liabilities (Note 8)	15,665	8,427
Other financial liabilities	3,189	49,698
Total current financial liabilities	256,714	301,895

Over the first half year of 2022 the following changes to the financial liabilities of the Group took place:

Bonds and other negotiable securities

The breakdown of bonds and other negotiable securities as at 30 June 2022 is as follows:

	30/06/2022	31/12/2021
Bonds	437,938.05	430,532.00
Promissory notes	208,283.85	220,283.00
Debt from issue of bonds and other negotiable securities	646,221.90	650,815.00

On 13 April 2022 Audax Renovables, S.A. renewed its note programme initially signed in January 2017 and which, after consecutive increases, has a maximum outstanding balance of EUR 300,000 thousand and maturity date on 13 April 2023. As at 30 June 2022, the total drawn down balance amounts to EUR 241,484 thousand (EUR 249,104 thousand as at 31 December 2021).

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 and 2018 bond amounted to EUR 26,600 thousand and EUR 17,505 thousand respectively, 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".

On 26 July 2021, the Company proceeded to renew this programme by registering a new one under the name of "EUR 400,000,000 Senior Unsecured Notes Programme Audax Renovables, S.A. 2021" in the Alternative Fixed-Income Market ("MARF"), which replaces the 2020 programme.

On 18 November 2020 the Board of Directors of the Company approved the issue of senior plain green convertible unsecured bonds for the amount of EUR 125,000 thousand of nominal value and at the annual interest rate of 2.25% to 2.75% payable half-yearly, with maturity on 30 November 2025.

The cash flow generated by the bond programme, and the redemption of bonds and promissory notes, was the negative amount of EUR 14,649 thousand.

Amounts owed to credit institutions

The breakdown of amounts owed to credit institutions is the following:

	30.06.22	31.12.21
Project Finance	16,664	18,418
Loans	57,327	63,365
Lines of credit	-	-
Reverse factoring and similar	-	-
Total non-current	73,991	81,783
	30.06.22	31.12.21
Project Finance	3,302	3,509
Loans	22,978	16,139
Lines of credit	12	(148)
Reverse factoring and similar	14,863	20,099
Total current	41,155	39,599

Project Finance

The companies included in the consolidation scope Eólica del Pino S.L., Eólica el Pedregoso S.L., 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. These loan agreements include conditions which impose limitations on dividend distribution and require the fulfilment of certain minimum ratios, such as the Debt Service Coverage Ratio or the Leverage Index.

Regarding the loans for financing the wind farms with liabilities under "Project Finance", as at 30 June 2022 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 2022, the following reserve funds were included in the "Other current financial assets" account:

Company	30.06.22	31.12.21
Eólica el Pedregoso, S.L.	717	717
Eólica del Pino, S.L.	363	363
Eólica Postolin Sp. z o.o.	1,365	1,365
Total	2,445	2,445

Loans and lines of credit

In the first half of 2022 the Parent Company carried out the settlement of loans in the amount of EUR 2,896 thousand, corresponding mainly to the loan agreements entered into with Instituto Catalá de Finances, Bankinter and Toro Finance for the amount of EUR 2,476 thousand.

Reverse factoring

The reverse factoring contracts of the Group relate mostly to the loans obtained by the Group from diverse financial institutions in order to finance the payment of invoices to suppliers and creditors when the invoices become due. Usually the maturity period of these loans is 60 to 120 days. In this sense, the term does not include transactions carried out between Group companies.

Therefore, we consider the nature of the transaction as financial, including the liability arising in short-term amounts owed to credit institutions.

There are no deposits or guarantees associated with these transactions.

The net cash flow shown in the Cash Flow Statement as collections and payments for financial liability instruments under loan agreements with credit institutions is a negative amount of EUR 6,106 thousand.

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:

	30.06.22	31.12.21
Accounts payable to Group entities (Note 17)	386	523
Other debts	101	208
Total other non-current financial liabilities	487	731
Accounts payable to Group entities (Note 17)	2,309	49,075
Other debts	880	623
Total other current financial liabilities	3,189	49,698

The maturity dates of the amounts owed to the credit institutions due to the issue of bonds and other negotiable securities are as follows:

	Up to 1 year	2 to 5 years	More than 5 years
Debt from issue of bonds and other negotiable securities	195,389,429	152,320,324	298,513,043
Amounts owed to credit institutions	41,155,058	56,980,109	17,010,893
Total	236,544,487	209,300,433	315,523,936

The leverage ratio is as follows:

	At 30.06.2022	At 31.12.2021
Non-current financial liabilities		
Bonds and other negotiable securities	450,833	447,821
Financial liabilities to credit institutions	73,991	81,783
Lease liabilities	16,000	15,326
Other financial liabilities	102	208
Current financial liabilities		
Bonds and other negotiable securities	195,389	202,993
Financial liabilities to credit institutions	41,155	39,599
Lease liabilities	1,316	1,176
Other financial liabilities	880	623
Derivatives	(12,570)	(17,278)
Cash and other cash equivalents		
Other financial assets	(84,231)	(84,559)
Cash and other cash equivalents	(196,094)	(244,149)
Net financial debt:	486,771	443,545
Of the Parent Company (Note 11)	130,484	136,962
Of the minority interests (Note 11)	13,970	11,962
Net equity:	144,454	148,924
Leverage (Net financial debt / (Net financial debt + Net equity))	77.1%	74.9%

NOTE 14 - 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 2022 under "Other operating income (expenses)" the amount of EUR 127 thousand was recorded (EUR 129 thousand in the first six months of the year 2021).

NOTE 15 - INCOME TAX EXPENSE

Companies belonging to the Audax Renovables, S.A. Tax Group:

Audax Renovables, S.A.	Centauro Energia Solar, S.L.U.
Generación Iberia, S.L.U. Eólica	Tohora Solar Inversión, S.L.U.
El Pedregoso, S.L. Eólica Del	Tarakona Solar Inversión, S.L.U.
Pino, S.L.	Zurván Gestión de Proyectos, S.L.
Audax Solar SPV IV, S.L.U.	ADX Sonne, S.L.
Audax Solar SPV VI, S.L.U.	Arianna Solar, S.L.
Audax Solar SPV VII, S.L.U.	Audax Solar SPV XXIV, S.L.U.
Audax Solar SPV IX, S.L.U.	Audax Solar SPV XXV, S.L.U.
Audax Solar SPV X, S.L.U.	ADS Energy 8.0., S.L.U.
Astendong, S.L.U.	Masqluz 2020, S.L.
Coral Perkins, S.L.U.	Comercializadora ADI España, S.L.U
Aznalcóllar Solar, S.A.U.	By Energyc Energía Eficiente, S.L.
Solar Buaya Inversiones, S.L.U.	Love Energy, S.L.
Audax Solar SPV XXVI, S.L.U.	Energía Ecológica Económica, S.L.
Botey Solar, S.L.U.	Feed Energía, S.L.
Corot Energía, S.L.U.	Eryx Investments 2017, S.L.U.
Las Piedras Solar, S.L.U.	Unieléctrica Energía, S.A.
Da Vinci Energía, S.L.U.	Explotación Eólica La Pedrera, S.L.U
Elogia Calañas, S.L.U.	Fox Energía, S.A.
Corinto Solar, S.L.U.	

Apart from in Spain, the Group operates and pays taxes in Italy, the Netherlands, Poland, France, Germany, Hungary and Portugal.

In accordance with the provisions of IAS 34: "Interim Financial Reporting", the calculation of the amount included under "Income tax expense" of the consolidated income statement for the periods of six months ended on 30 June 2022 and 2021 was carried out based on the best estimate of the expected tax rate for the corresponding fiscal years.

Deferred taxes

The movement during the first half year 2022 and over the year 2021 corresponding to the deferred tax assets and liabilities is as follows:

	Balance 31.12.21	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance 30.06.22
Deferred tax assets	13,358	3,189	(814)	(373)	-	(8)	15,352
Deferred tax liabilities	(21,455)	(1,898)	1,927	-	-	6	(21,420)
Total	(8,097)	1,291	1,113	-	-	(2)	(6,068)

	Balance 31.12.20	Recognitions	Derecognitions	Changes to scope	Transfers	Translation differences	Balance 31.12.21
Deferred tax assets	8,109	6,863	(1,606)	-	-	(8)	13,358
Deferred tax liabilities	(16,502)	(8,138)	3,180	-	-	5	(21,455)
Total	(8,393)	(1,275)	1,574	-	-	(3)	(8,097)

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. The recognitions include the recording of deferred tax liabilities from the tax impact of hedge derivative assets.

