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**CONSOLIDATED
MANAGEMENT REPORT**
FIRST QUARTER 2020
JANUARY - MARCH



CONSOLIDATED MANAGEMENT REPORT 1Q 2020



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

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



CONSOLIDATED MANAGEMENT REPORT 1Q 2020



Executive Summary

- Audax Renovables, S.A. (hereinafter "Audax", the "Group" or the "Company") manages the business of energy supplying as well as energy generation 100% renewable.
- This management report is framed within the exceptional circumstances derived from COVID-19, and following the approval by the Council of Ministers of Royal Decree 463/2020, which declared the state of alarm in Spain on March 14, 2020.
The results presented are influenced both by the evolution of the markets in which the Group operates, as well as by the measures adopted in relation to the economic impact that may occur in the future, this impact being limited in the first quarter, mainly, in the demand for electricity and gas from our customers.
- Operating income stood at EUR 234 million, while the Gross margin increased by 3.2%. Due to the situation created by the COVID-19 pandemic, the Group has registered in advance and in a prudent way a provision of EUR 3.3 million to deal with possible consequences. As a result, EBITDA stood at EUR 12 million at the end of the first quarter of 2020 with a Net Profit amounting to EUR 1.4 million.
- For comparison purposes, without taking into account the COVID-19 effect and generation plants divestments in 2019, EBITDA would have been EUR 20.6 million, 43% higher than in the first quarter of the previous year, and Net Profit would have been EUR 6.8 million.

Audax in figures:

Consolidated Income Statement	1Q2020	1Q2019	Var. (%)
Operating income	234,165	289,155	-19.0
Gross margin	30,035	29,102	3.2
EBITDA	12,274	14,473	-15.2
EBIT	7,145	7,409	-3.6
Net Profit / Loss	1,426	1,601	-10.9

EUR thousands

The Group ends 2020 first quarter with a 3% increase in gross margin and a profit of EUR 1,4 millions.



COVID-19 situation

On the occasion of the approval by the Council of Ministers of Royal Decree 463/2020 of March 14, which declared the state of alarm in Spain, and due to the crisis generated by COVID-19, the Group has adopted several measures to safeguard the interests of our stakeholders: employees, customers, suppliers and collaborators as well as shareholders, and in a broader sense, society in general, following at all times the indications published by the Government.

In this regard, it is worth mentioning that the Group acted in advance and reacted quickly to the new situation, highlighting the following actions, among others:

- **Employees:** In an attempt to ensure the safety, health and family reconciliation of our employees, travel was limited and subsequently prohibited at all levels, online training sessions were held in relation to the pandemic and teleworking was coordinated and implemented for 100% of the employees, providing the necessary resources for remote work in a record period of 24/48 hours from the start of the alarm state and thus guaranteeing the normal operation of Audax.
- **Clients:** The supply of gas and electricity at cost price to hotels and hospitalised residences was established, as well as the postponement of the payment of bills for the self-employed and SMEs for 6 months following the end of the alarm state upon request and compliance with certain requirements, in addition to not suspending the supply of electricity and natural gas to vulnerable clients or those at risk of social exclusion.
- **Suppliers and partners:** With the aim of ensuring total operability, the use of digital signatures was generalised, among other tools, maintaining contact with them at all times. In the case of construction work in progress on generation projects, these have not been significantly affected and the start-up of the projects will not be significantly delayed compared to the dates initially planned.

All this is being made possible thanks to the commitment and efforts of all employees, with their health, safety and wellness being a priority for the Group.



