RESPONSIBILITY STATEMENT FOR THE ANNUAL FINANCIAL REPORT

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES

Annual Accounts and Directors' Report as at 31 December 2024

The members of the Board of Directors of Audax Renovables, S.A., in compliance with article 8 of the Royal Decree 1362/2007, confirm that to the best of their knowledge the individual annual accounts and the consolidated group's annual accounts for the year ended on 31 December 2024 and drawn up on the meeting on 25 February 2025 have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of Audax Renovables, S.A. and of the entities included in the consolidation taken as a whole, and that the directors' report includes a fair review of the development and performance of the business and the position of Audax Renovables, S.A. and of the entities included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face, duly signed by all directors.

BOARD OF DIRECTORS

Mr Francisco José Elías Navarro
Chairman

Mr Josep Maria Echarri i Torres
Member

Mr Ramiro Martínez-Pardo del Valle
Member

Ms Anabel López Porta
Member

Ms Rosa González Sans
Member

Badalona, 25 February 2025

Auditor's Report on Audax Renovables, S.A. and Subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Audax Renovables, S.A. and subsidiaries for the year ended 31 December 2024)

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

KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Independent Auditor's Report on the Consolidated Annual Accounts

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

To the shareholders of Audax Renovables, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Audax Renovables, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Paseo de la Castellana, 259C 28046 Madrid

On the Spanish Official Register of Auditors ("ROAC") with No. S0702, and the Spanish Institute of Registered Auditors' list of companies with No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of non-current property, plant and equipment, goodwill and other intangible assets

See notes 5 and 6 to the consolidated annual accounts

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2024 the Group has capitalised property, plant and equipment, goodwill and other intangible assets totalling Euros 529,728 thousand, allocated to the cash-generating units (CGUs) detailed in note 5 and 6 to the consolidated annual accounts. Under IFRS-EU, the recoverable amount of assets must be estimated when indications of impairment have been identified. Goodwill, intangible assets with indefinite useful lives and in-process intangible assets are not amortised, but are instead tested for impairment at least on an annual basis. The recoverable amount of the assets allocated to the CGUs is generally calculated using methodologies based on discounted cash flows, the estimation of which requires the use of a high degree of judgement by management and the use of assumptions and estimates. At 31 December 2024 the Group has recognised impairment losses on these assets in the consolidated income statement. Due to the high level of judgement required, the uncertainty associated with these estimates and the significance of the amount of the property, plant and equipment, goodwill and other intangible assets, the recoverability thereof has been considered a key audit matter.	Our audit procedures included the following: – Evaluating the design and implementation of the key controls related to the process of estimating the recoverable amount. – Assessing the appropriateness of the composition of the CGUs based on our understanding of how the business is managed. Assessing the methodology and reasonableness of the assumptions used by the Group to estimate the recoverable amount using the discounted cash flow method at cash-generating unit (CGU) level, with the involvement of our valuation specialists. – Comparing the cash flow forecasts estimated in prior years with the actual cash flows obtained. – Evaluating the sensitivity of the recoverable amount to changes in certain assumptions that can be considered reasonable. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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

Recognition of revenue from unbilled energy supplied See notes 10 and 19 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Group's businesses that carry out energy supply activities must make estimates of unbilled supplies to end customers in the period between the last meter reading and the end of the reporting period. At 31 December 2024 trade and other receivables include Euros 138,019 thousand in unbilled energy supplied. The amount of unbilled energy supplied is estimated based on internal and external information that is compared with the readings contained in the management systems used by the businesses. Revenue is calculated by multiplying the volume of estimated unbilled consumption, a process that is subject to a high degree of uncertainty, by the tariff agreed for each customer. Determining unbilled energy supplied requires the use of estimates by Group management with the application of criteria, judgements and assumptions in its calculations, so the recognition of revenue from unbilled energy supplied has been considered a key audit matter.	Our audit procedures included the following: - analysing the design and implementation of the key controls related to the calculation of the unbilled energy supplied, - retrospectively analysing of the estimates made at previous years' closes, - assessing the reasonableness of the volume of unbilled energy through an analysis of historical information and other internal and data, - evaluating whether the timing of the recognition is correct based on a selection of transactions after the reporting date. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

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

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also provide the Parent's audit committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Audax Renovables, S.A. and its subsidiaries for 2024 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of Audax Renovables, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 27 February 2025.

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

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 30 June 2024 for a period of one year, from the year ended 31 December 2024.

Previously, we had been appointed for a period of one year, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

This report corresponds to stamp number *09/25/00058* issued by the Spanish Institute of Registered Auditors (ICJCE)

On the Spanish Official Register of Auditors ("ROAC") with No. 22,472

AUDAX RENOVABLES, S.A.
and SUBSIDIARIES

Consolidated Annual Accounts
as at 31 December 2024

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AUDAX RENOVABLES, S.A. AND SUBSIDIARIES

Consolidated Balance Sheet

(EUR thousands)

Assets	**Note**	**31/12/2024**	**31/12/2023**
Goodwill	5	138.036	137.996
Other intangible assets	5	196.929	197.951
Property, plant and equipment	6	194,763	156,264
Investments as per equity accounting	7	13,149	13,415
Financial assets	8	56,353	67,986
Deferred tax assets	18	23,940	15,771
Total non-current assets		**623,170**	**589,383**
Inventory		17,833	12,512
Trade and other receivables	8 and 10	280.721	254.262
Current tax assets		8,336	6,537
Financial assets	8	154,878	139,080
Time period adjustments and other current assets	10	55,576	63,203
Cash and other cash equivalents	11	228,782	230,196
Total current assets		**746,126**	**705,790**
Total assets		**1,369,296**	**1,295,173**

Net Equity and Liabilities	**Note**	**31/12/2024**	**31/12/2023**
Capital		45,343	44,029
Share premium account		420.821	420.316
Reserves		(309,547)	(335,518)
Treasury shares portfolio		(4,739)	(997)
Other equity instruments		1,314	—
Profit (loss) for the year attributable to the parent company		60,562	29,030
Translation differences		(6,750)	(4,061)
Other comprehensive income		3,503	8,421
Equity attributed to the parent company		**210,507**	**161,220**
Non-controlling interests		13,438	12,032
Total net equity	12	**223,945**	**173,252**
Provisions	13	1,651	1,498
Bonds and other negotiable securities	14	347,032	418,484
Financial liabilities to credit institutions	14	75,924	54,619
Lease liabilities	14	20.781	19.324
Derivative financial instruments	9 and 14	2,515	4
Other financial liabilities	14	25,395	32,115
Subsidies	15	4.248	4.432
Other non-current liabilities	16	21.511	31.160
Deferred tax liabilities	18	12,437	11,403
Total non-current liabilities		**511,494**	**573,039**
Provisions	13	6.787	23.930
Bonds and other negotiable securities	14	134.353	88.821
Financial liabilities to credit institutions	14	19.572	20.850
Lease liabilities	14	1.898	1.664
Derivative financial instruments	9 and 14	8,190	4,567
Other financial liabilities	14	3.041	6.005
Trade and other payables	16	249.247	246.711
Current tax liabilities		16.244	10.321
Other current liabilities	16	194,525	146.013
Total current liabilities		**633,857**	**548,882**
Total net equity and liabilities		**1,369,296**	**1,295,173**

The attached notes are an integral part of the consolidated annual accounts.

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
Consolidated Income Statement
(EUR thousands)

	Note	31/12/2024	31/12/2023
Ordinary income	19	1,981,744	2,290,438
Procurement	19	(1,752,080)	(2,056,855)
Other operating income		6,030	2,717
Wages and salaries	19	(41,877)	(37,888)
Other operating expenses	19	(78,454)	(99,105)
Amortisation and depreciation	5 and 6	(21,816)	(21,005)
Impairment and profit (loss) on disposal of fixed assets	5 and 6	34	(3,175)
Operating profit (loss)		**93,581**	**75,127**
Financial income		9,017	7,587
Financial expenses		(32,879)	(34,588)
Profit (loss) on disposal and change in value of financial instruments	12 and	11,311	181
Exchange differences		9,080	(4,072)
Financial profit (loss)	20	**(3,471)**	**(30,892)**
Profit (loss) of companies consolidated by equity accounting	7	(1,160)	789
Profit (loss) before tax from continuing operations		**88,950**	**45,024**
Income tax expense	18	(25,697)	(13,644)
Consolidated profit (loss) for the year		**63,253**	**31,380**
Profit (loss) attributable to the parent company	**12**	**60,562**	**29,030**
Profit (loss) attributable to non-controlling interests	**12**	**2,691**	**2,350**

		2024	2023
Profit (loss) per share			
Basic	12	0.134	0.066
Diluted	12	0.134	0.066

The attached notes are an integral part of the consolidated annual accounts.

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

(EUR thousands)

	31/12/2024	31/12/2023
Consolidated profit (loss) for the year	**63,253**	**31,380**
Other comprehensive income		
Items to be reclassified to profit and loss statement (net of tax)		
Cash flow hedges (Note 9)	(4,781)	2,982
Profit / (loss) from valuation	(7,692)	(3,975)
Transfers to the Income Statement	2,911	6,957
Translation differences of financial statements of businesses abroad	(2,689)	4,149
Other comprehensive income for the year, after tax	(7,470)	7,131
Total comprehensive income for the year	**55,783**	**38,511**
Total comprehensive income attributable to the parent company	**52,955**	**39,779**
Total comprehensive income attributable to non-controlling interests	**2,828**	**(1,268)**

The attached notes are an integral part of the consolidated annual accounts.

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Equity

(EUR thousands)

	Capital	Share premium account	Reserves	Treasury shares portfolio	Other equity 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 01 January 2023	**44,029**	**420,316**	**(339,066)**	**—**	**—**	**3,539**	**(8,210)**	**1,821**	**122,429**	**13,344**	135,773
Recognised income and expenses	—	—	—	—	—	29,030	4,149	6,600	39,779	(1,268)	38,511
Dividends	—	—	—	—	—	—	—	—	—	(44)	(44)
Other movements (Note 12)	—	—	9	(997)	—	—	—	—	(988)	—	(988)
Reserves	—	—	3,539	—	—	(3,539)	—	—	—	—	—
Balance at 31 December 2023	**44,029**	**420,316**	**(335,518)**	**(997)**	**—**	**29,030**	**(4,061)**	**8,421**	**161,220**	**12,032**	**173,252**
Recognised income and expenses	—	—	—	—	—	60,562	(2,689)	(4,918)	52,955	2,828	55,783
Increase of share capital (Note 12)	1,314	15,505	(499)	—	—				16,320		16,320
Dividends	—	(15,000)		—	—	—	—	—	(15,000)	(1,422)	(16,422)
Other movements (Note 12)	—	—	(2,560)	(3,742)	1,314	—	—	—	(4,988)	—	(4,988)
Reserves	—	—	29,030	—	—	(29,030)	—	—	—	—	—
Balance at 31 December 2024	**45,343**	**420,821**	**(309,547)**	**(4,739)**	**1,314**	**60,562**	**(6,750)**	**3,503**	**210,507**	**13,438**	**223,945**

The attached notes are an integral part of the consolidated annual accounts.

AUDAX RENOVABLES, S.A. AND SUBSIDIARIES
Consolidated Cash Flow Statement
(EUR thousands)

		2024	2023
Cash flows from operating activities			
Profit (loss) for the year before tax	**Note**	**88,950**	**45,024**
Adjustments to results		**26,838**	**91,323**
Amortisation and depreciation	5 and 6	21,816	21,005
Valuation adjustments due to impairment		17,741	38,334
Changes in provisions		(17,043)	(2,612)
Allocation of subsidies		(273)	(259)
Profit (loss) on derecognition and disposal of fixed assets		(34)	3,175
Profit (loss) on derecognition and disposal of financial instruments	12 and 14	(11,311)	(181)
Financial income	20	(9,017)	(7,587)
Financial expenses	20	32,879	34,588
Exchange differences	20	(9,080)	4,071
Profit (loss) of companies consolidated by equity accounting		1,160	789
Changes in working capital		**5,273**	**47,406**
Inventory		(5,321)	(2,565)
Accounts receivable		(40,307)	13,041
Other current assets		9,137	5,519
Accounts payable		2,429	14,290
Other current liabilities		39,142	16,925
Other non-current assets and liabilities		193	196
Other cash flows from operating activities		**(46,867)**	**(43,238)**
Payments of interest		(27,202)	(27,522)
Collections of interest		320	561
Income tax payments		(19,985)	(16,277)
Cash flows from operating activities		**74,194**	**140,515**
Cash flows from investment activities			
Payments of investments		**(170,835)**	**(91,348)**
Group and associated companies	17	(10)	—
Intangible assets	5	(14,626)	(8,849)
Property, plant and equipment	5	(41,880)	(22,273)
Other financial assets	8	(114,319)	(60,226)
Collection on divestments		**111,914**	**56,410**
Group and associated companies		9,800	—
Intangible assets	5	414	82
Property, plant and equipment	5	497	365
Other financial assets	8	101,203	55,963
Business unit		**—**	**3**
Cash flows from investment activities		**(58,921)**	**(34,935)**
Cash flows from financing activities			
Collections and payments for financial liability instruments		**(265)**	**(81,269)**
Issuance			
Bonds and other negotiable securities	14	209,775	137,770
Amounts owed to credit institutions	14	39,936	25,005
Payables to group companies and associates	22	676	4,613
Other debts		2,483	3,469
Repayment			
Bonds and other negotiable securities	14	(212,656)	(171,889)
Amounts owed to credit institutions	14	(18,690)	(55,174)

Payables to group companies and associates	22	(8,433)	(14,316)
Other debts		(13,356)	(10,747)
Payments of dividends and remuneration of other financial liabilities		**(16,422)**	**(44)**
Dividends		(16,422)	(44)
Cash flows from financing activities		**(16,687)**	**(81,313)**
Net increase/decrease in cash or equivalents		**(1,414)**	**24,267**
Cash and equivalents at the beginning of the year		230,196	205,929
Cash and equivalents at the end of the year		228,782	230,196

The attached notes are an integral part of the consolidated annual accounts.

Note 1 – General Information

Audax Renovables, S.A., (hereinafter: the Parent Company, the Company or Audax Renovables) was incorporated in Barcelona on 10 July 2000 as a joint stock company for an unlimited duration.

In the year 2022 the company changed its registered address to Calle Electrónica 19 in Badalona, Barcelona, Spain, from the previous one at Calle Temple 25 in 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, interests and rights in companies whose corporate objects are the development, construction and exploitation of facilities for the generation of electricity from renewable 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. carries out its activity outlined above as the Company's objects.

Audax Renovables, S.A. is a holding company, the parent of a Group of subsidiary companies, joint ventures and associated companies that are engaged in the generation of electricity from renewable sources and in energy and gas retailing and that make up the Audax Renovables Group (hereinafter: the Audax Renovables Group or the Group).

Moreover, the Audax Renovables Group is part of the Excelsior Group, whose parent company is Excelsior Times, S.L.U., with its registered address at Calle Electrónica 19, Badalona, Barcelona, Spain. The Excelsior Group’s consolidated annual accounts for the year 2023, formulated on 28 March 2024, 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 as at 31 December 2023 were approved by the General Meeting of Shareholders on 18 June 2024 and were submitted to the Commercial Register in Barcelona.

The consolidated annual accounts of the Group for the year 2024 were formulated by the Directors of the Parent Company on 25 February 2025 in the European Single Electronic Format in accordance with the requirements of the Commission Delegated Regulation (EU) 2019/815, and will be subject to approval at the General Meeting of Shareholders, and are expected to be approved without modification.

The figures presented in theses consolidated annual accounts are stated in thousand euros, except for the figures of profit per share, unless specifically noted otherwise.

Note 2 - Basis of Presentation, Accounting Policies and Valuation Standards

2.1 Application of International Financial Reporting Standards adopted by the European Union (IFRS-EU)

The consolidated annual accounts of the Audax Renovables Group for the year 2024 have been drawn up by the Directors of the Parent Company in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), as per the Regulations (CE) nº 1606/2002 of the European Parliament and the Council. All the accounting principles and standards and the mandatory valuation criteria, along with the Commercial Code, the Spanish Companies Act, the Stock Exchange Market Law and any other applicable commercial legislation have also been taken into consideration. The Group adopted the IFRS-EU on 31 December 2016 and applied on that date the IFRS 1 “First-time Adoption of International Financial Reporting Standards”.

The consolidated annual accounts of the Audax Renovables Group have been drawn up on the basis of the financial statements of Audax Renovables, S.A. and of the 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 applied for the preparation of the consolidated annual accounts coincide with those used and described in the Consolidated Annual Accounts for the year ended on 31 December 2023, except for the new IFRS-EU standards and interpretations applied from 1 January 2024.

The information set out in these consolidated annual accounts is the responsibility of the Directors of the Parent Company.

New IFRS-EU accounting standards and IFRIC interpretations

a. New IFRS-EU standards

Upon their approval, publication and entry into force on 1 January 2024, the following standards, amendments and interpretations adopted by the European Union have been applied:

Standards adopted by the European Union		Entry into force for the fiscal years beginning on
IAS 1 (amendment) "Classification of Liabilities as Current or Non-current" "Non-current Liabilities with Covenants"	Explains the criteria concerning classification of non-current liabilities.	01 January 2024
IFRS 16 (amendment) "Lease Liabilities in a Sale and Leaseback"	Adds subsequent measurement requirements for sale and leaseback operations.	01 January 2024
IAS 7 and IFRS 7 (amendment) "Supplier Finance Arrangements"	Establishes requirements of additional information on supplier finance agreements.	01 January 2024

None of these standards, interpretations or amendments has been applied early. The application of these standards, interpretations and amendments has had no significant impact on these Consolidated Annual Accounts.

The Management is closely watching the developments related to the implementation of the international tax reforms, which introduce a global minimum tax (Pillar 2). During the year 2023 the International Accounting Standards Board issued amendments to IAS 12, which provide an obligatory temporary exception to the requirements regarding deferred tax accounting for additional tax and require new disclosures in annual accounts.

On 21 December the Official State Gazette published Law 7/2024 of 20 December, which establishes a Complementary Tax in order to guarantee a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups, a tax on interest and provision margins of certain financial entities and a tax on electronic cigarettes liquids and other tobacco related products and amendment of other tax regulations. Law 7/2024 is effective for financial years beginning on 31 December 2023, therefore for the year 2024 it is already fully applicable to the Group.

Bearing in mind the entry into force of the Law on Complementary Tax, the Group has proceeded to evaluate the impact, which the application of this Law would have on the Group. An analysis has been made of a possible application of safe harbours resulting from the existing data in the Qualified Country by Country Report and, if none of the safe harbours were applicable, an analysis of the amount of the Complementary Tax that should be accounted for in Spain. As a result of the analysis, all the jurisdictions where the Group operates are covered by safe harbours applicable in the first two years of the application of the Complementary Tax.

b) Standards that will enter into force on 1 January 2025 and beyond

The following is a list of standards, amendments and interpretations that will enter into force for the fiscal years beginning after 1 January 2025 and later:

Standards that will enter into force on 1 January 2025 and beyond		Entry into force for the fiscal years beginning on
IAS 21 (amendment) "Lack of Exchangeability"	To assess whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to be used.	01 January 2025
Changes in the classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7	Establishes explanations concerning the date of recognition and derecognition of certain financial assets and liabilities and new disclosures concerning contract terms which can modify cash flows and concerning equity instruments measured at fair value with changes in other income.	01 January 2026
Annual improvements to IFRS - Volume 11	Establishes explanations and changes which affect IFRS 1 (hedge accounting by a first-time adopter), IFRS 7 (gain or loss on derecognition of financial assets, differences between the fair value and the transaction price, disclosures on credit risk), IFRS 10 (determination of a 'de facto agent') and IAS 7 (cash flows from investments in associates and joint ventures), IFRS 9 (receivables without significant financing component, derecognition of lease liabilities).	01 January 2026
Amendments to IFRS 9 and IFRS 7 - Reporting on contracts to buy or sell renewable electricity	Determines the cases where a buyer of renewable electricity can apply the exception of own use and specifies the application of hedge accounting in cash-settled electricity contracts.	01 January 2026
IFRS 18 Presentation and disclosure in financial statements	Standard on presentation and disclosure in financial statements amending IAS 1	01 January 2027
IFRS 19 Subsidiaries without public accountability: Information to be disclosed of other IFRS Accounting Standards.	Specifies reduced disclosure requirements that an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	01 January 2027

None of these standards or amendments has been applied early. The application of these standards, interpretations and amendments is being evaluated by the Management of the Group in order to determine its possible impact on the year.

2.2 Fair view, accounting principles and going concern

The consolidated annual accounts present fairly the consolidated net equity and the consolidated financial position of the Audax Renovables Group at 31 December 2024, and the consolidated results of its operations, the changes in the consolidated statement of comprehensive income, changes in consolidated net equity and consolidated cash flows that have taken place in the Audax Renovables Group in the year then ended.

The information set out in these consolidated annual accounts is the responsibility of the Directors of the Parent Company, Audax Renovables, S.A.

2.3 Bases of preparation and comparison of the information

The Consolidated annual accounts have been prepared according to the principle of historical cost, with the exception of derivative financial instruments, financial assets at fair value with changes in comprehensive income and financial assets at fair value with changes in other comprehensive income.

The consolidated annual accounts present, for comparative purposes, with each heading of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in net equity, the consolidated statement of cash flows, and of the notes to the consolidated annual accounts, together with the figures for the year 2024, the figures for the previous year, which were included in consolidated annual accounts for the year 2023 and which were approved by the General Meeting of Shareholders of 18 June 2024.

2.4 Relative importance

So as to determine the information that needs to be broken down in the consolidated notes for each of the different accounting items, the Group has considered its relative importance in relation to the current consolidated annual accounts for the year 2024 and 2023.

2.5 Consolidation principles and standards

a) Consolidation methods

The consolidated companies are listed in Appendix I to these consolidated annual accounts. In its consolidation the Group has applied the full consolidation method to the subsidiary companies and the equity method to its associates and joint ventures.

– Full consolidation method Subsidiary Companies:

Subsidiary companies are consolidated beginning on the date of the transfer of control, and are excluded from consolidation on the date from which the control is no longer exercised. Audax is considered to exercise control over an entity when it has direct or indirect power over the subsidiary, is exposed to its variable income, or has the rights which allow it to manage important activities of the subsidiary.

The subsidiary companies have been fully consolidated, and all their assets, liabilities, income, expenses and cash flows have been integrated in the consolidated annual accounts after making the respective adjustments and de-recognitions for intra-group operations. Appendix I sets out the list of companies consolidated by this method.

The consolidation process eliminates the transactions, balances and unrealised gains between Group companies. The unrealised losses are eliminated, unless the transactions provide proof of an impairment loss of the asset transferred.

The acquisition method is used to book the acquisition of subsidiaries. The cost of acquisition is the fair value of the assets handed over, the net equity instruments issued and the liabilities incurred or assumed on the swap date. Any contingent consideration to be transferred by the Group is recognised at its fair value at the acquisition date. Subsequent variations to the fair value of contingent consideration which are considered to be an asset or liability are recognised in accordance with IFRS 9 in net income or as a change in other global net income. Any contingent consideration which is classified as net equity is not revalued and its subsequent payment is booked in net equity. The costs directly attributable to the acquisition are booked directly in the income statement.

The results of subsidiary companies acquired or sold during the year are integrated into consolidated profit or loss, respectively, from and to the effective date of the transaction.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair value at the acquisition date. For each business combination, the Group may opt to recognise any non-controlling interest in the acquired company at its fair value or at the proportional part of the recognised amounts of the subsidiary's identifiable net assets corresponding to the non-controlling interest.

The participation of third parties in net equity and the net income of the group companies is presented under "Non-controlling interest" on the consolidated balance sheet and under "Net income attributable to non-controlling interest" in the consolidated income statement. In the case of acquisition of minority interests, the overprice paid in relation to the net book value is recognised directly in net equity.

Transactions with non-controlling interests which do not result in a loss of control are recognised as net equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between the fair value of the amount paid and the corresponding acquired proportion of the book value of the subsidiary's net assets is recorded in net equity. Gains or losses from disposals of non-controlling interests are also recorded in net equity.

In order to account for an acquisition of assets which does not meet the definition of a business combination under IFRS 3, an analysis is carried out for the purpose of finding out whether the integrated set of acquired activities and assets constitutes a business. In order to be considered as such, it is necessary that it should contain at least one input and one substantial process which, together, contribute significantly to the capacity of manufacturing goods.

– Equity accounting method Associated companies

The equity accounting method has been used to consolidate the associates. These are companies in which the Group usually has a direct or indirect stake of between 20% and 50% of share capital.

A significant influence is understood to exist when the Group has a stake in the associate and can intervene in the decisions regarding the associate's financial and operating policies but does not exercise control or joint control.

Investments in associates are recorded using equity accounting method. The share in the gains or losses after the acquisition of an associate is recognised in the consolidated income statement and the share in the net equity movements after acquisition is recognised in reserves.

If the stake in an associate is reduced but the Company continues to have a significant influence on its management, only the stake in proportion to the amounts previously recognised in other global net income are reclassified to net income when this is appropriate.

Dilution gains and losses generated in investments in associates are recognised in the consolidated income statement.

An investor will stop applying the equity accounting method from the date on which it stops having a significant influence on an associate's management. If a significant influence on the associate's management is lost, the investor will value the investment which it holds in the former associate at fair value.

b) Changes in the consolidation scope and business combinations

Appendix I includes the companies in which Audax Renovables, S.A. has a direct or indirect shareholding, and which have been included in the consolidation scope as at 31 December 2024 and 2023.

Below there is a specification of the main transactions carried out which involved significant changes in the consolidation scope:

– Transactions in the year 2024:

On 29 April 2024 an official document was signed, by which a merger by absorption was approved between Generación Ibérica, S.L. (acquired company) and Audax Renovables, S.A. (acquiring company). Since 100% of the shares of the acquired company were owned by the acquiring company, the transaction did not have a significant impact on the consolidated financial statements. The main objects of Generación Ibérica, S.L. involve representation in the energy markets.

On 9 July 2024 Audax Renovables acquired 100% of shares of the company Figurafi Power, S.L. for the total amount of EUR 4,373 thousand from third company Idena Solar, S.L. The main object of the acquired company involves development, construction and operation of photovoltaic power generation projects. The Group considered that the transaction did not fall under the IFRS-3 requirements to be classified as a business combination and recognised it as asset acquisition.

On 10 October 2024 Unieléctrica Energía, S.L., a company of the Group, acquired 24.9% of shares of the company Alcanzia Energía, S.L. for the amount of EUR 1. The objects of the acquired company involves retail of electricity.

On 30 December 2024 the Group began the process of dissolving and liquidating a Spanish company named Explotación Eólica La Pedrera, S.L.U., whose objects involved the development of a wind farm. Since the Group had already made provisions for the investments involved in this project in previous years, and considering the tax recovery of a part of the investment in this project, the Group recorded a financial gain of EUR 1,061 thousand.

Lastly, during the year 2024 an agreement was signed adjusting upwards the price of acquisition of the non-controlling share of the company Audax Renewables Nederland B.V. for the amount of EUR 3,000 thousand; this increase of the acquisition price was recorded in equity in the Other Reserves account.

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 31 December 2024.

The changes in the consolidation scope explained in this section shall be taken into account for the purpose of comparability of the consolidated financial statements.

– Transactions in the year 2023:

On 9 March 2023 Audax Energia, S.R.L. set up Audax Solution, S.R.L. holding 100% of its shares for the amount of EUR 10 thousand. This company has its registered office and carries out its activity in Italy.

On 2 November 2023 the Group began the process of dissolving and liquidating Eolica Warblewo Sp. z o.o, a company located in Poland, whose objects involved the development of a wind farm in Poland. As the Group had already made provisions for the investment involved in that project in previous years, the liquidation did not have any significant impact on the consolidated financial statements.

On 9 November 2023 Unieléctrica Energía, S.A., a company of the Group, set up the company Homepower Energy, S.L.U. As at 31 December 2024 the new company has not yet begun its activities.

On 20 December 2023 Audax Renovables acquired 100% of shares of the company Aquiles Power, S.L. for the total amount of EUR 1,191 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. The Group considered that the transaction did not fall under the IFRS-3 requirements to be classified as a business combination and recognised it as asset acquisition.

On 1 December 2023 Audax Renovables, S.A. acquired 70% of the shares of Audax Green USA Inc, a company located in the USA, whose objects involved the development of new renewable energy generation projects. Previously these shares were held by a company related to the Group, Audax Green, S.L.U. The Group has not made any significant payment in relation with this investment.

Appendix I features a list of the companies in which Audax Renovables, S.A. had a direct or indirect shareholding, and which were included in the consolidation scope as at 31 December 2023.

c) Homogenisation of the accounts of the companies in the consolidation scope.

The criteria applied in the homogenisation have been as follows:

- Temporary homogenisation: all the accounts of the companies in the consolidation scope are referred to as at 31 December 2024 and 2023.

- Measurement homogenisation: the measurement criteria applied by the subsidiary companies to the assets, liabilities, income and expenses coincide basically with the criteria applied by the Parent Company.

- Homogenisation for internal transactions: the amounts of the items resulting from internal transactions which do not coincide, as well as any unrecorded items, shall be identified at the level of each company of the group and adjusted accordingly to the consolidation level in order to carry out the relevant adjustments and removals.

- Aggregation homogenisation: for consolidation purposes, the necessary reclassifications have been made to adapt the structures of the subsidiary companies accounts to that of the Parent Company and to IFRS-EU.

2.6 Transactions in foreign currency

The items included in the consolidated annual accounts of each entity in the Audax Renovables Group are stated using the currency of the main economic environment in which the entity operates (functional currency). The consolidated annual accounts are presented in thousand euros, which is the presentation currency of the Audax Renovables Group.

The transactions in foreign currency are translated into the functional currency using the exchange rates in force on the transaction dates. The gains and losses in foreign currency from the settlement of these transactions and the translation to year end exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the consolidated income statement.

The net income and financial position of all the companies in the Audax Renovables Group (none of which are trading in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- The assets and liabilities of each balance sheet presented are translated at the exchange rate in force at the balance sheet date.

- The income and expenses of each income statement are translated at monthly average exchange rates, unless this measure does not reasonably reflect the accumulated impact of the exchange rates on the transaction dates, in which case the income and expenses are translated at the date of the transactions.

- All the exchange differences are recognised as separate components in net equity (translation differences). Likewise, the net equity (translation differences) comprise the exchange differences arising from monetary accounts which pertain to the net investment in a foreign business.

The adjustments to goodwill and fair value arising from the acquisition of a foreign entity are treated as the assets and liabilities of the foreign entity and translated at the year-end exchange rate.

The exchange rates against the euro of the main currencies of the companies in the Audax Renovables Group as at 31 December 2024 and 2023 were as follows:

	31 December 2024		31 December 2023	
	Closing rate	Rate Middle	Closing rate	Rate Middle
US dollar	1.04	1.08	1.11	1.08
Hungarian forint	411.35	395.97	382.80	382.14
Polish zloty	4.28	4.31	4.34	4.54

2.7 Segment reporting

The Group discloses financial information by segments in accordance with IFRS 8, identifying its operating segments on the basis of their important economic indicators and features, which are regularly reviewed and evaluated in the process of decision making. The conclusions are used in the areas of allocation of resources and evaluation of performance in each operating segment.

Although the results of the generation and retail, as well as their economic features, could be different, the fact that the Group follows its strategy of vertical integration of both business lines by, for example, developing its own generation facilities, as well as protecting the prices through power supply agreements, justifies that, at the operating segment level, both business lines are joined.

Therefore, the Group presents the information divided into geographical segments, and each of them constitutes a different business with its own organisational structure in order to evaluate its level of goal achievement.

The main geographical segments of the Audax Renovables Group are the following:

- Spain and Portugal
- Rest of World: corresponds to Italy, Poland, Germany, the Netherlands, France, Panama and Hungary.

2.8 Intangible assets

The assets included in intangible assets are measured at cost, which may be the acquisition price or the production cost, less the relevant accumulated amortisation (calculated based on its useful life) and possible impairment losses, if applicable.

The depreciable amount of an intangible asset of limited useful life is distributed on a regular basis throughout its useful life. The amortisation charge of each period is recognised in the profit or loss for the year.

a) Goodwill

Goodwill represents the surplus, on the acquisition date, of the costs of the business combination over the fair value of the share in the net identifiable assets of the acquired company. The goodwill related to the acquisitions of subsidiaries is included under intangible assets and that related to acquisitions of associates is included under investments consolidated by equity accounting.

The goodwill is only recognised when it was acquired against payment and corresponds to the future economic profits arising from the assets which could not be identified individually and recognised separately.

Prior to the entry into force of the International Financial Reporting Standards, and as per IFRS 1, goodwill arising from the acquisitions before 1 January 2004 was recorded in the amount recognised as such in the consolidated annual accounts at 31 December 2003 prepared under Spanish accounting principles.

Any goodwill coming from the acquisition of a company whose functional currency is not the Euro, will be valued in that distinct currency. The Euro conversion will take place on the balance sheet date.

Apart from investigating the existence of any impairment sign, the goodwill and intangible assets are examined at least annually for the purpose of discovering any loss due to impairment.

In order to analyse its recoverability, the goodwill is assigned to those cash-generating units (or groups of cash-generating units) which are benefited by the synergies of the business combination.

b) Computer software

Computer software purchased and developed by the company itself, including the cost of the development of websites, is recognised correspondingly to the fulfilment of the conditions established for the development expenses. The maintenance cost of computer software is expensed as incurred.

Licenses for computer software acquired from third parties are capitalised on the basis of the costs incurred to acquire and prepare them for a specific program use.

The Group reviews the residual value, the useful life and the depreciation method of the intangible assets at the end of each year. The changes to the initially established criteria are recognised as a change in the accounting estimate.

The expenses related to the maintenance of computer software are recognised as cost when incurred. Cost related directly to the production of unique and identifiable software controlled by the Company, and when it is probable that it will generate economic profit exceeding the cost during more than one year, is recognised as intangible asset. Direct costs include staff costs of software developers and a suitable percentage of general costs.

These costs are amortised by straight-line amortisation during its estimated useful life.

c) Trademarks and Client portfolio

Client portfolio corresponds primarily to the ones acquired through business combination in the year 2017 of the company Audax Netherlands B.V. and the company Eryx Investments 2017, S.L. (Unieléctrica Group) during the year 2018. Moreover, in 2020 a client portfolio was acquired through the business combination of Audax Hungría.