Tax loss carry-forward and other tax credits

In addition to the aforementioned deferred tax assets recorded as at 30 June 2022, the Audax Renovables Group has tax loss carry-forwards (TLCs) available for offset amounting to EUR 217,411 thousand, as well as a deferred tax asset balance of EUR 4,277 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.

On 20 May 2022 the Spanish tax administration informed Audax Renovables S.A. of having commenced the verification and investigation of the tax returns of corporate income tax, value-added tax and personal income tax presented during the fiscal years 2017 to 2020. As at the day of these financial statements the Group is attending to the requirements of the tax administration regarding information.

NOTE 16 - INCOME AND EXPENSES

Ordinary income and procurement

The breakdown of Ordinary income is as follows:

	30.06.2022			30.06.2021		
	Spain and Portugal	Rest of World ⁽¹⁾	Total	Spain and Portugal	Rest of World ⁽¹⁾	Total
Total operating revenue	702,808	618,479	1,321,287	394,702	293,923	688,625

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

The breakdown of Procurement is as follows:

	30.06.2022			30.06.2021		
	Spain and Portugal	Rest of World ⁽¹⁾	Total	Spain and Portugal	Rest of World ⁽¹⁾	Total
Total Procurement	656,121	601,856	1,257,977	367,470	270,664	638,134

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

Staff costs

The breakdown of Staff costs as at 30 June 2022 and 2021 is as follows:

	30.06.2022	30.06.2021
Wages and salaries	11,473	10,763
Employer contributions	2,564	2,566
Other social expenses	763	516
Total	14,800	13,845

The average number of employees for the first six months of the year 2022 and 2021 has been as follows:

Average number

	30.06.22	30.06.21
Senior Management*	3	3
Management	33	21
Leadership	38	33
Middle Management	207	253
Others	503	462
Total	784	772

* 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 2022 and 2021 broken down by category and gender is as follows:

	30.06.22		30.06.21	
	Women	Men	Women	Men
Senior Management*	-	2	1	2
Management	12	23	3	16
Leadership	16	22	12	22
Middle	164	59	188	67
Others	290	218	270	219
Total	482	324	474	326

* including internal auditor.

Other operating expenses

The breakdown of Other operating expenses as at 30 June 2022 and 2021 is as follows:

	30.06.2022	30.06.2021
Leases	611	153
Repairs and maintenance	1,556	1,467
Counselling services	5,855	4,435
Insurance premiums and commissions	1,680	1,477
Supplies and other services	2,235	1,893
Other operating expenses	5,032	5,831
Taxes	7,370	5,672
Loss, impairment and change in provisions	724	813
Total	25,063	21,741

Net Financial Income (Expense)

The breakdown of this account in the consolidated profit and loss statement as at 30 June 2022 and 2021 is as follows:

	30.06.2022	30.06.2021
Financial income from shareholding in third parties	-	-
Financial income from group companies receivables	673	2
Financial income from third party receivables	804	326
Financial expenses arising from bond issuing	(9,882)	(7,886)
Financial expenses from debt and other financial cost	(3,642)	(4,533)
Impairment and profit (loss) on disposal of financial instruments	794	579
Change in fair value of financial instruments	-	-
Exchange differences	(231)	(705)
Financial profit (loss)	(11,484)	(12,217)

NOTE 17 – INFORMATION ON RELATED PARTY TRANSACTIONS

The transactions carried out in the first half year of 2022 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 18.
- 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:

30.06.22	Group companies	Other related parties	Total
<i>Income and similar</i>			
Net sales	1,266	397	1,663
Services rendered	3	60	63
Financial instruments			
Financial income	673	-	673
Total income	1,942	457	2,399
<i>Expenses and similar</i>			
Purchases	643	-	643
Purchase of fixed assets	110	2,390	2,500
Other received services	1,321	43	1,364
Total Expenses	2,074	2,433	4,507

Income

In the first half of 2022, Audax Renovables, S.A. has supplied energy to various companies of the Excelsior Group, the most significant operation being the supply to La Sirena Alimentación Congelada, S.A.U. for the amount of EUR 1,070 thousand.

Moreover, Audax Renovables, S.A. has purchased energy from the related company Aspy Prevención, S.L.U. for the amount of EUR 384 thousand.

Expenses

In the first half year of 2022, 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 643 thousand.

Purchase of fixed assets from other related parties during the first six months of 2022 for the amount of EUR 2,390 thousand corresponds mainly to the solar projects carried out by the related company DJL Renovables, S.L. to various companies of the Group.

In the first half year of 2022, 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 2022, 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 317 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 2022 and 31 December 2021 are as follows:

30.06.22	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 7)	25,575	11,471	37,04
Total non-current assets	25,575	11,471	37,04
Trade and other receivables			
Short-term receivables from group companies and associates	401	99	500
Loans and receivables			
Loans	-	32	32
Other financial assets	-	-	-
Total current assets	401	131	53
Total assets	25,976	11,602	37,57
Long-term payables to group companies and associates		386	386
Total non-current liabilities	-	386	386
Short-term payables to group companies and associates	2,309	-	2,309
Trade and other payables			
Short-term payables to suppliers, group companies and associates	1,204	330	1,534
Total current liabilities	3,513	330	3,84
Total liabilities	3,513	716	4,22

2021	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 7)	38,822	11,471	50,293
Total non-current assets	38,822	11,471	50,293
Trade and other receivables			
Short-term receivables from group companies and associates	251	86	337
Loans and receivables			
Loans	-	-	-
Other financial assets	-	-	-
Total current assets	251	86	337
Total assets	39,073	11,557	50,630
Long-term payables to group companies and associates		523	523
Total non-current liabilities	-	523	523
Short-term payables to group companies and associates	49,354	(280)	49,074
Trade and other payables			
Short-term payables to suppliers, group companies and associates	3,530	121	3,651
Total current liabilities	52,884	(159)	52,725
Total liabilities	52,884	364	53,248

The amount of the Group's loans and non-current receivables in the first half of 2022 corresponds mainly to a loan granted to Eléctrica Nuriel, S.L.U. in the amount of EUR 24,468 thousand (EUR 38,468 thousand as at 31 December 2021).

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 2021).

The balance of current payables to group companies for the year 2022 corresponds mainly to the amount payable by Audax Renovables, S.A. to Excelsior Times, S.L.U. of EUR 1,008 thousand for the contributions

that were made (EUR 44,892 thousand as at 31 December 2021).

NOTE 18 - 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 2022, the amount accrued by all the members of the Board of Directors of Audax Renovables, S.A. is of EUR 296 thousand (EUR 268 thousand in the first half year of 2021) 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 2022 the Board of Directors of the Parent Company is composed of 4 men and 2 women (4 men and 2 women as at 30 June 2021).

Management's remuneration

The remuneration charged for all kinds of reasons in the first half year of 2022 by the Group's Senior Management amounted to EUR 171 thousand (EUR 282 thousand for the same period in 2021). 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 2022 the Senior Management of the Group is made up of 2 men, including the internal auditor (1 woman and 2 men as at 30 June 2021).

NOTE 19 – COMMITMENTS AND CONTINGENCIES

Guarantees with third parties

As at 30 June 2022 the Group has been given bank guarantees amounting to EUR 157,034 thousand (EUR 168,924 thousand as at 31 December 2021) 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 12).

NOTE 20- 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 2022, there have been no significant aspects likely to affect the Parent Company, Audax Renovables, S.A.

NOTE 21- SUBSEQUENT EVENTS

On 21 July 2022 the sale of 49% of shares of the companies Botey Solar, S.L., Centauro Energia Solar S.L., Corinto Solar, S.L., Corot Energía, S.L., Da Vinci Energia S.L., Elogia Calañas, S.L. and las Piedras Solar, S.L. was carried out for the amount of EUR 8.8 million to Devo Prime, S.L.U., a company related to the investment fund IKAV.

Moreover, the same investment fund provides long-term financing to these companies in the amount of EUR 29.9 million.

All these companies are involved in operating a set of photovoltaic plants of installed capacity of 69.5 MWp.