Significant Events within the Reporting Period

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

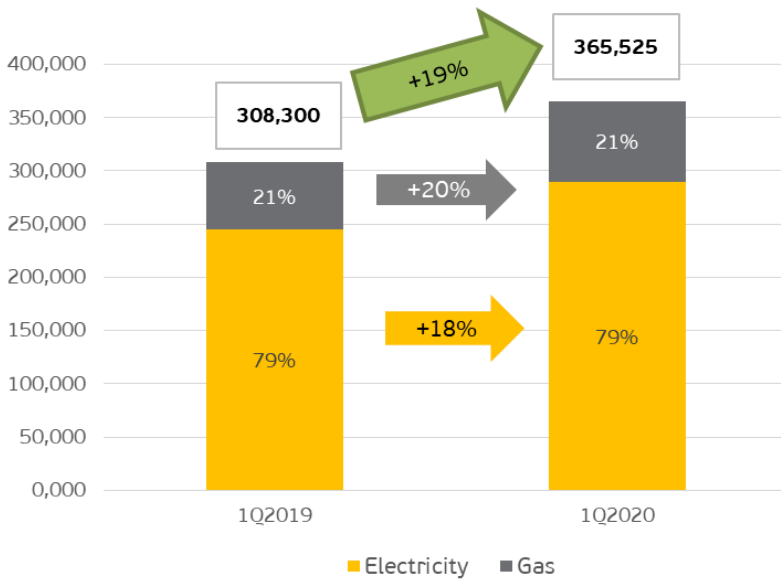
- On January 20, 2020, Audax announced the start of construction of the Cañamares photovoltaic plant in the municipality of Fontanar (Guadalajara, Castilla-La Mancha) with a capacity of 5 MWp. In addition, the Company announced that it expects to sign the EPC contract and start construction of the Carolinas I and II photovoltaic plants with a total of 10 MWp, both located in the municipality of El Casar (Guadalajara, Castilla-La Mancha).
- On March 12, the announcement of the General Shareholders' Meeting to be held on April 16 or 17, 2020 was announced. However, in view of the uncertainty and the exceptional circumstances arising from the spread of COVID-19, and following the approval by the Council of Ministers of Royal Decree 463/2020 of March 14, the Company's Board of Directors agreed to dispense with the holding of the General Shareholders' Meeting until further notice.
- On March 30, 2020, Audax registered a programme of promissory notes under the name "Programa de Pagares Audax 2020" on the Alternative Fixed Income Market ("MARF"), with a maximum outstanding balance of EUR 200,000,000 and will expire on March 30, 2021.
- On April 2, the Company announced the ratification of its corporate rating. The rating agency AXESOR ratified Audax Renovables, S.A.'s rating at "BBB-" with a stable outlook.



Key Figures

Supply division:

Energy supply points

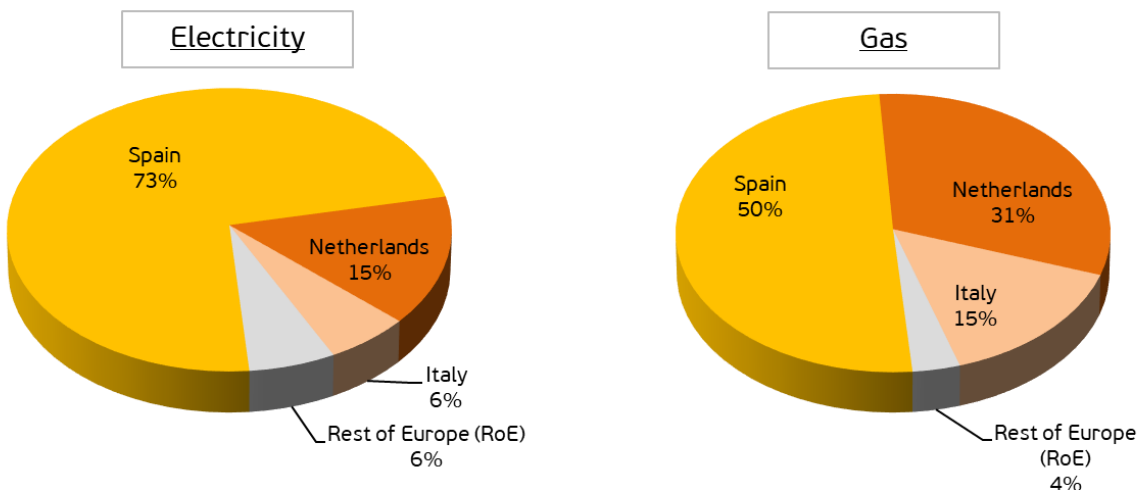


At the end of first quarter 2020, Audax has more than **365 thousand of active energy supply points**, 19% more than the same period of 2019.

The electricity supply points represents 79% of the total, that in this first quarter of 2020 have been increased by 18%.

Gas supply points accounts for 21% of the Group's total with a 20% increase over the same period last year.