For the purpose of valuation of customer relations, the earnings method (MEEM) was used. The value of the assets is estimated by the sum of future "excess earnings" discounted at present value, less charges for contributory assets.

These client portfolios are amortised by the straight-line amortisation method during their useful life which is estimated to be between 2 and 12 years and is determined according to the drop ratio based on historical data.

Trademarks are mainly the ones acquired through business combinations referred to in the previous paragraph. Some trademarks were considered, by the independent expert who carried out its measurement at fair value, to have indefinite useful life, as there is no estimable limit to the period in which the asset will generate cash inflows, whereas others are amortised depending on their estimated useful life, mainly between 2 and 10 years.

d) Lease right-of-use assets

In accordance with IFRS 16, the right-of-use assets are recognised on the lease commencement date.

The cost of the right-of-use asset includes the amount of the measurement at recognition of the lease liability, any lease payment made on or before the commencement date, less the incentives received, the initial direct costs incurred in lease, and the estimated cost to be incurred in dismantling and restoring the asset.

After the initial recognition, the right-of-use asset is measured at cost less accumulated amortisation and impairment loss. The amortisation of the right-of-use asset begins on the lease commencement date and is carried out over the useful life of the underlying asset or the lease term if the latter is shorter. If the ownership is transferred to the lessee or when it is quite certain that the lessee will exercise the purchase option, the amortisation is recorded over the useful life of the asset.

The recognition exemption is applied in leases where the underlying asset is of low value (less than EUR 4,000) and short term (lease term of 12 months or less). In these cases the lease payments are recognised as operating expenses applying the straight-line method over the lease term.

e) Other intangible assets and licences

The amounts recorded for intangible assets correspond to their acquisition cost less accumulated amortisation, which begins when the asset is available for use, and valuation adjustments due to impairment, if applicable. Primarily, they originate in business combinations measured at fair value.

These assets arise mainly from measuring at fair value, in business combinations or company acquisitions, certain milestones in the development and implementation of, for example, power generation plants, such as obtaining permits and authorisations granted by official bodies for the construction of a power plant. Own work capitalised (basically staff costs) for property, plant and equipment when the requirements of IAS 38 are met is also included. These intangible assets are amortised on a straight-line basis over the plant’s useful life, which begins when the assets are put into operation, and that is when the dismantling or restoring costs, if applicable, begin to be registered.

The net book value of the intangible assets is tested for possible impairment if certain events or changes indicate that their net book value cannot be recovered. In the case of intangible assets from business combinations possible impairment is measured additionally every year.

f) Business combinations

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group in accordance with IFRS 3. The acquisition date is the date on which the Group obtains control over the acquired business.

The cost of the business combination is determined by the aggregation of:

- The fair value of the transferred assets on the acquisition date, the liabilities incurred or assumed and the equity instruments emitted.
- The fair value of any of the contingent considerations depends on the future events or the compliance with the predetermined conditions.

Costs related with the emission of equity instruments or financial liabilities exchanged for the acquired assets are not part of the combination costs.

Additionally, fees paid to legal advisors or other professionals that have intervened in the combination, and the expenses generated internally with the same nature, are not considered part of the combination costs. Instead, these costs are directly attributed to the income statement.

If the business combination is done in different stages, in such a way that before the acquisition date (obtaining the effective control) it already existed an investment, goodwill or the negative difference will be obtained by computing the difference between:

- The cost of the business combination, plus the fair value on the acquisition date of any previous share of the acquiring company in the acquired company, and
- The value of the identifiable acquired assets minus the liabilities assumed, determined according to what was indicated previously.

Any profit or loss incurred as a consequence of the valuation at fair value on the date in which effective control is obtained over the shares of the acquired company, will be recognized in the consolidated income statement. If the investment has been valued previously according to its fair value, the valuation adjustments pending to be included in the year's result will be transferred into the income statement. On the other hand, it is presumed that the cost of the business combination is the best reference point to estimate the fair value on the acquisition date of any previously issued share.

If the combination difference happened to be negative, it would be registered in the income statement as an income.

If at the closing date of the year in which the combination takes place the valuation processes needed to apply the acquisition method described above had not been concluded, this accounting entry would be considered provisional, thus future adjustments on the provisional values would be allowed during the period it took to acquire the required information, which under no circumstances can be more than a year. The effects of the adjustments done during this period will be accounted for retroactively, modifying the comparative information if needed.

The subsequent changes in the fair value of the contingent consideration will be adjusted against results, unless such consideration has been classified as net equity in which case its further changes on fair value will not be recognized.

If after taking the efficient control sales transactions take place or subsidiary shares are bought without losing it, the impact of these transactions without changes in control will be accounted as net equity and will not modify the value of the consolidated goodwill.

2.9 Property, plant and equipment

Property, plant and equipment are recognised at their acquisition price or cost of production minus their accumulated depreciation and accumulated recognised impairment losses. This account also includes own work capitalised (basically staff costs) for property, plant and equipment when the requirements of its recognition are met. The provisions for dismantling, under contract, which are recorded upon start-up at their current value as property, plant and equipment (with a counter-entry under provisions), form part of the cost and are depreciated over the useful life of the power generating plant.

The assets related to dismantling or land rehabilitation are registered upon start-up of the power generation plant, which is also when the depreciation begins.

The net financial expenses, and other expenses directly attributable to property, plant and equipment, are included in the acquisition cost until they are brought into use.

The costs of extension, modernisation or improvement of property, plant and equipment are capitalised only when they represent an increase in their capacity, productivity or a lengthening of their useful life, and as long as it is possible to know or estimate the carrying value of the assets that are written off inventories when replaced.

The costs of major repairs are capitalised and depreciated over their estimated useful lives while recurrent maintenance expenses are taken to income statement during the year in which they are incurred.

The depreciation of property, plant and equipment, except for land, which is not depreciated, is calculated on a straight-line basis according to their estimated useful lives, taking into account ordinary wear and tear. The estimated useful lives are as follows:

	Depreciation method	Years of estimated useful life
Structures	Straight-line	33 – 50
Plant and machinery	Straight-line	8 – 35
Other plants, facilities and equipment	Straight-line	5 – 20
Other property, plant and equipment	Straight-line	4 – 14

Depreciation begins at the moment of making operative the element belonging to property, plant and equipment.

The residual value and useful life of assets are reviewed, and adjusted if needed, at each consolidated balance sheet date.

When the book value of an asset is greater than its estimated recoverable value, it is immediately written down to the recoverable value.

The profit and loss on the sale of property, plant and equipment is calculated by comparing the income obtained from the sale against book value and then taken to the income statement.

2.10 Impairment losses on non-financial assets

The Group applies the method of assessing the existence of indications which might imply possible impairment of non-financial assets subject to amortisation or depreciation, in order to verify if the carrying amount of said assets exceeds the recoverable amount.

Moreover, regardless of whether there are any indications of impairment, the Group examines at least once a year the possible impairment that could affect the goodwill and the intangible assets of indefinite useful life, as well as intangible assets that are not yet available for use.

For the purpose of assessing impairment, the assets are grouped on the lowest level for which it is possible to identify independent cash flows.

The recoverable amount of an asset is whichever is higher between its fair value less costs of disposal or its value in use. The value in use of an asset is determined according to the future cash flows expected to be derived from the use of the asset, the expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows related to the asset.

Negative differences resulting from the comparison between the carrying amount and the recoverable amount of the assets are recognised in profit and loss.

The recoverable amount must be calculated for an individual asset, unless the asset does not generate cash inflows which are largely independent of cash inflows from other assets or groups of assets. If this is the case, the recoverable amount is determined for the CGU (Cash-Generating Unit) to which it belongs.

Impairment loss of a CGU initially reduces the goodwill allocated to that CGU and, later on, to the other assets of the CGU pro rata the carrying amount of each one of the assets, with the limit for each one of them of whichever is the higher between its fair value less cost of sale or other disposal, its value in use, and zero.

The Group assesses, based on internal and external information sources, at each balance sheet date, whether there is an indication that an impairment loss recognised in previous years does not exist any more or may have decreased. Reversal of impairment loss for goodwill is not possible. Impairment loss for the rest of assets may be only reversed if there has been a change in the estimates used to determine the recoverable amount of the asset.

The main indications which the Group takes into account in order to check the existence of impairment are the following:

- Recurring losses in the CGUs;
- Actual net cash flows, or results, deriving from the exploitation of the asset, significantly lower than estimated;
- Negative change in one of the key assumptions on which the cash flows forecasts are based: production, prices, number of clients, discount rates, gross margins, etc.;
- 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.

Reversal of the impairment loss is recognised in the profit or loss. However, the increased carrying amount due to reversal should not be more than what its depreciated historical cost would have been if the impairment had not been recognised.

2.11 Leases

a) Identification of a lease

At the beginning of a contract, the Group assesses if the contract contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The period in which the Group uses an asset includes consecutive and non-consecutive periods. The Group reassesses the conditions only when the contract is amended.

b) Lessee accounting

In the contracts which contain one or more lease components and non-lease components, the Group assigns consideration of the contract to each lease component according to the selling stand-alone price of the lease component and aggregate stand-alone price of the non-lease components.

The payments made by the Group which do not involve transfer of goods or services to the Group by the lessor are not a component separate from the lease, but form part of the total consideration of the contract.

The Group decided to not apply the accounting policies specified below for short-term leases and those where the value of the underlying asset is lower than EUR 4 thousand. (IFRS 16.8 and B3-B8).

For this kind of contracts the Group recognises the payments on a straight-line basis over the lease term.

At the beginning of the lease the Group recognises a right-of-use asset and a lease liability. The right-of-use asset consists of the amount of the lease liability, any lease payment made on or before the commencement date, less the incentives received, the initial direct costs incurred in lease and the estimated cost to be incurred in dismantling and restoring the asset, as indicated in the provisions accounting policy.

The Group measures the lease liability at the beginning of a contract at current value of all the payables during the term of the lease contract. The lease payments are discounted using the adequate incremental rate, except for when it is possible to credibly determine the lessor's interest rate implicit in the lease.

The leases, where the Audax Renovables Group acts as lessee, have been measured individually at the present value of the future payments, discounted at the average discount rate of 4%.

The unpaid lease payments consist of fixed payments, less any lease incentives to be received by the lessee, variable payments that depend on an index or a rate, initially measured using the index or rate applicable at the commencement date, the amounts expected to be payable for the underlying asset residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and the payments of penalties for early termination of the lease if the lease term reflects an option to terminate the lease.

The Group measures the right-of-use assets, less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

If the contract conveys the ownership of the asset to the Group at the end of the lease term or the right-of-use asset includes the purchase option price, depreciation is carried out applying the criteria indicated in the property, plant and equipment paragraph from the lease commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful file of the right-of-use asset or the end of the lease term.

The Group applies the criteria of the impairment of non-current assets indicated in Note 5 to the right-of-use assets.

The Group measures the lease liability incrementing it by the accrued financial expense, reducing it by the payments made and remeasuring the book value due to amendments to the lease or in order to reflect the adjustments of the in-substance fixed payments. Financial adjustment is recorded under the 'Financial expenses' heading of the Consolidated income statement.

Contingent rents subject to the occurrence of a specific event and variable payments that depend on the income or on the use of the underlying asset are measured at the moment when they are incurred under the 'External services' heading of the Consolidated income statement instead of being part of the lease liabilities.

The Group recognises variable payments that were not included in the initial measurement of the liability in profit or loss for the period in which the circumstance occurred which triggered the payment.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset until it is reduced to zero and later in profit or loss.

The Group remeasures the lease liability by discounting the lease payments using a revised discount rate if there is a change in the lease term or a change to the assessment of the option to purchase the underlying asset.

The Group remeasures the lease liability if there is a change in the amounts expected to be payable under residual value guarantee or a change to the index or rate used to determine the payments, including a change to reflect the changes in the market rental rates following a market rent review.

The Group recognises a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If the modification is not accounted for as a separate lease, at the date of the modification, the Group allocates the consideration in the modified contract in the way indicated above, determines again the lease term and remeasures the lease liability by discounting the revised payments using a revised discount rate. The Group decreases the book value of the right-of-use asset to reflect the partial or full termination of the lease in the modifications that decrease the scope of the lease, and recognises in profit or loss the relevant gain or loss. For all other lease modifications, the Group adjusts the book value of the right-of-use asset.

The majority of the leases of the Group affected by this regulation correspond to the lease of land where the power plants are installed, as well as lease of office space.

c) Operating leases

The Group presents the lease payments to third parties not subject to IFRS 16 under operating lease contracts according to the nature of the assets with the accounting principles being applicable.

The Group recognises operating lease expenses as expenses applying the straight-line method over the lease term.

2.12 Financial instruments

a) Recognition and initial measurement

Financial instruments are classified at the moment of their initial recognition as a financial asset, a financial liability or an equity instrument, according to the substance of the contract and to the definitions of financial asset, financial liability or equity instrument developed in IAS 32 “Financial Instruments: Presentation”.

A financial instrument is recognised when the Group becomes an obliged party to an agreement or a legal transaction according to the provisions thereof.

b) Subsequent classification and measurement

– Financial assets

The Group classifies its financial assets, except for the investments accounted for by the equity method, into the following categories:

1. *Amortised cost:*

   These are financial assets, non-derivative, which are held for the collection of contractual cash flows when these cash flows represent only the principal and interest payments. They are included in current assets, except when they mature in more than twelve months as from the balance sheet date on which they were classified as non-current assets.

   They are initially recognised at fair value and, subsequently, at amortised cost, using the method of effective interest rate. The interest income of these financial assets is included in financial income, any profit or loss arisen when they are derecognised is recorded directly in consolidated

income, and impairment losses are presented as a separate item of the Consolidated Income Statement for the year.

2. *Measurement at fair value through Other Comprehensive Income:*

The financial assets at fair value with changes in other comprehensive income are initially recognised at fair value plus transaction costs that are directly attributable to the purchase.

Subsequently to the initial recognition the financial assets classified into this category are measured at fair value with recognition of loss or gain in other comprehensive income, except for the loss or gain due to exchange rate, as explained in section 2.6 (foreign currency transactions) and expected credit loss. The amounts recognised in other comprehensive income are recognised in profit or loss at the moment of derecognition of the financial assets. However, the interests calculated using the effective interest rate method are recognised in profit or loss.

As indicated above, the Group has designed certain equity instruments as measured at fair value with changes in other comprehensive income. Subsequently to the initial recognition, the equity instruments are measured at fair value with recognition of loss or profit in other comprehensive income. The amounts recognised in other comprehensive income are not subject to reclassification to profit or loss, without prejudice of being reclassified to reserves at the moment of derecognition of the instruments.

3. *Measurement at fair value through profit and loss:*

The derivatives are included in this category, unless they are described as hedging instruments. These financial assets are measured, both initially and subsequently, at fair value, with the changes in that value recorded in the Consolidated Income Statement for the year.

The fair value of listed investments is based on the market value (Level 1). In the case of non-listed company shares, the fair value is determined using the valuation methods which include the use of recent transactions between interested and duly informed parties, references to other substantially equal instruments and the analysis of discounted future cash flows (Level 2 and 3). When recent available information is insufficient for determining the fair value, or when there is a whole range of possible valuations of the fair value and the cost represents a better estimate within that range, the investments are recorded at acquisition cost, less the impairment loss, if applicable.

Transaction costs directly attributable to the purchase or issuance are recognised as expenses in the amount they are incurred.

The fair value of a financial instrument at the initial recognition moment is usually the price of the transaction, except for when that price contains elements that are different from the instrument, in which case the Group determines its fair value. If the Group establishes that the fair value of an instrument differs from the price of the transaction, it records the difference in profit or loss, in proportion to the value obtained by reference to a price quoted on an active market or of an identical asset or liability or obtained by a measurement method using only observable data. In other cases the Group recognises the difference in profit or loss when there is a change in a factor that the market participants would consider in determining the price of the asset or liability. (IFRS 7.28 a)

The changes of the fair value include the component of interest and dividends. The fair value is not reduced by the transaction costs which may be incurred by the sale or other disposal.

The Group determines the change in the fair value attributable to the credit risk calculating initially the internal return rate at the beginning of the period using the fair value and the contractual cash flows and discounts from said rate the reference interest rate in order to determine the specific kind of component of the credit risk, provided that the change in the reference interest rate is not significant and there are no other factors which might involve important changes in the fair value. On every balance sheet date the Group discounts the contractual cash flows at a rate established as the sum of the reference rate of the date plus a specific rate of the credit risk component. The difference between the fair value at the balance sheet date and the previous amount represents the change linked to the credit risk.

4. *Financial assets measured at cost:*

   The investments in equity instruments for which there is no sufficient information to measure their fair value or when there is a wide range of measurements and derivative instruments that are linked to them which should be settled for providing those investments, are measured at cost. However, if the Group may obtain at any moment a credible measurement of the asset or of the contract, it will recognise them at that moment at fair value recording the gain or loss in profit or loss or in other comprehensive income if the instrument is designated at fair value with changes in other comprehensive income.

– Financial liabilities

At the moment of their initial recognition, they are classified into the following categories:

1. *Financial liabilities at amortised cost:*

   Financial liabilities are recognised initially at fair value, net of the costs incurred in obtaining them. The difference between the amount obtained and their redemption value is recognised in the Consolidated Income Statement during the term of the financial liability using the effective interest rate method.

   In the case of amendments to contracts concerning financial liabilities measured at amortised cost which do not result in their amortisation, the modified cash flows of the refinanced debt are discounted at the original effective interest rate, and the obtained difference from the previous carrying amount is recorded in the Income Statement at the date of the modification.

   The difference between the book value of a financial liability which is cancelled and the consideration paid is recognised in the profit or loss for the period.

   Financial liabilities are classified as current liabilities unless their maturity is longer than twelve months as from the balance date or if they include tacit renewal clause to be exercised by the Group.

   Moreover, current trade and other payables are short-term financial liabilities which are initially measured at fair value do not accrue interest and are recorded at their nominal value.

2. *Financial liabilities at fair value through profit and loss:*

   These are liabilities acquired for the purpose of selling them in short term. The derivatives are included in this category, unless they are described as hedging instruments. These financial liabilities are measured, both initially and subsequently, at fair value, with the changes in that value recorded in the Consolidated Income Statement for the year.

c) Principles or considerations in the classification of financial assets and liabilities:

Principles of compensation

A financial asset and a financial liability are subject to compensation only when the Group has the legal right actually enforceable to compensate the recognised amounts and has the intention to settle for differences or realise the asset and cancel the liability simultaneously. In order for the Group to have the legal right actually enforceable, it should not be contingent to a future event and should be legally enforceable in the ordinary course of business, in case of insolvency or legally declared liquidation and in case of default.

In this regard, the principle of compensation may be applicable to different valuations of financial derivatives. The Group shall present its derivative positions as assets and liabilities independently and proceed to the compensation only when the time frame of accrual and settlement of the asset and liability derivatives coincide and when the entity of the counterparty is also the same.

Reclassifications of financial instruments

The Group reclassifies financial assets when it modifies the business model for the management of that assets. The Group does not reclassify financial liabilities.

If the Group reclassifies a financial asset from the category of at amortised cost to at fair value with changes in profit or loss, it recognised the difference between the fair value and the carrying amount in the profit or loss. From that moment on, the Group does not record financial asset interest separately.

If the Group reclassifies a financial asset from the category of at fair value with changes in profit or loss to at amortised cost, the fair value at the date of the reclassification is considered to be the new gross carrying amount for the purpose of applying the effective interest rate approach and of recording credit losses.

If the Group reclassifies a financial asset from the category of at amortised cost to at fair value with changes in other comprehensive income, it recognises the difference between the fair value and the carrying amount in other comprehensive income. The effective interest rate and the expected credit loss record are not adjusted by the reclassification. However, the accumulated amount of the expected credit losses is registered against other comprehensive income and is itemised in the notes.

If the Group reclassifies a financial asset from the category of at fair value with changes in other comprehensive income to at amortised cost, it is reclassified at its fair value. The amount of the difference in equity is adjusted to the carrying amount of the asset. The effective interest rate and the expected credit loss record are not adjusted by the reclassification.

If the Group reclassifies a financial asset from the category of at fair value with changes in profit or loss to at fair value with changes in other comprehensive income, the effective interest rate and expected credit loss are determined at the date of the reclassification at the fair value of that moment.

If the Group reclassifies a financial asset from the category of at fair value with changes in other comprehensive income to at fair value with changes in profit or loss, the amount of the difference in equity is reclassified to profit or loss. From that moment on, the Group does not record financial asset interest separately.

Impairment

The Group recognises in profit or loss a loss allowance due to expected credit loss of the financial assets measured at amortised cost, fair value with changes in other comprehensive income, contract assets, lending commitments and financial guarantees.

For financial assets measured at fair value with changes in other comprehensive income the expected credit loss is recognised in other comprehensive income and does not reduce the fair value of the assets.

The Group measures on every balance sheet date the loss allowance by an amount equal to the expected credit loss in the following twelve months, for the financial assets for which the credit risk has not increased significantly since the date of the initial recognition or when it considers that the credit risk of a financial asset has not increased significantly.

The Group determines on every balance sheet date whether the credit risk of an instrument considered individually or of a group of instruments considered collectively has increased significantly since the initial recognition. For the purpose of collective evaluation the Group has grouped the instruments according to shared risk features.

In order to determine whether for an instrument or a group of instruments the credit risk has increased significantly the Group uses the change in the risk of a default during the expected lifetime of the instrument instead of changes in the amount of the expected credit losses. Therefore the Group evaluates the change in the risk of a default at every balance sheet date comparing it to the initial recognition. For this purpose the Group considers that a default occurs when there are justified doubts concerning recovery.

For the purpose of determining whether there is a significant increase in the credit risk the Group evaluates all the reasonable and justifiable prospective information, in particular:

- Internal and external credit risk ratings;
- Current or expected adverse changes in the business, financial or economic situation which may give rise to a significant change in the borrower's ability to fulfil their obligations;
- Current or expected significant changes in the borrower's operating income;
- Significant increase in the credit risk of other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Macroeconomic information such as interest rates, growth, unemployment rates, GDP of the region, real property market prices or rents.
- The Group considers that the credit risk has increased significantly since the initial recognition when its maturity period is extended.

If there has been a significant increase in the credit risk of an instrument or a group of instruments since the initial recognition, the expected credit loss covers the entire expected life of the instrument. For the financial assets acquired or originated with incurred losses the Group recognises at every balance sheet date only the positive or negative changes in the expectations of loss since the initial recognition as a loss or profit from impairment, regardless of whether the profit exceeds the initially estimated amount of the incurred credit loss.

For the financial assets renegotiated or modified and which have not implied derecognition of the original financial asset the Group evaluates the significant increase in credit risk comparing the risk of a default at the date of the balance sheet according to the new conditions with the risk of a default at the date of the initial recognition according to the original conditions. The Group considers that the credit loss of modified financial assets should not be estimated during the lifetime for the instrument only when there is evidence of the borrower's fulfilment of the modified obligations.

If the modified financial asset has implied derecognition of the previous financial asset and the recognition of a new one, the Group determines the expected credit loss at that moment. For this purpose the Group determines the expected credit loss in the subsequent twelve months, except for when the financial asset originated with incurred loss.

Notwithstanding the above, the Group recognises the expected credit loss during the life of the instruments for trade receivables or contract assets and finance lease receivables.

In accordance with IFRS 9, for trade receivables the Group determines the expected credit loss during the life of the financial assets collectively, grouped by different collectives according to their maturity dates, allocating a percentage of default to each of them.

The percentage of default is calculated according to the probability of an account receivable to be moving through the subsequent stages of default until its definitive derecognition. The percentages are calculated separately for each collective. The percentages are based on the current experience of default in recent years and are adjusted by the differences between current and historical economic conditions and considering the forecast information that is reasonably available.

The Group determines the expected credit loss considering the unbiased and probability-weighted amount, effective interest rate or effective interest rate adjusted by the original credit risk and reasonable and justifiable information about past events, current conditions and forecasts of future economic conditions.

The maximum term considered by the Group to measure the expected credit loss is the contractual period, including novation options, during which the Group is exposed to credit risk. However, the Group determines credit losses during the period in which the Group is exposed to credit risk and the credit losses would not be mitigated by credit risk management actions, even if this period exceeds the maximum contractual period for the instruments that include a loan and an undrawn commitment and the ability to demand repayment and cancel the commitment would not limit the Group's credit risk to the contractual notice period.

Separate expected credit losses represent the difference between the contractual and the expected cash flows, in the amount as well as in the term.

Regarding financial guarantees, the Group considers the changes in the risk that the debtor will default on the contract. The Group determines credit losses as expected payments to be made to reimburse the holder for the loss it incurs less any amount that the Group expects to receive from the holder, the debtor or any third party. For this purpose the Group does not consider the amount of the premiums to collect when they are collected in instalments. If the asset is entirely guaranteed, the estimate of the credit loss would be consistent with the estimates of credit losses of the asset subject to the guarantee.

To the financial guarantees and loan commitments for which it is not possible to determine the interest rate in a reliable manner, the Group applies a market interest rate, adjusted by the risks not considered in discounted cash flows.

For loan commitments and financial guarantees the expected credit loss is recognised as a provision. If a financial instrument includes a loan and an undrawn commitment and the Group cannot identify separately the credit loss attributable to each component, the credit loss of the commitment is recognised together with the credit loss of the financial asset. If the credit loss exceeds the carrying amount of the financial asset, the surplus is recognised as a provision.

For finance lease receivables the Group determines the credit loss in a way that is consistent with the cash flows used to measure accounts receivable. For this purpose it uses the implicit interest rate of the contract.

The Group has determined the impairment of cash and cash equivalents due to expected credit losses during the next twelve months. The Group considers that cash and cash equivalents have a low credit risk according to the credit ratings of the financial entities where the deposits or cash are deposited.

Extinguishment of financial assets

Derecognition of financial assets is carried out when the rights to collect cash flows connected with those assets have expired or have been transferred and the Group has transferred substantially the risks and profits derived from their ownership.

Derecognition of a financial asset in it entirety implies a recognition of profit or loss for the difference between its carrying amount and the sum of the received compensation, less transaction costs, including the assets obtained or the liabilities assumed and any loss or gain recognised in other comprehensive income, except for the equity instruments designated at fair value with changes in other comprehensive income.

The Group reduces directly the accounting amount of a financial asset when it reasonably expects to recover it entirely or partly.

Interests and dividends

The Group recognises interests applying the effective interest rate method, which is an update rate that equalises the carrying amount of a financial asset with the expected cash flows during the expected life of the instrument on the basis of its contractual terms and without considering the expected credit loss, except for the financial assets acquired or originated with incurred losses.

The interests are recognised at gross carrying amount of the financial assets, except for the financial assets acquired or originated with incurred credit losses and financial assets with credit impairment. For the former, the Group recognises the interests according to the effective interest rate adjusted by the initial credit risk and for the latter, the Group recognises the interests at amortised cost.

The changes of estimates in cash flows are discounted at the effective interest rate or an interest rate adjusted by the original credit risk and are recognised in profit or loss.

The income on dividends from investments in equity instruments is recognised in profit or loss when right for the Group arise to collect the dividends, the collection of economic profit is probable and the amount can be reliably calculated.

The dividends from equity instruments classified at fair value with changes in other comprehensive income are recognised in profit or loss, except when they represent a return on investment, in which case they are recognised in other comprehensive income.

The Group recognises as financial income and expenses the late-payment interest in commercial transactions according to the legal and contractual conditions. If eventually the interest is compensated or cancelled, the Group recognises the transaction according to its substance.

The Group recognises the legal right to the compensation of incurred collection management costs when its collection is probable. The Group recognises the management collection costs claim according to the rules of the provision accounting policy.

Derecognition and modification of financial liabilities

The Group derecognises a financial liability or a part of it when the obligation specified in the contract is fulfilled or when the Group is legally exempted from the principal responsibility contained in the liability whether through a court proceeding or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications of the liabilities initially recognised are accounted for as an extinguishment of the original financial liability and recognition of a new financial liability, provided that the terms of the instruments are substantially different.

The Group considers that the terms are substantially different if the current value of the discounted cash flows under the new terms, including any commission paid less any commission received, and using for the discount the original effective interest rate, differs by at least 10 per cent from the discounted current value of the cash flows which still remain from the original financial liability.

If the exchange is recorded as an extinguishment of the original financial liability, the costs or commissions are recognised in profit or loss as a part of its result. Otherwise, the modified cash flows are discounted at the original effective interest rate and any difference from the previous carrying amount of the liability is recognised in profit or loss. Likewise, the costs or commissions adjust the carrying amount of the financial assets and they are amortised by the amortised cost method during the remaining life of the modified liability.

The Group recognises in profit or loss the difference between the carrying amount of a financial liability or a part of it that is extinguished or transferred to a third party and the compensation that was paid, including any transferred asset other than cash or assumed liability.

The Group derecognises a financial liability when the obligation is extinguished. It also derecognises own acquired financial liability when the company which repurchases the financial liability is the same entity that issued it, even when the intention is to relocate it in the future, recording in the profit and loss account a financial income (expense) for the difference between the book value of the financial liability, or of a part of it that has been derecognised, and the compensation paid, including any attributable transaction expenses.

Issuance and acquisition of equity instruments and financial instruments and recognition of dividends

The Group classifies issued, incurred or assumed financial instruments as financial liabilities in its entirety or in one of its parts, providing that, depending on the economic situation, it means for the Group a direct or indirect contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with third parties under conditions that are potentially unfavourable.

The Company recognises the increases and decreases of capital in net equity when the issuance and subscription has been carried out.

In the issuance of compound financial instruments with equity and liability components the Group measures the equity component at the residual amount obtained after subtracting from the fair value of the instrument as a whole the amount of the liability component, including any derivative financial instrument. The liability component is measured at fair value of a similar instrument which does not contain an equity component. However, if an issued instrument is puttable at any time at the investor's request or because of a contingency which cannot be controlled by the Group, the initial value of the financial liability is equal to its issue price. Derivative financial instruments are later measured at fair value through profit or loss. The liability component of the financial instrument is later measured at amortised cost. Transaction costs related to an issue of a compound financial instrument are allocated according to the carrying amount of each of the components at the time of classification.

In an issue of convertible bonds the Company recognises the conversion option as other equity instruments, providing that it is not classified as a derivative financial instrument. The financial liability component and transaction costs are recognised as stated above.

At the date of the conversion the Group cancels the liability component and proceeds to credit the capital account and, if applicable, the share premium account. Moreover, the original component of net equity is reclassified to the share premium account.

In case of agreement on bonds repayment, the Group cancels the liability and, at the difference against consideration paid, accounts for the result of the transaction in the financial margin of the consolidated income statement. Likewise, the original net equity component is reclassified to the reserves.

When the Group cancels a convertible bond before maturity, through early redemption or repurchase where conversion terms remain unchanged, the Company distributes the consideration paid and transaction costs related to the redemption or repurchase between the liability and equity components of the instrument at the date of the transaction, in a way which is congruent with the method used in the distribution carried out for the initial recognition of the instrument.

Once the allocation of the consideration paid between the two components is made, the resulting gain or loss related to the cancellation of liability is recognised in the consolidated profit or loss, and the amount corresponding to the equity component is recognised directly in a reserves account.

If the initial terms of the convertible instrument are amended in order to induce early conversion, the difference, at the date when the terms are amended, between the fair value of the consideration the investor is to receive on conversion of the instrument under the new terms and the fair value of the consideration that the investor would have received under the original terms is recognised as a financial profit or loss in the consolidated income statement.

Contracts for purchase and sale of non-financial assets

The Group signs long-term contracts for the purchase/sale of energy (PPA) according to its production requirements. The Group assesses at the moment of signing and also periodically if the contracts should be recognised as derivative financial instruments. For this purpose the Group carries out control and a separate register of those contracts which meet the conditions for not being classified as derivative financial instruments and those which must be considered as trading.

The Group recognises as obligations the contracts for purchase or sale of a non-financial account in line with the terms of the contract and if it is held for delivery or reception according to the usage, purchase or sale (physical delivery) requirements.
In the case of contracts for the purchase or sale of non-financial assets classified as trading and which are going to be settled with physical delivery at a fixed price, the Group applies the cash flow hedge policy.

In accordance with IFRS 9 and IFRS 7, the physical delivery contracts shall meet the Own Use exemption. Thus, these assets will not be recognised as financial instruments and it will not be necessary to recognise them in the balance sheet. On the other hand, the PPAs which do not meet the requirement of own use exemption (such as, for example, the agreements known as financial or virtual PPAs) are generally recognised as derivative financial instruments (section 7). The transaction costs of the contracts classified as obligations are recognised according to the general criteria applicable to the costs related to purchase and sale transactions.

However, the Group recognises as derivative financial instruments those contracts or groups of similar contracts for which the Group keeps applying a past practice of net cash settlement or those that are held by the Group for the purpose of obtaining profit from trading margin (no physical delivery).

The Group evaluates the existence of implicit derivatives in the contracts for purchase or sale of non-financial assets in foreign currency. Although the contract is not accounted for as a financial instrument, the implicit derivative is recognised according to the criteria indicated above.

As at 31 December 2024 and 2023 the Group does not have any interest rate derivatives.

Advance payments from clients and to suppliers

As a consequence of the energy retail activity, it is common for the Group to receive down payments from clients (effective income on account of future energy delivery) and make advance payments to suppliers (effective payments on account of future energy collection).

The Group considers as advance payment from clients the consideration received by the client before the provision of services or delivery of goods. The entity receiving such advance payment shall record it in the Payables account of current liabilities of the consolidated balance sheet.

Likewise, the advance payments to suppliers corresponding to delivery to suppliers "on account of" future supplies are recorded in the Receivables account of current assets of the consolidated balance sheet.

2.13 Derivatives and other financial instruments

Financial derivatives are recognised at fair value on the contract date, and are successively recalculated at fair value. The method for recognising the gain or loss depends on whether the derivative is classified as a hedging instrument, and if so, the nature of the asset hedged.

The Group documents the relationship between the hedging instruments and the assets or liabilities hedged at the beginning of the transaction, as well as the purpose of the risk management and hedging strategy.

A hedge is considered to be highly effective when the changes in the fair value or the cash flows of the assets hedged are offset by the change in the fair value or cash flows of the hedging instrument.

