

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED, OR MAY HAVE QUALIFIED, AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE EU MARKET ABUSE REGULATION

AUDAX RENOVABLES, S.A.

In accordance with the provisions of article 17 of the Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 in relation to market abuse and article 226 of Restated Text of the Securities Exchange Act (*Texto refundido de la Ley del Mercado de Valores*) approved by Royal Legislative Decree 4/2015, of October 23, Audax Renovables, S.A. ("**Audax**" or the "**Company**") communicates the following:

INSIDE INFORMATION

Issue of EUR 125 million Green Conditionally Convertible Bonds due 2025

Today, the Board of Directors of Audax has resolved to carry out an issue of green senior unsecured bonds (the "**Bonds**"), conditionally convertible into or exchangeable for new and/or existing ordinary shares of the Company (the "**Shares**") subject to the approval of the next general shareholders' meeting (the "**Issue of the Bonds**").

The net proceeds from the Issue of the Bonds will be used to finance and/or refinance Eligible Green Projects, as defined by the Company's Green Bond Framework dated March 2020, including the financing of the construction of photovoltaic plants, with a total installed capacity of 750 MW per year over the next 5 years, reinforcing the Company's corporate expansion in renewable energy production.

The Issue of the Bonds will allow the Company to continue to diversify its funding sources. In addition, the potential future conversion of the Bonds would result in a strengthening of the Company's equity and a reduction in its level of financial leverage.

Audax has appointed certain international investment banks as Joint Global Coordinators and Joint Bookrunners (the "**Joint Global Coordinators**") to carry out an accelerated bookbuild process in order to obtain expressions of interest from qualified international investors for the subscription of the Bonds. The accelerated bookbuild process in relation to the Issue of the Bonds will begin immediately following the publication of this regulatory announcement.

The Board of Directors of Audax has established the main characteristics of the Issue of the Bonds, although the final terms and conditions of the Bonds remain to be determined until the accelerated bookbuild process has been completed by the Joint Global Coordinators (as defined below) appointed for this purpose.

The main terms and conditions of the Bonds are expected to be as follows:

- (a) The aggregate principal amount of the Bonds to be issued is expected to be €125 million.
- (b) The issue of the Bonds will be exclusively targeted at qualified international investors.
- (c) Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount at the stated maturity date, which is expected to be on 30 November 2025.
- (d) The principal amount of the Bonds will be €100,000 each.
- (e) The Bonds will be issued at par and are expected to bear a coupon of between 2.25% and 2.75% per annum, payable semi-annually in arrear in equal instalments on 30 May and 30 November of each year, commencing on 30 May 2021.

- (f) Audax intends to re-designate the Bonds as green senior unsecured convertible bonds. The re-designation of the Bonds will be conditional upon (i) the shareholders' approval at a general meeting of the shareholders (the "**General Meeting**") to be held not later than 30 June 2021, in respect of the conversion of the Bonds to Shares, the increase in share capital of the Company and disapplication of preferential subscription rights to enable the issue of Shares on conversion of the Bonds pursuant to Spanish Companies Act requirements (the "**Shareholder Resolutions**") and (ii) the registration with the Mercantile Registry of the public deed notarising the Shareholder Resolutions and amending the public deed of the Issue of the Bonds (the "**New Issue Requirements**"). If the New Issue Requirements are satisfied, notification of the re-designation, specifying the re-designation date, shall be given to Bondholders within the timeframe specified in the terms and conditions of the Issue of the Bonds. As of the date hereof, Eléctrica Nuriel, S.L.U. which holds approximately 81.18% of the total issued Shares (the "**Reference Shareholder**") has committed to vote in favour of the Shareholder Resolutions.
- (g) If the Shareholder Resolutions are proposed but not passed by a General Meeting prior to 30 June 2021 or the Shareholder Resolutions are proposed and passed at a General Meeting prior to 30 June 2021 but the New Issue Requirements are not satisfied within the time frame specified in the terms and conditions of the Bonds, the Company may elect to redeem all but not some only of the Bonds, at the greater of (i) 102% of the principal amount of the Bonds, together with accrued interest, and (ii) 102% of the fair bond value of the Bonds, together with accrued interest, as further described in the terms and conditions of the Issue of the Bonds. Moreover, if a notice of re-designation has not been given to Bondholders within the time frame specified in the terms and conditions of the Issue of the Bonds and provided that the Issuer has not otherwise given notice to redeem the Bonds pursuant to the paragraph above, a Bondholder may on giving notice require the redemption of its Bonds at the greater of (i) 102% of the principal amount of such Bonds, together with accrued interest and (ii) 102% of the fair bond value of such Bonds, together with accrued interest.
- (h) If the New Issue Requirements are satisfied, the Bonds will be convertible, at the option of the bondholder, into new or existing Shares (at the discretion of the Company), at a conversion price which will be set at a premium of between 30% and 35% above the clearing price per Share determined in the Concurrent Delta Placement (as defined below). The initial conversion price is subject to customary adjustments, as described in the terms and conditions of the Bonds.
- (i) Bondholders will receive, as a result of exercising their conversion right once the New Issue Requirements are satisfied, a number of Shares which will be determined by dividing the principal amount of the Bonds to be converted, by the then prevailing conversion price.
- (j) Audax may, provided that the Bonds are re-designated to convertible bonds, redeem the Bonds in whole but not in part, and in accordance with the terms and conditions of the Issue of the Bonds, if (i) on or after 21 December 2023, the market value of the underlying Shares per €100,000 principal amount of the Bonds exceeds €130,000 during a specified period of time; or (ii) at any time, more than 85% of the aggregate principal amount of the Bonds originally issued have been converted and/or redeemed and/or purchased and cancelled.
- (k) The capacity of Audax, its corresponding corporate resolutions and the ranking of the Bonds will be governed by Spanish law. Except for the foregoing, the terms and conditions of the Bonds, including all non-contractual obligations in connection therewith, will be governed by English law.
- (l) The Company intends to seek admission to trading for the Bonds on the unregulated open market segment (*Freiverkehr*) of the Frankfurt Stock Exchange, expected shortly after the Issue Date (as defined below) and no later than the first interest payment date.