Energy supply points 1Q2020

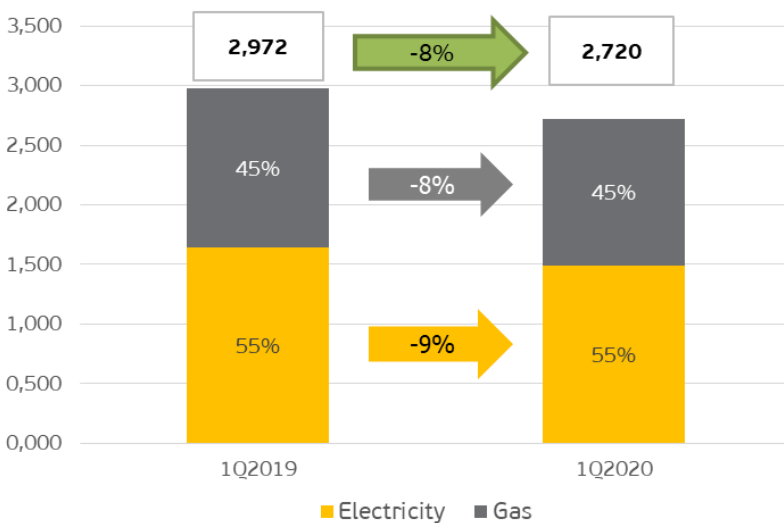


The most important markets where Audax Group operates are: Spain, the Netherlands and Italy. The Rest of Europe (RoE) corresponds to Portugal, Poland and Germany.

Key Figures

Supply division:

Energy supplied (GWh)

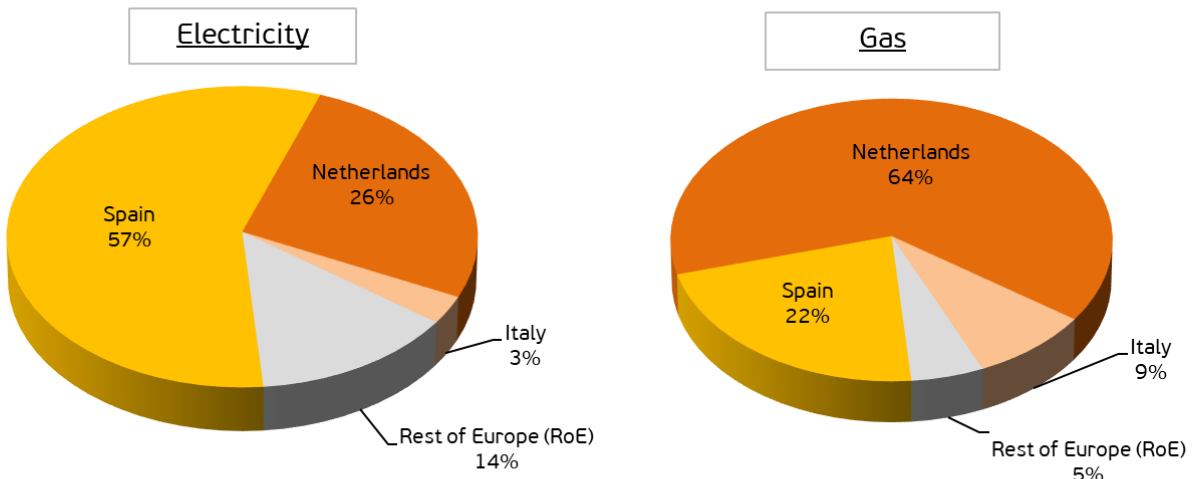


The total amount of energy supplied by Audax in first quarter 2020 has been of **2.7 TWh**, compared to 3.0 TWh of the same period of the previous year. This reduction is related to a warmer winter (especially in the Netherlands with lower gas consumption) and with the decrease in this period (mobile year) of 3% of the peninsular demand adjusted for labor and warmer temperatures, according to R.E.E.*

In the Group, the supplied electricity accounts for 55% of the total and the gas supplied accounts for the 45% of the same total in this period.