When the derivatives are effective and meet the criteria to be considered as hedges, the changes in value of derivative instruments are recorded in the Valuation adjustments account of the equity of each company. When, on the other hand, the criteria to be considered as hedges are not met or when the derivatives are not effective, the changes in value of derivative instruments are recorded in the income statement.

The market value of different financial instruments is calculated according to the following procedures:

- Regarding the derivatives traded on regulated market, at their quoted price at the end of the year (Level 1).

- In the case of derivatives that do not trade on regulated market, at the discounted cash flows, based on the market conditions at the year-end date or, in the case of non-financial elements, on the best estimate of the future price curves of those elements (Level 2 and 3).

The fair values are adjusted by the expected negative impact of the observable own credit risk on the valuation scenarios.

For the purpose of recognition, the transactions are classified in the following manner:

a) Cash flow hedge

For these derivatives, the part identified as efficient hedge of changes in the fair value of the derivatives designated and qualifying as cash flow hedges is recognised in net equity. The gain or loss relating to the non-effective part is recognised immediately in the consolidated income statement. The amounts accumulated in net equity are released to the consolidated income statement in the year in which the hedged items affects profit or loss.

b) Fair value hedge

The changes in the fair value of the derivatives that are designated and qualify as fair value hedges are posted in the consolidated income statement, together with any change in the fair value of the asset or liability hedged that is attributable to the risk hedged.

Own Use Exemption

The Group has signed several short- and long-term power purchase agreements with diverse entities. These agreements operate with physical delivery of energy and the settlement of the commitment involves the entirety of the committed amount and not the difference between the committed amount and the market value. Due to their characteristic features, the Group does not consider these agreements to be financial derivatives and applies the own use exemption rule, providing that the agreements meet the criteria established in IFRS 9.

2.14 Share capital

Share capital is represented by ordinary shares.

The cost of the issue of new shares or options, net of tax, is subtracted from net equity.

The dividends from ordinary shares are recognised as less net equity when approved by the Parent Company’s shareholders.

In the event of acquiring treasury shares, the compensation paid, including any incremental cost attributable directly, is deducted from net equity until its settlement, new issuance or disposal. When subsequently these shares are sold or are issued again, any received amount, net of any incremental cost of the transaction attributable directly, is included in net equity. The difference between the amount obtained from the disposal of own shares and the book value of said shares shall be debited or credited, as appropriate, on the specific reserve account of the company's equity. In order to assign value to treasury shares acquired, the weighted average price method shall be applied.

2.15 Provisions and contingent liabilities

The Directors of the Parent Company have established a difference in the consolidated annual accounts between:

- Provisions: The credit balances that cover current obligations related with past events, whose settlement is likely to originate an outflow of cash, however the amount and/or the moment of the settlement cannot be determined.

– Contingent liabilities: Possible obligations arising as a consequence of past events, whose future materialization is subject to whether or not one or more than one of future events, independent of the Group's will, ends up taking place.

Provisions are recognised when the Audax Renovables Group has a present legal or implicit obligation as a result of past events, which will likely lead to an outflow of funds in order to meet the obligation, and when the amount can be reliably estimated. No provisions are recognised for future operating losses.

Provisions are recorded when the unavoidable costs of meeting the liabilities in an onerous contract for valuable consideration exceed the profits expected to be obtained from them.

Provisions are stated at current value of the amount necessary to settle the liability at the balance sheet date, according to the best estimation available.

When it is expected that part of the disbursement necessary to settle the provision is refundable by a third party, the reimbursement is recognised as a separate asset, provided that its receipt is practically assured.

2.16 Corporate income tax

The corporate income tax accrued expenses include the expense for the deferred tax and the expense for the current tax understood as the amount payable (or refundable) relating to the tax profit (or loss) for the year.

The Group incorporates the uncertainty effect into the tax treatment when determining the tax profit, tax bases, unused tax losses, unused tax credits and tax rates.

The current tax is the amount that the Group pays as a consequence of the fiscal liquidations arising from Corporate Income Taxes for the year. Deductions and other fiscal advantages affecting the amount of taxes payable, excluding any account retention or payment, as well as fiscal losses that can be compensated from past years and that are effectively applicable during the current year, give rise to a lower amount of current taxes payable.

The deferred tax is recorded by comparing the temporary differences that arise between the taxable income from the assets and liabilities and the accounting profit on the consolidated annual accounts using the tax rates that are expected to be in force when the assets and liabilities are realised.

Liabilities arising from deferred taxes are recognized for all the temporary differences on tax bases, except for those derived from the initial recognition of goodwill or other assets and liabilities in an operation that does not affect neither the fiscal result nor the accounting result and that is not included in a business combination.

The deferred tax arising from charges or credits made directly in the net equity accounts are also recorded as charges or credits to net equity.

Additionally, any difference that might exist between the consolidated value of an acquired company and its fiscal base will also be considered at a consolidated level. In general these differences arise from the accumulated results generated after the acquisition date, from fiscal deductions associated with the investment and from the exchange difference, in the case where the acquired company uses a currency that is not the euro. Deferred tax assets and liabilities originated from these differences can be recognized except for, and in the case of taxable differences, those in which the investor has control over the moment of reverting the difference and in the case of the deductible differences, if it can be expected that such difference has consequences on the foreseeable future and if it is likely that the company has a tax profit of a sufficient amount.

The deferred tax assets are recognised to the extent that it is probable that there will be future tax profits with which to offset the temporary differences.

In every closure of the accounting cycle the assets registered as deferred taxes receivable are reconsidered and the needed corrections are done in the cases where doubts exist about their future payment.

When there is a change in tax rates, the amounts of the deferred tax in assets and liabilities are remeasured. These amounts are charged or allocated through consolidated profit and loss or through the "Other comprehensive income for the year" account of the Consolidated Statement of Comprehensive Income, depending on the account to which the original amount was charged or allocated.

Moreover, in every closure, the assets that have not been registered as deferred taxes in the balance sheet are evaluated and recognized if their future recoverability in the form of future tax profits is likely.

a) Measurement of deferred tax assets and liabilities

The deferred tax assets and liabilities are measured according to the tax rates that will be applicable in the years when the assets are expected to be realised and the liabilities are expected to be settled, on the basis of the regulations and types that are approved or are soon to be approved and after considering the tax implications of the form in which the Group expects to recover the assets or settle the liabilities. For this purpose, the Group has considered the deduction from the reversal of temporary measures, established in the 37th transitional provision of the Law 27/2014 of 27 November 2014 on Corporate Income Tax, as an adjustment to the tax rate applicable to the temporary deductible difference associated with the non-deductibility of the amortisations and depreciations recorded in the years 2013 and 2014 and updating the balance sheets under the Law 16/2012 of 27 December 2012.

The Group revises, at the date of the financial year end, the carrying value of the deferred tax assets in order to reduce that value when it is not probable that there will be sufficient taxable profit in the future to compensate them.

The deferred tax assets which do not meet the conditions specified above, are not recognised in the consolidated balance sheet. The Group reassesses, at the year end, if the conditions are met in order to recognise the deferred tax assets which previously were not recognised.

b) Tax uncertainties

If the Group establishes that it is not probable that the tax authority will accept an uncertain tax treatment or a group of uncertain tax treatments, it takes such uncertainty into consideration for the establishment of the taxable income, tax bases, credits for tax losses carried forward, deductions or tax rates. The Group determines the effect of the uncertainty in the corporate income tax return applying the expected value method when the range of possible outcomes is very wide, or the most-likely amount method when the outcome is binary or is concentrated on a value. In those cases where the tax asset or tax liability calculated using these criteria exceeds the amount presented in the tax return self-assessments, it is presented as current or non-current in the consolidated balance sheet according to the expected date of recovery or settlement, recording in the income statement, when appropriate, the amount of the relevant late-payment interest over the liability as it accrues. The Group records the changes in facts and circumstances related to the uncertainties as a change in the accounting estimate.

The Group recognises and presents the sanctions in accordance with the accounting policy indicated for provisions.

c) Compensation and classification

The Group only compensates the current tax assets and liabilities if there is legal authorisation from the tax authorities and the Group intends to settle the resulting debt in its net amount or to realise the assets and settle the debt simultaneously.

The Group only compensates deferred tax assets and liabilities if there is legal authorisation from the tax authorities to compensate and the assets and liabilities belong to the same tax authority and to the same taxable person or to different taxable persons that intend to settle or realise the current tax assets and liabilities at their net amount or to realise the assets and settle the liabilities simultaneously, in every future fiscal year in which it is expected that significant amounts of deferred tax assets or liabilities will be settled or recovered.

Deferred tax assets and liabilities are recognised in the consolidated balance sheet as non-current assets or liabilities, regardless of the expected date of the realisation or settlement.

2.17 Recognition of revenues from customer contracts

The Group applies IFRS 15 to the recognition of revenues from customer contracts.

The IFRS establishes that the income from contracts with customers is recognised according to the fulfilment of the performance obligations towards the customers.

Ordinary income represent the transfer of goods or services to the customer for an amount which reflects the consideration that the Group expects to receive in exchange for that goods or services.

When applying this standard, the Group shall take into consideration the terms of the contract and all the pertinent facts and circumstances. The Group shall apply this standard in a uniform way to the contracts of similar characteristics and in similar circumstances.

For the recognition of revenues from contracts with customers the Group applies a procedure in five steps in order to determine the moment in which income needs to be recognised, as well as its amount:

1. Identifying the contract or contracts with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price
4. Allocating the transaction price to different performance obligations.
5. Recognition of income according to the fulfilment of each obligation.

Income is recorded at the fair value of the consideration to be received and represents the amounts receivable for goods delivered and services rendered during the Audax Renovables Group’s normal course of business, minus returns, price reductions, discounts and value added tax.

Electricity and natural gas sales are recognised as income at the moment of delivery to the customer according to the quantities supplied during the period, before being invoiced. Therefore, the sales figures include the estimated volume of supplied electricity that has not yet been read on the customer's meter (see note 2.21). In this regard, the sales of goods are recognised when the products have been delivered to the customer and the customer has accepted them, even if they have not been invoiced, or as the case may be, the services have been provided and the collection of the respective accounts receivable is reasonably assured.

Note 3 describes the basic features of the regulations in the electricity sector that are applicable.

Compensation to customers of self-supplied energy surplus

The Group pays compensations to customers who return the surplus energy generated mainly by their own solar panels and not consumed.

The customers who own photovoltaic panels for self-supply may have surpluses of electricity produced and not consumed.

In such cases there is the possibility for them to send the surplus electricity to the grid through the Group's electricity retailer and receive, in exchange, a compensation from the electricity company.

The electricity retailer, for the energy produced and invoiced to the national grid, shall pay these compensations to the customers in the form of discounts of the variable part (related to the consumption) of the issued invoice.

The Group shall record these compensations for its customers' surplus energy sent to the grid as an increase of energy sale costs (procurement) and not as a decrease of the sales amount.

Customer acquisition costs

By applying IFRS 15 the Group recognises as assets the incremental costs of obtaining a contract with a client if the entity expects to recover those costs. With regard to the Group the merchant fees paid to third parties may be subject to this regulation as set out below.

The incremental costs of obtaining a contract are those incurred in order to obtain a contract with a customer, and which would not have been incurred if the contract had not been obtained. These costs

shall be recognised as intangible assets and be amortised based on the estimated duration of the contract. All of the foregoing shall be applicable provided that the recognition criteria are met.
The costs of obtaining a contract, which were incurred regardless of whether the contract was obtained or not, are recognised as an expense when they are incurred, unless they are explicitly attributable to the client without regard to obtaining the contract.

With regard to the contracts where there are substantial annual renewal costs made by the channels IFRS 15 is not applicable, therefore the incremental costs incurred directly in acquiring new customer contracts, which correspond primarily to the commission paid for the acquisition of contracts for power supply signed with those customers, are recorded as Prepaid Expenses and are transferred to the profit and loss account under the heading of procurement, linearly during the length of the customer contract. In Spain this period is usually of around 1 year.

On the other hand, IFRS does apply to the contracts where there are no substantial renewal costs, i.e. the renewals are made directly by the Company without additional substantial commission. In such case the commissions initially paid for the acquisition of the contracts for power supply signed with customers are recorded as intangible assets and transferred to the income statement in the Amortisation charges account linearly during the expected average life of the customers portfolio, which, in the case of Audax Renovables, S.A., is of 3 years approximately.

Certificates of Guarantees of Origin (GDOs)

The certificates of origin or Guarantees of Origin (GDO) are instruments confirming the renewable origin of the electricity. Its management and accounting shall comply with the applicable regulations and established accounting principles.

The Group records the acquisition of GDOs as expense in the procurement account if they are used to confirm the retail of renewable energy to our clients.

In the case of acquisition of GDOs that are not intended to confirm the retail of renewable energy to our clients and are held as a right for the purpose of a future sale to a client, they are recognised as inventories.

The income from the sale of GDOs is recognised as Sales according to IFRS 15 upon transfer of the right and control to the buyer.

2.18 Cash flow statement

The consolidated cash flows statement has been prepared using the indirect method, and, using the following expressions with the meeting set out below:

- Operating activities: The activities that make up the ordinary group revenues, and other activities that cannot qualify as investment or financing.

- Investment activities: The activities of investment, sale or disposal by other means of long-term assets and other investments not included under cash and cash equivalents.

- Financing activities: The activities that cause changes to the volume and composition of net equity and the liabilities that do not form part of the operating activities.

When it is possible to identify a tax flow in individual operations, such as, for example, Value Added Tax, which give rise to receipts and payments classified as investment and financing activities, these will be classified the same as the transaction to which it refers.

The cash flow statement does not list existing cash flows between restricted and non-restricted funds.

2.19 Profit or loss per share

Basic profit or loss per share is calculated using consolidated profit or loss for the year attributable to the Parent Company between the average number of ordinary shares in circulation during this period, excluding the average number of treasury shares held by the Group.

Diluted profit or loss per share is calculated using the consolidated profit or loss for the year attributable to the ordinary shareholders adjusted by the effect attributable to the potential ordinary shares having a dilution impact and the average number of ordinary shares in circulation during this period, adjusted by the average weighted number of ordinary shares that would be issued if all the potential ordinary shares were converted into ordinary shares of the Parent Company.

2.20 Cash and other cash equivalents

Cash and cash equivalents include cash in hand and bank deposits payable on demand in credit institutions. Also included within this concept are other short-term investments of high liquidity, if they are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Therefore the account includes investments with maturity of less than three months from the date of purchase.

Investments in investment funds are considered as cash and cash equivalents only if the underlying assets of the fund meet the criteria specified above.
For the purposes of the consolidated cash flow statement, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Bank overdrafts are recognised in the consolidated balance sheet as financial liabilities from borrowings from credit institutions.

The Group classifies as financing the cash flows related to the interest collected and paid and the dividends collected and paid.

2.21 Significant accounting estimates and assumptions.

a) Impairment of non-financial assets

The Group verifies whether goodwill, the remaining intangible assets and property, plant and equipment have suffered a loss for impairment of assets in accordance with the accounting policy. The recoverable amounts of CGUs have been calculated on the basis of the calculations of fair value from discounted cash flows based on the Group's assumptions.

In Note 5 we explain the main assumptions used in order to determine the recoverable value of non-financial assets.

b) Provisions

The Goup makes an estimate of the amounts to be settled in the future, including the amounts relating to contractual obligations, possible onerous contracts deriving from them, the settlement of outstanding litigation, and other liabilities. These estimations are subject to the interpretation of current events and circumstances, projections of future events and estimates of their financial effects.

c) Calculation of corporate income tax expenses and deferred income tax assets recoverability

The calculation of the corporate income tax expense requires interpretations of tax legislation in the jurisdictions in which the Group operates. In order to determine whether the tax authority will accept a particular uncertain tax treatment and to establish the expected outcome of outstanding disputes, it is necessary to prepare significant estimates and judgments. The Group evaluates the recoverability of the deferred tax assets based on estimates of future taxable income and the capability to generate sufficient tax profits during the periods in which these deferred taxes are deductible. Deferred tax liabilities are registered in accordance with the estimates concerning the net assets which in the future will not be tax-deductible.

d) Income recognition

Income from energy supply is recognized when the commodity is delivered to the customer on the basis of periodic meter readings. Moreover, since the usual meter read date does not coincide with the balance sheet date, we must estimate the volume of sales to customers that has not yet been invoiced.

The estimation of the energy accrued and not yet invoice is carried out differently with regard to each business segment of the Group according to its particularities. The main variables which intervene in the determination of the income estimate are the price and the volumes of used and purchased energy.

- Prices: are determined depending on the prices offered to different types of clients considering the estimate consumption curves.
- Consumption: application of the estimate daily consumption derived from the historical profile of different types of clients adjusted periodically and by other factors which can be measured and which affect the consumption.
- The volume of energy acquired by the retailers of the group in order to meet the demand.

The Group has expertise and uses information systems sufficiently developed, which allow to guarantee the precision of the estimates recorded under this heading in the net turnover section of the consolidated income statement and to meet the requirements established by the accounting standards. Historically, no material adjustments have been made to the amounts recorded as accrued revenue and no adjustments are expected in the future.

Certain figures of the electrical system, including those corresponding to other companies, which make it possible to estimate the global settlement of the system that is supposed to materialise in the corresponding final settlements, might affect the determination of the amount corresponding to the deficit of the settlements of the regulated electrical activities in Spain.

e) Derivatives and other financial instruments

The fair value of the financial instruments that are traded on active markets is based on market price at the date of the consolidated balance sheet. The quoted market price used for the financial assets is the current bid price.

The fair value of the financial instruments that are not traded on active markets is determined using valuation methods. The Group uses a variety of methods and makes assumptions which are based on the market conditions existing at each of the consolidated balance sheet dates.

- The fair value of interest rate swaps is calculated as the present value of the future estimated cash flows.
- The fair value of the exchange rate forward contracts is determined by using the forward rate traded on the market at the date of the consolidated balance sheet.
- The fair value of the commodity price derivatives is determined by using the future curves of prices traded on the market at the date of the consolidated balance sheet.

For the purpose of information disclosure, it is assumed that the book amount of trade receivables and of accounts receivables less value adjustments due to their expected impairment is close to their fair value. Likewise, the fair value of the rest of financial liabilities for the purpose of financial information disclosure is estimated by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

f) Useful life of property, plant and equipment and intangible assets

The determination of useful life of intangible and tangible assets requires estimates of their degree of use, as well as expected technological evolution. The assumptions regarding the degree of use, technological framework and future development involve a significant degree of judgement, insofar as the timing and nature of future events are difficult to foresee.

g) Impairment of receivables

The Group applies a criterion of expected loss, calculated on the basis of expected losses for the next 12 months or for the whole life of the instrument, depending on significant increase in risk.

In this regard the Group has established a procedure by which receivables are not only impaired when they are no longer recoverable (incurred loss), but possible expected loss is considered based on the evolution of specific credit risk related to the client, sector and country.

h) Climate change and energy transition

In 2021 the Audax Renovables Group reshaped its strategic direction by committing itself to the business of energy generation from renewable sources with the objective to contribute to the fight against climate change through the generation of 100% renewable energy and thus become a vertically integrated company dedicated to the activity of energy generation and retailing. At the close of the year the Group owns a portfolio of wind and photovoltaic projects in different stages of development and operation with the capacity to generate up to 955 MW.

As a part of the Sustainability Strategic Plan 2023-2025 the company has worked on the definition of its first objective of decarbonisation during the year. The objective is focused on decarbonising the activity of electricity retail and its approval is expected in the first quarter of 2025.

Both objectives form the basis of the company's corporate strategy to respond to the foreseeable changes in the economic environment and, in particular, in the energy sector, in order to meet the interests and the expectations of the stakeholders.

Below there is a description of the main accounting estimates and judgments made by the Management and Directors of the Company while formulating the consolidated annual accounts for the year 2024 in relation to the expected effects of the climate change and energy transition:

Main assets of the Company exposed to the climate change and energy transition risk

- Assets of the renewable business. As at 31 December 2024 the net book value of the intangible assets amounts to EUR 337,738 thousand, of which EUR 264,033 thousand correspond to the assets in Spain. The main physical risk perceived is the potential unfavourable future evolution of the solar and wind resource, which are the key variables to the economic result of this line of business. There are also possible cutbacks of the remunerative frameworks of renewable energies and a reduction of prices on the margin wholesale markets because of an increase of production of renewable energy with a reduced variable cost. The impairment tests for the year 2024 did not take into account any changes to the remunerative frameworks which were not yet approved, and did take into account the forecasts of solar and wind resources.

- Retail. The CGU of the retail business has net intangible assets as at 31 December 2024 amounting to EUR 191,506 thousand. The impact of the climate change and energy transition on the retail business is considered to be of a lesser character, because possible unfavourable impacts derived from the efficiency measures and temperature changes might be counteracted by a higher growth which is expected to result from the electrification of the economy.

  In terms of transition risks, the current position of the Group, being a consequence of its investment focus on renewable energies, establishes it in a favourable situation to confront such risks. The Group considers that the opportunities arising from the growth of renewable energies are greater than the risks.

- Recoverability of deferred tax assets. It is expected that there exist certain taxable profit within the planning period, such as to guarantee the recovery of deferred tax assets recognised as at 31 December 2024.

- Regulation. The Paris Agreement had a very significant impact on the development of new climate policies and approval of new regulations. The European Union (EU), upon undertaking the commitment of climate neutrality by 2050 and the European Green Deal, which establishes the new growth strategy of the EU. Various regulations have been approved in this area on the European level as well as in Spain.

  The Group is aware that the laws concerning climate change and energy transition are evolving constantly and may have direct effect on the activities of the Company. The effect may be positive as well as negative, therefore it is key for the Company's strategy to monitor the legislation regarding sustainability matters.

- Dividend distribution. The risks related to climate change are not expected to affect the Group's ability to pay dividends to the shareholders, because of strong cash generation and existing reserves.

i) Armed conflict between Russia and Ukraine, and Israel and Palestine

On 24 February 2022 a war between Russia and Ukraine broke out. The invasion of a European country is an unprecedented event since the middle of last century, and has led to catastrophic humanitarian consequences as well as serious implications for the world economy and financial markets.

After the Russian invasion of Ukraine, the European Union and countries such as the USA, Australia, Japan and the UK imposed some unprecedented measures and sanctions on Russia. These measures, as well as the sanctions imposed by Russia in response, had a global impact resulting in increased prices of raw materials, inflationary pressure, restrictions in the supply chain and volatility on the financial and commodity markets.

One of the most affected sectors is the energy sector, with a significant increase of the prices of petrol and natural gas, especially in 2022. Due to possible shortages of natural gas caused by the conflict, the European gas market responded with an increase, and the seriousness of the situation also caused a high volatility on the market, along with corresponding impacts on the electricity prices. These difficulties were multiplied by the increased technological risks to which the businesses and Administrations are exposed, and which led to the implementation of security measures and heightened internal control for the protection of the digital infrastructure.

Added to the aforementioned crisis is the biggest escalation in recent years of the conflict between the Palestinians and Israelis after the terrorist attack on Israel in October 2023. Although it is considered that this conflict will not have major consequences for the global energy market as long as it remains contained within the region, it reduces the expectations of normalisation in the region and increases the geopolitical risk premium in certain markets, which are already tense.

Considering the reference scenario, and in pursuance of meeting the recent recommendations of the European Securities and Markets Authority (ESMA) of 13 May 2022 and 28 October 2022 respectively, the Audax Group monitors the circumstances and evolution of the current situation caused by the crisis in order to manage potential risks. For that purpose, the analysis which are carried out are supposed to evaluate the direct impact of the conflict on the business activity, the financial situation and economic performance, with a special reference to the general increase of the prices of raw materials and, if possible, to a reduced availability of materials supply in the regions affected by the conflict.

Moreover, the Group does not hold shares in companies operating in Ukraine, Russia or Belarus, nor has it made any investments in those countries. The Group does not have undistributable balances of cash or cash equivalents as a consequence of the measures and sanctions described above. For references to interest rate risks, credit risks and liquidity risk, see Note 17.

Considering that it is a scenario, which undergoes constant changes and it is difficult to predict to what degree and how long the armed conflicts will affect it, the Audax Group carries out constant control of the macroeconomic and business variables in order to be provided, in real time, with the best estimates of possible impacts, taking also into account various recommendations of the national and supranational control authorities in this area.

j) Determination of the existence of control

The determination of the existence of control in certain transactions of purchase of investee companies requires occasionally that certain relevant criteria and judgments be applied.

2.22 Actions causing an impact on the environment

The payments carried out in order to comply with the legal requirements connected with the natural environment protection are recorded on an annual basis as expenses or as investments, according to their nature. Amounts registered as an investment are depreciated according to their useful life.

No provision for liabilities and charges related to natural environment has been considered, given that there are no significant contingencies related to the environment protection.

2.23 Market price deviation adjustment value under article 22 of Royal Decree 413/2014

On 22 October 2021 the Comisión Nacional del Mercado de Valores (CNMV, National Securities Market Commission) issued an announcement establishing the criterion for accounting for the value of the market price deviation adjustment under article 22 of Royal Decree 413/2014 (RD 413/2014) of 6 June 2014 which regulates the electricity production from renewable energy sources, cogeneration and waste materials.

The value of the market price deviation adjustments reflects the differences that arise in each year between the income from energy retailing at estimated market price, an estimation that is determined at the beginning of each regulatory half-term of three years, and the actual income from energy retailing at average market price in that year.

According to the criterion established by the CNMV as a general rule, and subject to certain conditions, it is necessary to recognise in the balance sheet each of the market deviations, positive and negative, which arise under RD 413/2014.

In the year 2024 as well as in 2023 the Group had only two facilities covered by the remunerative system established in RD 413/2014 under the code IT-00656 and with a regulatory useful life end in 2026. However, the Net Value of the Assets of both projects was negative (considered as zero for regulatory purposes), meaning that those facilities will not receive specific remuneration (remuneration for investment). Therefore, no impact was recorded in the Consolidated Annual Accounts as at 31 December 2023, nor as at 31 December 2024.

2.24 Fair value measurement

Fair value is the price which would be received from selling an asset or paid for the transfer of a liability in an orderly transaction between market participants at the date of the measurement, whether the price is directly observable or estimated by using a different valuation method.

If there is no listed price available on an active market, the Group uses valuation methods which maximise the use of relevant observable input data and minimise the use of non-observable input data. More specifically, and with regard to different derivative financial instruments not marketable on regulated markets, the Group establishes the fair value by using valuation methods which include the use of recent free transactions between interested and duly informed parties, involving other substantially similar instruments, the analysis of discounted cash flows at interest rates and exchange rates applied in the market at the date of the presentation and models of establishing option prices, improved in order to reflect the specific circumstances of the issuer.

Note 3 - Regulatory Framework

New regulations in the energy sector

3.1 European Regulatory Environment

Beginning from 2018, a large proportion of the European legislation concerning energy has been revised, and agreements have been made which will define the European energy regulations for the 2030 and 2050 frameworks. In this regard, an exhaustive regulatory framework has been developed for the purpose of progressing in the energy transition, meeting the goals of the Paris Agreement, make the EU into a global leader in renewable energy matters, establish the "energy efficiency first principle" and contribute to modernise the European economy and industry. Among the regulations there is the Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action (Governance Regulation), especially important in this year 2024, in particular, article 14 of that Regulation states that by 30 June 2024 each Member State shall submit to the Commission a draft update of the latest PNIEC, which is detailed in the paragraph concerning the Regulations of the energy sector in Spain.

With this regard, and before the deadline, the European Commission presented on 14 July 2021 its package of measures «Fit for 55», with the aim to adapt the regulatory framework of the EU on climate and energy to its goal of making the EU climate-neutral by 2050 and to its goal of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990. The package of measures is comprised of a set of interconnected proposals, which modify the current legislation and introduce new initiatives in various areas of activity and economy sectors.

Moreover, the Commission put forward, on 18 May 2022, a framework of the REPowerEU plan, a complete set of actions and means designed to tackle and successfully meet the following key objectives, previously announced in the REPowerEU Communication: Joint European action for more affordable energy of 8 March-:

- Promotion of energy conservation
- Support to the production of clean energy
- Diversification of our energy supplies

In order to tackle the exposure of the European consumers and businesses to high and volatile prices, Council Regulation (EU) 2022/2577 of 22 December 2022 was published in the Official Journal of the European Union laying down a framework to accelerate the deployment of renewable energy by establishing mechanism aimed to streamline the permit-granting process applicable to renewable energy projects, among other measures, and the Regulation was applicable until 30 June 2024.

Moreover, in order to protect the businesses and households of the EU from situations of excessively high prices of gas, the European Commission proposed a market correction mechanism outlined in Regulation (EU) 2022/2578 of 22 December 2022, which entered into force on 15 February 2023 and is to be applied during one year. This instrument was activated automatically if the price of the mechanism of title transfer (TTF) in one month exceeded EUR180/MWh during 3 working days and if the price of TTF was by EUR 35 above the reference price of liquefied natural gas (LNG) in the world markets during the same 3 working days.

In 2024 the European regulatory environment has been marked by important regulatory developments, all of which have been aligned with the objectives of the European Green Deal, REPowerEU Plan and COP28, and aimed to enable the transition to clean energy and set the foundation for boosting economic growth and competitiveness.

Some of the most important initiatives are as follows:

- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions "Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society" of 6 February, whose aim is to guarantee prosperity of the EU by establishing recommendations, perspectives and conclusions, which will allow the next Commission to table legislative proposals that will need to include the 2040 target in the European Climate Law, and design an adequate post-2030 policy framework.
- Commission Recommendation (EU) 2024/1343 of 13 March 2024 on speeding up permit-granting procedures for renewable energy and related infrastructure projects, establishing the measures to achieve the goals of the European Green Deal and ensure energy transition that will be both efficient and sustainable.
- European Council Recommendation of 25 March 2024 on continuing coordinated demand-reduction measures for gas, by which it is recommended that the Member States should reduce their gas demand during the period from 1 April 2024 to 31 March 2025 by at least 15% compared to their average gas demand in the reference period from 1 April 2017 to 31 March 2022.
- Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020.
- Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724.

- Methane Emission Reduction ETS2 (Directive 2003/87/EC and Regulation (EU) 2024/2493)**:** These regulations establish new rules for the reduction of methane emission, an essential effort to mitigate the climate change. These measures reinforce the commitment of the European Union to the fight against emissions, but also imply a greater regulatory charge on the companies of the gas sector.
- Amended Renewable Energy Directive (RED II): The changes have increased the objectives of renewable energy, requiring the Member States to achieve a greater percentage of clean energy in their mix. It poses a challenge, but also offers an opportunity to businesses such as Audax Renovables, who can capitalise on the growing demand for sustainable energy solutions.
- Regulation (EU) 2018/2066 amended by Regulation (EU) 2024/2493: This amendment emphasises the requirements for monitoring and reporting of greenhouse gas emissions, with a significant impact on the transparency and environmental management of the energy companies.
- Regulation (EU) 2023/435 and Directive (EU) 2022/2464: These regulations update the requirements for corporate information on sustainability by introducing greater reporting obligations of energy companies and boosting corporate social responsibility.
- Amendments to Directive (EU) 2019/944 and Regulation (EU) 2019/943 by Directive (EU) 2024/1711 and Regulation (EU) 2024/1747**:** These amendments are intended to improve the integration of renewable energy in the internal electricity market by encouraging greater flexibility and transparency of the operations.
- Directive (EU) 2024/825: Introduces new standards for the management of distributed energy resources by encouraging greater participation of consumers in the electricity market.
- Regulation (EU) 2024/2642: This regulation establishes measures for the integration of intelligent technologies in the electricity grids, promoting efficiency and sustainability.
- Hydrogen and Decarbonised Gas Markets Package (Directive (EU) 2024/1788 and Regulation (EU) 2024/1789)**:** This package establishes necessary frameworks for the development of renewable and decarbonised gas, promoting the integration of hydrogen as key vector in the energy transition. Its direct impact includes the need to adapt existent infrastructures and boost new investments in order to ensure the competitiveness of a market increasingly focused on sustainability.
- NIS2 Directive (EU) 2022/2555 and amendments to Regulation (EU) 2019/881 approved in December 2024**:** These regulations improve the security of the networks and of the information by establishing more severe requirements for the protection of cyber threats in the energy industry.

3.2 Energy sector regulation in Spain

The energy sector legislation in Spain was amended in 2024 through the publication of the following regulations:

- Royal Decree-Law 4/2024, of 26 June, extending certain measures in order to address the economic and social consequences of the conflicts in Ukraine and Near East and adopt urgent measures in the area of tax, energy and social matters. It establishes an increase of the discounts of the electricity subsidy (bono social) for vulnerable consumers including a pertinent extension of water and energy supply guarantee.
- Royal Decree 962/2024, of 24 September, regulating the production of electricity from renewable sources in offshore installations. The regulation establishes a procedure of competitive tendering for authorisations of offshore renewable installations, the capacity reserve of access to the network in a specific point and the priority in granting of State-owned maritime-terrestrial concessions.
- Circular 1/2024, of 27 September, of the National Commission on Markets and Competition, establishing the methodology and conditions for access and connection to the transmission and distribution grids of energy demand facilities. The regulation entered into force on 12 January 2025 and its objective is to establish the methodology and conditions for access and connection to the transmission and distribution networks.
  It introduces several innovations in the conditions of access and connection, including new schemes of access to the grid, as well as flexible access capacity (which will allow new elements, such as batteries, to be connected in congested areas) or alternative fixed capacity.
- Royal Decree-Law 8/2023, of 27 September. Approved by the Congress of Deputies in January 2024 and applicable from the year 2025 onward. It includes a set of measures for the energy industry, and its primary effect on the photovoltaic plants included in the portfolio of the company is the extension of the administrative milestones that are to be met for the adequate development of such installations (administrative authorisation for the construction and administrative authorisation for the operation).

- Royal Decree-Law 6/2024, of 5 November and Royal Decree-Law 7/2024, of 11 November. Specific regulation passed as a consequence of the floods resulting from the DANA on 31 October 2024, with effect on the region of Horta Sud of Valencia, among other municipalities of Spain. It includes measures concerning various matters, but there are also measures that affect directly the natural gas and electricity supply contracts, with the affected parties being able to request an amendment, suspension, cancellation or even deferment of payments and of supply, until 31 December 2025.
- Resolution of 23 December 2024, of the National Commission on Markets and Competition, correcting the errors of Resolution of 4 December 2024 establishing the amounts of the access fees to the electricity transport and distribution networks, applicable from 1 January 2025, which introduces new access fees to the electricity transport and distribution networks.