APPENDIX I:

AUDAX RENOVBLES GROUP COMPANIES AS AT 30 June 2022

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 Energia 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%	-
Audax Renewables Kft.	Váci ut 17, H1134 Budapest (Hungary)	Hungary	Retailing	100%	-
Audax Gas Trading Kft	4024 (postal code) Debrecen (city), Kossuth utca (street) 42.(street number)	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%	-
Eólica 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%	-
Astendong, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Coral Perkins, 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%	-
Audax Solar SPV XXVI, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XV, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	60%	-
Merfonda Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	-	60%
Sarda Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	-	60%
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%	-
Corinto Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Centauro Energía Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Tohora Solar Inversión, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Tarakona Solar Inversión, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Zurván Gestión de Proyectos, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XXIV, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XXV, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Green Show, L.D.A.	Avda. Das Tulipas, 6, 18°, Miradores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	95%	5%
ADX Fotovoltaico - Solar Da Luz, L.D.A	Avda. Das Tulipas, 6, 18°, Miradores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	-	100%
ADX Fotovoltaico - Solar Do Ceu, L.D.A	Avda. Das Tulipas, 6, 18°, Miradores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	-	100%
Clever Road, L.D.A.	Avda. Das Tulipas, 6, 18°, Miradores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	100%	-
Audax Solar SPV Italia 1, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 2, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 3, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 4, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 5, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 6, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	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.U.	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, S.A.	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	20%	69%
Nabilia 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 ° - oficina 8. 26001, Logroño, La Rioja	Spain	Retailing	-	69%
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%
Ulises Power, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	0%
ADX Sonne, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	0%
Arianna Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	0%

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%	-	Significant influence
Audax Solar SPV XXVIII, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXIX, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXX, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXXI, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Parque Eólico Toabré, S.A.	Cinquenta, edificio 2000, 5a planta Ciudad de Panamá, Panama	Panama	Generation	30%	-	Significant influence

AUDAX RENOVABLES GROUP COMPANIES AS AT 31 DECEMBER 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%	-
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%	-
Audax Renewables Kft.	Váci ut 17, H1134 Budapest (Hungary)	Hungary	Retailing	100%	-
Audax Gas Trading Kft	4024 (postal code) Debrecen (city), Kossuth utca (street) 42.(street number)	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%	-
Eólica 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%	-
Astendong, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Coral Perkins, 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%	-
Audax Solar SPV XXVI, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XV, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	60%	-
Merfonda Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	-	60%
Sarda Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	-	60%
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%	-
Corinto Solar, S.L.U.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-

Company name	Registered address	Country	Objects	Shareholding	
				Direct	Indirect
Centauro Energía Solar, S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Tohora Solar Inversión, S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Tarakona Solar Inversión, S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Zurván Gestión de Proyectos, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XXIV, S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Audax Solar SPV XXV, S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	100%	-
Green Show, L.D.A.	Avda. Das Tulipas, 6, 18°, Miraflores Office Center. 1495 158 Algés, Portugal	Portugal	Generation	95%	5%
ADX Fotovoltaico - Solar Da Luz, L.D.A	Avda. Das Tulipas, 6, 18°, Miraflores Office Center. 1495 158 Algés, Portugal	Portugal	Generation	-	100%
ADX Fotovoltaico - Solar Do Ceu, L.D.A	Avda. Das Tulipas, 6, 18°, Miraflores Office Center. 1495 158 Algés, Portugal	Portugal	Generation	-	100%
Clever Road, L.D.A.	Avda. Das Tulipas, 6, 18°, Miraflores Office Center. 1495 158 Algés, Portugal	Portugal	Generation	100%	-
Audax Solar SPV Italia 1, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 2, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 3, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 4, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 5, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
Audax Solar SPV Italia 6, S.R.L.	Via Boccaccio 7, 20123 Milan (Italy)	Italy	Generation	100%	-
ADS Energy 8.0., S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	100%	-
Masqluz 2020, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Alset Comercializadora, S.L.U.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
By Energyc Energía Eficiente, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Love Energy, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Energía Ecológica Económica, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Feed Energía, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Retailing	75%	-
Eryx Investments 2017, S.L.U.	C/Temples 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/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	-	100%
Fox Energía, S.A.	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	20%	69%
Nabilia 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 ° - oficina 8. 26001, Logroño, La Rioja	Spain	Retailing	-	69%
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	Shareholding			Controlling relation
			Objects	Direct	Indirect	
Audax Solar SPV XXVII, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXVIII, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXIX, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXX, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Audax Solar SPV XXXI, S.L.	C/Temples 25 08911 Badalona (Barcelona)	Spain	Generation	50%	-	Significant influence
Parque Eólico Toabré, S.A.	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, Panama	Panama	Generation	30%	-	Significant influence

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT AS AT 30 June 2022

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, S.A., became the majority shareholder of 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 is as follows:

Shareholder	Total stake	
	30/06/2022	31/12/2021
Eléctrica Nuriel, S.L.U. (*)	65.01%	65%
Free float	34.99%	35%
Total	100.00%	100%

(*) Additionally, Eléctrica Nuriel, S.L.U. has various rights to purchase 48 million shares of Audax Renovables, S.A., which represent 10.90% of the Parent Company

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 Annual Report on Corporate Governance at the following link:

<https://www.audaxrenovables.com/informes/>

1.2. Company structure

The majority shareholder of Audax is Eléctrica Nuriel, S.L. with a shareholding of 65.01% (additionally, it has the right to purchase 10.90% of the shares), and the rest of the shareholders hold 34.99%.

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 most significant shareholders of the Audax Group are the following:

Shareholder	Total direct and indirect stake	
	Nº Shares	% Equity
Eléctrica Nuriel, S.L.U.	286,234,285	65.01%
Purchasing rights of Eléctrica Nuriel, S.L.U.	48,000,000	10.90%
Global Portfolio Investments, S.L.	31,879,311	7.24%
Excelsior Times, S.L.U.	6,476,401	1.47%
Free Float	67,701,057	15.38%
Total	440,291,054	100.00%

The information on the companies of the Audax Group as at 30 June 2022 is available in the Appendix I to these Interim Consolidated Financial Statements.

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.

The main lines of action are the following:

1. To become the benchmark in 100% renewable energy generation by bolstering our project portfolio.
2. Strengthen Audax's leadership as the top independent retailer in the SME segment in Spain.
3. Double the profitability covering 2/3 of the energy supplied under long-term PPA contracts based on own and third parties' power generation plants.

4. Replicate the success achieved in Spain on the international markets where we already operate.

2. Evolution and results of the business

2.1. Significant events of the period

This directors' report was formulated in macroeconomic circumstances marked by the conflict in Eastern Europe, which prolonged and accentuated the volatility and increase of commodity prices in the various markets where the Group operates.

The vertical integration of Audax mitigates the risk of volatility in the market allowing to ensure regular and stable income from the generated energy and allows the energy supply and retail to be protected against market fluctuations.

We should highlight within this period the increase of operating income, which was 91% higher than in the first half of the year 2021, due mainly to the rising prices in the markets where the Group operates.

In this challenging context, and thanks to the measures introduced by the Group in the first half of the previous year, along with Audax's efforts to vertically integrate the production and retail of energy, in the current half year the gross margin increased by 21% compared to the same period of the previous year.

The increase of installed capacity by +55% in the first half of 2022 compared to the same period of the previous year has had direct impact on the total EBITDA of the company, which increased by +35%. The net income of the company amounts to EUR 139 thousand, thus regaining the positive sign of its half-year results.

In spite of the complexity of the year, and of the slow progress, which we still experience from some of the official bodies while carrying out the administrative procedures, Audax has continued its operations of development, construction and setup of its power generation project portfolio, initiating the works on a 19 MW photovoltaic plant. During this period the scheduled investment plan has been maintained in the various photovoltaic portfolio projects.

Regarding retail, the Group continues its policy of risk reduction and market diversification. Moreover, Audax maintains the strategy of varied client segmentation while remaining focused on the corporate sector, which makes up 92% of the total portfolio.

The countries where the Group has most successfully implemented its policy of vertical integration (mainly Southern Europe) are those which have best adapted to the macroeconomic situation and yielded the best results to the Group during the first half year.

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

- At the beginning of March the Group informed about the commencement of the construction of the photovoltaic project Zaratán of 12.3 MWp total capacity. The project comprises 22,560 modules of 545 Wp of single axis solar tracker, which will allow to generate 21.5 GWh/year, corresponding to the energy use of nearly 5,500 households and approximately 17,000 individuals. The investment in clean energy will allow to avoid the emission of 3,840 tonnes of CO₂ per year.
- The Government approves the National Plan in response to the consequences of the war in Ukraine on 29 March 2022, implementing RDL 6/2022 which includes an assortment of measures and proposals designed to mitigate the impact on the current economic situation, such as further extension until June 2022 of the price rate for gas, the extension of bono social (subsidy), modification of RECORE scheme, extension of fiscal measures until 30 June 2022 and the simplification of the permit-issuing process for renewable energy generation projects.