* R.E.E.: Boletín mensual de energía eléctrica #38 - March 2020 - Red Eléctrica de España

Energy supplied 1Q2020



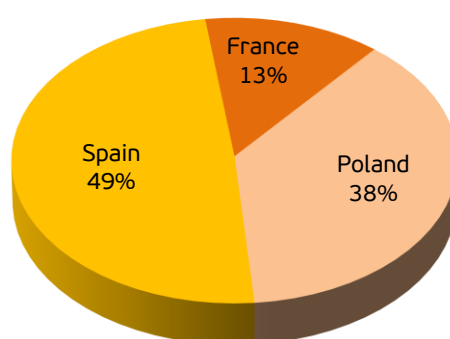
Spain is the market where the Group carries out the biggest supply of electricity, and regarding gas supply, the Netherlands is the main market.

Key figures

■ Generation division:

The detail of installed capacity as at 31st March by country is as follows:

Installed capacity - 91 MW



The production distribution by country is as follows:

Production (GWh)	1Q2020	%	1Q2019	%
Spain	18.3	31%	87.7	70%
France	8.3	14%	9.0	7%
Poland	33.0	55%	29.0	23%
Total	59.6	100%	125.7	100%

In 2019 the Group sold three of its Spanish subsidiaries with projects in operation with an aggregate installed capacity of 94.6 MW. In addition, 320 MW were incorporated of photovoltaic projects, of which 5 MWp are currently under construction and 10 MWp are expected to begin construction shortly.

Production in the first quarter of 2020 stood at 59.6 GWh, only 1% lower than in the same period of last year, if we analyse the data in a way that is comparable with the same wind farms in operation during the first quarter of the year, highlighting the good performance of Postolin wind farm in Poland that has an higher wind resource.

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Consolidated Income Statement

Consolidated Income Statement	1Q2020	1Q2019	Var.	Var. (%)
Net turnover	234,058	288,414	-54,356	-18.8
Other income	107	741	-634	-85.6
Operating income	234,165	289,155	-54,990	-19.0
Costs of sales	-204,130	-260,053	55,923	-21.5
Gross margin	30,035	29,102	933	3.2
Operating expenses	-17,782	-14,657	-3,125	21.3
Deterioration, reversal and disposal results	21	28	-7	-25.0
EBITDA	12,274	14,473	-2,199	-15.2
Assets amortisation	-5,129	-7,064	1,935	-27.4
EBIT	7,145	7,409	-264	-3.6
Financial income	1,003	869	134	15.4
Financial expenses	-3,971	-4,947	976	-19.7
Exchange differences	-23	-17	-6	35.3
Profit/loss from disposal of financial instruments	-999	-421	-578	137.3
Financial profit/loss	-3,990	-4,516	526	-11.6
Share in the profit/loss of associated companies	-9	-26	17	-65.4
Profit/loss before tax	3,146	2,867	279	9.7
Corporate income tax	-593	-340	-253	74.4
Consolidated profit/loss for the year	2,553	2,527	26	1.0
Profit/loss attributed to minority interests	-1,127	-926	-201	21.7
Net Profit / Loss	1,426	1,601	-175	-10.9

EUR thousands

- Operating income** decreased, mainly due, to the lower average price of the national electricity market in the first quarter, which was 37% lower than in the same period of the previous year and 53% lower in the Spanish gas market. Likewise, in the rest of the European markets where the Group operates, energy prices have also been substantially lower than in the same period of the previous year.
- In contrast to the decline in revenues, the implementation of improvements in supply management meant that **Gross margin** increased by 3.2%, being 13% of Operating income, compared to 10% in the same period of 2019.
- Operating expenses** in this period, include the provisions recorded by the Group, amounting to EUR 3,260 thousand in advance and on a prudent basis, for possible future bad debt provisions due to the situation created by the COVID-19 pandemic.
- Therefore, **EBITDA** decreases by only EUR 2,199 thousand taking into account both the evolution of the supply division and the exit of the generation projects in 2019.
- Audax ends the first quarter of 2020 with a **profit** of EUR 1,426 thousand.