3.3 Energy sector regulations in other countries where the Group operates

In the context of international operations of Audax Renovables, important regulatory changes occurred in 2024 in the countries where the company operates. These regulations have significant implications in operating terms as well as concerning business opportunities.

With regard to the countries where the group operates, the main regulatory innovations or amendments in the energy sector are the following:

a) Portugal:

The regulatory and legislative changes passed in 2024 that were, strictly speaking, the most costly in terms of their implementation by the suppliers were the following:

- Replacement of the OLMC fee (Long-term liabilities in a competitive market), which began to be collected from the suppliers to cover the regulatory costs and/or specific obligations imposed by the competent bodies on the sector, which gave as a result an additional cost for all the suppliers, especially those who opted for not transferring it to the end consumer. In accordance with Directive N° 13/2023, of 25 July and in accordance with Decree-Law N° 15/2022, of 14 January, the unit prices applied in 2024 for the purpose of the OLMC tax within the electricity sector amount to €0.77 in electricity and €1.07 in gas;
- Transfer of a third of the cost of the social tariff to the suppliers, taking into account a proposal of distribution of the financing of the costs derived from the legal obligations established by Decree-Law no. 15/2022, of 14 January, and amended by Decree-Law no. 104/2023, of 17 November, resulting in the amount of €2.8930/MWh in 2024. For 2025 this amount will be lower, with a cost of €1.6574/MWh in the period of 12 months, replacing the model of 9 months applied in 2024;
- Update of the regulated electricity tariffs by an exceptional framework, which took place in June 2024, in accordance with the provisions of Directive no. 17/2024, of 24 June, published in the Official Gazette, for the period between June and Decamber 2024.
- Change of the Energy Tariff prices, part II of the Global System Use Tariff, Access to the Grid tariffs, including those applicable to the electric mobility and self-supply through the public service network, as well as the tariffs for sale to the end consumers, and this Directive modifies partially Directive no. 10/2024, which approves tariffs and prices of electricity and other utilities in 2024, applicable from 1 January 2024;
- With regard to sale deviations, the REN made incorrect forecasts concerning their impact on the market and there was a draft directive (Directive no. 11/2024, of 22 March), which entered into force on 23 March 2024 with a new transitory term for the unit of sale deviation (UDC) until 30 June 2025 because, as a result of the effects of the methodology of deviation settlement by the Global Manager of the SNA, small providers who operated in the liberalised market requested from ERSE a modification of the validity term of the Deviation Unit, through an extension of the still transitory period, which was justified by the fact that, at the moment, there was no BRP (body responsible for the settlement of deviations) in the market system, who would protect the approach to the deviations of small traders, covered up to date by the UDC.

In this context, and because the market is not yet stable, internal decision was made to include those deviations in the operating cost of the system (COS).

b) Hungary:

- Regulations for small domestic power plants: from 1 January 2024 Hungary will implement a settlement system based on the gross amount for these plants, in line with the EU regulations. A limited number of users will continue using the system based on the net amount.
- Guarantees of Origin: from 1 January 2024 it will be possible to register guarantees of origin for the electricity produced by small domestic power plants, even if they have not yet been registered due to the default of operating conditions.
- Settlement of purchase without contract: a new, different accounting method is introduced for the electricity purchased without trade or network contract, with different levels of penalties.
- The pre-emption right of the State: from 13 January 2024 the foreign investors who acquire strategic businesses (including power plants) shall notify the competent minister of the transaction for the evaluation of risks.
- Regulation on wind farms: from 1 January 2024 certain government decrees have been amended with regard to the granting of licences for wind energy farms, reducing the minimum distance from populated areas from 12 km to 700 m and eliminating certain technical regulations.
- Extension of universal service: from 1 January 2025 the restriction, which limited the use of universal service to microbusinesses which had been already using it before 18 June 2022 was lifted. Currently a limited number of microbusinesses will be able to access again to this service without the need to enter into competitive sale contracts.
- Fees for the use of the system for 2024: Decision H5847/2023 of the National Regulatory Body establishes the fees for the use of the electricity system for the period between 1 January 2024 and 31 December 2024. The fees are important for the retailers, being the base of the guarantees which the companies shall grant to the distributors of the network and shall also be charged to the users as a service notification.
- "496/2022. (XII. 7.) Kormányrendelet" (Government Decree on the Robin Hood Tax)**:** This tax, maintained at 41% in 2024, is a significant tax burden for the electricity retailers.
- Law 2023. évi LIX. (törvény 80. §), in force from August 2023 and during the whole 2024, maintaining the electricity fee at HUF358.5/MWh, previously increased by Decree no. 197/2022 (4.VI.) adopted by the Hungarian government and published in the Official Stated Gazette no. 2022/93 changing the fee from HUF310.5/MWh to HUF358.5/MWh for the tax payers of the aforementioned "Robin Hood" fee.
- "238/2023. (VI. 19.) Kormányrendelet" (Decree on Price Cap for Enterprises)**:** establishes the price cap at the net price of €200/MWh remained in force in the case of fixed price energy agreements for businesses in specific business areas such as processing or hosting companies and the businesses engaged in storage and transport, in order to reduce the inflationary pressure for the period of 1 July to 31 December 2023 and later extended until the specified date of 2024. The applicability of the decree until March 2024 provided stability to certain business segments, but the end of application may open a space for renegotiations of contracts in the industry.

c) The Netherlands:

- "Prijsplafondregeling" (Regulation on Price Cap)**:** The Dutch government implemented in 2023 the system of “Prijsplafondregeling”, under which a price cap on energy was established by fixing a maximum price per KWh of electricity up to the maximum consumption of 2.9 kWh, and a maximum price per 1.2 m3 of natural gas, also up to a maximum consumption, above which a price will be applicable according to the agreement between the households and the energy company (the contract price). The possible loss resulting from the difference between this maximum price and the contract price may be requested from the Dutch government. The novelty of this regulation for 2023 consisted in carrying a margin test at the moment of ending the period applicable to this regulation, because the retailers would not be able to obtain a margin above the average of 3 years with best results (selected from among the last 4 years) for the more reduced connexions. If the margin exceeded the aforementioned limit, the subsidies would not be applicable and would have to be returned. Although it protects the consumers, it could result in additional cost for the retailers who operate with tariffs lower than the regulatory cost. Even if in 2024 the regulation concerning price cap and governmental subsidies programme are no longer in force, the final declaration of the subsidy shall still be completed, audited and presented, and for that to happen it is necessary that all the underlying clients should receive a final settlement invoice for the year 2023.

d) Poland:

- "Ustawa o cenach energii elektrycznej" (Law on Electricity Prices): the measures approved in 2022 and 2023, such as the limit of the price of natural gas for household consumers, SME and public services continue in force until October 2025. Under this law the price limits applicable in 2025 are the following:
  - Household consumers: PLN 200/MWh for electricity and PLN 150/MWh for gas.
  - Small and medium-sized enterprises (SME): PLN 220/MWh for electricity and PLN 160/MWh for gas.
  - Essential public services: The price limits of PLN 200/MWh for electricity and PLN 150/MWh for gas are maintained.

  These tariffs are intended to mitigate the impact of energy cost on end consumers by guaranteeing accessible prices in situation of volatility of the energy market, without prejudice to the possibility of the beneficiaries of the subsidy for low income to request de return of this tax "while they remain within the threshold". The compensation equals the multiplication of electricity volume sold by the positive difference of threshold value with regard to the reference price of the energy market. Moreover, the government compensations established in the regulation require strict administrative control in order to guarantee regulatory compliance and avoid any regulatory sanctions.
- "Ustawa o OZE" (Law on Renewable Energy)**:** The reduction of the obligatory percentage of Green Certificates from 12% to 10% for 2024 with forecasts of arriving at 9% in 2025 is intended to equilibrate the energy market by alleviating, through cost decrease, the burden borne by the end consumers. However, this policy implies a significant decrease of income from renewable projects, particularly those projects which depend on the green certificates in order to ensure their financial viability.

e) Germany:

- "Gesetz zur zeitweiligen Senkung der Mehrwertsteuer auf Gaslieferungen" (Law on Temporary Reduction of the VAT on Gas)**:** This law, in force from October 2022 to March 2024, was a temporary reduction of the VAT rate on natural gas from 19% to 7% in order to mitigate the costs borne by the households and businesses as a consequence of the price increase over the year.
- "Energiepreisbremsengesetz" (Regulation on Energy Price Cap)**:** In December 2023 ended the period of application of the package of measures, which the German government announced in November 2022 and whose purpose was to compensate to the end consumer the increase of the energy prices. Among the measures applied there were electricity and gas price caps for households of €40/MWh and €12/MWh respectively and for businesses of €7 and €13/MWh respectively, where the government covered the difference between the purchase price and the regulated price.

f) Italy:

- Decreto Legge del 15 maggio 2024, n. 63 -Decreto Agricultura: article 5 of the Decree establishes the prohibition on installing new photovoltaic systems with modules installed on the ground and the prohibition on increasing the size of the existing systems of this kind. An exemption from this ban applies only to the installations finances within the framework of PNR, concerning agrisolar projects, installations constructed in quarries, mines, areas under concession to the National Railways and airport concessions, in areas within the motorway borders or in areas within industrial facilities.
- Legislative Decree 25 November 2024, n. 190: In force from 30 December 2024, this decree introduces key changes for the promotion of renewable energy production. The Decree includes the following principal measures:
  - Streamlining administrative procedures: Reduces and rationalises the procedures necessary to obtain licences and authorisations for renewable projects.
  - Accelerated procedures: Establishes faster procedures for the approval of renewable energy installations by reducing bureaucratic barriers.
  - Support to small projects: Reinforces the incentives and support to small-scale renewable initiatives, encouraging wider-spread participation.
  - Alignment with the EU: Adapts domestic regulations to the directives and regulations of the European Union, ensuring conformity with the European energy policies.

- D.L. 181/2023 (Energy Decree), turned into Law 11/2024**:** This decree, known as the "Energy Decree" was turned into law in January 2024. Its main objective is to promote the energy transition through specific measures, such as:
  - Reduction of energy costs: includes subsidies offered to industry sectors of high energy intensity in order to cushion the impact of high cost.
  - Boost energy communities: Economic incentives are offered for the creation of local energy communities that integrate renewable energy sources in their energy mix.
  - Impetus for energy efficiency: Obligates the companies to present energy efficiency plans that guarantee a decrease of consumption and of CO2 emission.
  - Acceleration of renewable energy investments: Facilitates access to funds for the development solar and wind energy projects, emphasising its alignment with the objectives of climate neutrality of the EU.
  - Modernisation of infrastructure: Establishes funds for the improvement of the power grid resilience in order to adapt it to the growth of renewable energy.

  This set of measures offers strategic opportunities to Audax Renovables in the alignment with the objectives of sustainability, although it also implies a greater pressure to optimise the processes and meet new regulatory requirements.
- Decreto-legge 9 dicembre 2023, n. 181, art. 19 comma 4-ter, followed by the Decree of the MASE del 18 aprile 2024**:** From 1 January 2025 the Italian electricity market will undergo an important transformation with the transition from the Single National Price (PUN) to zonal prices. "*Mentre il PUN è un prezzo unico per tutta Italia, i prezzi zonali variano in base alle diverse aree geografiche del Paese. Questo significa che ogni zona avrà un proprio prezzo dell'energia, determinato dai costi di produzione e trasmissione specifici di quella regione":* this means that each zone will have its own price of energy determined by the specific cost of production and transmission of the region in question.
- Delibera ARERA 345/2023/R/eel – TIDE**:** Deliberation of the transposition of the Directive (EU) and of the *Regolamento* (UE) 2019/943:
- Delibera ARERA 395/2024**:** Updates the Code of Commercial Conduct by imposing stricter requirements on distance and off-premises contracts. It requires greater transparency in relations with the customers, which in turn may positively differentiate Audax in the market.

Note 4 - Segment Reporting

The Group discloses financial information by segments in accordance with IFRS 8, identifying its operating segments on the basis of their important economic indicators and features, which are regularly reviewed and evaluated in the process of decision making. The conclusions are used in the areas of allocation of resources and evaluation of performance in each operating segment.

Although the results of the generation and retail, as well as their economic features, could be different, the fact that the Group follows its strategy of vertical integration of both business lines by, for example, developing its own generation facilities, as well as protecting the prices through power supply agreements, justifies that, at the operating segment level, both business lines are joined.

Therefore, the Group presents the information by geographical segments according to the criterion of the Management of the Group concerning organisation by geographical regions. Each of them constitutes a different business with its own organisational structure in order to evaluate its level of goal achievement.

The main geographical segments of the Audax Renovables Group are the following:

- Spain and Portugal
- Rest of World: corresponds to Italy, Poland, Germany, the Netherlands, France, Panama and Hungary.

Profit and loss by segment as defined above for the years ended on 31 December 2024 and 31 December 2023 is as follows:

31 December 2024	Spain and Portugal	Rest of World (*)	Total
Ordinary income	669,678	1,312,066	**1,981,744**
Procurement	(583,440)	(1,168,640)	**(1,752,080)**
Other operating income	2,673	3,357	**6,030**
Operating expenses and remunerations	(57,001)	(63,330)	**(120,331)**
Amortisation and depreciation	(10,001)	(11,815)	**(21,816)**
Impairment and profit (loss) on disposal of fixed assets	—	34	**34**
Operating profit (loss)	**21,909**	**71,672**	**93,581**
Financial profit (loss)	(7,887)	4,416	**(3,471)**
Participation in the profit (loss) of associates	—	(1,160)	**(1,160)**
Income before tax	**14,022**	**74,928**	**88,950**
Corporate income tax	(2,878)	(22,819)	**(25,697)**
Consolidated profit (loss) for the year	**11,144**	**52,109**	**63,253**
a) Profit (loss) attributable to the parent company			**60,562**
b) Profit (loss) attributable to non-controlling interests			**2,691**

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

31 December 2023	Spain and Portugal	Rest of World (*)	Total
Ordinary income	732,388	1,558,050	**2,290,438**
Procurement	(631,843)	(1,425,012)	**(2,056,855)**
Other operating income	1,504	1,213	**2,717**
Operating expenses and remunerations	(71,932)	(65,061)	**(136,993)**
Amortisation and depreciation	(9,670)	(11,335)	**(21,005)**
Impairment and profit (loss) on disposal of fixed assets	(2,155)	(1,020)	**(3,175)**
Operating profit (loss)	**18,292**	**56,835**	**75,127**
Financial profit (loss)	(20,983)	(9,909)	**(30,892)**
Participation in the profit (loss) of associates	—	789	**789**
Income before tax	**(2,691)**	**47,715**	**45,024**
Corporate income tax	(1,030)	(12,614)	**(13,644)**
Consolidated profit (loss) for the year	**(3,721)**	**35,101**	**31,380**
a) Profit (loss) attributable to the parent company			**29,030**
b) Profit (loss) attributable to non-controlling interests			**2,350**

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

The breakdown of ordinary income by country is the following:

	31/12/2024	31/12/2023
Spain and Portugal	**669,678**	**732,388**
Spain	513,375	616,097
Portugal	156,303	116,291
Rest of World	**1,312,066**	**1,558,050**
The Netherlands	574,029	570,455
Italy	159,686	135,107
Poland	15,503	45,579
Germany	2,263	9,497
France	3,225	1,902
Hungary	557,360	795,510
Total ordinary income	**1,981,744**	**2,290,438**

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

	31/12/2024	31/12/2023
Spain and Portugal	**374,635**	**328,680**
Spain	349,681	304,358
Portugal	24,954	24,322
Rest of world	**168,242**	**176,946**
France	6,780	7,543
Italy	11,394	11,699
Germany	440	160
Poland	35,287	36,802
The Netherlands	98,513	102,916
Hungary	5,871	7,599
Panama	9,957	10,227
Total Non-current assets	**542,877**	**505,626**

Note 5 - Intangible Assets

The movements for the years ended on 31 December 2024 and 2023 in the accounts under intangible assets have been as follows:

	Goodwill	Other intangible assets	Total intangible assets
Net book value 31/12/2022	**137,802**	**202,035**	**339,837**
Investment	—	10,583	10,583
Additions to scope (Note 2)	—	507	507
Amortisation charge	—	(14,796)	(14,796)
Derecognitions	—	(82)	(82)
Other movements (Note 6)	—	(705)	(705)
Translation differences	194	409	603
Net book value 31/12/2023	**137,996**	**197,951**	**335,947**
Cost	137,996	294,248	432,244
Accumulated amortisation	—	(96,297)	(96,297)
Net book value 31/12/2023	**137,996**	**197,951**	**335,947**
Investment	—	12,251	12,251
Additions to scope (Note 2)	—	2,375	2,375
Amortisation charge	—	(14,902)	(14,902)
Derecognitions	—	(380)	(380)
Translation differences	40	(366)	(326)
Net book value 31/12/2024	**138,036**	**196,929**	**334,965**
Cost	138,036	302,327	440,363
Accumulated amortisation	—	(105,398)	(105,398)
Net book value 31/12/2024	**138,036**	**196,929**	**334,965**

The breakdown of the movements of intangible assets itemised by different classes is as follows:

	Rights, licences and similar	Industrial property, patents, trademarks and similar	Trademarks of indefinite useful life	Right of use (IFRS 16)	Computer software	Client portfolio	Advance and other intangible assets	TOTAL
Gross value	135,685	7,504	21,266	27,906	23,014	78,755	118	294,248
Accumulated amortisation	(2,835)	(2,830)	—	(7,395)	(15,301)	(67,936)	—	(96,297)
Net book value 01/01/2024	**132,850**	**4,674**	**21,266**	**20,511**	**7,713**	**10,819**	**118**	**197,951**
Investment	2,238	—	—	3,416	3,736	2,861	—	12,251
Additions to the scope	2,375	—	—	—	—	—	—	2,375
Amortisation charge	(909)	(1,354)	—	(2,031)	(1,933)	(8,675)	—	(14,902)
Derecognitions	—	(286)	—	—	(82)	—	(12)	(380)
Translation differences	—	—	—	(61)	(305)	—	—	(366)
Impairment	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Gross value	**140,299**	**7,218**	**21,266**	**31,261**	**20,561**	**81,616**	**106**	**302,327**
Accumulated amortisation	(3,744)	(4,184)	—	(9,426)	(11,433)	(76,611)	—	(105,398)
Net book value 31/12/2024	**136,555**	**3,034**	**21,266**	**21,835**	**9,128**	**5,005**	**106**	**196,929**

	Rights, licences and similar	Industrial property, patents, trademarks and similar	Trademarks of indefinite useful life	Right of use (IFRS 16)	Computer software	Client portfolio	Advance and other intangible assets	TOTAL
Gross value	135,003	7,607	21,266	25,481	19,426	75,499	211	284,493
Accumulated amortisation	(2,003)	(1,445)	—	(5,546)	(14,152)	(59,312)	—	(82,458)
Net book value 01/01/2023	**133,000**	**6,162**	**21,266**	**19,935**	**5,274**	**16,187**	**211**	**202,035**
Investment	258	602	—	2,251	4,309	3,256	(93)	10,583
Additions to the scope	507	—	—	—	—	—	—	507
Amortisation charge	(833)	(1,385)	—	(1,849)	(2,105)	(8,624)	—	(14,796)
Derecognitions	(82)	—	—	—	—	—	—	(82)
Translation differences	—	—	—	174	235	—	—	409
Impairment	—	(705)	—	—	—	—	—	(705)
Gross value	**135,685**	**7,504**	**21,266**	**27,906**	**23,014**	**78,755**	**118**	**294,248**
Accumulated amortisation	(2,835)	(2,830)	—	(7,395)	(15,301)	(67,936)	—	(96,297)
Net book value 31/12/2023	**132,850**	**4,674**	**21,266**	**20,511**	**7,713**	**10,819**	**118**	**197,951**

The recognitions from investment in intangible assets in 2024 as well as in 2023 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.

Additions to scope during the year 2024 correspond to the incorporation to the Group of the company Figurafi Power, S.L.U. Likewise, additions to scope during the year 2023 corresponded to the incorporation to the Group of the company Aquiles Power, S.L.U. (Note 2).

Rights, licences and similar include mainly a set of rights, licences and authorisations related to the development, construction and exploitation of energy generation projects.

The recognition corresponding to the client portfolio includes the client acquisition cost as described in Note 2.17, which is amortised during the expected average life of the client.

Translation differences include, basically, the impact of the valuation of the assets belonging to the investments made in Poland and Hungary. Over the year 2024 the negative impact was mainly due to the depreciation of the Hungarian forint.

As at 31 December 2024 the intangible assets still in use and completely amortised amount to EUR 31,773 thousand (EUR 25,422 thousand at 31 December 2023).

Goodwill

The breakdown of goodwill by country is as follows:

	31/12/2024	31/12/2023
Spain and Portugal		
Spain	40,088	40,088
Rest of world		
France	860	860
The Netherlands	94,391	94,391
Poland	2,693	2,653
Italy	4	4
TOTAL	**138,036**	**137,996**

Other intangible assets

The breakdown of intangible assets by country is as follows:

	31/12/2024	31/12/2023
Spain and Portugal		
Spain	155,975	149,998
Portugal	21,338	21,338
Rest of world		
France	1,735	1,949
Italy	7,397	7,844
Germany	438	156
The Netherlands	2,880	7,561
Poland	1,510	1,802
Hungary	5,656	7,303
TOTAL	**196,929**	**197,951**

The breakdown of goodwill and intangible assets of indefinite useful life as at 31 December 2023 and 31 December 2024 classified by country is the following:

	31/12/2024			31/12/2023		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Spain	40,088	20,816	60,904	40,088	20,816	60,904
France	860	—	860	860	—	860
The Netherlands	94,391	—	94,391	94,391	—	94,391
Poland	2,653	—	2,653	2,653	—	2,653
Italy	4	450	454	4	450	454
TOTAL	**137,996**	**21,266**	**159,262**	**137,996**	**21,266**	**159,262**

Other intangible assets of definite useful life relate to acquired trademarks.

Impairment test of assets and profit or loss from disposal of fixed assets:

The Audax Renovables Group has conducted impairment tests using cash flow projections in order to determine recoverable amount. The impairment tests were made on 31 December 2024 and 31 December 2023. As at 31 December 2024 the tests did not reveal any impairment (impairment of fixed assets of EUR 2,119 thousand in 2023).

As at 31 December 2023, after updating the forecasts and evaluating the possibilities of development of the power plants, the Group recorded impairment of the investment made in the company Explotación Eólica la Pedrera, S.L. in the amount of EUR 2,119 thousand.

Additionally, in the year 2023, and as a consequence of the change of the trademark of the Dutch subsidiary, named Audax Renewables Nederland B.V., the net book value of the previous trademark was impaired by the amount of EUR 705 thousand.

Lastly, also in 2023 and as a consequence of the liquidation of the company Eólica Warblewo Sp. z o.o., a loss on disposal of assets was recorded amounting to EUR 351 thousand.

Consequently, the impairment or loss on disposal of assets amounted in 2023 to EUR 3,175 thousand.

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 31 December 2024, the identified Cash-Generating Units (CGUs) are as follows:

- Cash Generating Unit in Generation: Spain, Poland, France, Italy and Portugal.

- Cash Generating Unit in Retail: Italy, the Netherlands, Hungary, Germany, Spain and Poland.

The recoverable amount of a CGU is determined as the greater of the fair value less the costs of sale and the value in use. In order to calculate the latter, the Group uses cash flow projections based on financial estimates for a minimum period of five years. The cash flows beyond the period of five years are extrapolated using reasonable increase rates, which are never rising or exceeding the increase rates for the sector.

These flows are discounted in order to calculate the current value of a rate before taxes which includes the capital cost of the business and the geographic region in which the business is carried out. Its calculation is made taking into account the current cost of money and the risk premium used generally by the analysts for the business and the geographical area.

In order to calculate the impairment, the right-of-use assets arisen as a consequence of the application of IFRS 16, have been assigned to their relevant CGUs, increasing the book value of each CGU.

Main assumptions used to determine the value in use.

Discount rate

Discount rates have been calculated using the weighted average cost of capital ("WACC"), on the basis of the following variables:

- The temporal value of the money or risk-free rate of each country corresponding to the profitability of 35- to 40-year Government bonds.

- The estimated risk premium considering the estimated betas of comparable companies of the sector and a market risk premium, which are after-tax observable variables.

The breakdown of the weighted average cost of capital after tax (WACC) resulting from the main geographical segments is as follows:

Year 2024:

2024								
	Spain	France	Poland	Italy	The Netherlands	Hungary	Portugal	Germany
Risk-free discount rate	2.97%	3.03%	5.68%	3.48%	2.44%	6.46%	3.07%	2.32%
Risk premium *	4.70%	4.71%	4.44%	4.67%	4.50%	4.65%	4.71%	4.46%
Capital cost	7.67%	7.74%	10.12%	8.15%	6.93%	11.11%	7.78%	6.78%
Cost of debt	3.16%	2.68%	5.02%	3.74%	3.11%	5.91%	3.31%	2.94%
After-tax weighted average cost of capital**	6.25%	5.52%	8.73%	6.69%	6.20%	10.11%	6.16%	6.05%

Year 2023:

2023								
	Spain	France	Poland	Italy	The Netherlands	Hungary	Portugal	Germany
Risk-free discount rate	3.59%	3.12%	4.44%	4.32%	2.56%	4.86%	3.30%	2.56%
Risk premium *	3.09%	3.09%	3.82%	3.80%	4.50%	4.65%	3.81%	4.46%
Capital cost	6.68%	6.21%	8.27%	8.12%	7.05%	9.51%	7.11%	7.02%
Cost of debt	3.54%	3.90%	5.15%	4.13%	3.11%	5.91%	3.92%	2.94%
After-tax weighted average cost of capital**	6.92%	6.20%	7.93%	7.46%	6.30%	8.82%	6.71%	6.24%

* The estimated risk premium is the result of multiplying the estimated beta (sector companies average) by the market risk premium.

** Because the sources of information consulted to obtain the parameters used for the calculation of the discount rate do not offer data before taxes, the Group uses discount rates after taxes. Consequently, and to maintain the coherency of the discount rate with the methodology of calculation of the planned flows, the payment of taxes was taken into account.

The Group uses after-tax weighted average cost of capital differentiated between generation and retail (WACC).

Prices

The sale prices of electricity have been estimated on the basis of past experience, external sources of information as well as observable data from the market regarding future prices. For countries in which there are framework agreements on prices, such as Poland and France, the agreed-upon price has been used. An annual increase in prices has been estimated in accordance with the regulatory framework of each one of the countries.

Production hours of generation plants

The production hours employed in the calculation of the impairment test have been based, for the operating generation plants, on the average of the historical value of the hours employed in former years (eliminating those years that appear as outliers because of high or low wind levels).

Gross margin and growth rates

The Group has determined the gross margin budgeted based on past return and market development expectations. The weighted average growth rates are coherent with the estimates included in the industry reports.

Valuation report of power plants under development

The Group refers to the valuation report prepared by the independent firm E&Y, which sustains the book value of the current portfolio.

In addition to the assumptions set out above, the Managers of the Company have taken into account in the preparation of the calculations of recoverable value other business assumptions that are relevant, such as:

- Estimated life of the projects: In order to determine the number of years to plan in the segment of energy generation, the estimated useful life of the generating equipment, which is of 25 years for wind farms and of up to 35 years for solar farms, has been taken as a reference point.

In regard to the CGUs of energy retailing, cash flows have been planned for the period of 5 years, including residual or terminal values.

- Operating expenses: For future years, the operating expenses have been estimated on the basis of past experience and by applying an estimated inflation rate. The projection of operating expenses does not include lease payments affected by IFRS 16.

- For the wind projects in operation in Spain the value of repowering, which can be carried out in current locations is also included.

- Increase rates: For production projections in the generation segment the estimated production hours were used without projecting any increase. Regarding prices, these are also estimated on the basis of past experience and external information sources, with an increase according to the regulatory framework of each country. With regard to the projections in the energy retailing segment, the volume increase rates have been estimated both for the projected period and for residual values, always based on the knowledge of the market and business expectations in each country. The percentages of the residual value over the total recoverable amount for the main retail CGUs (Cash Generating Units) with goodwill or intangible assets of indefinite life are as follows:

Year	Spain	The Netherlands	Poland	Italy	Germany
2024	81%	65%	80%	81%	100%
2023	87%	72%	80%	76%	85%

With regard to the portfolio of photovoltaic projects located in Spain, acquired from Rocío Servicios Fotovoltaicos, S.L.U. (formerly Audax Fotovoltaica, S.L.U.) on 8 May 2019, on 30 December 2020 and on 28 May 2021, as well as the portfolio of photovoltaic projects located in Portugal, acquired on 25 May 2021 from Rocío Servicios Fotovoltaicos, S.L.U. and Audax Green, S.L., and the portfolio of photovoltaic projects acquired from Rocío Servicios Fotovoltaicos, S.L.U.on 11 June 2021, the companies Rocío Servicios Fotovoltaicos, S.L.U. and Audax Green, S.L. being subsidiaries of the Excelsior Times group (the Seller), it is necessary to mention that those acquisitions have substitution clauses for failed or infeasible projects, under which the subsidiaries of the Excelsior Times group, if any of the Projects fails to obtain the permits or licenses necessary for its construction and operation, undertake to compensate the Buyer, meaning Audax Renovables, S.A., by substituting said failed or infeasible projects with other energy production projects of solar photovoltaic technology and similar technical and economic features, with the same number of MW or value in MW, and in a stage of procedure similar to the one agreed between the Parties.

Moreover, the Group has signed with Rocío Servicios Fotovoltaicos, S.L.U. a set of agreements on provision of services for the development and commercial start-up of a set of projects of renewable energy generation plants.

On 17 December the Board of Directors of Audax Renovables approved the necessary agreements with Excelsior Times, S.L. and Rocío Servicios Fotovoltaicos, S.L.U. to terminate both contracts and settle the right to substitute projects on the part of Audax Renovables, S.A. as well as the right to provide services on the part of Rocío Servicios Fotovoltaicos, S.L.U. Audax Renovables, based on the valuation made by an independent expert (Ernst&Young), considered that the values of both contracts were substantially equivalent.

Impairment test:

Regarding the CGUs, various scenarios of development of the key assumptions have been considered in order to determine the recoverable value of the individual CGU. However, though in the short term the demand and price fluctuations may affect the margin and the generated cash flow, in the medium and long term individual CGUs may obtain sufficient cash flows to justify the book value of their assets.

The differences between the recoverable amount and the carrying amount (i.e. the existing "gap") for all of the energy generation CGUs in operation, obtained through the analysis of impairment in the year 2024 are as follows:

Energy generation sector	31/12/2024	31/12/2023
Spain	+ 10 million	4,483
France	2,605	3,290
Poland	+ 10 Million	+ 10 Million
TOTAL	**+ 10 Million**	**+ 10 Million**

The difference between the recoverable amount and the carrying amount (i.e. the existing “gap”) for the entirety of the retailing CGUs of significant book value, obtained through the analysis of impairment in the year 2024 and 2023, is as follows

Energy retailing sector	31/12/2024	31/12/2023
Spain	+ 100 million	+ 100 million
The Netherlands	+ 100 million	82,217
Poland	27,481	21,967

The book value of the retailing CGUs in Hungary, Germany, Portugal is not significant, nor there is a goodwill assigned to these CGUs, therefore corresponding specific information has not been included.

Sensitivity analysis:

As already mentioned, there are certain assumptions whose variations could significantly affect the recoverable value of the assets subject to the impairment testing, which are the discount rate and the sale prices of electricity.

– Sensitivity assumptions

In order to determine a reasonable variation, the group has taken into account the historical changes of its main variables. With this regard, the changes of the discount rates in the last three years have been as follows:

	Spain	France	Poland	Italy	The Netherlands	Hungary	Portugal	Germany
WACCs 2024	6.25%	5.52%	8.73%	6.69%	6.20%	10.11%	6.16%	6.05%
WACCs 2023	6.92%	6.20%	7.93%	7.46%	6.30%	8.82%	6.71%	6.24%
WACCs 2022	6.30%	5.22%	5.81%	7.32%	5.40%	6.76%	6.36%	5.31%
Changes 2024-2023	-9.68%	-10.97%	10.09%	-10.32%	-1.59%	14.63%	-8.20%	-3.04%
Changes 2023-2022	23.05%	14.98%	8.19%	6.24%	7.36%	6.46%	6.89%	7.93%

Therefore, the Group has considered using the rate of change between 10% and 20% in the discount rates.

Moreover, in order to determine the reasonable variation of the energy price, the Group has considered the historical change in recent years, taking into account the price of electricity in Spain, the following variations have been obtained:

	(€/MWh)	variation
2019 price	47.68	— %
2020 price	33.96	-28.78%
2021 price	111.39	228.00%
2022 price	167.54	50.41%
2023 price	87.43	-47.82%
2024 price	62.89	-28.07%

Source: annual average of the daily energy market price published by OMIE: https://www.omie.es/

The Group considers that given the price volatility in the last years, the history of price fluctuation is not a reference point for the purpose of making forecasts. Therefore, in order to analyse the sensitivities to the energy price, the Group has taken into consideration a price change between 2.5% and 5% of global changes of the pool price against the entirety of future prices.

Keeping in mind the historical volatility of the variables subject to the sensitivity analysis, the Group considers that the use of this change for the entirety of the variables is a good indicator to analyse the impact of reasonably possible changes in these assumptions on the profit or loss.

– Generation sensitivity

With regard to the generation sector, the sensitivity of the results to reasonably possible changes in these assumptions, on which the Directors have based their determination of the recoverable amount of the wind farms, is as follows:

Effect on net income (EUR thousands)

	2024	2023
Decrease of the discount rate of 10%	(321)	(245)
Increase of the discount rate of 20%	(8,081)	(4,275)
Decrease of the discount rate of 10%	—	—
Decrease of the discount rate of 10%	—	—

Effect on net income (EUR thousands)

	2024
Increase of the sale price of electricity of 2.5%	—
Increase of the sale price of electricity of 5%	—
Decrease of the sale price of electricity of 2.5%	(5,407)
Decrease of the sale price of electricity of 5%	(18,207)

The volatility of prices refers to the increase and decrease of the entirety of the future pool price path for the entire life of the projects.