- On 26 April the Company informed of the registration of a promissory note programme named "Audax 2022 Commercial Paper Note Programme" (Programa de Pagarés Audax 2022) on the Alternative Fixed-Income Market (MARF) with a maximum outstanding balance of EUR 300,000,000 and maturity date on 25 April 2023.
- On 10 May information was released about the commencement of the construction of the photovoltaic project Miranda of 6.87 MWp total capacity. The project comprises 12,490 modules of 550 Wp of single axis solar tracker, which will allow to generate 12.2 GWh/year, corresponding to the energy use of nearly 3,500 households and approximately 11,000 individuals. Our investment in clean energy will allow to avoid the emission of 2,500 tonnes of CO2 per year.
- On 19 May a novation was signed of the framework agreement with Instituto de Crédito Oficial (ICO), Bolsas y Mercados Españoles Renta Fija, S.A.U. (MARF) and Banca March, S.A. signed on 6 August 2020, under which the guarantee of the ICO to the Company's promissory note programme incorporated in the MARF "Audax 2022 Commercial Paper Programme" (Programa de Pagarés Audax 2022) was extended. Thus the guarantee granted by the ICO to the issues of the Company's promissory notes increased to a maximum balance of EUR 170,300,000 and the maximum amount of the guarantee is of EUR 119,210,000.
- On 2 June the rating agency ETHIFINANCE RATINGS, formerly AXESOR, confirmed the rating of Audax Renovables, S.A. at "BBB-".
- On 15 June Audax informed of having concluded an agreement with the IKAV fund amounting to EUR 40 million in photovoltaic projects. On 21 July the agreement was carried out with IKAV acquiring through one of its investment companies a share of 49% of the capital in the solar projects of Audax Renovables currently in operation (69.5 MWp) for the amount of EUR 8.8 million. Additionally, IKAV contributed long term financing in the amount of EUR 29.9 million to those operating plants, by which transaction Audax regained part of the invested capital and obtained the possibility to allocate these funds to continue the development of the projects of its portfolio.
- The European Commission approves the "Iberian Exception" and a temporary mechanism of adjusting the production costs is established in order to reduce the price of electricity on the wholesale market. The measure entered into force on 15 June 2022 and will be valid during the next 12 months. This mechanism implies that the natural gas, coal and cogeneration plants without regulated remuneration will receive a subsidy for the difference between the price of gas in MIBGAS and the reference price of €40/MWh during the first six months, which will be increased by €5/MWh every month up to €70/MWh (an average of €48.8/MWh).
Moreover, the validity of the fiscal and social measures, already prolonged by RDL 6/2022, were further extended until the end of December 2022.

2.2. Analysis of the results

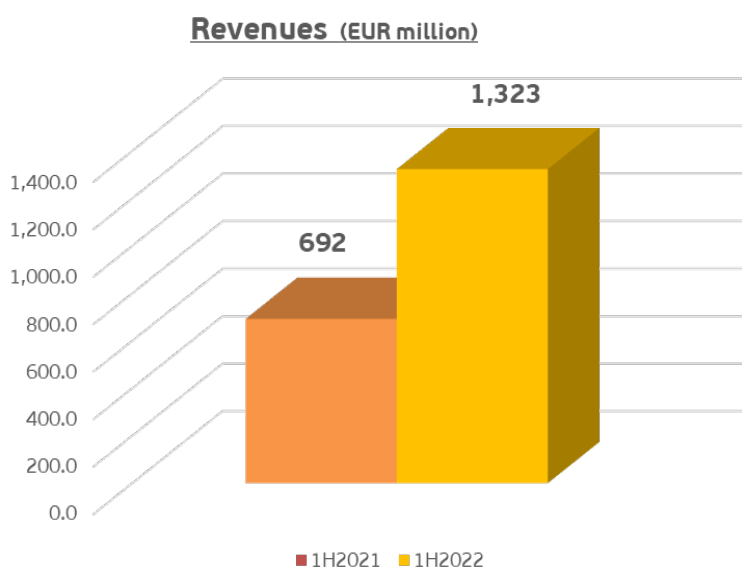
The most significant results figures for the first half year of 2022 in comparison to the first half year of 2021 are as follows:

Consolidated income statement	1H2022	1H2021	Var. (%)
Revenues	1,323,075	692,082	91
Gross margin	65,098	53,948	21
EBITDA	24,523	18,208	35
EBIT	13,640	8,407	62
Net profit / loss	139	-3,597	n.a.

EUR thousand

- (1) Operating income = Ordinary income + other operating income
- (2) Gross margin = Operating income + procurement
- (3) EBITDA (Gross operating profit and loss) = Gross margin + wages and salaries + other operating expenses + impairment and profit or loss from sale + differences in business combinations
- (4) EBIT (Operating profit or loss) = Gross operating profit or loss (EBITDA) + amortisation and depreciation

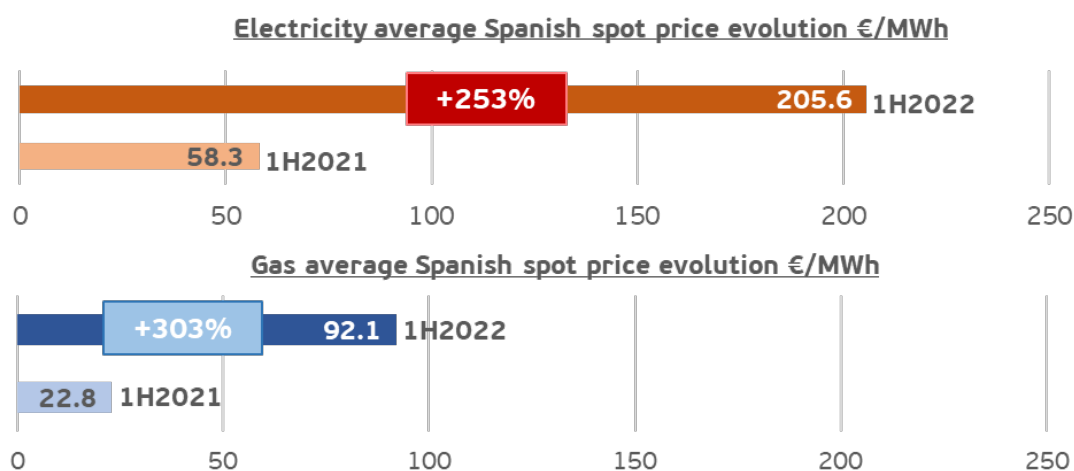
Operating income increased by +91% in this first half year in comparison to the same period of the previous year and amounted to EUR 1,323 million.



The increase in income is due mainly to the following reasons:

- Higher commodity price and, therefore, higher retail price, due to the increase of the gas price.
- Greater amount of generated renewable energy (+36% compared to the same period of the previous year).
- Higher market sale price of the energy generated through own production (not subject to PPA).

The first half of the year was marked by the conflict in Eastern Europe, creating high volatility in the wholesale markets where the Group operates due to the fear of possible shortage of gas supply, and making the prices sky rocket, for example, in the Spanish market, where the price of electricity increased by 253% and the price of gas by 303% compared to the same period of the previous year.



1.3. Profit and loss by segments

The overview of the income statement up to EBITDA divided by the main geographical regions is as follows:

1H2022	Spain and Portugal	Rest of Europe (1)	TOTAL
Revenues	703,777	619,298	1,323,075
Costs of sales	-656,121	-601,856	-1,257,977
Gross margin	47,656	17,442	65,098
Operating expenses	-20,524	-19,339	-39,863
Deterioration, reversal and disposal results	-616	-96	-712
EBITDA	26,516	-1,993	24,523

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

EUR thousand

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

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

EUR thousand

During the first half of 2022 the impact of the investments carried out by the Group in renewable generation was visible, which materialised in an increase of consolidated gross margin (+21%) and EBITDA (+35%) compared to the same period of the previous year.