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Consolidated Income Statement

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

1Q2020	Supply			Generation			TOTAL
	Spain and Portugal	Rest of Europe ⁽¹⁾	Subtotal Retail	Spain	Rest of Europe ⁽²⁾	Subtotal Gener.	
Operating income	167,105	62,556	229,661	1,042	3,462	4,504	234,165
Costs of sales	-148,166	-55,964	-204,130	0	0	0	-204,130
Gross margin	18,939	6,592	25,531	1,042	3,462	4,504	30,035
Operating expenses	-13,095	-3,794	-16,889	-455	-438	-893	-17,782
Deterioration, reversal and disposal results	0	21	21	0	0	0	21
EBITDA	5,844	2,819	8,663	587	3,024	3,611	12,274

EUR thousands

1Q2019	Supply			Generation			TOTAL
	Spain and Portugal	Rest of Europe ⁽¹⁾	Subtotal Retail	Spain	Rest of Europe ⁽²⁾	Subtotal Gener.	
Operating income	201,266	76,544	277,810	8,200	3,145	11,345	289,155
Costs of sales	-191,560	-68,493	-260,053	0	0	0	-260,053
Gross margin	9,706	8,051	17,757	8,200	3,145	11,345	29,102
Operating expenses	-7,875	-4,716	-12,591	-1,609	-457	-2,066	-14,657
Deterioration, reversal and disposal results	0	28	28	0	0	0	28
EBITDA	1,831	3,363	5,194	6,591	2,688	9,279	14,473

Rest of Europe ⁽¹⁾ of Supply division includes Italy, Poland, Germany and Netherlands

EUR thousands

Rest of Europe ⁽²⁾ of Generation division includes France and Poland

- In the **supply division**, the number of customers increased by 19% over the same period last year. Mainly due to the evolution of the markets in relation to COVID-19, revenues have been reduced by 17%. However, due to the increase in the gross margin, which rose 3% from the previous year (from 10% in the first quarter of 2019 to 13% in the first quarter of 2020). EBITDA in this division increased by 67% to EUR 8,663 thousand, compared to EUR 5,194 thousand in the same period of the previous year.
- In the **generation division**, the exit of the plants means that operating incomes have decreased by 60% and EBITDA by 61% (EUR 5,668 thousand) compared to the same period last year. The asset rotation policy, with the exit of the aforementioned projects in operation and the progressive start-up of 320 MW in photovoltaic projects, will lead to this decrease being adjusted in a short period of time.
- Even taking into account the effects of COVID-19 in all markets, the Group's **EBITDA** stood at EUR 12,274 thousand compared to EUR 14,473 thousand in the same period in the previous year.

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Consolidated Balance Sheet

ASSETS	mar-20	dec-19	Var.	Var. (%)
Property, plant and equipment	72,933	75,347	-2,414	-3.2
Goodwill	137,941	137,945	-4	0.0
Other intangible assets	102,361	106,280	-3,919	-3.7
Non-current financial assets	125,775	76,306	49,469	64.8
Investments as per equity accounting	6,955	6,905	50	0.7
Deferred tax assets	11,071	7,390	3,681	49.8
Non-current assets	457,036	410,173	46,863	11.4
Stocks	2,028	1,812	216	11.9
Trade and other receivables	142,396	148,336	-5,940	-4.0
Current tax assets	1,030	666	364	54.7
Current financial assets	45,949	36,241	9,708	26.8
Other current assets	33,442	26,241	7,201	27.4
Cash and cash equivalents	76,272	150,784	-74,512	-49.4
Current assets	301,117	364,080	-62,963	-17.3
Total Assets	758,153	774,253	-16,100	-2.1
LIABILITIES AND NET EQUITY	mar-20	dec-19	Var.	Var. (%)
Capital	44,029	44,029	0	n.a.
Share premium	420,316	420,316	0	n.a.
Other reserves	-341,928	-364,322	22,394	-6.1
Profit/loss for the year	1,426	25,417	-23,991	-94.4
Translation differences	-1,243	1,682	-2,925	n.a.
Hedging	-12,121	-4,901	-7,220	n.a.
Minority interests	28,404	33,493	-5,089	-15.2
Net Equity	138,883	155,714	-16,831	-10.8
Provisions	1,206	1,211	-5	-0.4
Non-current financial debt	186,652	189,738	-3,086	-1.6
Other non-current financial liabilities	37,802	31,881	5,921	18.6
Grants	5,122	5,675	-553	-9.7
Other non-current liabilities	4,669	4,636	33	0.7
Deferred tax liabilities	16,712	17,637	-925	-5.2
Non-current liabilities	252,163	250,778	1,385	0.6
Current provisions	1,480	1,270	210	16.5
Current financial debt	128,726	138,655	-9,929	-7.2
Trade and other payables	61,642	93,820	-32,178	-34.3
Other current financial liabilities	33,663	34,356	-693	-2.0
Other current liabilities	141,595	99,660	41,935	42.1
Current liabilities	367,106	367,761	-655	-0.2
Total Liabilities	758,152	774,253	-16,101	-2.1