– Retailing sensitivity

The recovery amount of the retailing segment CGU is greater than the net carrying value of its net assets. Changes of fair value in the assumptions would not involve impacts on the impairment of these assets. Therefore, the decrease of the recoverable amount or decrease of the gaps in the situation of increase of the discount rates as at 31 December 2024 and 31 December 2023 for the main CGUs would be as follows:

		2024	2023
Increase of the discount rate of 10%			
	Spain	(67,486)	(34,073)
	The Netherlands	(23,300)	(18,522)
	Total	(90,786)	(52,595)
Increase of the discount rate of 20%			
	Spain	(120,549)	(57,343)
	The Netherlands	(41,900)	(33,200)
	Total	(162,449)	(90,543)

The gaps between the recoverable amount and the carrying amount of the retailing CGUs are sufficiently wide, as may be observed in the previous table, in order to prevent a reasonable change of the key assumptions from involving a need to record an impairment.

The book value of the retailing CGUs in Hungary, Germany, Italy, Poland and Portugal is not significant, therefore corresponding specific information has not been included.

Moreover, the changes considered to be reasonable with regard to the price of electricity and natural gas of up to 50% have been described. Taking into consideration these changes, the conclusion was drawn that there is no reasonably possible risk for the recoverable amount of the retailing CGUs to be lower than their book value. It should be noted that the Group considers that it will have an adequate exposure to risk through, among others, the hedge contracts and long-term power purchase agreements, which mitigate the changes of the recoverable value of each CGU.

The increase rates used by the Group are based on historical assumptions and on internal and external sources of information. After considering these changes, the conclusion has been drawn that the Group would not undergo impairment provision in the face of reasonable changes of the increase rates used or even of zero increase rates.

Note 6 - Property, Plant and Equipment

The movement in the years 2024 and 2023 in the accounts under Property, plant and equipment has been as follows:

	Total tangible assets
Net book value 31/12/2022	**140,012**
Additions to scope (Note 2)	732
Investment	21,922
Divestment	(365)
Depreciation charge	(6,209)
Impairment charge	(2,119)
Translation differences	2,291
Net book value 31/12/2023	**156,264**
Cost	189,056
Accumulated depreciation	(32,792)
Net book value 31/12/2023	**156,264**
Additions to scope (Note 2)	1,618
Investment	43,601
Divestment	(474)
Depreciation charge	(6,914)
Impairment charge	—
Translation differences	668
Net book value 31/12/2024	**194,763**
Cost	232,789
Accumulated depreciation	(38,026)
Net book value 31/12/2024	**194,763**

The breakdown of the movements of tangible assets itemised by different classes is as follows:

	Land	Structures	Plant and machinery	Equipment, chattels and other fixed assets	Assets under construction and advance payments	TOTAL
Gross value	542	2,891	128,153	10,157	47,313	189,056
Accumulated depreciation	—	(424)	(26,168)	(4,081)	(2,119)	(32,792)
Net book value 01/01/2024	**542**	**2,467**	**101,985**	**6,076**	**45,194**	**156,264**
Additions to the scope	—	—	—	—	1,618	1,618
Investment	—	241	1,250	487	41,623	43,601
Divestment	—	—	—	(40)	(434)	(474)
Depreciation charge	—	(189)	(5,920)	(805)	—	(6,914)
Translation differences	—	—	604	64	—	668
Gross value	542	3,132	130,007	10,668	88,440	232,789
Accumulated depreciation	—	(613)	(32,527)	(4,886)	—	(38,026)
Net book value 31/12/2024	**542**	**2,519**	**97,480**	**5,782**	**88,440**	**194,763**

	Land	Structures	Plant and machinery	Equipment, chattels and other fixed assets	Assets under construction and advance payments	TOTAL
Gross value	2	2,822	114,154	9,585	43,259	169,822
Accumulated depreciation	—	(287)	(26,180)	(3,343)	—	(29,810)
Net book value 01/01/2023	**2**	**2,535**	**87,974**	**6,242**	**43,259**	**140,012**
Additions to the scope	—	—	—	—	732	732
Investment	540	69	17,054	611	3,648	21,922
Divestment	—	—	—	(39)	(326)	(365)
Depreciation charge	—	(137)	(5,334)	(738)	—	(6,209)
Transfers	—	—	—	—	(2,119)	(2,119)
Translation differences	—	—	2,291	—	—	2,291
Gross value	542	2,891	128,153	10,157	47,313	189,056
Accumulated depreciation	—	(424)	(26,168)	(4,081)	(2,119)	(32,792)
Net book value 31/12/2023	**542**	**2,467**	**101,985**	**6,076**	**45,194**	**156,264**

The recognitions from investment in tangible assets are mainly costs incurred in the development and construction of a set of solar power stations.

Additions to scope during the year 2024 correspond to the incorporation to the Group of the company Figurafi Power, S.L.U. Likewise, additions to scope during the year 2023 corresponded mainly to the incorporation to the Group of the company Aquiles Power, S.L.U. (Note 2).

Translation differences include, basically, the impact of the valuation of the assets belonging to the investments made in Poland. Over the year 2024, the positive impact was mainly due to the appreciation of the Polish zloty.

Financial expenses capitalised in the year 2024 amounted to EUR 1,580 thousand (EUR 1,281 thousand in the year 2023).

As at 31 December 2024, the Group has commitments for the purchase of fixed assets for the amount of EUR 23,651 thousand, whose payment is expected during 2025 and 2026 (EUR 34,029 thousand as at 31 December 2023, whose payment was estimated between 2024 and 2025).

As at 31 December 2024 there are no significant payments nor advance payments to suppliers for the construction of fixed assets registered as an increase of value of assets under construction, nor there were such payments as at 31 December 2023.

As at 31 December 2024 the property, plant and equipment still in use and completely depreciated amount to EUR 417 thousand (EUR 409 thousand at 31 December 2023).

For some of the assets associated to the wind farms there are loans from credit entities under the modality of Project Finance, therefore these assets are pledged as collateral of the loans (Note 14).

It is the strategy of the Audax Renovables Group to take out all the insurance policies deemed necessary to cover the exposure of its property, plant and equipment.

The breakdown of tangible assets by country is as follows:

	31/12/2024	31/12/2023
Spain and Portugal		
Spain	150,325	110,983
Portugal	3,616	2,984
Rest of world		
France	4,185	4,734
Italy	3,993	3,851
Germany	2	4
Poland	31,084	32,347
The Netherlands	1,242	964
Hungary	215	296
Others	101	101
TOTAL	**194,763**	**156,264**

The Group assesses regularly the existence of indications which might imply possible impairment of tangible assets, in order to verify if the carrying value of said assets exceeds their recoverable amount. Moreover, as indicated in Note 5, the Group verifies, at least once a year, the possible impairment of the CGUs, so in this respect, the majority of tangible assets are subject to this analysis.

Note 7 - Investments Accounted for Using the Equity Method

The movement in the year 2024 in investments accounted for by the equity method is as follows:

	01/01/2024	Recognition	Participation in profit (loss)	Translation differences	31/12/2024
Company					
Parque Eólico Toabré S.A.	10,134	—	(1,150)	895	9,879
Audax Solar SPV XXVII, S.L.	659	—	(2)	—	657
Audax Solar SPV XXVIII, S.L.	658	—	(2)	—	656
Audax Solar SPV XXIX, S.L.	659	—	(2)	—	657
Audax Solar SPV XXX, S.L.	659	—	(2)	—	657
Audax Solar SPV XXXI, S.L.	646	—	(2)	—	644
Total	**13,415**	**—**	**(1,160)**	**895**	**13,150**

The movement in the year 2023 in investments accounted for by the equity method is as follows:

	01/01/2023	Recognition	Participation in profit (loss)	Translation differences	31/12/2023
Company					
Parque Eólico Toabré S.A.	9,743	—	800	(409)	10,134
Audax Solar SPV XXVII, S.L.	661	—	(2)	—	659
Audax Solar SPV XXVIII, S.L.	661	—	(3)	—	658
Audax Solar SPV XXIX, S.L.	661	—	(2)	—	659
Audax Solar SPV XXX, S.L.	661	—	(2)	—	659
Audax Solar SPV XXXI, S.L.	648	—	(2)	—	646
Total	**13,035**	**—**	**789**	**(409)**	**13,415**

The most significant information relating to the associated companies and joint ventures consolidated by the equity accounting method is as follows:

At 31/12/2024	Country	Assets	Liabilities	Income	Result	% Shareholding
Parque Eólico Toabré S.A.	Panama	157,966	160,267	15,659	(3,844)	30.00%
Audax Solar SPV XXVII, S.L.	Spain	51	64	—	(5)	50.00%
Audax Solar SPV XXVIII, S.L.	Spain	58	71	—	(5)	50.00%
Audax Solar SPV XXIX, S.L.	Spain	52	64	—	(5)	50.00%
Audax Solar SPV XXX, S.L.	Spain	53	65	—	(5)	50.00%
Audax Solar SPV XXXI, S.L.	Spain	48	60	—	(5)	50.00%
Total		**158,228**	**160,591**	**15,659**	**(3,869)**	

At 31/12/2023	Country	Assets	Liabilities	Income	Result	% Shareholding
Parque Eólico Toabré S.A.	Panama	172,314	157,931	24,606	2,671	30.00%
Audax Solar SPV XXVII, S.L.	Spain	45	52	—	(5)	50.00%
Audax Solar SPV XXVIII, S.L.	Spain	58	-66	—	(5)	50.00%
Audax Solar SPV XXIX, S.L.	Spain	51	-59	—	(5)	50.00%
Audax Solar SPV XXX, S.L.	Spain	50	58	—	(5)	50.00%
Audax Solar SPV XXXI, S.L.	Spain	50	58	—	(4)	50.00%
Total		**172,568**	**157,974**	**24,606**	**2,647**	

The information on these associated companies and joint ventures has been obtained from their not audited financial statements as at 31 December 2024 and 2023.

All these investments have been recorded by the equity method, considering that the Group has significant influence but does not have control over these companies.

The closures of all these companies coincide with the closure of the parent Company, meaning that they begin their fiscal year on 1 January and end it on 31 December.

As at 31 December 2024 and 2023 none of the associated companies is listed on the stock exchange.

Note 8 – Financial Assets

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

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Assets designated at fair value through profit and loss						
Equity instruments						
Not traded	—	1,531	**1,531**	—	2,353	**2,353**
Total	**—**	**1,531**	**1,531**	**—**	**2,353**	**2,353**
Financial assets at amortised cost						
Unsecured loans						
Floating rate	—	84	**84**	—	128	**128**
Total	**—**	**84**	**84**	**—**	**128**	**128**
Trade and other receivables						
Receivables from sales and services	331,679	—	**331,679**	270,205	—	**270,205**
Other receivables	4,487	—	**4,487**	36,153	—	**36,153**
Less impairment	(55,445)	—	**(55,445)**	(52,096)	—	**(52,096)**

Total (Note 10)	**280,721**	**—**	**280,721**	**254,262**	**—**	**254,262**
Loans to group entities (Note 22)	—	39,338	**39,338**	2,974	46,930	**49,904**
Total	**—**	**39,338**	**39,338**	**2,974**	**46,930**	**49,904**
Deposits and sureties granted	49,631	6,634	**56,265**	44,862	8,390	**53,252**
Fixed-term deposits	88,841	2,208	**91,049**	75,869	4,514	**80,383**
Other financial assets	6,134	—	**6,134**	2,898	—	**2,898**
Total	**144,606**	**8,842**	**153,448**	**123,629**	**12,904**	**136,533**
Total	**425,327**	**48,264**	**473,591**	**380,865**	**59,962**	**440,827**
Financial instruments at fair value with changes in other comprehensive income						
Traded	1,233	—	**1,233**	1,881	—	**1,881**
Hedge derivatives						
Contracted on organised markets (Note 9)	9,039	6,558	**15,597**	10,596	5,671	**16,267**
Total	**10,272**	**6,558**	**16,830**	**12,477**	**5,671**	**18,148**
Total financial assets	**435,599**	**56,353**	**491,952**	**393,342**	**67,986**	**461,328**

Deposits and sureties granted relate mainly 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 and natural gas 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.

The heading Other current financial assets relates primarily to the Debt Service Reserve Account (DSRA) amounting to EUR 6,100 thousand (EUR 2,873 thousand at 31 December 2023) which constitute an additional guarantee for the bank syndicate or other lenders and are subject to restrictions in application, as is described in Note 14.

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. With this regard, the acquisition, settlement, renewal or update of various deposits and sureties have been included in the account of payments and collections of investments in Other financial assets of the Cash flow statement, amounting to EUR 114,319 thousand negative and EUR 101,203 thousand, respectively.

Note 9 – Derivative Financial Instruments

The Group is exposed to fluctuations in interest rates since a part of its bank borrowings is made at floating interest rates (Note 17). Therefore, related to its loans, the Group has derivative 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 purchase prices.

As at 31 December 2024 and 31 December 2023 the breakdown of assets and liabilities related to derivative financial instruments is as follows:

	31 December 2024		31 December 2023	
	Non-current	**Current**	**Non-current**	**Current**
Assets from derivative financial instruments				
Energy price hedges	6,487	9,039	5,380	10,596
Interest rate swaps	71	—	291	—
Total assets	**6,558**	**9,039**	**5,671**	**10,596**
Liabilities from derivative financial instruments				
Energy price hedges	2,515	8,190	4	4,567
Total liabilities	**2,515**	**8,190**	**4**	**4,567**

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.

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

Interest rate derivatives

All the Group's interest rate derivatives have been considered as held for trading, because not all of them meet the criteria for the application of hedge accounting established in the IFRS-EU standards, and therefore the fluctuations in the fair value are registered in the profit and loss account.

Electricity derivatives

As at 31 December 2024, the Group holds hedge contracts against the risk of electricity price fluctuations, which are mostly clearing house agreements. As at 31 December 2024 the net fair value of these derivative financial instruments is an asset amounting to EUR 4,821 thousand (total asset of EUR 11,405 thousand as at 31 December 2023).

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 energy 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.

The effect of the cash flow hedge derivatives on the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income for the year 2024 and 2023 is the following (in EUR thousands):

	2024	**2023**
Changes to the Fair Value in Other Comprehensive Income	(7,692)	(3,975)
Amount of Other Comprehensive Income reclassified to Income Statement	2,911	6,957
Total Cash Flow Hedge Derivatives	**(4,781)**	**2,982**

The balances recorded in equity are the negative amount of EUR 4,781 thousand as at 31 December 2024 and the positive amount of EUR 2,982 thousand as at 31 December 2023. These amounts will be or have been transferred to the profit and loss account.

The breakdown of cash flows (undiscounted) by maturity of electricity derivatives as at 31 December 2024 and 31 December 2023 is as follows:

	Stratification of Cash flows (undiscounted)				
	At 31/12/2024 (EUR thousands)				
	2025	2026	2027	2028 and following	Total
Hedge derivative financial instruments					
Electricity derivatives	744	2,227	176	1,773	4,920

	Stratification of Cash flows (undiscounted)				
	At 31/12/2023 (EUR thousands)				
	2024	2025	2026	2027 and following	Total
Hedge derivative financial instruments					
Electricity derivatives	6,219	3,732	176	1,910	12,037

The breakdown of notional values by maturity of the electricity derivatives as at 31 December 2024 and 31 December 2023 is as follows:

	Stratification of notional values				
	At 31/12/2024 (MWh thousands)				
	2025	2026	2027	2028 and following years	Total
Hedge derivative financial instruments					
Electricity derivatives	(53)	(359)	18	158	(236)

	Stratification of notional values				
	At 31/12/2023 (MWh thousands)				
	2024	2025	2026	2027 and following years	Total
Hedge derivative financial instruments					
Electricity derivatives	(154)	(280)	18	175	(241)

Note 10 - Trade Receivables, Other Receivables and Other Current Assets

The breakdown of Trade and other receivables is as follows:

	At 31/12/2024	At 31/12/2023
Clients	331,508	267,721
Clients, group entities (Note 22)	171	2,484
Other receivables	4,487	36,153
Valuation adjustments for bad debt	(55,445)	(52,096)
Total trade and other receivables(Note 8)	**280,721**	**254,262**

Under the heading of “Clients” the Group puts mainly the invoicing amounts corresponding to the months of November and December 2024 that have not yet been collected.

As indicated in Note 2, since the usual time of meters readings 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 31 December 2024, the estimates of the retailing companies amount to EUR 138,019 thousand (EUR 108,542 thousand as at 31 December 2023).

The movement of valuation adjustments for bad debt in the year 2024 and 2023 is as follows:

	2024	2023
Balance at beginning of year	**(52,096)**	**(37,161)**
Allocations	(19,768)	(34,738)
Reversals	11,090	4,519
Releases	5,329	15,284
Balance at beginning of year	**(55,445)**	**(52,096)**

In the year 2024 the Group allocated EUR 19,768 thousand to the provision for delayed payment (EUR 34,738 thousand in 2023). The average matrix of provisions, arranged by the age of the trade receivables, is included in Note 17 (section "Credit risk").

The breakdown of “Period adjustments and other current assets” is as follows:

	31/12/2024	31/12/2023
Prepaid expenses for insurance	183	244
Prepaid expenses for commissions	29,675	24,051
Prepaid expenses for renting	161	152
Other prepaid expenses	11,537	21,141
Advances to staff	67	47
Receivables from Public Administrations	13,953	17,568
Total	**55,576**	**63,203**

“Prepaid expenses for commissions” correspond to payments of commissions made in advance to commission agents for new clients acquisition, and is transferred to income statement depending on the duration of the contract, which in these instances is a period of one year (Note 2.23).

Of the EUR 24,051 thousand capitalised as prepaid expenses for commissions as at 31 December 2023, the amount of EUR 23,938 thousand was transferred to the profit and loss account during the year 2024. This amount represents 99.5% of the total capitalised and corresponds to the contracts with commissions of annual renewal.

As at 31 December 2024, "Other prepaid expenses" includes payments made in advance for the purchase of energy (electricity and gas to be delivered over the year 2025), principally in Audax Renewables Nederland B.V. (the Netherlands).

As at 31 December 2024, "Receivables from Public Administrations" corresponds mainly to the VAT balances to offset and taxes paid in advance or amounts yet to be recovered.

Note 11 - Cash and Other Cash Equivalents

The heading “Cash and other cash equivalents” includes:

	At 31/12/2024	At 31/12/2023
Cash and banks	228,721	229,562
Short-term investments of high liquidity	61	634
Total	**228,782**	**230,196**

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

As at 31 December 2024, due to the global agreement on market access signed with Shell Energy Europe Limited (Note 19), there are Spanish accounts subject to this agreement in the amount of EUR 30,061 thousand (EUR 36,654 thousand as at 31 December 2023), whose availability is limited to trade operations and there are certain restrictions to specific non-operating purposes. As well as certain restrictions on cash availability amounting to EUR 6,600 thousand (EUR 5,300 thousand as at 31 December 2023) because of certain guarantees related to energy retailing.

Note 12 – Net Equity

a) Share capital

The Parent Company was incorporated in Barcelona on 10 July 2000 as a joint stock company for an unlimited duration.

As at 31 December 2024 the share capital of the Company is represented by 453,430,779 shares with a value of EUR 0.1 each. As at 31 December 2023, the share capital was was represented by 440,291,054 shares with a value of EUR 0.1 each.

The Extraordinary General Meeting of Shareholders of the Parent Company on 2 May 2007 agreed to increase share capital by EUR 37,755,975 through the issue of 37,755,975 ordinary shares with a par value of EUR 1 each, and a share premium of EUR 3 per share.

On 9 July 2007 this capital increase was accounted after it was inscribed in the Registry of the Spanish National Securities Market Commission (CNMV), recorded in a public deed and inscribed in the Mercantile Registry.

On 20 February 2008, the Extraordinary General Meeting of Shareholders of the Parent Company Audax Renovables, S.A. adopted a resolution approving of a transaction under which several business groups made contributions to the Parent Company in the form of companies with operating wind farms and at different stages of administrative process. In consideration thereof, the parent Company made a capital increase with non-cash contributions. This transaction included wind farms in Spain and abroad, specifically in India, France and Poland, and resulted in the incorporation of 562.7 MW and contributions amounting to EUR 274,874 thousand.

On 30 June 2015 the Ordinary General Meeting of Shareholders of Audax Renovables, S.A. agreed to reduce the share capital by decreasing the nominal value of the shares by EUR 0.3 per share. Consequently, the share capital of the Parent Company as at 31 December 2015 and 2016 amounts to EUR 98,003 thousand and is represented by 140,003,778 shares, of a value of EUR 0.7 each. As a result of this transaction a special fund was created amounting to EUR 42,001 thousand.

On 19 May 2016 Audax Energía, S.A. made a bid to purchase 100% of shares of Audax Renovables, S.A. at the price of fifty cent euro (EUR 0.50) per share. On 8 August 2016 the CNMV announced that the offer made by Audax Energía, S.A. had been accepted by the holders of 99,211,899 shares representing 70.86% of the share capital of Audax Renovables, S.A.

On 23 November 2018 the General Meeting of Shareholders agreed unanimously to carry out the merger by absorption of Audax Energía, S.A.U. (legal acquiree) by Audax Renovables, S.A. (legal acquirer), and the subsequent dissolution without liquidation of Audax Energía, S.A.U. As a result of the merger, Audax Renovables, S.A. became the new parent company of the Group. In order to carry out the merger, the General Meeting of Shareholders of the acquiring company, Audax Renovables, S.A., adopted the resolution to increase its share capital by EUR 210,201 thousand by issuing 300,287,276 shares equal to those already existent, cumulative and indivisible, with a nominal value of EUR 0.70 each share, which were attributed entirely to Eléctrica Nuriel, S.L.U. Those shares were issued with a share premium of EUR 0.48 per share, that is EUR 141,368 thousand. The information regarding this transaction is included in the notes to the consolidated annual accounts for the year 2018.

On 29 April 2019, and with the aim to restore the equilibrium to the financial situation of the Parent Company, the General Meeting of Shareholders approved a reduction of the share capital reducing by EUR 0.6 the nominal value of the shares. As a consequence of the share capital reduction there was an increase in the Parent Company's reserves of EUR 264,175 thousand.

In March 2024 the Company notarised corporate resolutions, under which the share capital of Audax Renovables, S.A. was increased by converting convertible bonds into shares. The conversion is the result of and agreement with an institutional investor, holder of bonds issued by Audax in its convertible bonds programme for the amount of 125 million with maturity date in 2025 (Note 14).

As a result of this agreement, the investor converted 314 Bonds into 13,139,725 shares of new issue, at the price of EUR 2.398per share, which means an increase of the capital of EUR 1,314 thousand and an increase of the share premium of EUR 15,505 thousand. This capital increase represents 2.984% of the outstanding capital stock of Audax (2.898% of the capital resulting from the capital increase).

As a consideration for the exercise of the aforementioned right of conversion, the Company has paid to the investor the amount of EUR 6,888 thousand, equivalent to the difference between the par value of the converted Bonds at the agreed value of €1.28 per share of the Company and 75.5% of the nominal value of the Bonds subject to conversion (EUR 23,707 thousand).

Due to this transaction, Audax Renovables S.A. has registered financial gain of EUR 7,693 thousand, corresponding to the difference between the derecognition of financial liability of the Bond of EUR 31,400 thousand and the fair value used for its conversion, EUR 23,707 thousand.

All of the shares have been fully subscribed and paid up and have the same political and economic rights.

The shares of Audax Renovables, S.A. are admitted to trading on the continuous market of the Spanish Stock Exchange. The share quotation as at 31 December 2024 of the Parent Company's shares was of EUR 1.55 per share (EUR 1.30 as at 31 December 2023).

The breakdown of the shareholders with more than 10% of stake and own shares of the Parent Company as at 31 December 2024 and 2023 is as follows:

	31/12/2024	31/12/2023
Shareholders	**%**	**%**
Eléctrica Nuriel, S.L.U. (*)	63.41%	64.35%
Rest of Shareholders (**)	35.97%	35.47%
Treasury shares	0.62%	0.18%
Total	100.00%	100.00%

(*) Additionally, Eléctrica Nuriel, S.L.U. (company belonging to the Excelsior Times Group) has rights to purchase 34,983,470 shares of Audax Renovables, S.A., which represent 7.72% of the Company. (**) Excelsior Times, S.L.U. holds 1.43% of direct shares in the Parent Company.

b) Share premium account

This account can only be affected by resolutions of the General Meeting of Shareholders of the Parent Company.

c) Legal Reserve

Companies that report profits will be obligated to appropriate 10% of profit for the year 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 31 December 2024 the Parent Company has a Legal Reserve valued at EUR 8,806 thousand (EUR 8,806 thousand as at 31 December 2023).

d) Treasury shares

As at 31 December 2024 Audax Renovables, S.A. holds 2,800,000 treasury shares, which it acquired for the amount of EUR 4,738 thousand and which reduced the net equity of the Company. The average purchase price amounted to EUR 1.69 per share. All that in accordance with the Repurchase of Shares Programme authorised by the General Meeting of Shareholders, whose objective is to meet the inherent requirements of the convertible bonds issued by the Company and other allocations of shares to employees or members of the Board of Directors of Audax Renovables, S.A.

As at 31 December 2023 the Parent Company held 800,000 treasury shares, which it acquired for the amount of EUR 997 thousand and which reduced the net equity of the Company. The average purchase price amounted to EUR 1.25 per share. The operation was performed in accordance with the share Repurchase Programme approved by the General Meeting of Shareholders on 16 June 2022 establishing the maximum allocated amount of EUR 1,000 and whose purpose was to meet the inherent requirements of the convertible bonds issued by the Company.

e) Other equity instruments

There is a plan of remuneration to management subject to meeting certain requirements, which involves a potential award of 2,400,000 shares. The Group has created a provision for this remuneration as at 31 December 2024 amounting to EUR 1,314 thousand as an additional staff cost for the year, and the provision was recorded in the Group's equity as Other equity instruments. The provision was made according to the market value at the date of granting each concession.

No effective award of shares was made in 2024 nor in 2023 in connection with this remuneration plan.

f) Translation differences

This account of 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 31 December 2024 and as at 31 December 2023, the account reflects mainly the impact of the historical price fluctuations of the Polish zloty and the Hungarian forint against the euro.

g) Distribution of earnings

The proposed distribution of earnings of the Parent Company for 2024 that the Board of Directors will suggest to the General Meeting of Shareholders for its approval is as follows:

Base of distribution	**EUR**
Loss for the year	(1,636,451)
Total	(1,636,451)

Distribution	**EUR**
To losses from previous years	(1,636,451)
Total	(1,636,451)

The General Meeting of Shareholders held on 18 June 2024 approved the following allocation of loss for the year 2023 of the Parent Company:

Base of distribution	**EUR**
Profit and loss (loss)	(4,868,014)
Total	**(4,868,014)**

Base of distribution	**EUR**
To losses from previous years	(4,868,014)
Total	**(4,868,014)**

On 30 July 2024 the Extraordinary General Meeting of Shareholders of Audax Renovables, S.A. approves the distribution to shareholders from the share premium account of the amount of EUR 15,000 thousand, which is paid out during the same year 2024. This remuneration is part of the remuneration to shareholder policy also approved by the shareholders, establishing a remuneration of the amount of up to EUR 45,000 thousand during the years 2024, 2025 and 2026.

Profit / (loss) per share

The breakdown of basic and diluted earnings per share is as follows:

	31/12/2024	31/12/2023
Number of shares	453,430,779	440,291,054
Average number of shares (excluding treasury shares)	451,488,432	439,591,054
Average number of shares diluted (excluding treasury shares)	451,488,432	439,591,054
Profit for the year attributable to the Parent Company (EUR thousands)	60,562	29,030
Profit for the year attributable to the Parent Company diluted (EUR thousands)	60,562	29,030
Profit / (loss) per share (euro per share)		
- Basic	**0.134**	**0.066**
- Diluted	**0.134**	**0.066**

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.

Non-controlling interests

The movement during the years 2024 and 2023 of non-controlling shares has been as follows:

Balance at 1 January 2023	**13,344**
Profit (loss) for the year	2,350
Dividend distribution	(44)
Other movements	(3,618)
Balance at 31 December 2023	**12,032**
Profit (loss) for the year	2,691
Dividend distribution	(1,422)
Other movements	137
Balance at 31 December 2024	**13,438**

The breakdown of the non-controlling interests by entity as at 31 December 2024 and 31 December 2023 is as follows:

	31/12/2024	31/12/2023
Subsidiaries Unieléctrica Energía, S.A.	10,535	9,152
Eoliennes de Beausemblant, SAS	686	460
Audax Solar SPV XV, S.L.U.	2,192	2,187
Masqluz 2020, S.L.		—
Others	25	233
Total	**13,438**	**12,032**

Note 13 - Provisions

The breakdown of provisions as at 31 December 2024 and as at 31 December 2023 is as follows:

	31/12/2024	31/12/2023
Non-current provisions	**1,651**	**1,498**
Provision for liabilities	81	8
Dismantling provision	1,570	1,490
Current provisions	**6,787**	**23,930**
Provision for liabilities	6,787	23,930
Total	**8,438**	**25,428**

13.1 Provision for liabilities

On 14 October 2021 the Regulatory Supervision Chamber of the CNMC resolved on imposing economic sanction of EUR 1,500 thousand on Audax Renovables for the potential irregular conduct in consumer contracts under article 65.43 of Law 24/, 2013 of 26 December, concerning events occurred in the year 2019. Against this sanction the company lodged an administrative appeal with the National High Court, as it does not agree with the reasons stated in the resolution and considers that the final amount of the sanction may be reduced according to the defence arguments; the company is now expecting the date to be assigned for voting and decision.

Additionally, on 12 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"), during the years 2018-2021. The Involved Companies, upon being informed of the Proposed Resolution, did not agree with it and made their relevant representations on 09 June 2022. Subsequently, on the notification date of 13 October 2022, the CNMC council issued a disciplinary decision imposing a sanction of EUR 9,258 thousand.

The Companies lodged a contentious-administrative appeal in due time and form on 13 December 2022. The appeal included a request of precautionary measures in the form of (i) suspension of the obligation to pay the sanction and (ii) suspension of the application of the resolutions concerning the prohibition of entering into contracts with public administrations.

The appeal was admitted for processing by the measure of organisation of 9 January 2023 and on 19 January 2023 Audax Renovables and the involved companies were informed of the date assigned to formalise the claim. Subsequently, the National Court requested that the appeals be lodged separately by each of the Companies, which took place on 21 December 2023. The Companies also had to request again the precautionary suspension of the CNMC Resolution, each of them individually. In 2024 all the requested precautionary suspensions were approved.

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. The Group considers that as at 31 December 2023 and 2024 this provision will be sufficient and does not foresee any additional payments.

During the year 2023 the Dutch subsidiary of the group, named Audax Renewables Nederland B.V., proceeded to create a provision for onerous contracts because of electricity sale contracts at fixed price in the Netherlands, which was incorporated as an increase of provision for liabilities in current liabilities. During the year 2024 the entirety of this provision was reversed.

13.2 Dismantling provision

Over the year 2023, several photovoltaic power plants began their operations, therefore the relevant provisions were recorded for the dismantling of these plants.

As at 31 December 2024, the Group has recorded a provision of EUR 1,570 thousand (EUR 1,490 thousand as at 31 December 2023) to cover the costs of dismantling the wind farms and photovoltaic plants that are now in operation.

Note 14 – Financial Liabilities

The breakdown of the financial liabilities, without including trade and other payables (Note 16), during the years 2024 and 2023 is as follows:

	31/12/2024	31/12/2023
Debt from issue of bonds and other negotiable securities	347,032	418,484
Amounts owed to credit institutions	75,924	54,619
Lease liabilities	20,781	19,324
Financial derivatives liabilities (Note 9)	2,515	4
Other non-current financial liabilities	25,395	32,115
Total non-current financial liabilities	**471,647**	**524,546**

	31/12/2024	31/12/2023
Debt from issue of bonds and other negotiable securities	134,353	88,821
Amounts owed to credit institutions	19,572	20,850
Lease liabilities	1,898	1,664
Financial derivatives liabilities (Note 9)	8,190	4,567
Other current financial liabilities	3,041	6,005
Total current financial liabilities	**167,054**	**121,907**

Except for the liabilities arising from financial derivatives, the financial liabilities are measured at amortised cost. The financial derivatives liabilities are measured at fair value. The fair value of liabilities bearing fixed interest rate is estimated on the basis of discounted cash flows over the remaining term of that liability. Discount rates were determined according to the market rates available at 31 December 2024 and 2023 on the financial liabilities with similar maturity and credit features.

The movement of financial liabilities during the year 2024 and 2023 has been as follows:

	31/12/2023	Recognitions	Derecognitions	Transfers	Change in fair value	31/12/2024
Debt from issue of bonds and other negotiable securities	418,484	73,459	(22,024)	(122,887)	—	347,032
Amounts owed to credit institutions	54,619	39,911	(1,428)	(17,178)	—	75,924
Finance lease liabilities	19,324	3,388	(33)	(1,898)	—	20,781
Financial derivatives liabilities (Note 9)	4	—	—	—	2,511	2,515
Other financial liabilities	32,115	299	(5,306)	(1,713)	—	25,395
Total non-current financial liabilities	**524,546**	**117,057**	**(28,791)**	**(143,676)**	**2,511**	**471,647**
Debt from issue of bonds and other negotiable securities	88,821	157,375	(218,362)	106,519	—	134,353
Amounts owed to credit institutions	20,850	6,609	(25,065)	17,178	—	19,572
Finance lease liabilities	1,664	1,138	(2,802)	1,898	—	1,898
Financial derivatives liabilities (Note 9)	4,567	—	—	—	3,623	8,190
Other financial liabilities	6,005	1,162	(5,839)	1,713	—	3,041
Total current financial liabilities	**121,907**	**166,284**	**(252,068)**	**127,308**	**3,623**	**167,054**

	31/12/2022	Recognitions	Derecognitions	Transfers	Change in fair value	31/12/2023
Debt from issue of bonds and other negotiable securities	458,158	682	(7,853)	(32,503)	—	418,484
Amounts owed to credit institutions	66,093	11,203	(1,935)	(20,742)	—	54,619
Finance lease liabilities	19,207	1,757	—	(1,640)	—	19,324
Financial derivatives liabilities (Note 9)	7,912	—	—	—	(7,908)	4
Other financial liabilities	34,505	2,108	(4,498)	—	—	32,115
Total non-current financial liabilities	**585,875**	**15,750**	**(14,286)**	**(54,885)**	**(7,908)**	**524,546**
Debt from issue of bonds and other negotiable securities	81,511	157,519	(182,712)	32,503	—	88,821
Amounts owed to credit institutions	35,986	19,849	(55,727)	20,742	—	20,850
Finance lease liabilities	1,471	1,065	(2,512)	1,640	—	1,664
Financial derivatives liabilities (Note 9)	13,392	—	—	—	(8,825)	4,567
Other financial liabilities	14,859	3,282	(12,136)	—	—	6,005
Total current financial liabilities	**147,219**	**181,715**	**(253,087)**	**54,885**	**(8,825)**	**121,907**

The breakdown of financial liabilities cash flows in 2024 was as follows:

	31/12/2023	Cash flows movement	Interest payment	Movements which do not involve cash flows	31/12/2024
Debt from issue of bonds and other negotiable securities	507,305	(2,881)	(21,099)	(1,940)	481,385
Amounts owed to credit institutions	75,469	21,246	(4,434)	3,215	95,496
Finance lease liabilities	20,988	—	—	1,691	22,679
Financial derivatives liabilities (Note 9)	4,571	—	—	6,134	10,705
Other financial liabilities	38,120	(7,764)	(1,669)	(251)	28,436
Total financial liabilities	**646,453**	**10,601**	**(27,202)**	**8,849**	**638,701**

Within the cash flows movement the amount of EUR 249,711 thousand is included, corresponding to collections, and the amount of EUR 231,346 thousand, corresponding to payments related to Debt from issue of bonds and other negotiable securities and Amounts owed to credit institutions.