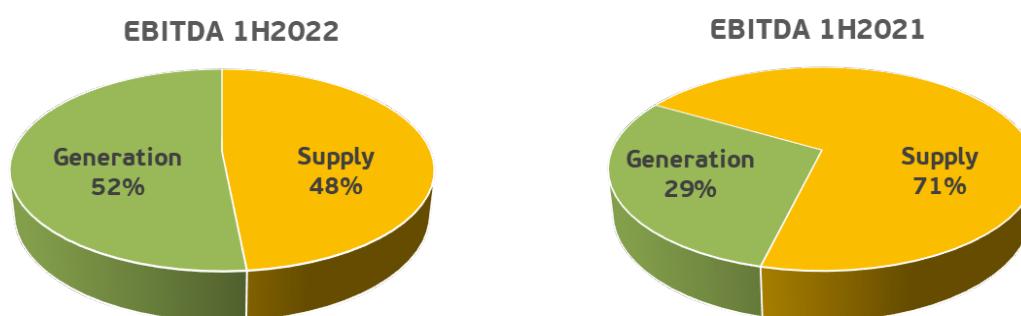
As a consequence of the vertical integration strategy of the Group, the installed capacity increased by a total of +55% in comparison to the same period of the previous year. This greater diversification in the generation of EBITDA mitigates the risks of volatility of the market and guarantees stability against the uncertainty of the situation of the markets.

Thus, the gross margin over the operating income in Spain and Portugal was maintained at 7% while in the Rest of Europe it was reduced from 8% to 3%, mainly because of the already mentioned volatility of prices, and changes of the regulatory framework in Poland.

The gross margin in the Iberian market was maintained due to the increase of the importance of the energy portfolio of generation projects, thus making it possible to reduce the supply costs of the supplied energy. Moreover, the business strategies implemented by the company since the second half of 2021 have helped to mitigate the negative effect of the circumstances in which the sector continues involved. Both factors have allowed to increase the consolidated gross margin by 21% in comparison to the same period of the previous year.

Operating expenses increased by 12% compared to the first half of the previous year globally, and by 30% in the Rest of Europe. The increase in the Rest of Europe originates mainly from the cost items correlated directly with the sales. In Iberia these expenses remained, mainly due to the reversal of certain provisions created in previous years in the context of COVID-19 and to the recognition of a receivable in relation with judgment of the Supreme Tribunal 285/2022 of 7 March regarding the payment of Bono Social.

As a consequence, the increase in Spain and Portugal of these main financial figures compensated a lower performance obtained in the Rest of Europe, determining the increase of EBITDA of 35%.



In the first half of 2022 the EBITDA increased by 35% in comparison to the first half of 2021 and amounted to EUR 24.5 million.

The change is due, mainly, to the following reasons:

- Greater installed capacity (+55%).
- Greater amount of generated energy (+36%).
- Higher market sale price of the generated energy (not subject to PPA).
- Greater marketing margin due to the strategy of client portfolio optimisation.
- Regulatory changes in the gas market in Poland, reducing partially the increase originated by the circumstances mentioned above.

Audax has increased the weight of generation in its contribution to EBITDA, from 29% in the first half of 2021 to 52% in the first half of 2022, thus making visible the results of its focus on vertically integrated business in the endeavour to produce 100% renewable energy.

The EBITDA in generation increased in comparison to the first half of 2021 due to a greater installed capacity and higher sale price.

Except for the effects of the regulatory change in Poland, the EBITDA in retailing increased in comparison to the previous year in spite of a decrease of the energy supplied. This was due to the

implementation of the policy of client portfolio optimisation and of cost containment in operating expenses.

In Poland, the implemented official regulation, which imposed the obligation to establish maximum prices of retail to customers below the objective prices previously established, had a negative impact of EUR 4.2 million on the income in the first quarter of the year. As a consequence of the new regulation, in order to minimise the negative impact in the year 2022 and in view of the uncertain and unpredictable geopolitical situation in the region, the Group made the decision to stop operating in the gas market beginning from the first quarter of 2022. The process was carried out meeting the established legal requirements, with a guarantee of continuance of the supply to the customers, without restrictions or interruptions, and allowed the subsidiary to report in the second quarter some positive EBITDA indicators.

1.4. Principal operating figures

The principal figures are as follows:

Installed capacity and production

As at the date of this report, the Group continues managing a total portfolio of projects of 2,536 MW. The 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.

As at 30 June 2022, Audax has projects in the following stages:

MW	Early Stage	Grid Connection	Backlog	Under Construction	Operation	Total pipeline	%
Spain	246	0	1,243	19	114	1,622	64%
Italy	0	198	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	0	66	66	3%
TOTAL	643	402	1,246	19	226	2,536	100%

Early Stage: These are the projects in which a guarantee has been deposited for applying for the access point and grid connection, the application for connection has been placed with the distribution company or the REE, and at least 50% of the necessary land lease agreements have been signed for the future location of the plant. This stage usually takes 3 months.

Grid Connection: These are the projects for which the permission for the access and grid connection has been granted by the distribution company or the REE, and at least 50% of the land lease agreements have been signed for the future location of the plant. This stage usually takes 3 to 6 months.

Backlog: These are the projects with the permission for the access and grid connection already granted, the majority of the land lease agreements for the future location of the plan already signed, the Prior Administrative Approval applied for and admitted for processing, and the application for Administrative Building Authorisation placed. Depending on the progress of the project, it is probable that the Building Permit has been applied for. In this stage, the Declaration of Public Interest may have been applied for, if necessary. This is the longest stage of the project, it may take 12 to 36 months, depending on the project.

Under construction: These are the projects that have obtained all the necessary permissions in order to proceed with their construction, such as the declaration of environmental impact, prior administrative authorisation, administrative building authorisation, urban permit and building permit or construction works permit.

Operation: These are the projects which are either operating, or whose construction has been

completed, or are in the administrative stage of the application for the operating permit. In this stage the PPAs may have been signed in order to ensure the energy sale price. The duration of this stage is the useful life of the plant.

Project portfolio development

Remaining in the context of electricity and gas prices volatility already mentioned before, it is even more convenient, from the strategic point of view, to proceed with the vertical integration of the branches of energy generation and retail.

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

On 3 March the beginning was announced of the construction works of the plants Zaratán 1 and 2 of 12.3 MWp in the municipality of Ciguñuela in Valladolid, with the technology of single axis solar tracker, and its construction progressed according to the schedule.

On 10 May the beginning was announced of the construction works of the Miranda plant of 6.87 MWp in the municipality of Fontanar in Guadalajara, with the technology of single axis solar tracker, and its construction progressed according to the schedule.

Overall, the Group's CAPEX investment in generation assets accumulated since 2020 totalled EUR 164 million, thus continuing its commitment to produce energy in its own power plants. CAPEX investments for these projects have continued to be carried out entirely with Audax own resources until the first half of 2022.

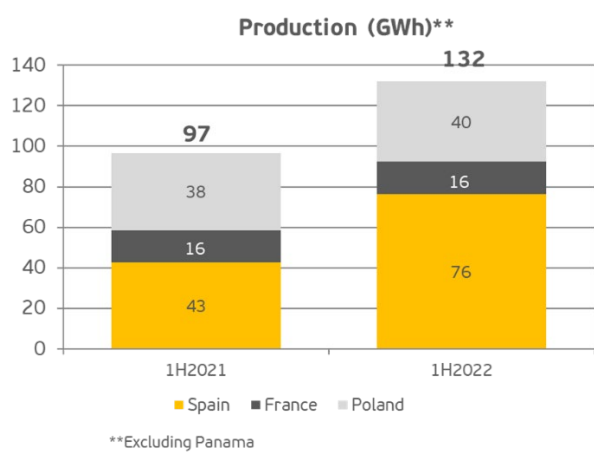
In Panama, the project of the wind farm Toabré (of which Audax holds a share of 30%) continues in the stage of test production of the wind turbines and it is expected that the project should promptly begin its business operation, as soon as the market operator completes all the relevant tests.

The distribution of the production by country is as follows:

Production (GWh)	1H2022	%	1H2021	%	Var. (%)
Spain	76	40%	43	44%	79
France	16	8%	16	16%	1
Poland	40	20%	38	40%	4
Panama*	62	32%	0	0%	n.a.
Total	194	100%	97	100%	101

*Audax has a 30% stake

On a global level, the production in the first half of 2022 was of 132 GWh (without including Panama), 36% more than in the same period of the previous year. The production in Spain (+79%) was higher thanks to the contribution of 42 GWh over the peninsular production of the new photovoltaic plants put into operation. In Poland the production increased by 4% due to stronger wind resources. In France the production was above the historical average, in line with the previous year.