EUR thousands



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Consolidated Balance Sheet

Net Financial Debt	mar-20	dec-19	Var.	%
Financial Debt ⁽¹⁾	315,378	328,393	-13,015	-4.0
Other financial liabilities	29,012	29,346	-334	-1.1
Derivatives	24,847	7,928	16,919	n.a.
Cash and other financial assets	-119,812	-183,281	63,469	-34.6
Net Financial Debt ⁽²⁾	249,425	182,386	67,039	36.8
Net Equity ⁽³⁾	138,883	155,714	-16,831	-10.8
Leverage ⁽⁴⁾	64.2%	53.9%	10.3	19.1

EUR thousands

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

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

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

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

- The Financial Debt was reduced by 13,015 thousand euros, 4% with respect to the end of the previous year.
- The Net Financial Debt at 31 March 2020 was EUR 249,425 thousand compared to EUR 182,386 thousand at 31 December 2019. The Group's **leverage** is 64.2%.
- **IFRS 16**, "Finance Leases", implies that the item Other financial liabilities reflects EUR 9,354 thousand due to this application. Without taking into account the application of IFRS 16, the Net Financial Debt would be EUR 240,071 thousand and the Leverage would be 63.4%.
- On 30 March 2020, Audax registered a programme of promissory notes under the name "Programa de Pagarés Audax 2020" on the Alternative Fixed Income Market ("MARF"), with a maximum outstanding balance of EUR 200,000,000 and ending on 30 March 2021.
- **Rating:**
On April 2, the rating agency AXESOR ratified the **rating** of Audax Renovables, S.A. at "**BBB-**" with a **stable outlook**.