Bonds and other negotiable securities

Promissory notes

In January 2017 Audax Renovables, S.A. registered a programme of corporate promissory notes on the Alternative Fixed-Income Market (MARF) for the maximum amount of EUR 50,000 thousand with a maturity of 2 years. This promissory notes programme has been renewed annually in order to extend its maximum drawn down balance and maturity date.

On 17 May 2024 Audax Renovables, S.A. proceeded to renew again its promissory note programme under the name of "Audax 2024 Commercial Paper Programme" (Programa de Pagarés Audax 2024) in the Alternative Fixed-Income Market ("MARF"), with a maximum outstanding balance of EUR 200,000 thousand and the maturity date on 17 May 2025. The average interest rate of the promissory notes that were issued and were not expired at 31 December 2024 is of 6.23%.

In June 2024 the commitments to issue and subscribe promissory notes subscribed in December 2023 were fulfilled involving (i) subscription of new promissory notes for the nominal amount of EUR 24,500 thousand with the entity Andbank España Banca Privada, S.A.U. after the ones subscribed previously expired and (ii) subscription of new promissory notes with the related entity The Nimo's Holding, S.L. for the nominal amount of EUR 15,500 thousand. In both cases, the new bonds have a maximum maturity of 2 years from the date of issue in June 2024. As at 31 December 2024 this debt is included in the account of Bonds and other negotiable securities.

As at 31 December 2024, the total drawn down balance amounts to EUR 128,238 thousand (EUR 112,369 thousand as at 31 December 2023).

Bonds

During the years 2017 and 2018 the Company approved programmes for issuing plain bonds on the Alternative Fixed-Income Market (MARF) for the total amount of EUR 135,000 thousand with maturity in 2022 and 2023.

In 2020 the Company carried out a swap transaction and an early and partial redemption of those bond programmes from previous years, for a new issue of green bonds under its programme "EUR 400,000,000 Senior Unsecured Notes Programme Audax Renovables,S.A. 2020. As a consequence, the Company in December 2020 issued bonds for the amount of EUR 200,000 thousand at an 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.

On 15 June 2021 the Company increased the issue by EUR 100,000 thousand under the name of "Issue Number 3 of Senior Unsecured Notes of Audax Renovables, S.A. 2020" on the same terms.

The Company proceeded to renew this bond programme in 2021, by replacing the one from 2020, and on 11 August 2022 proceeded again to renew this programme under the name of "EUR 400,000,000 Senior Unsecured Notes Programme Audax Renovables, S.A. 2022", which replaced the one from 2021.

During the year 2023 the 2018 bond was redeemed for the nominal amount of EUR 16,300 thousand corresponding to those bondholders who did not adhere to the swap operation of the Company. The amount of the 2017 bond had been already redeemed entirely in previous years.

During the year 2023 Audax Renovables acquired the notes issued on the Alternative Fixed-Income Market (MARF) within the programme "Senior Unsecured Notes of Audax Renovables, S.A. 2020" with maturity on 18 December 2027, for the amount of EUR 7,903 thousand, lower than the nominal value of EUR 11,300 thousand at which they were issued, which involved a financial net gain of EUR 3,397 thousand.

Also in the year 2024 Audax Renovables acquired the notes issued within that programme for the amount of EUR 1,219 thousand, lower than the nominal value of EUR 1,300 thousand at which they were issued, which involved a financial net gain of EUR 81 thousand.

As at 31 December 2024 the balance of this bond includes the entirety of the bonds issued and not settled, including the bonds acquired by related entities.
As at 31 December 2024, the outstanding balance of this bond amounts to EUR 277,000 thousand (EUR 278,300 thousand as at 31 December 2023).

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

The convertible bonds may be converted in ordinary shares of the Company, either of a new issue or those already issued on the continuous market. The conversion option has an underlying of 51.7 million shares of the Company, which correspond to 11.74% of the total of issued shares. The General Meeting of Shareholders of 21 April 2021 of the company approved the convertibility option, maintaining certain conditions, such as the exclusion of the pre-emptive subscription rights in order to allow the issuance of shares to which this conversion would apply, and the Shareholders' resolutions need to be notarised and together with the amendment to the notarial deed on the issue of convertible bonds need to be registered in the Commercial Register.

The bonds include an option for the investor to convert them into a fixed number of shares at a previously fixed price. Although at the closing date of 2020 the convertibility option had not yet been added to the terms of the instrument, at that date existed a commitment of the majority shareholder to vote in favour of its approval at the General Meeting of Shareholders.

The option of early repayment of the bond, which assists to the bondholders, may be exercised in a scenario of change of control of the Group, takeover bid, halt in the trading of its shares or when the floating capital is lower than 10% of the total of shares. The Group has implemented the accounting policy of initially measuring the financial liability component at the better estimation of the current value of the interest and the repayment price of the bond, assigning the residual amount to the equity component. For the purpose of this estimation, it has been considered improbable that any of the contingent circumstances, on which the exercise of the early redemption option depends, would arise before the ordinary maturity date of the bond.

Once the bonds are made convertible, the holders will have the right to convert the bond into shares of new issue or into existing shares (to be decided by the Company) at the conversion price of EUR 2.42 per share. The conversion option may be exercised from the moment in which the conversion is declared approved.

Additionally, the Company has the option of early redemption of convertible bonds if certain predetermined conditions are fulfilled. This option could have been exercised at the third anniversary of the bond issue, i.e., in November 2023, at the price of 130% of the nominal of the bond. As at 31 December 2023 this option had not been exercised yet.

Due to the contingent call provisions mentioned before, the instrument is presented as a financial liability.

During the year 2024 Audax Renovables acquired on the secondary market bonds for the amount of EUR 7,591 thousand, corresponding to its programme of Convertible Bonds of EUR 125,000 thousand of nominal value and maturity on 30 November 2025. The nominal value of the acquired Bonds is of EUR 10,000 thousand, meaning a net positive financial income of EUR 2,409 thousand.

Additionally, as mentioned in Note 12, in March 2024 the operation of increase of the capital of Audax Renovables, S.A. was carried out by means of conversion of convertible bonds. The conversion entailed a reduction of the financial liabilities by the amount of EUR 31,400 thousand.

As at 31 December 2024, the outstanding balance of this bond amounts to EUR 83,600 thousand (EUR 125,000 thousand as at 31 December 2023).

Issuing of bonds is subject to meeting certain financial ratios. As at 31 December 2024 all the established ratios are met.

The amount disclosed under the Liabilities and other negotiable securities as at 31 December 2024 includes the debt to be repaid as a consequence of the issuance of said bonds and promissory notes in current and non-current liabilities.

Current liabilities include financial expenses that had been accrued but not paid at the balance sheet date of 2024 and 2023.
The net cash flow shown in the Cash Flow Statement as collections and payments for financial liability instruments for Bonds and other negotiable securities was the negative amount of EUR 2,881 thousand, the positive amount of EUR 209,775 thousand for the issue of new promissory notes, and a negative amount of EUR 212,656 thousand of payments for the redemption of bonds and promissory notes.

Amounts owed to credit institutions

The breakdown of the Group's bank loans is as follows:

	31/12/2024	31/12/2023
Project Finance	59,221	22,913
Loans	16,703	31,706
Total non-current	**75,924**	**54,619**

	31/12/2024	31/12/2023
Project Finance	4,154	2,515
Loans	15,412	17,947
Lines of credit	6	5
Reverse factoring and similar	—	383
Total current	**19,572**	**20,850**

As at 31 December 2024 the average effective interest rate of the bank loans is of 7.66% (5.69% as at 31 December 2023).

– Project Finance

Under the Project Finance scheme the shares of the borrower are pledged, thus reducing the Group's guarantee and risk.

During the year 2023, ADX Sonne, S.L.U., a company wholly owned by Audax Renovables, S.A., signed a finance agreement in the bullet modality in order to boost the launch of its subsidiaries engaged in photovoltaic energy production with a total capacity of 141 MWp (the Minuro project) through the European Investment Bank (EIB) for the total amount of EUR 66,000 thousand with maturity in 2029 and a variable interest rate plus a differential. During the year 2023 the companies Zurván Gestión de Proyectos, S.L. and Ulises Power, S.L. received their drawdowns and during the year 2024 other companies of the Group obtained their drawdowns as well. The breakdown of the drawdowns received as at 31 December 2024 is as follows:

Company	Amount drawn down	Date of drawdown
Solar Buaya Inversiones, S.L.U.	27,632	2024
Zeus Power, S.L.	3,316	2024
Hera Power, S.L.	3,242	2024
Juno Power, S.L.	1,856	2024
Diana Power, S.L.	1,893	2024
Atlas Power, S.L.	1,681	2024
Zurván Gestión de Proyectos, S.L.U.	5,542	2023
Ulises Power, S.L.U.	3,249	2023
Total drawn down	**48,411**	

The rest of the drawdowns to their full amount are expected during the year 2025.

As at 31 December 2024 also the company Eólica Postolin Sp. z.o.o. has a loan agreement with credit institutions, in the Project Finance scheme, under which the entirety of its shares are pledged. As at 31 December 2024 the outstanding principal is of EUR 13,351 thousand.

These loans include conditions, which impose limitations on dividend distribution and require the fulfilment of certain minimum ratios. As at 31 December 2024 all requirements specified in those contracts are met and no breach is expected to arise by the closing date of the next financial year.

In the year 2023 Eólica del Pino S.L. and Eólica el Pedregoso S.L. proceeded to repay entirely their debt under the modality of Project Finance.

Furthermore, these loans require that companies record a Debt Service Reserve Fund (FRSD) through their bank accounts as additional guarantee for the lenders. At the balance sheet date of the year 2024 and 2023 the following amounts are held as guarantee:

Company	31/12/2024	31/12/2023
Eólica el Pedregoso, S.L.	—	693
Eólica del Pino, S.L.	—	362
Eólica Postolin Sp. z o.o.	1,407	1,364
Ulises Power, S.L.	172	168
Zurván Gestión de Proyectos, S.L.	294	286
Solar Buaya Inversiones, S.L.U.	1,465	—
Zeus Power, S.L.	176	—
Hera Power, S.L.	172	—
Juno Power, S.L.	98	—
Diana Power, S.L.	100	—
Atlas Power, S.L.	89	—
Total	**3,973**	**2,873**

After the early repayment in 2023 of the Project Finance the companies Eólica del Pino, S.L. and Eólica el Pedregoso, S.L. during the first half of the year 2024 proceeded to recover the entirety of the recorded Reserve Fund.

These reserve funds have not been considered as Cash and other cash equivalents, but they were incorporated into the account of Other current financial assets, as indicated in Note 8.

– Loans and lines of credit

The main loans and lines of credit of the Group are as follows:

As at 31 December 2024, the Parent company has outstanding balances of a loan agreement signed in 2021 with Cofides for the amount of EUR 9,700 thousand, which is due in 2028, and a loan agreement signed with Gedesco Innovfin, S.L in 2020 for the amount of EUR 4,815, which is due in 2025.

The outstanding balance of these loans as at 31 December 2024 amounts to EUR 8,262 thousand (EUR 11,405 thousand as at 31 December 2023).

Additionally, the Parent Company and other companies of the Group signed loan agreements (ICO) in 2020 with various financial entities. These loans were covered by a line of guarantees for businesses and sole traders, approved by the Royal Decree-Law 8/2020 of 17 March 2020 on urgent extraordinary measures to tackle the economic and social impact of COVID-19, under which the Ministry of Economic Affairs and Digital Transformation issues guarantees to the loans granted by the credit institutions to the businesses and sole traders in order to help maintain the employment and alleviate the economic effects of the crisis, and the maturity of these loans was between 2022 and 2025.

In 2021 the Parent Company and other companies of the Group proceeded to renegotiate with various financial institutions some of the loans (ICO) signed during the year 2020, in order to postpone the maturity dates of the loans. As at 31 December 2024, the maturity date of the ICO loans of the Group is between 2025 and 2028.

As at 31 December 2024, the outstanding principal of the ICO loans of the Group amounts to EUR 22,500 thousand (EUR 36,082 thousand as at 31 December 2023).

In 2022 Audax Energía, S.R.L.(Italia) entered into a loan agreement with the Unicredit entity for the amount of EUR 3,500 thousand with maturity in 2026 and an interest rate of 2%. As at 31 December 2024 the outstanding balance amounts to EUR 1,400 thousand (EUR 2,333 thousand as at 31 December 2023).

Also in 2022 Unieléctrica Energía, S.A. entered into a loan agreement with the entity Caja Rural del Sur for the amount of EUR 2,000 thousand with maturity in 2025 and an interest rate of 2.5%. This loan was early repaid in 2023.

– Reverse factoring

As at 31 December 2024 the Group does not have any amounts drawn for reverse factoring.

The reverse factoring contracts of the Group as at 31 December 2023 related 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, the nature of the transaction is considered as financial, including the liability arising in short-term amounts owed to credit institutions.

There were 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 of amounts owed to credit institutions is the positive amount of EUR 21,246 thousand, EUR 39,936 thousand of collections from acceptance of new loans, and EUR 18,690 thousand of payments for the settlement of various loans.

Other financial liabilities

The breakdown of other financial liabilities is as follows:

	31/12/2024	31/12/2023
Accounts payable to Group companies (Note 22)	25,395	31,226
Other debts	—	889
Total non-current	**25,395**	**32,115**

	31/12/2024	31/12/2023
Accounts payable to Group companies (Note 22)	2,493	5,037
Other debts	548	968
Total current	**3,041**	**6,005**

Accounts payable to Group companies correspond primarily to a finance agreement entered into on 21 July 2022 and named Senior Facilities Agreement with the related company IKAV (Debo Prime S.L.U.), signed together by the investee companies of Arianna Solar, S.L., which acts as guarantor.

The total combined amount of the loan agreement was of EUR 29,900 thousand for, among others, the financing of the partial repayment of certain intra-group loans among Audax Renovables and these companies. The maturity date of the loan falls in 2045 and it accrues interest at the rate of 4.25% annually.

With regard to this loan, as at 31 December 2024 the total combined amount of the outstanding principal of all the companies amounts to EUR 19,954 thousand (Note 22).

Moreover, this finance agreements establishes the obligation to allot funds to the Debt Service Reserve Account (FRSD), which constitutes an additional guarantee, in the amount corresponding to the debt of the subsequent 9 months. At the balance sheet date of the year 2024 and 2023 the following amounts are held as guarantee:

Company	31/12/2024	31/12/2023
Botey Solar, S.L.U.	518	577
Corot Energía, S.L.U.	644	715
Las Piedras Solar, S.L.U.	274	304
Da Vinci Energía, S.L.U.	146	161
Elogia Calañas, S.L.U.	155	172
Corinto Solar, S.L.U.	209	231
Centauro Energia Solar, S.L.U.	181	201
Total	**2,127**	**2,361**

Moreover, this agreement imposes certain restrictions on disposable cash or dividend distribution and the requirement to meet certain minimum ratios. As at 31 December 2024 all the requirements specified in the agreement are met.

The following table describes consolidated gross financial liabilities as at 31 December 2024 and 2018 and their maturity dates, taking into account the impact of the derivatives, other financial liabilities and trade payables and other payables:

	Up to one year	two to three years	four to five years	more than five years	Total financial liabilities
Trade and other payables	249,247	—		—	**249,247**
Debt from issue of bonds and other negotiable securities	134,353	347,032	—	—	**481,385**
Amounts owed to credit institutions	19,572	18,235	56,201	1,488	**95,496**
Lease liabilities	1,898	3,494	2,575	14,712	**22,679**
Financial derivatives liabilities (Note 9)	8,190	2,515	—	—	**10,705**
Other financial liabilities	3,041	3,091	2,936	19,368	**28,436**
Total	**416,301**	**374,367**	**61,712**	**35,568**	**887,948**

As at 31 December 2024 and 31 December 2023, the following financial liabilities are subject to the requirement of meeting certain minimum ratios or to clauses which, if not complied with, may result in declaring the payment immediately due.

	2024	2023
Bond of nominal value €300M approved in December 2020	277,000	278,300
Convertible bond of nominal value €125M approved in November 2020	83,600	125,000
Project Finance Eólica Postolin Sp. z o.o.	13,351	15,361
Project Finance Minuro (BEI)	48,411	8,791
Loan IKAV	19,954	27,248
Total	**442,316**	**454,700**

With regard to the Bonds, the conditions to be fulfilled refer to the ratios of Net financial debt/Ebitda. With regard to the Project Finance the ratios concern "Cash flows generated in a year / Debt service of the Project finance" coefficient, as well as leverage ratios.

As at 31 December 2023 and at 31 December 2024 the Group meets all the requirements established in the aforementioned loan agreements.

Note 15 - Subsidies

In 2015 and 2016 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 9,019 thousand). The received subsidies are recorded in the profit (loss) according to the depreciation of the wind farm. In 2024 the amount of EUR 273 thousand (EUR 259 thousand in 2023) was recognised as "Other operating income".

Note 16 - Trade Payables, Other Payables and Other Current Liabilities

Accounts payable

The breakdown as at 31 December 2024 and 2023 is as follows:

	At 31/12/2024	At 31/12/2023
Suppliers	214,870	218,236
Suppliers, group entities (Note 22)	1,023	627
Other payables	30,031	24,568
Staff	3,323	3,280
Trade and other payables	**249,247**	**246,711**

Most of the accounts payable fall due between 30 and 90 days and no interest accrues on them.

As indicated in Note 2, since the usual time of meters readings does not coincide with the balance sheet date, the Group estimates the invoiced amounts which have not yet been received. As at 31 December 2024, the estimation of invoiced amount that have not yet been received for the electricity and gas fees, arising from the energy supplied but not yet invoiced, amounts to EUR 19,010 thousand (EUR 18,052 thousand as at 31 December 2023) and is included in the balance sheet. Additionally, there is an estimate related to the invoices for energy purchase not yet received, amounting to EUR 99,598 thousand (EUR 80,336 thousand at the end of the year 2023).

For those companies of the Group, which have their tax residence in Spain, we set out below the information required by third additional disposition of Law 15/2010 of 5 July 2010 as amended by third final disposition of Law 18/2022 of 28 September 2022, which establishes measures against delayed payment in business transactions and, among other aspects, regulates the payment period in commercial relations between businesses or between businesses and Administration, in accordance with the provisions of the Resolution of the Accounting and Auditing Institute on the information to be included in the notes to the annual accounts with regard to the average period of payment to suppliers and providers in business transactions, published in the BOE on 19 October 2022.

	2024	2023
	Days	**Days**
Average period of payment to suppliers (*)	38	35
Paid transactions ratio	42	39
Transactions with outstanding payment ratio	38	36
	Amount in EUR thousands	
Total payments carried out	575,693	619,778
Total outstanding payments	60,653	60,654
	30 days	
Monetary value paid in Euro (EUR thousands)	520,624	559,149
Percentage of the total monetary value of payments to suppliers	90%	90%
Number of invoices paid	2,093,023	2,147,497
Percentage of the total of invoices paid to suppliers	99%	94%

(*) Under the law 11/2013 of 26 July, the maximum legal time limit for payment, applicable to the companies of the Group which have their tax residence in Spain, is of 30 days, except for the case when by agreement a longer time period is established, which under no circumstances can exceed 60 days.

The payments detailed in the above table as payments to providers refer to those which by their nature are trade payables for debts with suppliers of goods and services, in such a way that they include the needed information for the 'Other creditors' account found as current liabilities in the consolidated balance sheet.

Other non-current liabilities

As at 31 December 2024 and 2023 refers primarily to the amounts owed by the company Audax Netherlands B.V. for tax liabilities.

Other current liabilities

The breakdown as at 31 December 2024 and 2023 is as follows:

	At 31/12/2024	At 31/12/2023
Public administrations and similar	151,875	109,173
Time adjustments of current liabilities	63	1,445
Advance payments from clients and other current payables	42,587	35,395
Other current liabilities	**194,525**	**146,013**

As at 31 December 2024 and 31 December 2023 the liabilities with public administrations and similar correspond to liabilities arising from current transactions. It consists mainly of taxes charged to the clients, not yet settled at the closing date of the year (value-added tax and special taxes), mainly concerning the Group company Audax Renewables Nederland B.V. (the Netherlands) and Audax Renewables Kft. (Hungary). The majority of these taxes were paid off in January and February of the following year.

As at 31 December 2024 and 2023 "Advance payments from clients and other current payables" is comprised mainly of advance payments to the clients of the company of the Group - Audax Renewables Nederland B.V. (the Netherlands).

Note 17 – Risk Management

The Audax Renovables Group, in general terms, considers to be a risk any eventuality or contingency which might impede the Company's ability to successfully fulfil its business objectives.

In this regard, the Group is exposed to several risks which are inherent in different countries and markets where it operates and which can prevent it from achieving its objectives and successfully implementing its strategies. For that reason the Board of Directors, aware of the importance of this aspect, encourages the implementation of necessary mechanisms for significant risks to be correctly identified, managed and controlled.

The Audax Group has an organisation and systems, which allow it to identify, measure and control the financial risks to which it is exposed.

a) According to the above, any activity aimed to control and mitigate the risks will be subject to the following basic principles of procedure: Integrate the risk-opportunity vision in the management and strategy of the Company.
b) Ensure an appropriate separation of duties to guarantee an adequate level of independence.
c) Constant evaluation of the mechanisms for hedging, transfer and mitigation, in order to ensure their suitability and the implementation of the best market practices.
d) Guarantee the proper use of risk hedging instruments.
e) Inform about the risks for the Group and about the implemented systems to mitigate them.
f) Adjusting the Group's risk policy to all the specific policies which need to be developed in regards to risks.
g) Ensure the adequate compliance with the Corporate Governance rules.

Interest rate risk

The Audax Group confronts the risk related to its financial liabilities insofar as the interest rate fluctuations affect its cash flows and fair value.

Cash and bank accounts, as well as the Group's financial debt, are exposed to the interest rate risk, which might have adverse effect on the financial profit and loss and cash flows.

The fluctuations in interest rates modify the fair value of the financial assets and liabilities on which a fixed interest rate is accrued as well as the cash flows from the financial assets and liabilities indexed to a floating interest rate, and, accordingly, they impact both net equity and net income, respectively.

Any rise of interest rates would increase the Group's financial expenses related to the part of its debt indexed to a floating interest rate, which would be mitigated by the interest rate hedging policy.

The purpose of interest rate risk management is to maintain a balance between floating and fixed rates on debt in order to reduce the costs of borrowings within the established risk parameters.

On the entirety of the issued bonds an interest at a fixed rate is accrued (Note 14). Furthermore, the Audax Renovables Group uses financial swaps to manage its exposure to interest rate fluctuations.

The structure of Obligations and amounts owed to credit institutions as at 31 December 2024 and 31 December 2023, taking into account the hedges through derivative contracts, is as follows:

	At 31/12/2024	At 31/12/2023
Fixed interest rate	494,971	525,170
Floating interest rate	81,910	57,604
Total	**576,881**	**582,774**

The floating interest rate is subject mainly to the fluctuations of the European Interbank Offered Rate (Euribor). The sensitivity of the income to the fluctuation in interest rates is as follows:

	Interest rate increase /(decrease)	Effect on profit and loss before tax
2024	10%	(419)
	(10)%	419
2023	10%	(417)
	(10)%	417

This effect does not include the impact that would result from interest rate fluctuations on asset impairments, considered in Note 5.

Exchange rate risk

The variations in exchange rates can affect the fair value of the investments and of the debt denominated in non-local or non-functional currencies and the transactions and investments denominated in non-euro currencies, and, accordingly, the counter-value of net equity and net income.

The main non-euro currencies with which the Audax Renovables Group operates in 2024 and 2023 are the US dollar, the Polish zloty and the Hungarian forint.

As at 31 December 2024 there were positive differences in the amount of EUR 9,080 thousand, resulting mainly from trade transactions between Hungarian forint and the euro, carried out by the Hungarian subsidiary; the Group has two subsidiaries in Hungary, whose activity involves electricity and gas retail. These companies are exposed to the volatility of exchange rate differences, as they carry out trade operations of purchase and sale of energy both in euro and in Hungarian forint.

Price of electricity and gas risk

The Audax Renovables Group is exposed to the risk of fluctuations in electricity and gas prices, primarily through the operations of purchase and sale of energy, which are carried out on national and international markets. In the short and medium term price fluctuations are managed though specific hedging transactions, generally though the means of derivatives.
Apart from buying derivatives, the Group manages the price risk through long-term power purchase agreements with the power plants of the Group and of third parties.

Exposure to price fluctuations is controlled through controlling risk limits as a measure of balance between the expected return and the risk undertaken. The portfolio positions are revised periodically on the basis of Value at Risk, in compliance with the established limits.

Additionally, specific analyses are carried out, from the risk perspective, of the impact of certain transactions considered as relevant in the risk profile of the Audax Group and in compliance with the established limits.

With regard to natural gas, the exposure to this risk is managed and mitigated by trying to balance the exposures to commodities through bilateral contracts with physical delivery based on the forecast regarding customers' consumption.

The sensitivity of net income and equity (Other equity components) to the variation in electricity and gas sale prices, taking as a reference the variation of the sale price in the daily electricity and gas market, is as follows:

	Electricity price fluctuation	Effect on profit and loss before tax	Effect on equity
2024	10%	(166)	894
	(10)%	166	(894)
2023	10%	289	(3,088)
	(10)%	(289)	3,088

	Natural gas price fluctuation	Effect on profit and loss before tax	Effect on equity
2024	10%	(329)	(247)
	(10)%	329	247
2023	10%	150	85
	(10)%	(150)	(85)

This effect does not include the impact that would result from fluctuations in the electricity sale price on asset impairments, considered in Note 5.

Credit risk

The credit risk lies in that the counterparty to an agreement might fail to fulfil their contractual obligations, thus bringing about economic or financial loss. The counterparties can be end customers or providers, counterparties on financial markets or on commodity markets, partners.

The Group, even though it has no significant credit risk concentrations in the energy retailing activity, does keep policies to ensure that the energy is sold to the clients with appropriate credit history, e.g. sales carried out through analysis of client scoring before signing the contract.

The designation of an existing credit risk as bad debt is established according to the implemented accounting principles (Note 2) based on an estimate of expected loss. In addition, in Spain a complementary individual analysis is carried out for the unpaid credits older than 180 days, clients in state of insolvency as well as the clients with relevant proceedings initiated against them.

As at 31 December 2024 the provision for bad debts reached the amount of EUR 55,445 thousand (EUR 52,096 thousand as at 31 December 2023).

The average matrix of provisions, arranged by the age of the trade receivables as at 31 December 2024 and 2023, is as follows:

At 31/12/2024	Not expired	0-30 days	31-60 days	61-90 days	91-120 days	121-180 days	> 180 days
% not collected	0.03%	1.54%	8.25%	8.94%	35.34%	47.66%	84.46%

At 31/12/2023	Not expired	0-30 days	31-60 days	61-90 days	91-120 days	121-180 days	> 180 days
% not collected	0.06%	0.93%	6.53%	38.61%	45.87%	36.51%	84.98%

The matrix, stated in EUR thousands, presents a summary of the average provision rates, distributed by age of trade receivables based on the information from the companies belonging to the Group. In this regard, the percentage specified indicates the volume of global provision existing over the entirety of the clients of this group.

The breakdown of trade receivables and its provision as at 31 December 2024 and 2023 by these categories is as follows:

At 31/12/2024	Not expired	0-30 days	31-60 days	61-90 days	91-120 days	121-180 days	> 180 days	TOTAL
Clients and similar	129,845	128,003	5,299	4,611	1,327	1,647	60,776	**331,508**
Provision	36	1,976	437	412	469	785	51,330	**55,445**

At 31/12/2023	Not expired	0-30 days	31-60 days	61-90 days	91-120 days	121-180 days	> 180 days	TOTAL
Clients and similar	149,598	49,617	4,504	2,111	1,633	3,117	57,141	**267,721**
Provision	85	459	294	815	749	1,138	48,556	**52,096**

The movement of the provision for expected losses is specified in Note 10.

In order to mitigate the credit risk arising from commercial positions, the Group holds bad debt insurance policies. As at 31 December 2024, the maximum sum insured is of EUR 585 million (EUR 661 million as at 31 December 2023).

Moreover, in order to mitigate the credit risk arising from financial positions, the Group allocates cash surpluses in high solvency banks and financial institutions, limiting the time horizon of the open positions as well as the credit quality of the counterparties in financial transactions.

As at 31 December 2024 and 2023 the Group did not have significant credit risk concentrations.

Liquidity risk

Prudent liquidity risk management derives from the need of financing the Group’s activity by temporary differences between the needs and cash generation and involves maintaining sufficient cash and marketable securities and the availability of funding through a sufficient amount of committed credit facilities as well as sufficient ability to close out market positions.

Debt financing is an important source of finance for the Audax Renovables Group. The Group's aim, whenever possible, is to carry out its financing activities in a centralised way. However, circumstances may arise, under which the Group may consider it essential or more beneficial to have the financing available at the subsidiary level. This means that the majority of financing is carried out at the level of Audax Renovables, S.A. or through instruments with irrevocable guarantee granted by Audax Renovables, S.A.

Exposure to unfavourable situations on the capital or debt markets or the Group's own adverse economic and financial situation could potentially hinder or impede its ability to meet the financial needs necessary to properly conduct its business activities. The Group's liquidity policy is focused on ensuring fulfilment of the obligations to pay entered into, without resorting to obtaining funds on burdensome conditions. This prudent liquidity risk management derives from the need for financing the Group’s activity by temporary differences between the needs and cash generation and is based on divers management measures such as maintaining sufficient cash and marketable securities, the availability of funding through a sufficient amount of committed credit facilities, diversifying the maturity dates of the issued debt, as well as sufficient ability to close out market positions at a given moment.

Management follows up the liquidity reserve forecasts of the Group (which includes the availability of credit and cash or cash equivalents) on the basis of the expected cash flows. The schedule established for expected cash flows of financial debt (without taking into account financial interests) is included in Note 14, to which the payments corresponding to Trade and other payables maturing in 2025 should also be added (Note 16).

As at 31 December 2024 available liquidity amounts to EUR 228,782 thousand, which entirely belong to cash and other cash equivalents (EUR 230,196 thousand as at 31 December 2023).

Capital management

The purpose of capital risk management is to maintain an appropriate ratio between internal and external financing (financial liability).

The leverage ratio is as follows:

	At 31/12/2024	At 31/12/2023
Non-current financial liabilities		
Bonds and other negotiable securities	347,032	418,484
Financial liabilities to credit institutions	75,924	54,619
Lease liabilities	20,781	19,324
Other financial liabilities	—	889
Current financial liabilities		
Bonds and other negotiable securities	134,353	88,821
Financial liabilities to credit institutions	19,572	20,850
Lease liabilities	1,898	1,664
Other financial liabilities	548	968
Derivatives	**(4,892)**	**(11,696)**
Cash and other cash equivalents		
Other financial assets	(121,399)	(101,475)
Cash and other cash equivalents	(228,782)	(230,196)
Net financial debt:	**245,035**	**262,252**
Of the Parent Company (Note 12)	210,507	161,220
Of the minority interests (Note 12)	13,438	12,032
Net equity:	**223,945**	**173,252**
Leverage (Net financial debt / (Net financial debt + Net equity))	**52.2%**	**60.2%**

Net financial debt includes lease liabilities as a consequence of applying IFRS 16 in the amount of EUR 22,679 thousand (EUR 20,988 thousand as at 31 December 2023). If these liabilities were to be omitted, as at 31 December 2024 the net financial debt would be reduced to EUR 222,356 thousand (EUR 241,264 thousand as at 31 December 2023) and the leverage would be of 49.8% (58.2% as at 31 December 2023).

The financial assets as well as financial liabilities to Group companies or related companies have been excluded from net financial debt.

Guarantee terms risk

In order for the Group to be able to carry out its activity, it has to provide the guarantees connected to the electricity purchase. The guarantees are provided in the form of guarantees issued by a bank and/or an insurance company, some of which are secured by the positive net liquidity position of the Group.

Should the financial institutions that grant the guarantees decide to cancel them, the Group's retailing activity would become limited, which could, to some extent, affect its viability. Likewise, if those financial institutions modified substantially the terms of the guarantees they had granted (cost, validity, warranties, among others), such modification could affect the profitability of the Audax Renovables Group.

As at 31 December 2024 and 2023, the Group does not incur this risk, therefore it carries out its daily operations with perfect normality.

Access to finance

In the division of energy generation the development of the facilities under construction, owned by the Group, the financing conditions and the amount of own funds to be contributed by the Group depends on the availability of finance services and on the existence of loan on the loan market for financing the renewable energy projects.

Financing the renewable energy projects with loans may imply, as a guarantee for the financial institutions, the necessity to pledge all or some of the shares of the Audax Renovables Group's investee companies.

Climate change risk

The green taxonomy is a system established for the purpose of classifying economic activities and providing the businesses and investors with a clear definition of sustainable activity. The main goal of the system is to encourage capital investments for the purpose of financing sustainable development and mitigating the climate change under very clear denominations, aligned with the Paris Agreement and OECD objectives.