Production by technology

Wind Farms

The production of the wind farms Pedregoso A, B and D (Spain) in this first half year was slightly lower than the historical average in June due to weaker wind resources, but was very stable throughout the rest of the period. The high prices on the pool market allowed to increase the income in comparison to the previous year, and contributed positively also to the coverage of the prices of the Group in the first half year.

The production of the wind farm Beausemblant (France) in the first half year was higher than the historical average (+6%) and in line with the previous year. The income from the plant, as stated before, proceeded already from a PPA which ensures the stability of income.

The production of the wind farm of Postolin (Poland) was below the historical average in the first half of the year 2022, due to the lowest June wind resources since the farm is in operation. However, the income from the power plant was considerably higher in comparison to the same period of the previous year, thanks to the PPA signed by the farm.

In Panama, the project of the wind farm Toabré (of which Audax holds a share of 30%) continues in the stage of test production of the wind turbines and it is expected that the project should promptly begin its business operation, having produced in this first half year a total volume of 62 GWh.

Photovoltaic Plants

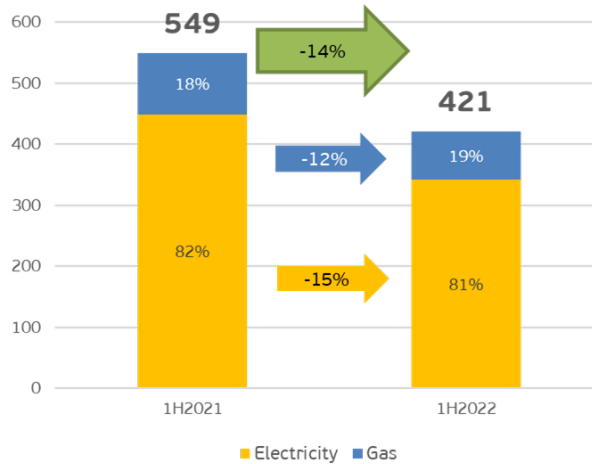
The operating photovoltaic power plants of Audax, all of which are currently located in Spain, through the PPA contracts signed with the Group contributed to the coverage of the retail prices of our clients and helped to curb the volatility of prices. With a total production of 42 GWh. The production in the first half of the year was higher than expected in the first year of operation, in spite of the delay caused by the administration in the project launch.

Supply points:

The number of supply points increased by 32% in the same period of the last four years, and now is a total of 421 thousand of supply points of gas and electricity, which clearly reflects the policy of both organic and inorganic growth, which the company has been following since its beginning.

In response to the changes experimented by the energy market in the year 2021, the Group adopted necessary measures in order to adapt to the circumstances, by focusing its endeavours to strengthen the profitability over growth.

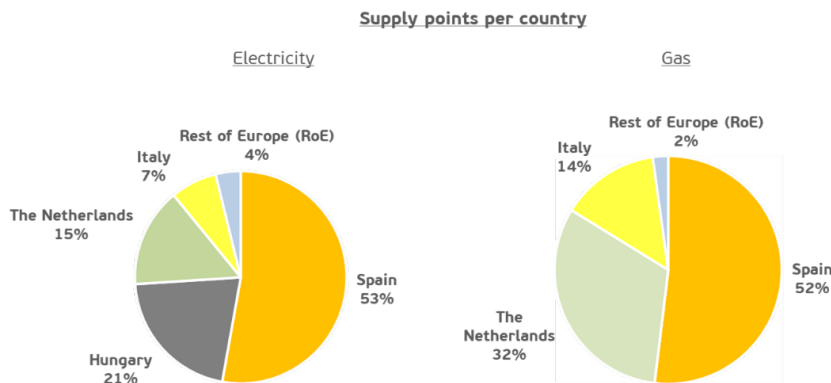
Energy supply points (thousand)



In the first half of 2022 Audax continued applying the measures aimed to maximise the profitability and minimise the risk in all the countries, therefore the reduction of the number of supply points (-23% in comparison to the previous year) was strictly correlated with the improvement of the gross margin (+21%) and the EBITDA (+35%).

Electricity supply points constitute 81% of the total number, and natural gas supply points constitute 19%.

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



Under the policy of risk mitigation, Audax continues the geographical diversification strategy, and the most important markets where Audax operates are as follows: Spain, Hungary and the Netherlands regarding electricity supply, and Spain, the Netherlands and Italy regarding natural gas supply. The Rest of Europe (RoE) correspond to Portugal, Poland and Germany.

It should be noted that, after the regulatory changes in Poland, the Group decided, at the end of March, to stop its operation in the gas market in that country, and to give its full attention to the

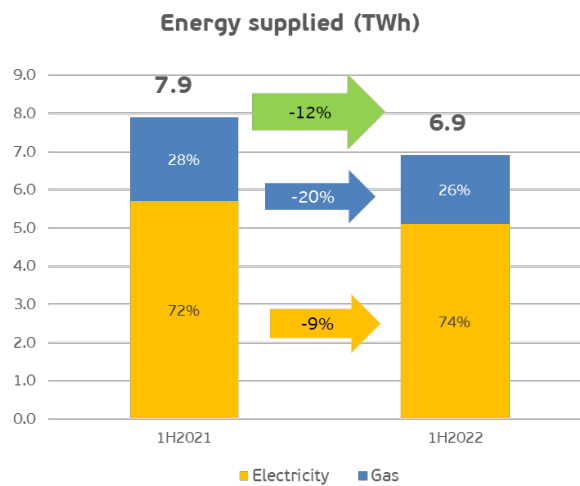
electricity business. Thus it was possible to change the sign of the operation in the country and regain the positive sign in the second quarter of the year, strengthening therefore the solid expectations for the rest of the year.

Supplied energy

The total amount of energy supplied by Audax in the first half of the year was of 6.9 TWh compared to 7.9 TWh for the same period of the previous year.

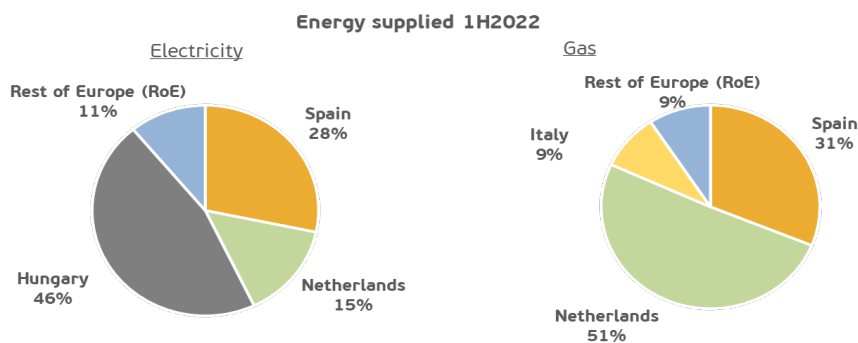
The reduction of the volume of the supplied energy by 12% is mainly due to the strategy of maximising the profitability implemented by the Group since the previous year, as well as to the moderation of temperatures during the winter season, which resulted in a lower energy demand.

The various strategies of portfolio optimisation have allowed, in spite of the lower volume of supplied energy, to increase the gross margin and the EBITDA of the Group. Within the Group, supplied electricity represents 74%, whereas gas market occupies 26% of the total of the period, in comparison to 72% and 28% of the same period of the previous year, respectively.



Within the Group, supplied electricity represents 74%, whereas gas constitutes 26% of the total over this period.

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



Hungary is the market where the Group supplies a greater amount of energy, while the Netherlands is the main market of natural gas supply. The moderation of temperatures in comparison to the same period of the previous year in the markets where the Group operates has made the distribution by type of supply to be very similar to that of the first half of 2021.

The Spanish market occupies 28% and 31% of electricity and gas, respectively.

3. Liquidity and Capital Resources

3.1. Leverage

Net financial debt	Jun-22	dec-21	Var.	%
Financial debt (1)	761,368	772,196	-10,828	-1.4
Other financial liabilities	18,298	17,335	963	5.6
Derivatives	-12,570	-17,278	4,708	-27.2
Cash and other financial assets	-280,325	-328,708	48,383	-14.7
Net financial debt (2)	486,771	443,545	43,226	9.7
Net equity (3)	144,454	148,924	-4,470	-3.0
Leverage (4)	77.1%	74.9%	2.3	3.0

(EUR thousand)

(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 487 million, compared to EUR 444 million as at 31 December 2021, thus the financial debt being reduced by EUR 10.8 million. The Group's leverage is of 77.1%.