ISSUER RATING

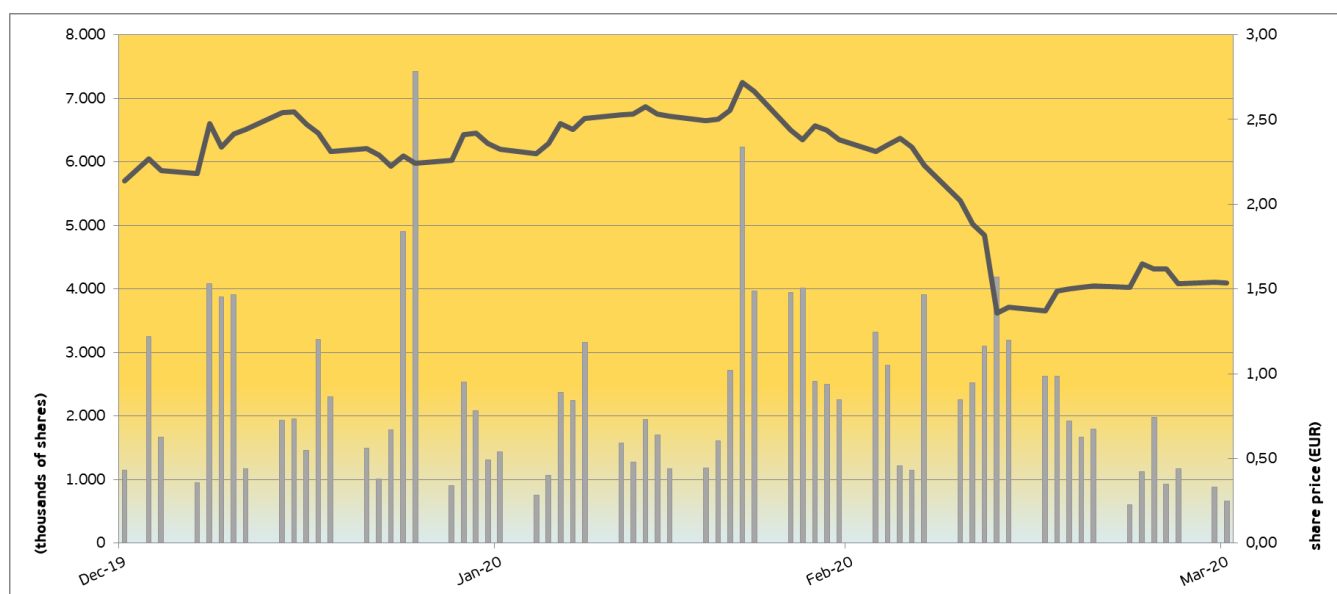
Long-term Rating

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Stock Exchange Information

Audax Renovables - ADX.MC	1Q2020	Units
Number of shares admitted to trading	440,291,054	Num.
Share price at the beginning of the period	2.140	€ / share
Share price at the end of the period	1.534	€ / share
Maximum trading price	2.720	€ / share
Minimum trading price	1.358	€ / share
Trading price fluctuation during the period	-28.32	%
Capitalisation at the end of the period	675,406,477	€
Number of traded shares	148,505,129	Num.
Effective volume	331,324,419	€
Daily volume of traded shares (average)	2,320,393	Num.
Effective daily volume (average)	5,176,944	€



Audax Renovables share price has been affected by the situation created by the COVID-19 pandemic, after having reached a maximum of 2.72 euros/share in this period.

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CNMV registered information

SE till 2020/02/08

Date	# Registration	Description
2020/01/20	286027	The Company reported the beginning of construction works of the photovoltaic plant in Cañamares in Fontanar municipality (Guadalajara, Castilla-La Mancha) with 5 MWp capacity. Besides, the Company reported the prevision of an EPC contract signature and construction start of the photovoltaic plants of Carolinas I and II of 10 MWp, being both located in El Casar municipality (Guadalajara, Castilla-La Mancha).

Inside information

Date	# Registration	Description
2020/02/27	47	The Company reports information results.
2020/02/27	48	The Company sends press release of 2019 results.
2020/03/30	129	The Company announces the registration of a promissory note programme on the Alternative Fixed Income Market (MARF).

Inside information

Date	# Registration	Description
2020/02/27	371	The Company sends 2019 half-yearly financial reports.
2020/02/27	377	The Company reports 2019 annual corporate governance report.
2020/02/27	378	The Company reports 2019 annual report on directors' remunerations.
2020/03/02	709	The Company reports 2019 Results' Presentation, sent on February 27 under registration number 47, corrected on pages 13 and 14 of the document, so that they are comparable with the consolidated financial statements.
2020/03/12	910	Publication of the notice of the Shareholders' General Meeting and setting the corresponding documentation available to shareholders.
2020/03/26	1215	Audax Renovables delays its Annual General Meeting due to Covid-19.
2020/04/02	1343	The Company reports the ratification of its corporate rating.

About Audax Renovables

- Audax Renovables is the result of the merger between Audax Renovables itself and its parent company, Audax Energía, giving rise to an energy group whose activities are focused on the supply of electricity and gas, as well as the production of 100% renewable energy.
- Founded in 2000, Audax Renovables, S.A., in 2003 Audax Renovables began to be listed on the secondary market of the Barcelona Stock Exchange and in 2007 it was included in the SIBE of the Madrid Stock Exchange. It is currently listed on the Spanish continuous market under the ticker ADX.MC, having been incorporated into the IBEX SMALL CAP® index on March 23, 2020.
- Audax in its activity of electricity and gas supplying, is present in Spain, Portugal, Italy, Germany, Poland and the Netherlands and has more than 365 thousand customers.
- It is the leading energy Group in the SME segment in Spain, guaranteeing an efficient supply of retailed energy through a process of vertical integration with the renewable generation division, with a solid financial position, and prepared to lead the energy transition in the European market.
- The Group's generation division manages a total operating portfolio of 91 MW in Spain, France and Poland in wind farms. It also has a portfolio under development of 320 MW of photovoltaic capacity in Spain. It also has a wind project under construction in Panama of 66 MW.
- For more information, please visit www.audaxrenovables.com / www.audaxenergia.com



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