Successful implementation of the European taxonomy is fundamental for the continent to achieve the proposed climatic and environmental goals and for the future generations to be able to enjoy a healthy and habitable world. Under the EU Taxonomy Regulation (hereinafter, the "Regulation"), a "green" list has been created, which groups and classifies economic activities which are considered environmentally sustainable according to the recommendations of the Technical expert group on sustainable finance, who established and developed the technical criteria in order to classify these activities.

As part of the implementation of the Regulation, the Company carried out an analysis of the physical risks deriving from climate change for its generation assets, in cooperation with ERM (Environmental Management Consulting). The analysis was based on the physical risk detection tool patented by ERM, Climate Impact Platform (CIP). For each of the assets two scenarios were analysed: a scenario of low greenhouse gas (GHG) emissions (SSP1-2.6) and a scenario of high GHG emissions (SSP5-8.5), under three timelines (base line, 2030 and 2050).

The results obtained from the analysis indicate that the risk derived from total climate change considering all the threats is 'Low' or 'Minimal'.

The Group had in mind the potential effects of climate change while formulating the annual accounts for the year 2024. Therefore, the Group considered these effects while analysing the impairment of non-financial assets. The projections were based on the best available information about the future and include the planned investments in each CGU at the moment. Additionally, these projections consider the expected effect on the market prices of energy.

Note 18 – Tax Situation

In 2024 on, the Parent Company as the head entity of the tax group, is subject to Corporate Income Tax under the consolidated tax system.

The following companies belong to the Audax Renovables, S.A. Tax Group in 2024:

Audax Renovables, S.A.	Solar Buaya Inversiones, S.L.U.	Audax Solar SPV XXV, S.L.U.
Generación iberia, S.L.U.	Eólica El Pedregoso, S.L.	Audax Agrisolar, S.L.U
Explotación Eólica La Pedrera, S.L.	Eólica Del Pino, S.L.	Zurvan Gestión de Proyectos, S.L.
ADS Energy 8.0, S.L.U	Masqluz 2020, S.L.	ADX Sonne, S.L.
Eryx Investments 2017, S.L.	Comercializadora Adi, S.L.	ADX Renovables, S.L.
Audax Solar SPV IV, S.L.	Neon Energía Eficiente, S.L	Zeus Power, S.L.
Audax Solar SPV VI, S.L.	Love Energy, S.L.	Hera Power, S.L.
Audax Solar SPV VII, S.L.	Energia Ecológica Económica, S.L.	Juno Power, S.L.
Audax Solar SPV IX, S.L.	Pasión Energia, S.L.	Diana Power, S.L
Audax Solar SPV X, S.L.	Fox Energia, S.A.	Ulises Power, S.L.
Unieléctrica Energia, S.A.	Tohora Solar Inversión, S.L.	Atlas Power, S.L
Audax Solar SPV XXVI, S.L.	Tarakona Solar Inversión, S.L.	Aquiles Power, S.L.
Aználcollar Solar, S.A.U.	Audax Solar SPV XXIV, S.L.U.	Homepower Energy, S.L.

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

Deferred taxes

The following table reflects the movement throughout 2024 and 2023 in deferred taxes:

	Balance 01/01/2024	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance 31/12/2024
Deferred tax assets	15,771	10,589	(2,595)	20	152	3	23,940
Deferred tax liabilities	(11,403)	(3,624)	2,745	—	(152)	(3)	(12,437)
Total	**4,368**	**6,965**	**150**	**20**	**—**	**—**	**11,503**

	Balance 31/12/2022	Recognitions	Derecognitions	Change to scope	Transfers	Translation differences	Balance 31/12/2023
Deferred tax assets	14,607	8,209	(7,062)	—	—	17	15,771
Deferred tax liabilities	(15,163)	(357)	4,156	—	—	(39)	(11,403)
Total	**(556)**	**7,852**	**(2,906)**	**—**	**—**	**(22)**	**4,368**

Recognised deferred tax assets and liabilities have mostly an estimated term of reversal or realisation over 12 months.

The main deferred tax assets correspond to the recognition of tax receivables from losses for previous years, as well as temporary differences from recognised expenses that have not yet become tax-deductible, and to the tax impact of the recognition of hedge derivative liabilities.

In 2024 the additions in deferred tax assets correspond mainly to the temporary differences from non-deductible cost, primarily financial expenses, as well as to the effect of recording financial derivatives.

The derecognitions in 2023 corresponded mainly to deferred tax assets reductions related with liabilities from hedge derivatives and with derecognitions of tax receivables from losses for previous years in Spain.

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 Renewables Nederland B.V. and of Unieléctrica Energía S.A.

The amount of deferred tax assets and deferred tax liabilities charged or credited to equity refer to the record of hedge derivatives and are as follows:

	At 31/12/2024	At 31/12/2023
Deferred tax assets	2,945	1,143
Deferred tax liabilities	(4,795)	(3,994)
Total	**(1,850)**	**(2,851)**

Corporate Income Tax expenses

The reconciliation between the applicable tax rate and the effective tax rate for the year 2024 and 2023 is as follows:

	2024	%	2023	%
Income before tax	**88,950**		**45,024**	
Theoretical tax	**22,238**	**25%**	**11,256**	**25%**
Tax difference foreign subsidiaries	5,833		746	
Non-deductible cost and other permanent differences	604		2,424	
Divestment and other tax recoveries	(293)		(3,500)	
Impairment or reversal of non-deductible impairment			530	
Recovery of tax losses carried forward, deductions and similar	(3,590)			
Unrecognised tax credits	1,287		2,537	
Negative differences from business combinations or corporate transactions				
Other deferred tax adjustments	(95)		(1,101)	
Other adjustments	(287)		752	
	25,697		**13,644**	

The main components of the income tax expenses are the following:

	31/12/2024	31/12/2023
Current expenses for the year	31,593	20,996
Income from use of tax credits and tax losses carried forward	(4,595)	(4,341)
Recognition of tax credits	—	(802)
Deferred tax and others	(982)	(2,209)
Total	**26,016**	**13,644**

Income from use of tax credits and tax losses carried forward refers primarily to the use of tax credits in our subsidiaries in Hungary.

Tax loss carry-forward and other tax credits

As at 31 December 2024 the Group has unrecognised tax loss carry-forwards available for offset, amounting to EUR 43,611 thousand, as well as a tax credit from deferred tax asset amounting to EUR 2,414 thousand (EUR 3,442 thousand at 31 December 2023). The breakdown of these unrecognised credits is as follows:

	At 31/12/2024	At 31/12/2023
Tax loss carry-forward	15,098	59,091
Deferred tax assets	2,414	3,442
Total	**17,512**	**62,533**

As at 31 December 2024, and in relation to these amounts, the Audax Renovables Group has recognised in the consolidated annual accounts a tax credit of EUR 4,965 thousand, corresponding to the tax credits whose recoverability has been considered probable.

The breakdown of these unrecognised tax credits according to their origin as at 31 December 2024 is as follows:

	31/12/2024
Spanish companies	3,788
Foreign companies	13,724
Total	**17,512**

The tax recovery of these credits will be determined primarily by the nature of each credit, its geographical origin and specific limitations of each tax environment.

Under current tax legislation, a tax return cannot be considered definitive until it is verified by the tax authorities or the four-year limitation time has elapsed.

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 formulating these consolidated financial statements, the Group has fulfilled all the requirements of the tax administration regarding information.

During 2024 the tax administration opened proceedings concerning various taxes related to the inspection process initiated in 2022, some of the proceedings were closed with approval and others were not. As at 31 December 2024 Audax Renovables has recorded the amount of EUR 1,380 thousand for the purpose of covering possible liabilities related to all the proceedings.

With regard to the proceedings on corporate income tax for the period of 2017 to 2020, the inspection crew has regularised the entirety of the net operating losses (NOLs) of Audax Renovables generated before the incorporation to the Excelsior Tax Group. In response to these regularisation proceedings Audax Renovables declared its dissent by making the relevant representations. Therefore, as at 31 December 2024 the controverted net operating losses (NOLs) are not included.

The consolidated companies that comprise the Group in Spain are opened to tax inspection for all applicable taxes for the last four years.

Note 19 - Income and Expenses

Ordinary Income

The breakdown of ordinary income is as follows:

	31/12/2024			31/12/2023		
	Spain and Portugal	**Rest of World (*)**	**Total**	**Spain and Portugal**	**Rest of World (*)**	**Total**
Total operating revenue	669,678	1,312,066	**1,981,744**	732,388	1,558,050	**2,290,438**

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

The amount of sales is recorded as income at the moment of delivery of the energy to the client, depending on the amounts supplied, and includes an estimation of the energy supplied not yet invoiced at the accounting closing date, because it has not been measured as a consequence of the normal process of meter reading cycle (Note 10).

Procurement

The breakdown of procurement is as follows:

	31/12/2024			31/12/2023		
	Spain and Portugal	**Rest of World (*)**	**Total**	**Spain and Portugal**	**Rest of World (*)**	**Total**
Total Procurement	583,440	1,168,640	**1,752,080**	631,843	1,425,012	**2,056,855**

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

As indicated in previous paragraph, as the usual date of meter readings does not coincide with the balance sheet date for the financial year, the Group makes an estimate relating to the not received invoices for electricity and gas toll costs, as well as to the purchase of the energy supplied to the client. The balances accumulated under this heading are included in the "Trade and other payables" account of the liabilities in the Balance Sheet (Note 16).

The Parent Company has signed several long-term power purchase agreements with diverse non-related companies. Under these agreements the Company will purchase directly an expected aggregated maximum of energy of approximately 1.20 TWh/year. These agreements have an expected validity period of between 10 and 20 years and are subject to certain conditions. Given the nature of these agreements, the Group does not consider them to be financial derivatives.

On 1 February 2023 the Audax Group signed a global agreement on market access with Shell Energy Europe Limited, under which the latter will become, with certain exceptions, the external exclusive provider of electricity and natural gas to the Audax Group in Spain during an initial period of 5 years. The agreement includes provisions which require from the Audax Group the fulfilment of certain minimum ratios, mainly related to a reduction of debt, a minimum profitability and adequate delayed payment limits. Moreover, the agreement stipulates a fee depending on the volume of energy operated with certain minimum obligatory amounts.

The Management of the Group, at the moment of drawing up these consolidated financial statements, has not identified any element which would indicate that the company is going to default on any o the established ratios.

The agreement ensures better access to future positions instead of going directly to the wholesale market and improves directly the Group's working capital position in its operations in Spain.

Wages and salaries

The breakdown of employee remuneration for the year 2024 and 2023 is as follows:

	2024	**2023**
Wages and salaries	32,251	28,780
Employer contributions	6,954	6,144
Other social expenses	2,672	2,964
Total	**41,877**	**37,888**

The average number of employees for the years 2024 and 2023 is as follows:

	2024	**2023**
Senior Management (*)	3	4
Management	28	22
Leadership	23	28
Middle Management	70	63
Others	647	655
Total	**771**	**772**

(*) Senior Management includes internal auditor

In accordance with the provisions of the Gender Equality Act, Organic Law 3/2007/22 March, published in the Official State Gazette of 23 March 2007, the average number of employees of the Audax Renovables Group at the end of 2024 and 2023 broken down by category and gender is as follows:

	31/12/2024		31/12/2023	
	Women	**Men**	**Women**	**Men**
Senior Management (*)	1	2	1	2
Management	7	25	5	18
Leadership	7	14	6	18
Middle Management	38	31	35	34
Others	411	247	407	228
Total	**464**	**319**	**454**	**300**

(*) Senior Management includes internal auditor

The average number of employees with a disability equal to or greater than 33% (or equivalent local qualification) during the years 2024 and 2023, by category, is as follows:

	Average number	
	2024	**2023**
Leadership	1	—
Others	4	8
Total	**5**	**8**

Other operating expenses

The breakdown of Other operating expenses in the years 2024 and 2023 is as follows:

	2024	**2023**
Leases	775	676
Repairs and maintenance	6,082	4,020
Counselling services	19,346	13,539
Insurance premiums and commissions	3,243	4,167
Supplies and other services	3,207	3,235
Other operating expenses	7,698	12,593
Taxes	22,693	25,153
Loss, impairment and change in provisions	15,410	35,722
Total	**78,454**	**99,105**

Note 20 – Financial Income (Expense)

The breakdown of this account in the consolidated profit and loss statement for the years 2024 and 2023 is as follows:

	2024	**2023**
Financial income from shareholding in third parties	—	22
Financial income from group companies receivables (Note 22)	2,076	1,725
Financial income from third party receivables	6,941	5,840
Financial expenses arising from bond issuing	(21,120)	(20,621)
Financial expenses from debt and other financial cost	(10,013)	(12,772)
Financial expenses from group companies receivables (Note 22)	(1,746)	(1,195)
Impairment and profit (loss) on disposal of financial instruments	11,311	181
Exchange differences	9,080	(4,072)
Financial profit (loss)	**(3,471)**	**(30,892)**

Note 21 - Cash Flows

Cash flows from operating activities

The composition of the cash generated in operating activities in 2024 and 2023 is as follows:

	2024	2023
Cash flows from operating activities		
Profit (loss) for the year before tax	**88,950**	**45,024**
Adjustments to results	**26,838**	**91,323**
Amortisation and depreciation	21,816	21,005
Valuation adjustments due to impairment	17,741	38,334
Changes in provisions	(17,043)	(2,612)
Allocation of subsidies	(273)	(259)
Profit (loss) on derecognition and disposal of fixed assets	(34)	3,175
Profit (loss) on derecognition and disposal of financial instruments	(11,311)	(181)
Financial income	(9,017)	(7,587)
Financial expenses	32,879	34,588
Exchange differences	(9,080)	4,071
Profit (loss) of companies consolidated by equity accounting	1,160	789
Changes in working capital	**5,273**	**47,406**
Inventory	(5,321)	(2,565)
Accounts receivable	(40,307)	13,041
Other current assets	9,137	5,519
Accounts payable	2,429	14,290
Other current liabilities	39,142	16,925
Other non-current assets and liabilities	193	196
Other cash flows from operating activities	**(46,867)**	**(43,238)**
Payments of interest	(27,202)	(27,522)
Collections of interest	320	561
Income tax payments	(19,985)	(16,277)
Cash flows from operating activities	**74,194**	**140,515**

Note 22 – Information on Related Party Transactions

Related parties are:

a) 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.

b) 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 23.

c) All the companies belonging to the Excelsior Group.

d) Shareholders or partners who hold directly or indirectly a minimum of 25% of shares of an entity of the Group.

The transactions between related companies have been carried out at arm's length.

The transactions involving services rendered between Group companies have been objective and unbiased and carried out at arm's length, based on the incremental cost system, under which the estimated cost plus a margin has been allocated to the different Group or related companies. Thus, the costs shared by the Parent Company and other Group companies are distributed and charged by project and activity, based on parameters of activity and hourly charges (using periodical slips per employee). Detailed definitions of the services and remits to be carried out are prepared, and the average indicators used to calculate the charges are determined.

Moreover, the loans that the Parent Company has extended to the Group companies, associates or multi-group companies accrue financial interest based on a market rate.

The balances and transactions carried out in the years 2024 and 2023 between Audax Renovables, S.A. and its subsidiaries and the related parties are as follows:

a) Balances with related parties:

Accounts payable and receivable with related parties as at 31 December 2024 and 31 December 2023 are as follows:

2024	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 8)	26,993	12,345	39,338
Total non-current assets	**26,993**	**12,345**	**39,338**
Trade and other receivables			
Short-term receivables from group companies and associates (Note 10)	93	78	171
Total current assets	**93**	**78**	**171**
Total assets	**27,086**	**12,423**	**39,509**
Long-term payables to group companies and associates (Note 14)	—	**25,395**	25,395
Total non-current liabilities	**—**	**25,395**	**25,395**
Short-term payables to group companies and associates (Note 14)	791	**1,702**	2,493
Trade and other payables			
Short-term payables to suppliers - group companies and associates (Note	1,014	9	1,023
Total current liabilities	**1,805**	**1,711**	**3,516**
Total liabilities	**1,805**	**27,106**	**28,911**

2023	Group companies	Other related parties	Total
Loans and receivables			
Loans (Note 8)	35,425	11,505	46,930
Total non-current assets	**35,425**	**11,505**	**46,930**
Trade and other receivables			
Short-term receivables from group companies and associates (Note 10)	2,355	129	2,484
Loans and receivables			
Loans (Note 8)	2,974	—	2,974
Total current assets	**5,329**	**129**	**5,458**
Total assets	**40,754**	**11,634**	**52,388**
Long-term payables to group companies and associates (Note 14)	—	31,226	31,226
Total non-current liabilities	**—**	**31,226**	**31,226**

Short-term payables to group companies and associates (Note 14)	1,637	3,400	5,037
Trade and other payables			
Short-term payables to suppliers - group companies and associates (Note 16)	567	60	627
Total current liabilities	**2,204**	**3,460**	**5,664**
Total liabilities	**2,204**	**34,686**	**36,890**

The amount of loans and non-current receivables in the year 2024 corresponds mainly to a loan granted to Eléctrica Nuriel, S.L.U. in the amount of EUR 26,993 thousand. The balance for the year 2023 corresponded mainly to a loan granted to Eléctrica Nuriel, S.L.U. in the amount of EUR 35,425 thousand.

Loans and non-current receivables with other related parties for the year 2024 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 12,345 thousand. The balance for the year 2023 includes 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 11,505 thousand.

The balance of Non-current payables to group companies for the year 2024 corresponds mainly to the amount payable by various companies of the Audax Renovables, S.A. group to IKAV Debo Prime S.L.U. of EUR 25,301 thousand. The balance for the year 2023 corresponds mainly to the amount payable by various companies of the Audax Renovables, S.A. group to IKAV Debo Prime S.L.U. of EUR 31,133 thousand.

The balance of current payables to group companies for the year 2024 corresponds mainly to the amount payable by various companies of the Audax Renovables, S.A. group to IKAV Debo Prime S.L.U. of EUR 1,713 thousand. The balance for the year 2023 corresponds mainly to the amount payable by various companies of the Audax Renovables, S.A. group to IKAV Debo Prime S.L.U. of EUR 3,454 thousand.

The net cash flow shown in the Cash Flow Statement as collections and payments for financial liability instruments for the total amount of payables to Group companies and associates is the negative amount of EUR 7,757 thousand, EUR 676 thousand of collections from acceptance of loans or repayment of the loans granted, and EUR 8,433 thousand of payments for the granting of loans, contributions or repayment of received loans.

b) Related party transactions:

The amounts of the related party transactions are as follows:

2024	Group companies	Other related parties	Total
Income and similar			
Net sales	5,738	308	6,046
Services rendered	12	—	12
Financial instruments			
Financial income	2,076	—	2,076
Total income	**7,826**	**308**	**8,134**
Expenses and similar			
Purchases	363	—	363
Purchase of fixed assets	14,043	—	14,043
Other received services	3,713	1,208	4,921
Financial instruments			
Financial expenses	126	1,620	1,746
Total Expenses	**18,245**	**2,828**	**21,073**

2023	Group companies	Other related parties	Total
Income and similar			
Net sales	6,296	432	6,728
Services rendered	30	21	51
Financial instruments			
Financial income	1,695	30	1,725
Total income	**8,021**	**483**	**8,504**
Expenses and similar			
Purchases	761	—	761
Purchase of fixed assets	5,959	13	5,972
Other received services	3,409	143	3,552
Financial instruments			
Financial expenses	9	1,186	1,195
Total Expenses	**10,138**	**1,342**	**11,480**

In 2024 the Group 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 5,529 thousand. Moreover, Audax Renovables, S.A. has purchased energy from the related company Aspy Prevención, S.L.U. for the amount of EUR 282 thousand.

Financial income for the year 2024 corresponds primarily to the interest accrued on the loan granted by Audax Renovables, S.A. to Eléctrica Nuriel, S.L.U. This loan was signed as a credit line with a limit of EUR 125,000 thousand, on which during 2024 interest has accrued in the amount of EUR 1,368 thousand.

Purchase of fixed assets in 2024 to the group companies corresponds to the service agreements related to the construction works in the EPC modality, or in the "turnkey" modality of solar projects and maintenance services provided by the company JEN Construcciones Renovables, S.L.U. (formerly DJL Renovables, S.L.) to various companies of the Audax Renovables Group for the amount of EUR 14,043 thousand (EUR 5,959 thousand in 2023). In 2023 it was considered as a group company, because Excelsior Times, S.L.U. increased its shareholding to 100% in the company JEN Construcciones Renovables, S.L.U.
These service agreements belong to the acquisition of photovoltaic projects located in Spain and acquired from Rocío Servicios Fotovoltaicos, S.L.U. (formerly Audax Fotovoltaica, S.L.U.) on 8 May 2019, on 30 December 2020 and on 28 May 2021, as well as the portfolio of photovoltaic projects located in Portugal and acquired on 25 May 2021 from Rocío Servicios Fotovoltaicos, S.L.U. and Audax Green, S.L., and the portfolio of photovoltaic projects located in Italy and acquired from Rocío Servicios Fotovoltaicos, S.L.U. on 11 June 2021, as the companies Rocío Servicios Fotovoltaicos, S.L.U. and Audax Green, S.L. are subsidiaries of the Excelsior Times group, where it should be mentioned that the parties undertook to sign a contract for services between the Buyer, directly or indirectly through the companies, and the Seller, as the provider of the services, in connection with the development of the projects and until putting the projects into operation (a "COD" contract), which, in accordance with the information provided in the fairness opinion on the valuation of the projects issued by Ernst&Young at the dates of the acquisition, would be calculated at the amount of EUR/MW 790,000 and EUR/MW 850,000 at the COD state for fixed or solar tracker technology, respectively. On 17 December the Board of Directors of Audax Renovables approved the decision to enter into necessary agreements with Excelsior Times, S.L. and Rocío Servicios Fotovoltaicos in order to terminate those contracts.

These contracts were signed by Audax Renovables, S.A. and Rocío Servicios Fotovoltaicos, S.L.U. on 26 September 2019 and on 29 June 2021 for the portfolio of projects located in Spain and on 29 June 2021 for those located in Italy and Portugal.

During the year 2024, 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 2,160 thousand (EUR 2,160 thousand in 2023).

Moreover, in 2024, the Group sustained some of the costs of Orus Properties, S.L.U. (formerly Orus Renovables, S.L.U., a company belonging to the Excelsior Group) amounting to EUR 1,015 thousand, for lease of office space (EUR 980 thousand in the year 2023).

Financial expenses in 2024 with other related parties correspond mainly to the interest accrued in various companies of the Audax Renovables Group to the company IKASUN, S.A R.L. in the amount of EUR 1,092 thousand (EUR 1,186 thousand in 2023).

During the year 2024 the related company The Nimo's Holding, S.L. signed promissory notes issued by Audax Renovables, S.A. for the nominal amount of EUR 15,500 thousand, under the issue and subscription agreement of 21 December 2023, novated on 17 June 2024. Implicit interest of 7.142% accrues on those promissory notes, the financial expense accrued in Audax Renovables, S.A. during the year 2024 amounting to EUR 528 thousand. Moreover, The Nimo's Holding, S.L. has charged a commission of EUR 1,023 thousand for the purchase of these promissory notes, whose maturity date falls in June 2026. The expense for this commission in 2024 included in Other received services amounted to EUR 268 thousand.

All the transactions with related parties are carried out at market prices.

In the year 2024 and 2023 there were no transactions entered into with Directors and senior management.

Note 23 - Information on Members of the Board of Directors and Senior Management

Remuneration of the members of the Board of Directors

The Ordinary Meeting of Shareholders of the Parent Company, held on 18 June 2024, approved, in accordance with the previous report of the Appointments and Remuneration Committee and on the motion of the Board of Directors, a new policy of remuneration to the directors of the Parent Company, applicable in the years 2024 (effective as of the date of its approval by the General Meeting of Shareholders, i.e. 18 June) and the rest of the year 2024, 2025 and 2027.

The Company's remuneration policy is designed to reward dedication, qualification and responsibility required by the office of Director, without compromising their independence. The remuneration recognizes the attendance and participation of the Directors in the sessions of the Board of Directors and its Commissions.

The remuneration comprises (i) a monetary remuneration which the directors may receive for their attendance at the meetings of the Board of Directors, of the Audit Committee and of the Appointments and Remuneration Committee, as appropriate, in accordance with the criteria established in the remuneration policy; and (ii) a monetary remuneration for the directors who were given executive duties. Moreover, there is a remuneration for coordination duties, paid to the coordinating director of the Parent Company.

In the year 2024 the amount accrued by all the members of the Board of Directors of Audax Renovables, S.A. was of EUR 1,309 thousand (EUR 1,284 thousand in 2023) for their membership of the Board and its various Delegated Committees, as well as remuneration for their employment relationship or direct responsibilities at different executive levels, where appropriate.

In the year 2024 the expenses for civil liability insurance premium of the Directors and Senior Management amount to EUR 99 thousand (EUR 109 thousand in 2023).

As at 31 December 2024 the Board of Directors of the Parent Company is composed of 3 men and 2 women (3 men and 2 women as at 31 December 2023).

Other information on Directors

Article 229 of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, has imposed on Directors, or their individual representatives, the duty to report to the Board of Directors, and failing that, the other Directors, or, in the case of a Sole Administrator, the General Meeting of Shareholders, any direct or Indirect conflict of interest they may have with the Company. The affected Director must abstain from intervening in the resolutions or decisions on the operation to which the conflict refers.

In the years 2024 and 2023 no contracts were terminated, amended or early extinguished between the Company and any of its shareholders or Board members or persons acting on their behalf, which would concern transactions beyond the usual scope of the Company's business activity, or which would be entered into on terms different than usually.

Likewise, it should be underlined that all the Directors have declared that they are not subject to any direct or indirect conflict of interest with the Parent Company and its subsidiaries.

Senior Management's remuneration

The remuneration charged for all kinds of reasons in the year 2024 by the Senior Management amounted to EUR 592 thousand (EUR 530 thousand for the year 2023). Moreover, there are members of Senior Management who receive remuneration according to the plan of remuneration to management described in Note 12.

As at 31 December 2024 the Senior Management of the Group is made up of one woman and two men.

Note 24 - Auditors' Fees

The professional fees for the services rendered by the audit company KPMG Auditores, S.L. in auditing the consolidated annual financial statements of the Group in the years ended on 31 December 2024 and 2023, regardless of the moment of invoicing, are as follows:

	EUR thousands	
	2024	**2023**
Audit services	409	443
Other services	119	119
Total	**528**	**562**

Furthermore, in the years ended on 31 December 2024 and 2023 the Group was invoiced for net professional fees of other entities associated to KPMG International, according to the following breakdown:

	EUR thousands	
	2024	**2023**
Audit services	313	304
Other services	56	75
Total	**369**	**379**

On the other hand, other auditors have not invoiced the Group for professional services in the year ended on 31 December 2024, nor in the previous year ended on 31 December 2023.

Note 25 – Commitments and Contingencies

Guarantees with third parties

As at 31 December 2024 the Group has been given guarantees through financial institutions and insurance companies amounting to EUR 193,642 thousand (EUR 191.3 93 thousand as at 31 December 2023) to cover the relevant obligations with third parties. The guarantees have been granted mainly to cover the transactions of electricity purchase on the market. As at 31 December 2024 and including the aforementioned amount, there are guarantees issued by the related company Excelsior Times, S.L. to various companies of the Group in the amount of EUR 9,692 thousand.

The Group does not expect that significant liabilities arise from the guarantees and sureties that have been granted.

Apart from the guarantees or bank guarantees which the Group provides in order to carry out its activity, there are pledges or limitations to the cash disposition, related to the existence of various deposits in the amount of EUR 63,977 thousand (EUR 87,611 thousand as at 31 December 2023), which are pledged or restricted as to their disposition and are classified as current financial assets.

Contractual commitments

From the year 2019, the Group applies the new IFRS 16, which eliminates the classification between operating leases and finance leases, recognised in the balance sheet as the right-of-use assets and liabilities of the same amount at present value of the future payments to be made over the lease term (Note 14.).

This way, the future lease payments are recognised in the Balance sheet under the "Lease liabilities" heading.

Contingencies

The Audax Renovables Group considers that the provisions and value adjustments recorded in theses consolidated annual 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 13).

Note 26 - Environment

Environmental aspects are borne in mind throughout the processing and construction of facilities, and all necessary studies required under the legislation of each country are prepared.

In the year 2024 and in relation to the operating facilities, the Group incurred environmental expenses amounting to EUR 90 thousand, mainly for wildlife conservation purposes (EUR 72 thousand in 2023).

Note 27- Greenhouse Gas Emissions Rights

On 27 August 2004 Royal Decree Law 5/2004, which regulates the regime for trading in greenhouse gas emissions rights, was adopted, the objective of which was to assist in complying with the obligations under the Kyoto Protocol Convention.

The Group has not been assigned CO2 emissions and has no expenses arising from the consumption of these rights. The Management of the Audax Renovables Group does not expect that any penalties or contingencies will arise from compliance with the requirements under Law 1/2005.

The wind farm of the Polish company Eólica Postolin Sp. z o.o. was endorsed to obtain Green Certificates. The volume of Green Certificates generated during the year 2024 by the company amounts to EUR 1,068 thousand (EUR 2,813 thousand in 2023).

Note 28 - Subsequent Events

On 10 January 2024 the Group achieved an agreement for the purchase of 75.1% of shares of the company Alcanzia Energía S.L. for the amount of EUR 1; with this acquisition the Group became the sole shareholder of the company. Alcanzia Energía S.L. is a Spanish company engaged mainly in the activity of energy retail. Through this purchase the Group acquired control of the company and from 2025 on will integrate its activities in the consolidated financial statements.