- (m) Bondholders may request Audax to repurchase the Bonds (i) in the event of a change of control of the Company, or (ii) in the event that a tender offer is made with respect to the Shares which leads to an acquisition of control of Audax, or (iii) in the event of a delisting of the Company, or (iv) in the event that the free float of the Company is equal to or less than 10% of the total issued Shares for any period of at least 30 consecutive trading days.

Audax has been advised by the Joint Global Coordinators that the Joint Global Coordinators will organise a simultaneous placement of existing Shares on behalf of certain subscribers of the Bonds who wish to sell these Shares to purchasers procured by the Joint Global Coordinators in order to hedge the market risk to which the subscribers are exposed with respect to the Bonds that they acquire in the offering (the "**Concurrent Delta Placement**"). The number of existing Shares to be placed will depend on the number of subscribers of the Bonds wishing to hedge the market risk through the Concurrent Delta Placement. The placement price for the sales of the existing Shares in the Concurrent Delta Placement shall be determined via an accelerated bookbuilding process that will be carried out by the Joint Global Coordinators. Audax will not receive any proceeds from any sale of Shares in connection with the Concurrent Delta Placement. The existing Shares will be borrowed through stock lending arrangements provided by the Reference Shareholder.

The final terms and conditions of the Issue of the Bonds and of the Concurrent Delta Placement are expected to be set upon conclusion of the accelerated bookbuild process no later than 8:00 a.m. on 19 November 2020. Audax is expected to enter into a subscription agreement in connection with the Bonds with the Joint Global Coordinators (the "**Subscription Agreement**").

In the context of the Issue of the Bonds, Audax and the Reference Shareholder will commit to (and will procure that their respective subsidiaries comply with) a lock-up of 90 calendar days from the Issue Date in relation to the Shares and related securities, subject to exceptions.

The subscription and payment of the Bonds is expected to take place on 30 November 2020 (the "**Issue Date**"), provided that the conditions established in the Subscription Agreement are met.

Badalona, 18 November 2020

IMPORTANT NOTICE IN RELATION TO THE BONDS

NO ACTION HAS BEEN TAKEN BY THE ISSUER, THE JOINT GLOBAL COORDINATORS OR ANY OF THEIR RESPECTIVE AFFILIATES THAT WOULD PERMIT AN OFFERING OF THE BONDS OR POSSESSION OR DISTRIBUTION OF THIS ANNOUNCEMENT OR ANY OFFERING OR PUBLICITY MATERIAL RELATING TO THE BONDS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT COMES ARE REQUIRED BY THE ISSUER AND THE JOINT GLOBAL COORDINATORS TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS. THIS ANNOUNCEMENT IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF ANY OFFER TO BUY SECURITIES, NOR SHALL THERE BE ANY OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT AND THE OFFERING WHEN MADE ARE ONLY ADDRESSED TO, AND DIRECTED IN, THE UNITED KINGDOM AND MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "EEA") AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF THE PROSPECTUS REGULATION ("QUALIFIED INVESTORS"). FOR THESE PURPOSES, THE EXPRESSION "PROSPECTUS REGULATION" MEANS REGULATION (EU) 2017/1129.

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED

("MIFID II"); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE "MIFID II PRODUCT GOVERNANCE REQUIREMENTS"), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY "MANUFACTURER" (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE BONDS HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE BONDS IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE BONDS TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE BONDS (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO ANY OFFERING OF THE BONDS.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE BONDS.

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IN ADDITION, IN THE UNITED KINGDOM THIS ANNOUNCEMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, QUALIFIED INVESTORS (I) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") AND QUALIFIED INVESTORS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, AND (II) TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EEA, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO (A) RELEVANT PERSONS IN THE UNITED KINGDOM AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS IN THE UNITED KINGDOM AND (B) QUALIFIED INVESTORS IN MEMBER STATES OF THE EEA.

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UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

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THE JOINT GLOBAL COORDINATORS ARE ACTING ON BEHALF OF THE ISSUER AND NO ONE ELSE IN CONNECTION WITH THE BONDS AND WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CLIENTS OF THE JOINT GLOBAL COORDINATORS OR FOR PROVIDING ADVICE IN RELATION TO THE SECURITIES.

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