Owing to the implementation of IFRS 16 "Financial lease", the account of Other financial liabilities includes the amount of EUR 17,316 thousand. Without the application of IFRS 16 the Net Financial Debt would be of EUR 469 million and the Leverage of 76.5%.

The investment strategy of the Group derived from the situation caused by the volatility of the energy markets and, more recently, by the war between Russia and Ukraine, was not affected. Therefore, with the financing transactions previously carried out, Audax may face with guarantees the investments in generation and any possible situation in which we may be affected by legislative changes.

Proof of the continuance of its strategies, on 26 April the Company informed of the registration of a promissory note programme named "Audax 2022 Commercial Paper Note Programme" (Programa de Pagarés Audax 2022) on the Alternative Fixed-Income Market (MARF) with a maximum outstanding balance of EUR 300,000,000 and maturity date on 25 April 2023.

Moreover, on 19 May 2022 Audax signed a novation of the framework agreement with Instituto de Crédito Oficial (ICO), Bolsas y Mercados Españoles Renta Fija, S.A.U. (MARF) and Banca March, S.A. signed on 6 August 2020, under which the guarantee of the ICO to the previously mentioned promissory note programme was extended.

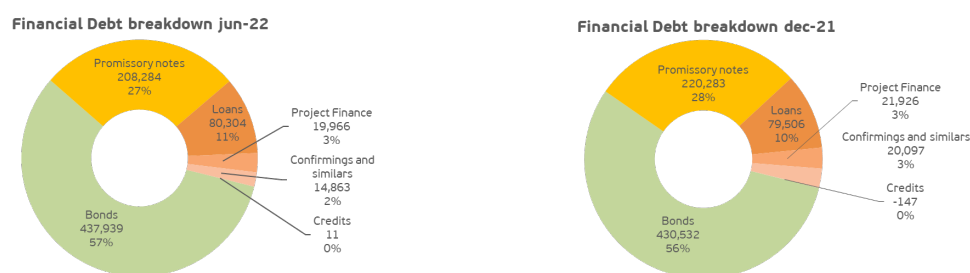
On 2 June 2022 the rating agency ETHIFINANCE RATINGS, formerly AXESOR, confirmed the rating of Audax Renovables, S.A. at "BBB-".

The present situation of rising prices, which involves, among other consequences, an increase of current assets in the clean energy retailers, has been confronted with full guarantee due to Audax's financing strategy. The net financial debt is expected to decrease while the market prices will return to the historical levels, according to the estimates.

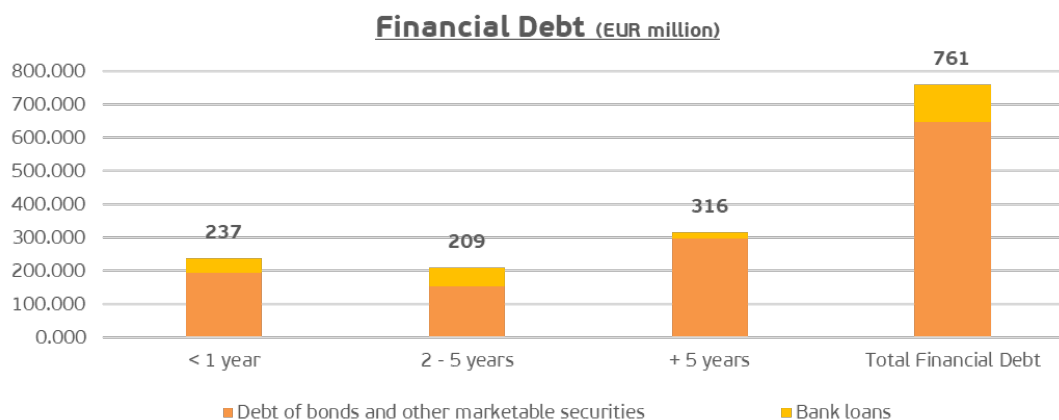
The Group has a financial position which will allow it to follow its roadmap for the development and construction of the Group's portfolio of photovoltaic projects.

3.2. Debt structure

The Financial Debt structure by main product types is as follows:



The Financial Debt by maturity is outlined below. The maturity of only 31% of it is below 1 year and is less than EUR 280 million in cash and cash equivalents.



3.3. Rating management

On 2 June the rating agency ETHIFINANCE RATINGS, formerly AXESOR, confirmed the rating of Audax Renovables, S.A. at "BBB-".

4. R+D+i activities

As at 30 June 2022 the Group has allocated EUR 750 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 575 thousand.

5. Staff

As at 30 June 2022 the number of the Group's employees is 806, the number at the end of the previous year being 800 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 2022 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.

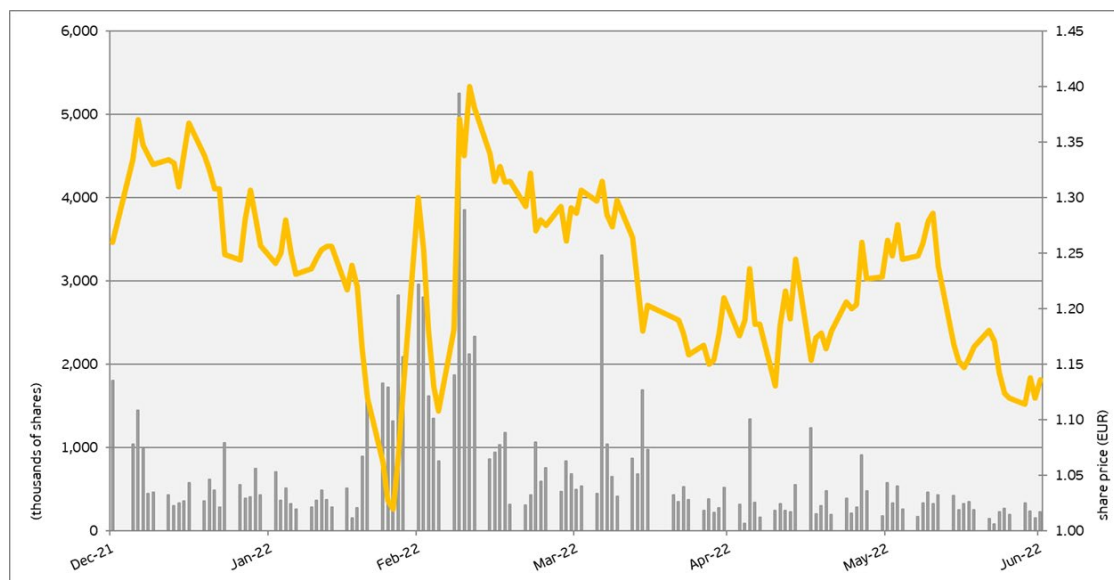
7. Acquisition and disposal of treasury shares

As at 30 June 2022 the Company does not hold treasury shares.

8. Other important information

8.1. Stock market information

The stock market evolution of Audax during the first half year of 2022 has been as follows:



The main trading figures are outlined in the following table:

Audax Renovables - ADX.MC	1H2022	Units
Number of shares admitted to trading	440,291,054	Num.
Share price at the beginning of the period	1.260	€ / share
Share price at the end of the period	1.136	€ / share
Maximum trading price	1.400	€ / share
Minimum trading price	1.020	€ / share
Trading price fluctuation during the period	-9.841	%
Capitalisation at the end of the period	500,170,637	€
Number of traded shares	95,770,675	Num.
Effective volume	119,015,250	€
Daily volume of traded shares (average)	748,208	Num.
Effective daily volume (average)	929,807	€

8.2. Dividend policy

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

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

8.3. Other information

Alternative Performance Measures (APM)

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

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

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

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

Alternative Performance Measures (APM)	Definition	Unit	Comparative		Purpose and usability
			Q1 2022	Q1 2021	
Economic and Financial figures					
Revenues	Net turnover + Other income	M€	€ 1,323,075 = € 1,321,287 + € 1,788	€ 692,082 = € 688,625 € 3,457	Analytical measure related to the profit of the company that considers the income related to its operational activity
Gross margin	Revenues - Cost of sales	M€	€ 65,098 = € 1,323,075 - € 1,257,977	€ 53,948 = € 692,082 - € 638,134	Measure of the company's activity performance that provides information related to the net sales by deducting its incurred costs
EBITDA	Revenues - Cost of sales - Operating expenses - Impairment and profit (loss) on disposal of fixed assets	M€	€ 24,523 = € 1,323,075 - € 1,257,977 - € 39,863 - € 712	€ 18,208 = € 692,082 - € 638,134 - € 35,586 + -€ 154	Measure that determines the productive profitability used by investors in company valuation
EBIT	EBITDA - Assets amortisation	M€	€ 13,640 = € 24,523 - € 10,883	€ 8,407 = € 18,208 - € 9,801	Measure that determines the productive profitability taking into account the depreciation of the assets and is used by investors in company valuation (operating result)
Financial debt	Debt of bonds and other marketable securities + Bank debts	M€	€ 761,368 = € 450,833 + € 195,389 + € 73,991 + € 41,155	€ 772,196 = € 447,821 + € 202,993 + € 81,783 + € 39,599	Financial indicator that measures the financial liabilities received from third parties
Net financial debt	Financial Debt + Other financial liabilities + Derivatives + Cash and other financial assets	M€	€ 486,771 = € 761,368 + € 18,298 - € 12,570 - € 280,325	€ 443,545 = € 772,196 + € 17,335 - € 17,278 - € 328,708	Financial indicator that measures the short and long-term indebtedness of companies by deducting the cash-equivalents, financial investments and financial asset guarantees
Net equity	Parent Company Net Equity + minority interests	M€	€ 144,454	€ 148,924	Net equity amount used to calculate the net financial debt
Leverage	Net Financial Debt / (Net Financial Debt + Net Equity)	M€	77.1% = € 486,771 / (€ 486,771 + € 144,454)	74.9% = € 443,545 / (€ 443,545 + € 148,924)	Measure of the ratio related to the net debt to the group's equity
Net financial debt without IFRS 16 effect	Net Financial Debt - IFRS 16 effect	M€	€ 469,455 = € 486,771 - € 17,316	€ 427,041 = € 443,545 - € 16,504	Financial indicator that measures the ratio of the net financial debt deducting the effect of the financial lease liabilities
Leverage without IFRS 16 effect	Net Financial Debt without IFRS 16 effect / (Net Financial Debt without IFRS 16 effect + Net Equity)	M€	76.5% = € 469,455 / (€ 469,455 + € 144,454)	74.1% = € 427,041 / (€ 427,041 + € 148,924)	Financial indicator that measures the ratio related to the net debt deducting the effect of the financial lease liabilities to the group's equity

The main operating figures are as follows:

Production (GWh)	1H2022	%	1H2021	%	Var. (%)
Spain	76	40%	43	44%	79
France	16	8%	16	16%	1
Poland	40	20%	38	40%	4
Panama*	62	32%	0	0%	n.a.
Total	194	100%	97	100%	101

*Audax has a 30% stake

Energy supply points	1H2022	1H2021	% Var.
Spain	221,587	329,484	-33
Electricity	180,324	270,426	-33.3
Gas	41,263	59,058	-30.1
Hungary	72,253	79,683	-9
Electricity	72,253	79,683	-9.3
Gas	0	0	n.a.
The Netherlands	76,800	72,868	5
Electricity	51,487	47,906	7.5
Gas	25,313	24,962	1.4
Italy	35,440	33,487	6
Electricity	24,275	21,950	10.6
Gas	11,165	11,537	-3.2
Rest of Europe (RoE)	14,791	33,520	-56
Electricity	13,063	28,830	-54.7
Gas	1,728	4,690	-63.2
TOTAL ENERGY SUPPLY POINTS	420,871	549,042	-23.3
Total Electricity	341,402	448,795	-23.9
Total Gas	79,469	100,247	-20.7

Energy supplied (GWh)	1H2022	1H2021	% Var.
Spain	2,008	2,423	-17
Electricity	1,451	1,848	-21.5
Gas	557	576	-3.3
Netherlands	1,653	1,843	-10
Electricity	749	707	6.0
Gas	904	1,136	-20.5
Hungary	2,363	2,498	-5
Electricity	2,363	2,498	-5.4
Gas	0	0	n.a.
Rest of Europe (RoE)	888	1,112	-20
Electricity	564	602	-6.3
Gas	324	511	-36.5
TOTAL ENERGY SUPPLIED	6,911	7,877	-12.3
Total Electricity	5,127	5,655	-9.3
Total Gas	1,784	2,222	-19.7

Net Financial Debt is as follows:

Net Financial Debt	Jun-22	dec-21	Var.	%
Non-current financial liabilities	540,926	545,138	-4,212	-0.8
Debt of bonds and other marketable securities	450,833	447,821	3,012	0.7
Bank loans	73,991	81,783	-7,792	-9.5
Financial leases liabilities (IFRS 16)	16,000	15,326	674	4.4
Other financial liabilities	102	208	-106	-51.0
Current financial liabilities	238,740	244,393	-5,653	-2.3
Debt of bonds and other marketable securities	195,389	202,993	-7,604	-3.7
Bank loans	41,155	39,599	1,556	3.9
Financial leases liabilities (IFRS 16)	1,316	1,178	138	11.7
Other financial liabilities	880	623	257	41.3
Derivatives	-12,570	-17,278	4,708	-27.2
Cash and other financial assets	-280,325	-328,708	48,383	-14.7
Current financial assets	-84,231	-84,559	328	-0.4
Cash and cash equivalents	-196,094	-244,149	48,055	-19.7
Net Financial Debt *	486,771	443,545	43,226	9.7
Of the Parent Company	130,484	136,962	-6,478	-4.7
Of the Minority interest	13,970	11,962	2,008	16.8
Net Equity	144,454	148,924	-4,470	-3.0
Leverage ***	77.1%	74.9%	2.3	3.0

EUR thousand

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

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

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

The main stock market data is as follows:

Alternative Performance Measures (APM)	Definition	Unit	Comparative		Purpose and usability
			Q1 2022	Q1 2021	
Stock Market figures					
Number of shares admitted to trading	NA	No. of shares	440,291,054 shares	440,291,054 shares	Total number of shares traded in the stock market
Share price at the beginning of the period	NA	€ / share	€1.260 / share	€2.140 / share	Price at the beginning of the reporting period for traded shares on the stock exchange
Share price at the end of the period	NA	€ / share	€1.136 / share	€1.944 / share	Price achieved at the end of the reporting period by the traded shares on the stock exchange
Maximum trading price	NA	€ / share	€1.400 / share	€2.720 / share	Highest price achieved by the shares traded on the exchange during the reporting period
Minimum trading price	NA	€ / share	€1.020 / share	€1.358 / share	Lowest price achieved by the securities traded on the stock exchange during the reporting period
Trading price fluctuation during the period	$\left(\frac{\text{Share price at the end of the period} - \text{Share price at the beginning of the period}}{\text{Share price at the beginning of the period}} \right) * 100$	%	-9.84% = $\left(\frac{1.14 - 1.26}{1.26} \right) * 100$	-9.16% = $\left(\frac{1.94 - 2.14}{2.14} \right) * 100$	Percentage change in the amount per share at the beginning and end of the reporting period
Capitalisation at the end of the period	Number of shares admitted to trading * Share price at the end of the period	€	€500,170,637 = 440,291,054 shares * €1.136 / share	€855,925,809 = 440,291,054 shares * €1.944 / share	Value of the company's shares based on the trading price at the end of the period.
Number of traded shares	∑ traded shares	No. of shares	95,770,675 shares	411,665,648 shares	Sum of the volume of shares traded during the reporting period
Effective volume	Amount related to the number of traded shares	€	€119,015,250	€818,130,934	Sum of the volume in EURO of shares traded during the reporting period
Daily volume of traded shares (average)	Average of traded shares in a day	No. of shares	748,208 shares	1,601,812 shares	Average volume of shares traded during the reported period
Effective daily volume (average)	Average of the amount relative to the number of shares traded	€	€929,807	€3,183,389	Average volume in EUR of traded shares during the reported period

9. Significant events subsequent to the balance sheet date

On 21 July 2022 the sale of 49% of shares of the companies Photovoltaic Botey Solar, S.L., Centauro Energía Solar S.L., Corinto Solar, S.L., Corot Energía, S.L., Da Vinci Energía S.L., Elogia Calañas, S.L. and las Piedras Solar, S.L. was signed for the amount of EUR 8.8 million to Devo Prime, S.L.U., a company related to the investment fund IKAV.

Moreover, the same investment fund provides long-term financing to these companies in the amount of EUR 29.9 million.

All these companies are involved in operating a set of photovoltaic plants of installed capacity of 69.5 MWp.