Appendix I: Audax Renovables Group Companies

AUDAX RENOVABLES GROUP COMPANIES AS AT 31 December 2024

a) Shareholdings in subsidiary companies

Audax Renovables, S.A. has a controlling shareholding in the following companies:

				Shareholding	
Company name	**Registered address**	**Country**	**Objects**	**Direct**	**Indirect**
Audax Energia, S.R.L.	Corso Enrico Tazzoli 235, 10137 Torino, Italia	Italy	Retailing	100%	—
Audax Solution, S.R.L.	Via Natale Battaglia 10, 20127 Milano, Italia	Italy	Retailing	—	100%
Audax Energie, Gmbh	Otto Franke Strabe, 97, 12489 Berlin, Germany	Germany	Retailing	100%	—
Audax Renewables Polska Sp z o.o	ul. Żurawia 6/12, 00-503 Warsaw (Poland)	Poland	Retailing	100%	—
Audax Renewables Nederland B.V.	Oplagestraat 1, 1321 NK Almere, The Netherlands	The Netherlands	Retailing	100%	—
Audax Renewables Kft.	Fiastyúk utca 4-8, H-1139 Budapest, Hungary	Hungary	Retailing	100%	—
Audax Gas Trading Kft	Fiastyúk utca 4-8, H-1139 Budapest, Hunagary	Hungary	Retailing	100%	—
Eólica El Pedregoso, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	80%	—
Eólica Del Pino, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	80%	—
Eoliennes De Beausemblant, S.A.S.	1 Côte Lavigne, 64800 Mirepeix, Francia	France	Generation	80%	—
Eólica Postolin Sp. z o.o.	ul. Libelta 2/1, 85-080 Bydgoszcz, Poland	Poland	Generation	100%	—
Audax Solar SPV IV, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV VI, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV VII, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV IX, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV X, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Agrisolar, S.L.U. (formerly Coral Perkins, S.L.U.)	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Farming	100%	—
Aznalcóllar Solar, S.A.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV XV, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	60%	—
Merfonda Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	60%
Sarda Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	60%
ADX Sonne, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Holding	100%	—
Tohora Solar Inversión, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Tarakona Solar Inversión, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Solar Buaya Inversiones, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Zurván Gestión de Proyectos, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Ulises Power, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Zeus Power, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Hera Power, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Juno Power, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Diana Power, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Atlas Power, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Figurafi Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Aquiles Power, S.L.U	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Arianna Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Holding	51%	—
Botey Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Corot Energía, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Las Piedras Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Da Vinci Energía, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Elogia Calañas, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Corinto Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Centauro Energia Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%

				Shareholding	
Company name	**Registered address**	**Country**	**Objects**	**Direct**	**Indirect**
Audax Solar SPV XXIV, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV XXV, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV XXVI, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Green Show, L.D.A.	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	100%	—
ADX Fotovoltaico - Solar Da Luz, L.D.A	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	—	100%
ADX Fotovoltaico - Solar Do Ceu, L.D.A	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	—	100%
Clever Road, L.D.A.	Avda. Das Tulipas, 6, 18º, 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%	—
Eryx Investments 2017, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	100%	—
Unieléctrica Energía, S.A.	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	100%
Fox Energía, S.A.	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	—	89%
Nabalia Energía 2.000, S.A.	Plaça Urquinaona 7, Barcelona (Barcelona)	Spain	Retailing	—	58%
Acsol Energía Global, S.A.	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	63%
Vivo Energía Futura, S.A.	Avda. San Salvador 18, local, Badalona (Barcelona)	Spain	Retailing	—	63%
Iris Energía Eficiente, S.A.	Calle Extremadura 15 Bajo, Orihuela (Alicante)	Spain	Retailing	—	67%
Cima Energía Comercializadora, S.L.	Avenida Portugal, 27 4 º - 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	Avenida do Forte 8, Fracção 1N, 2790-072 Carnaxide, Portugal	Portugal	Retailing	—	58%
ADX Renovables, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	100%
ADS Energy 8.0., S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	100%
Homepower Energy, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	100%
Masqluz 2020, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	75%
Comercializadora ADI España, S.L. (formerly Alset Comercializadora, S.L.U.)	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	75%
Neon Energía Eficiente, S.L (formerly By Energyc Energía Eficiente, S.L.)	Calle Lorenzo Salom, número 6, bajo Valencia (46007),	Spain	Retailing	—	75%
Love Energy, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	75%
Energía Ecológica Económica, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	75%
Pasión Energía, S.L. (formerly Feed Energía, S.L.)	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	75%

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.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXVIII, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXIX, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXX, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXXI, S.L.	Calle de la Electrónica, 19, planta 7C - 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
Alcanzia Energía, S.L	Calle Colón 60, 4º, Valencia	Spain	Retailing	—	25%	Significant influence

AUDAX RENOVABLES GROUP COMPANIES AS AT 31 December 2023

a) Shareholdings in subsidiary companies

– Audax Renovables, S.A. has a controlling shareholding in the following companies:

				Shareholding	
Company name	**Registered address**	**Country**	**Objects**	**Direct**	**Indirect**
Generación Iberia, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	100%	—
Audax Energia, S.R.L.	Corso Enrico Tazzoli 235, 10137 Torino, Italia	Italy	Retailing	100%	—
Audax Solution, S.R.L.	Via Natale Battaglia 10, 20127 Milano, Italia	Italy	Retailing	—	100%
Audax Energie, Gmbh	Otto Franke Strabe, 97, 12489 Berlin, Germany	Germany	Retailing	100%	—
Audax Renewables Polska Sp z o.o	ul. Żurawia 6/12, 00-503 Warsaw (Poland)	Poland	Retailing	100%	—
Audax Renewables Nederland B.V. (formerly Main Energie, B.V.)	Oplagestraat 1, 1321 NK Almere, The Netherlands	The Netherlands	Retailing	100%	—
Audax Renewables Kft.	Fiastyúk utca 4-8, H-1139 Budapest, Hungary	Hungary	Retailing	100%	—
Audax Gas Trading Kft	Fiastyúk utca 4-8, H-1139 Budapest, Hungary	Hungary	Retailing	100%	—
Audax Green USA Inc	2525 Ponce de Leon Blvd., PH 12th Floor, Coral Gables (Florida), USA	USA	Generation	70%	—
Eólica El Pedregoso, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	80%	—
Eólica Del Pino, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	80%	—
Eoliennes De Beausemblant, S.A.S.	1 Côte Lavigne, 64800 Mirepeix, Francia	France	Generation	80%	—
Eólica Postolin Sp. z o.o.	ul. Libelta 2/1, 85-080 Bydgoszcz, Poland	Poland	Generation	100%	—
Audax Solar SPV IV, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV VI, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV VII, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV IX, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV X, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Coral Perkins, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Aznalcóllar Solar, S.A.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV XV, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	60%	—
Merfonda Solar, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	60%
Sarda Solar, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	60%
ADX Sonne, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Holding	100%	—
Tohora Solar Inversión, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Tarakona Solar Inversión, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Solar Buaya Inversiones, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Zurván Gestión de Proyectos, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Ulises Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Zeus Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Hera Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Juno Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Diana Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Atlas Power, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Aquiles Power, S.L.U	Paseo de la Castellana, 140, 7º C – 28046 Madrid	Spain	Generation	100%	—
Arianna Solar, S.L.	C/Temple 25 08911 Badalona (Barcelona)	Spain	Holding	51%	—
Botey Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Corot Energía, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Las Piedras Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Da Vinci Energía, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Elogia Calañas, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Corinto Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%
Centauro Energia Solar, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	51%

				Shareholding	
Company name	**Registered address**	**Country**	**Objects**	**Direct**	**Indirect**
Audax Solar SPV XXIV, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV XXV, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Audax Solar SPV XXVI, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	100%	—
Green Show, L.D.A.	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	95%	5%
ADX Fotovoltaico - Solar Da Luz, L.D.A	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	—	100%
ADX Fotovoltaico - Solar Do Ceu, L.D.A	Avda. Das Tulipas, 6, 18º, Miraflores Office Center. 1495 158 Algés. Portugal	Portugal	Generation	—	100%
Clever Road, L.D.A.	Avda. Das Tulipas, 6, 18º, 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%	—
Eryx Investments 2017, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	100%	—
Unieléctrica Energía, S.A.	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	100%
Explotación Eólica La Pedrera, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	—	100%
Fox Energía, S.A.	Avda. Alcalde Lorenzo Carbonell 18, local, Alicante	Spain	Retailing	—	89%
Nabalia Energía 2.000, S.A.	Plaça Urquinaona 7, Barcelona (Barcelona)	Spain	Retailing	—	58%
Acsol Energía Global, S.A.	Avenida de la Arruzafilla, 14 Córdoba	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 º - 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	Avenida do Forte 8, Fracção 1N, 2790-072 Carnaxide, Portugal	Portugal	Retailing	—	58%
ADX Renovables, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	100%
ADS Energy 8.0., S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	100%
Homepower Energy, S.L.U.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	100%
Masqluz 2020, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	75%
Comercializadora ADI España, S.L. (formerly Alset Comercializadora, S.L.U.)	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	75%
Neon Energía Eficiente, S.L (formerly By Energyc Energía Eficiente, S.L.)	Calle Lorenzo Salom, número 6, bajo Valencia (46007),	Spain	Retailing	—	75%
Love Energy, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	75%
Energía Ecológica Económica, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Retailing	—	75%
Pasión Energía, S.L. (formerly Feed Energía, S.L.)	Avenida de la Arruzafilla, 14 Córdoba	Spain	Retailing	—	75%

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.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXVIII, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXIX, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXX, S.L.	Calle de la Electrónica, 19, planta 7C - Badalona (Barcelona)	Spain	Generation	50%	—	Significant influence
Audax Solar SPV XXXI, S.L.	Calle de la Electrónica, 19, planta 7C - 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 FOR THE YEAR 2024

The following Consolidated Directors' Report for the Year 2024 has been drawn up in accordance with the "Guide for Setting up Listed Companies' Management Reports" issued by the CNMV.

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 Electrónica, 19, planta 7, puerta C, 08915, Badalona (Barcelona).

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, became the majority shareholder 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.

Audax Renovables, S.A. is a holding company, the parent of a group of subsidiary companies, joint ventures and associated companies that are engaged in the generation of electricity from renewable sources and in energy and gas retailing and that make up the Audax Renovables Group (hereinafter: the Audax Renovables Group or the Group).

The Group, chaired by José Elías Navarro, owns a portfolio of wind and photovoltaic projects that are either in operation or under construction and in different stages of development in Spain, Portugal, Italy, France, Poland and Panama, reaching 1.0 GW. Its retail division supplies electricity and gas to 437 clients in Spain, Portugal, Italy, Germany, Poland, the Netherlands and Hungary.

At the close of the current year its market capitalisation exceeds €703 million and has a team of around 800 professionals.

1.1 Organisational structure

The Group manages jointly the businesses of both generating 100% renewable energy and retailing 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/conocenos/organos-de-gobierno/

1.2. Company structure

The majority shareholder of Audax is Eléctrica Nuriel, S.L., which holds 63.41% of the shares, and the rest of shareholders hold 35.97%, while 0.62 % are treasury shares.

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. of shares	% equity
Eléctrica Nuriel, S.L.U.	287,507,823	63.41%
Purchase rights of Eléctrica Nuriel, S.L.U.	34,983,470	7.72%
Global Portfolio Investments, S.L.	31,622,974	6.97%
Excelsior Times, S.L.U.	6,476,401	1.43%
Treasury shares	2,800,000	0.62%
Free Float	90,040,111	19.85%
Total	**453,430,779**	**100.00%**

The information on the companies of the Audax Group as at 31 December 2024 is available in Appendix I to the notes to the consolidated annual accounts.

1.3. Profile and strategy

The Group's strategy in recent years has been centred around the following fundamental pillars:

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 the countries where the group operates.

Moreover, as a response to the events of the recent years, when the energy market was affected by various macroeconomic circumstances, actions have been taken to strengthen the Group's strategy:

1. Improvement of the processes of estimation of future demand and consumption.

2. Implementation of more demanding trade policies in the different geographic regions where the group operates.

3. Improvement of the internal processes, policies and procedures.

4. Diversification of risk (country risk, client risk and commodity risk).

2. Executive summary

Audax consolidates the results obtained throughout this year, confirming the perspectives revealed on previous closing dates, based on an improvement of profitability and increase of income. The Group has obtained a **net income of €63.3 million**, thus establishing a new historic milestone and a solid base for future growth.

KPIs of the period	2024	2023	Var. (%)
REVENUES (EUR M)	1,987.8	2,293.2	-13.3
EBITDA (EUR M)	**115.4**	**96.1**	**20.0**
NET PROFIT (EUR M)	63.3	31.4	101.6
NFD (EUR M)*	222.4	241.3	-7.8
NFD / EBITDA*	1.9x	2.5x	-0.6x
PODS (k)	437	363	20.4
PORTFOLIO (TWh)	16.5	13.2	24.7
SUPPLIED ENERGY (TWh)	15.5	13.8	12.3
INSTALLED CAPACITY (MW)	267	263	1.5
PRODUCTION (GWh)	305.0	279.2	9.3

Excluding the impact of the accounting standard IFRS 16

The following factors have been key in obtaining these results:

- A considerable increase in clients (+20.4%), portfolio (+24.7%) and supplied energy (+12.3%), which contributed to the rise in gross margin of the Group.
- The revenue decreased by 13.3%, mainly due to the fall in the price of energy, in line with the trends of the sector, without affecting correspondingly the reported gross margin, which stays at the same level as in the previous year.
- The EBITDA amounts to €115.4 million (+20.0%) and the net income is of €63.3 million (+102%).
- The reduction of the net financial debt, which has decreased by 7.8% through the reduction of the gross financial debt as well cash generation in the period, thus making it possible to reduce the ratio of the net financial debt against the EBITDA from 2.5x obtained in the previous year to 1.9x at the end of the current year.

The Group continues working towards a sustainable and profitable development through strategic planning of organic and inorganic growth, focusing on the profitability and debt reduction in order to remain committed to the shareholder remuneration.

The historic results obtained this year demonstrate the exceptional performance of all the key areas of the Group. The significant reduction of the debt has strengthened Audax's financial position and

allows to look ahead with confidence. The well-defined strategy and constant commitment to excellence bring confidence that these results will continue improving in the following years, thus consolidating the Group's leadership in the energy sector.

3. Significant events of the period

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

- On 16 January 2024 the Company announced that under the **programme of repurchase of bonds** it carried out transactions between 24 November 2023 and 18 December 2023 in a total number of 60 transactions for the nominal amount of €6 million at 74.5% of their value.

- On 17 January 2024 Audax signed an agreement on repurchase and conversion of convertible bonds with maturity in 2025 with an international institutional investor. This transaction involved the following actions:

    - Audax repurchased 100 bonds for the price of €7,550,000.

    - The institutional investor converted 314 bonds into Company shares of a new issue at the price of €2.389 per share.

      The conversion of the aforementioned 314 bonds involved the issue of a total of 13,139,725 new shares representing 2.984% of the capital and 2.898% of the capital after the increase. Furthermore, and as a consideration for the exercise of the aforementioned right of conversion, the Company paid to the bondholder a conversion premium amounting to €6,888,152, equivalent to the difference between the par value of the converted bonds at the agreed value of €1.28 per share of the Company and 75.5% of the nominal value of the bonds subject to conversion (€23,707,000).

  This transaction allowed Audax to **reduce its gross debt by a total of €41,400,000 and its net financial debt by €26,941,848**.

- On 19 March 2024 the Commercial Register of Barcelona registered the notarised document concerning the **increase of share capital** via conversion of bonds, which was fixed at the amount of €45,343,077.90, divided into 453,430,779 shares of €0.10 of nominal value each, of the same class or series, numbered from 1 to 453,430,779 inclusive, represented by book entries, granting the same rights, and paid in full.

- On 11 April 2024 the resolution of the Board of Directors was published, concerning the execution of a temporary programme of **repurchase of treasury shares**. The programme applies to 2 million shares representing 0.44% of the current share capital and will be carried out for the maximum amount of €4.4 million. On 23 August 2024 the execution of this programme was completed by the acquisition of 100% of the maximum number of shares allocated to the programme (2 million treasury shares) and total cash payment of the amount of €3,741,788.29.

- On 13 May 2024 the rating agency EthiFinance Ratings confirmed the **rating of Audax Renovables, S.A. at "BBB-"**, changing the trend from In Observation to Stable.

- On 26 June 2024 the board of directors of the Company made public its approval of the policy on remuneration for the shareholders amounting to €15 million annually in the form of dividend or any other form in accordance with the applicable legislation for the fiscal years

2024, 2025 and 2026. The policy was approved by the shareholders gathered in the Extraordinary General Meeting of Shareholders on 30 July.

- On 27 September 2024, in accordance with the resolution of the Extraordinary General Meeting of the distribution to shareholders was approved with charge to the share premium account of €0.03328667 gross per share to all the existing and outstanding shares of the Company with the right to obtain the payment of the share premium on 7 October 2024.

- Moreover, on 13 November 2024 the Company informed that the Board of Directors approved the renewal of the programme of repurchase of bonds of the bonds outstanding named *Issue Number 2 of Senior Unsecured Notes of Audax Renovables, S.A. 2020* (ISIN: ES0236463008) with outstanding balance of €294,100 million, allocating a maximum amount of €50 million to that programme.

4. Principal operating figures

The principal figures are as follows:

4.1. Project portfolio

As at the date of this report, the Group owns wind and photovoltaic generation projects located in Spain, France, Poland, Italy, Portugal and Panama.

Audax continues managing its operating projects portfolio and developing its photovoltaic projects located in Spain, Italy and Portugal, the strategic markets of the Group, where it already carries out its retailing activity.

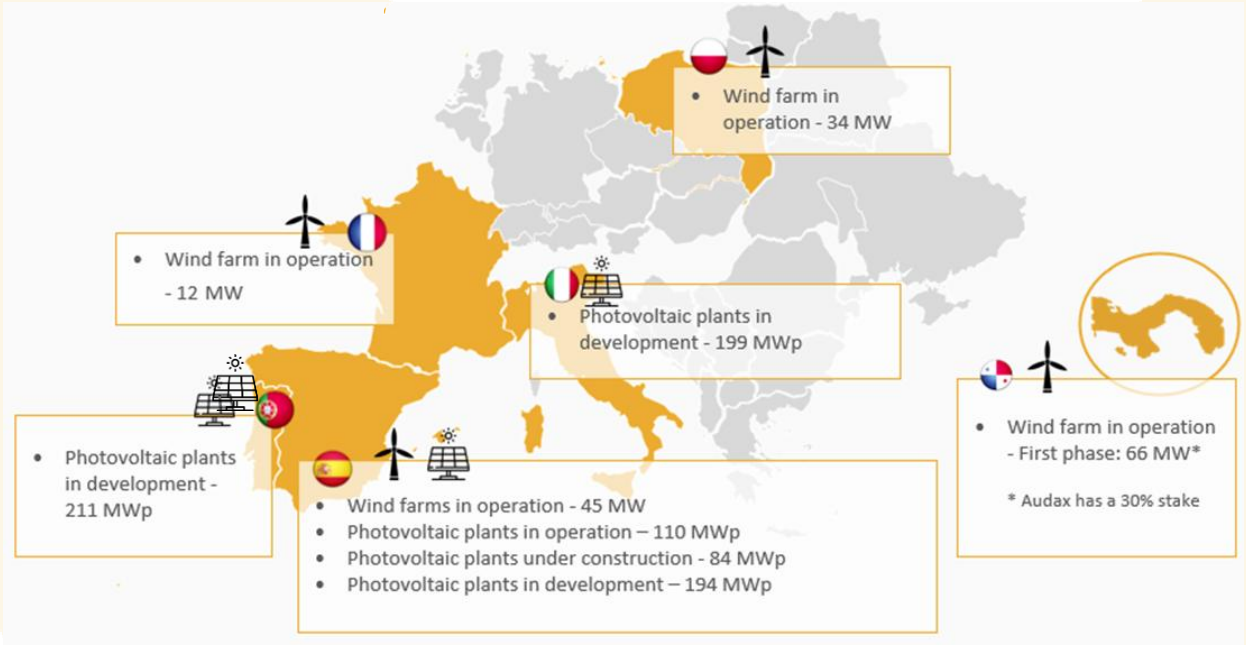
The portfolio involves projects of a capacity of 604 MWp, which are in a very advanced stage of processing, in addition to the 84 MWp, which are under construction, and 267 MWp in operation.

In comparison to the previous closing date, 22 MWp have been transferred from backlog to under construction following the beginning of construction works of the Navalmoral project.

Project stages

MW	Early Stage	Grid Connection	Environmental Approval	Backlog	Under Construction	Operation	Total pipeline	%
Spain	-	-	6	188	84	155	**433**	45.3%
Portugal	-	-	-	211	-	-	**211**	22.1%
Italy	-	170	-	29	-	-	**199**	20.8%
France	-	-	-	-	-	12	**12**	1.3%
Poland	-	-	-	-	-	34	**34**	3.6%
Panama *	-	-	-	-	-	66	**66**	6.9%
TOTAL	**0**	**170**	**6**	**428**	**84**	**267**	**955**	100.0%

* Audax holds a share of 30%



Project portfolio development

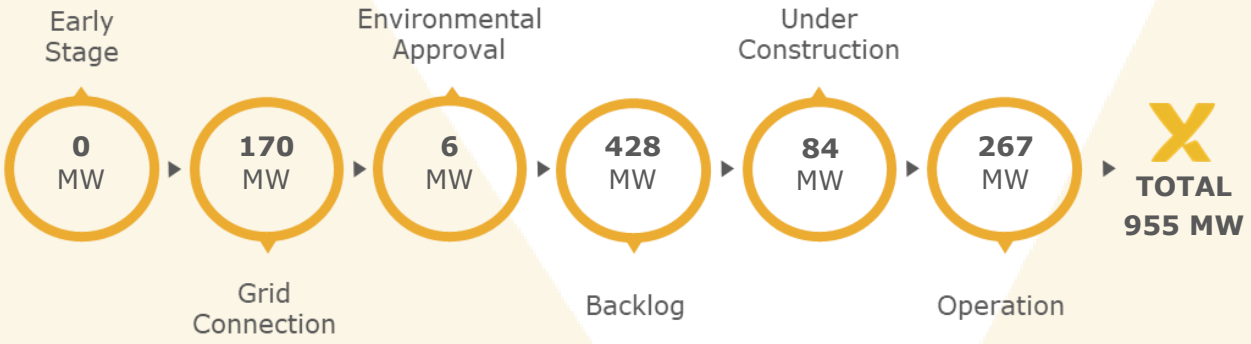
In 2024 construction works were completed in the photovoltaic plants of Cuatro Caminos 1, 2, 3 and 4 in the municipality of Cabanillas del Campo (Guadalajara), of a combined total of 22 MWp. These plants began their production in the summer of 2024.

The construction works of the project El Rebollo in the municipality of Yunquera de Henrares (Guadalajara) of a capacity of 4 MWp are in their final phase.

In the project of Lucero, of 58 MWp, the construction works continued. The position in the Dulcero Substation is practically finished with the arrival of the main transformer. Moreover, the mechanical assembly of the trackers continues as well as the arrival of other main components, such as the central inverters, and the construction works proceed according to the schedule.

In December the construction works began in the projects Navalmoral I, II, III and IV with a total capacity of 22 MWp after the EPC contract has been signed. These four projects are the first generation projects of Audax in Extremadura. The project will comprise approximately 37,400 modules of 585 Wp of single axis solar tracker of Tier-1 category, which will allow to generate 41 GWh/year, corresponding to the energy use of some 12,400 households and approximately 31,300 individuals. The investment in clean energy will allow to avoid the emission of 11,200 tonnes of CO2 per year.

Overall, the Group's CAPEX investment in generation assets accumulated since the year 2020 totalled **€259 million**, thus continuing its commitment to produce energy in own power plants.



Installed capacity and production

The installed capacity by country is as follows:

Installed capacity (MW)	2024	%	2023	%	Var. (%)
Spain	155	58%	151	57%	2.7
France	12	4%	12	5%	0
Poland	34	13%	34	13%	0
Panama *	66	25%	66	25%	0
Total	**267**	**100%**	**263**	**100%**	**1.5**

* Audax holds a 30% stake

Installed capacity increased by 4 MW after the construction of the photovoltaic projects of Cuatro Caminos 1, 2, 3 and 4 was completed in the province of Guadalajara between the end of 2023 and the first quarter of 2024.

The distribution of the production by country is as follows:

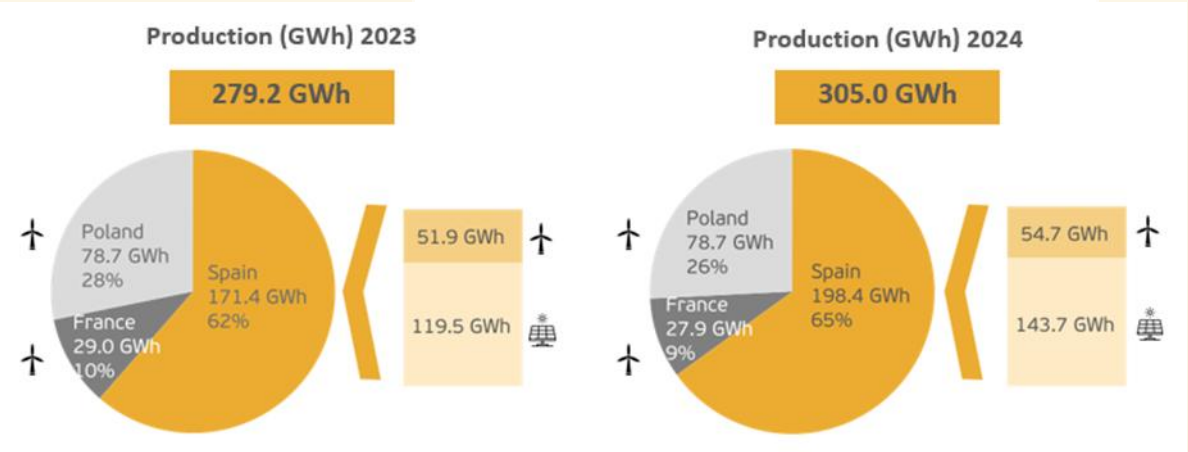
Production (GWh)	2024	%	2023	%	Var. (%)
Spain	198.4	42%	171.4	33%	15.7
France	27.9	6%	29.0	6%	-3.9
Poland	78.7	17%	78.7	15%	0.0
Total	**305.0**		**279.2**		**9.3**
Panama *	165.4	35%	241.7	46%	-31.6
Total with Panama	**470.4**	**100%**	**520.8**	**100%**	**-9.7**

* Audax holds a 30% stake

At a global level, the production in 2024 achieved 305.0 GWh, which means an increase of **9.3%** in comparison to the previous year, mainly due to a greater solar capacity installed.

In Panama the production has decreased from the previous year due to lower wind resource resulting from the "El Niño" phenomenon during the period of the greatest resource.

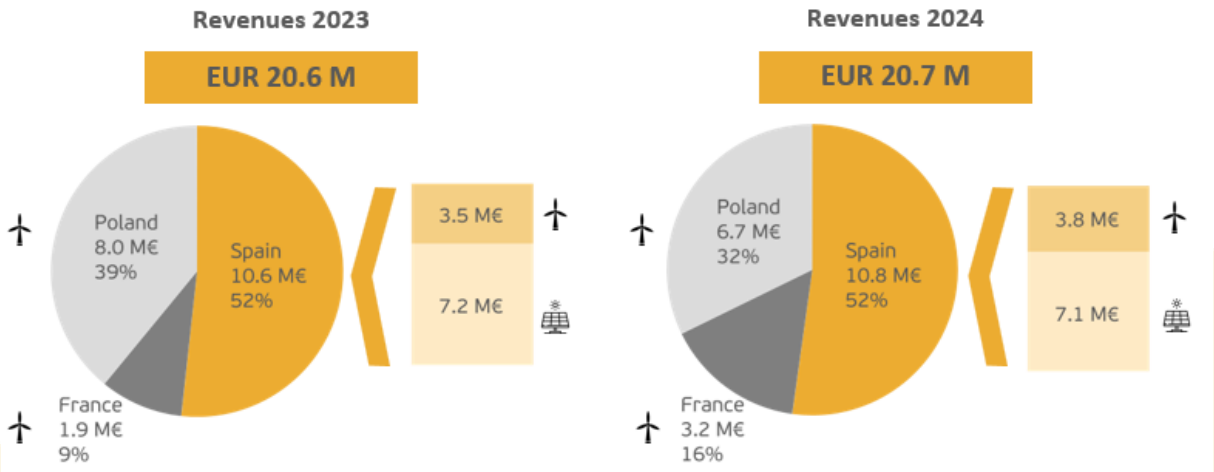
Production by technology



During 2024 the **global production** was of 305.0 GWh, while in 2023 it was of 279.2 GWh, which means an increase of 9.3% in production, without the wind farm in Panama.

Turnover amounted to €20.7 million, meaning 0.9% more than in the same period of the previous year. It is mainly a result of the reduction of the Spanish pool price, which decreased by 28.1% in comparison to the same period of the previous year. It should be noted that approximately 65% of the photovoltaic plants sell energy in a mix of PPA and pool price, a situation which allows to mitigate the impact of the price on the income from the photovoltaic portfolio. Moreover, the **EBITDA** of the generation plants amounted to €14.1 million in 2024, maintaining the same figures as in 2023.

In Poland the turnover was lower than in the same period of the previous year due to the reduction of the price of Green Certificates in the market. In France, on the other hand, the turnover increased by 70.5% after a PPA agreement was signed. Thus **the geographical diversification and the PPAs provide greater stability** of income from energy production.



Wind Farms

The wind farms have produced 161.2 GWh of 100% renewable electricity, which means an increase of 1.0% from the previous year, generating a turnover of €13.7 million, 2.1% more than in 2023.

The **Pedregoso A, B and D** (Spain) wind farms of 45 MW have had good performance in 2024 without significant incidents and with a greater production than in 2023 (+5.4%). However, in addition to the wind resource continuing to be inferior to the historical average, scheduled shutdowns were carried out in periods of very low price in order to reduce the operation and maintenance expenses.

The **Beausemblant** wind farm (France) of 12 MW has had wind resource slightly inferior to the historical average for this period and lower than in the same period of the previous year. Moreover, no technical incidents took place, which would affect the availability of the farm. The income of the plant increased by 70.5% thanks to the remuneration from the PPA, which was significantly higher than in the previous year.

The production of the **Postolin** wind farm (Poland) of 34 MW this year was similar to the historical average, and similar to the previous year. The income decreased in comparison to the same period of the previous year mainly due to a slight reduction of the PPA price for this year and a drop in the price of the Green Certificates, which was around PLN 35/MWh.

The **Toabré** wind farm (Panama) of 66 MW of installed capacity, in which Audax holds a 30% share, has reduced its production due to the "El Niño" phenomenon occurring in the period of maximum resource for the farm, which has a direct impact on the region because of the decrease of the intensity of trade winds.

Photovoltaic Plants

The operating photovoltaic power generation plants of Audax, all of them located in Spain, have produced a total of 143.7 GWh, which is 20.3% more than in the same period of the previous year. The total revenue in this period has been of EUR 7.1 million, in comparison to EUR 7.2 million of the same period of the previous year. This change is due mainly to the decrease of the pool prices at the Spanish pool market (-28.1%) for the part of the production not subject to PPAs with the parent company.

The breakdown is as follows:

- **Province of Guadalajara**: the plants of Cañamares, Alberizas I, II, III and IV, Carolinas I and II, Cuatro Caminos 1, 2, 3 and 4 and La Miranda, of 63.6 MWp of combined installed capacity, during 2024 meet the expectations of their performance ratio, partly thanks to the exceptional production in the months of November and December. The plants generated a total of 75.2 GWh. According to the Group's protocols, preventive maintenance works have been carried out during 2024 in order to prepare the plants to the period of higher solar irradiation, and the results could be seen throughout the year.

- **Province of Toledo**: the plants of Zarzuela I , II, III and IV, Los Arenales and El Toconal, with installed capacity of 30.0 MWp, have been obtaining the performance ratio in accordance with the forecasts and, similarly to Guadalajara, thanks to the exceptional months of November and December. This year the total production was of 43.9 GWh. During this period the relevant maintenance works have been carried out according to the Group's protocols in order to prepare the plant to the period of maximum production.

- **Province of Huelva**: the plant of Calañas with installed capacity of 4.5 MWp produced less than expected, mainly due to a reduction of the production in the last quarter of the year, which was of a more cloudy weather than usual. The final output was the same as the historical average (7.0 GWh).

- **Province of Valladolid**: the plant of Zaratán 1 and 2, of 12.4 MWp, has been fully operative this year with a total production of 17.7 GWh. Similarly to the central region of the Peninsula (Toledo and Guadalajara), the solar irradiance in the months of November and December has been higher than in the previous year.

Progress in construction

El Rebollo 4 MWp (Guadalajara)

The construction of the plant has progressed with the assembling of the single axis structure and panelling. Currently the energisation permits are being requested from the autonomous community authorities and the distribution company.

Lucero 58 MWp (Seville)

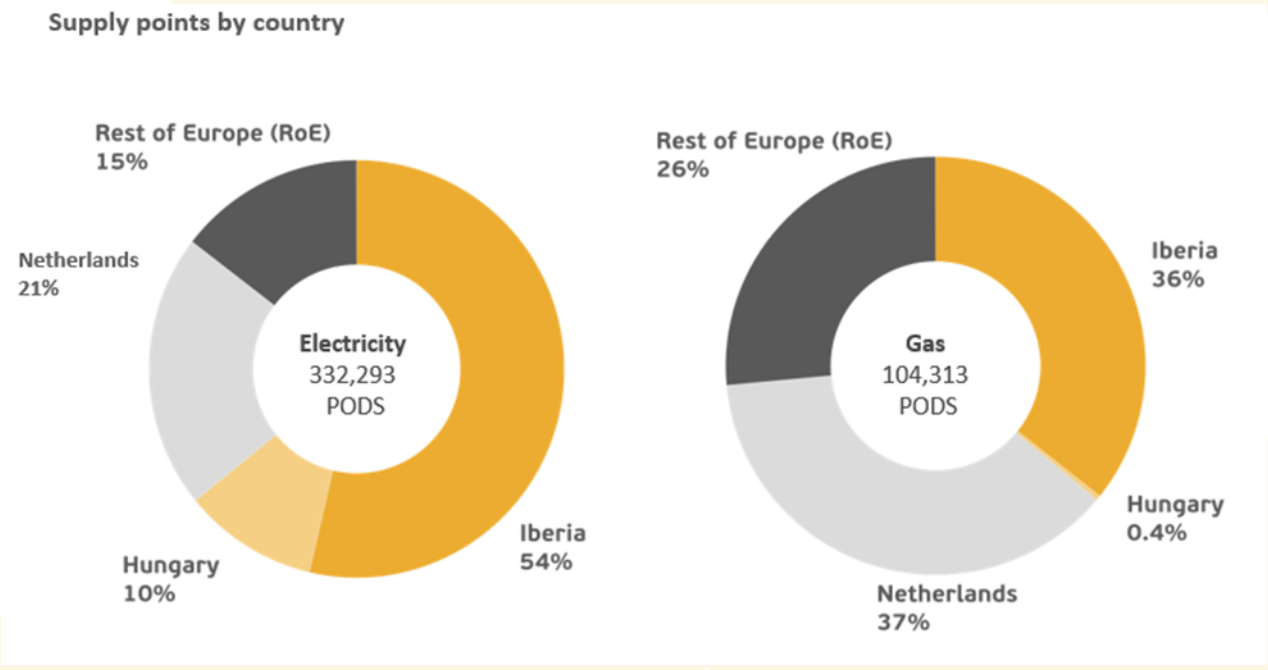
All the surface levelling works have been completed. The trenching has been completed and the works of cable tending have begun. The assembly of the bay in the substation SET Dulcero has been practically completed. The pertinent environmental monitoring of the plant is being carried out and materials for the construction are being received. Moreover, the assembly of the trackers and panels is being carried out.

The works continue according to the schedule developed for the purpose of meeting the administrative milestones.

4.2. Supply points and portfolio

	Supply Points			Portfolio (GWh)		
Country / Item	**2024**	**2023**	**% Var.**	**2024**	**2023**	**% Var.**
Iberia	**215,551**	**198,846**	**8.4**	**3,876**	**3,873**	**0.1**
Electricity	178,299	161,842	10.2	2,923	2,714	7.7
Gas	37,252	37,004	0.7	953	1,159	-17.7
The Netherlands	**109,861**	**82,046**	**33.9**	**6,001**	**3,861**	**55.4**
Electricity	70,797	54,377	30.2	2,809	1,904	47.6
Gas	39,064	27,669	41.2	3,192	1,957	63.1
Hungary	**35,241**	**39,973**	**-11.8**	**5,205**	**4,582**	**13.6**
Electricity	34,859	39,777	-12.4	4,326	4,096	5.6
Gas	382	196	94.9	879	487	80.5
Rest of Europe	**75,953**	**41,852**	**81.5**	**1,389**	**889**	**56.3**
Electricity	48,338	23,163	109	516	439	17.4
Gas	27,615	18,689	47.8	873	449	94.4
TOTAL	**436,606**	**362,717**	**20.4**	**16,471**	**13,204**	**24.7**
Total Electricity	332,293	279,159	19.0	10,574	9,152	15.5
Total Gas	104,313	83,558	24.8	5,897	4,052	45.5

Note: The Rest of Europe (RoE) refers to Italy, Poland and Germany



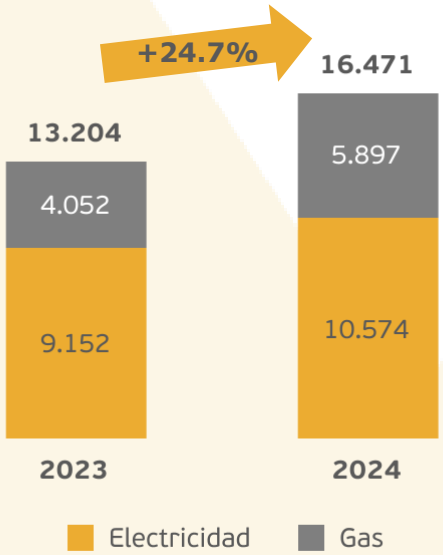
Note: The Rest of Europe (RoE) refers to Italy, Poland and Germany

At the end of the current year the energy portfolio of Audax has increased by 24.7% in volume of energy and by 20.4% in supply points in comparison to the same period of the previous year.

As analysed by type of commodity (electricity and gas), the electricity portfolio has increased by 15.5% in volume of energy and by 19.0% in supply points. The portfolio of gas in turn increased by 45.5% in volume and by 24.8% in supply points.

This increase of portfolio has been observed in all the geographical regions and in all the commodities, thus consolidating the growth path initiated in previous years, maintaining the profitability and minimising the risk.

Development of the energy portfolio (GWh)

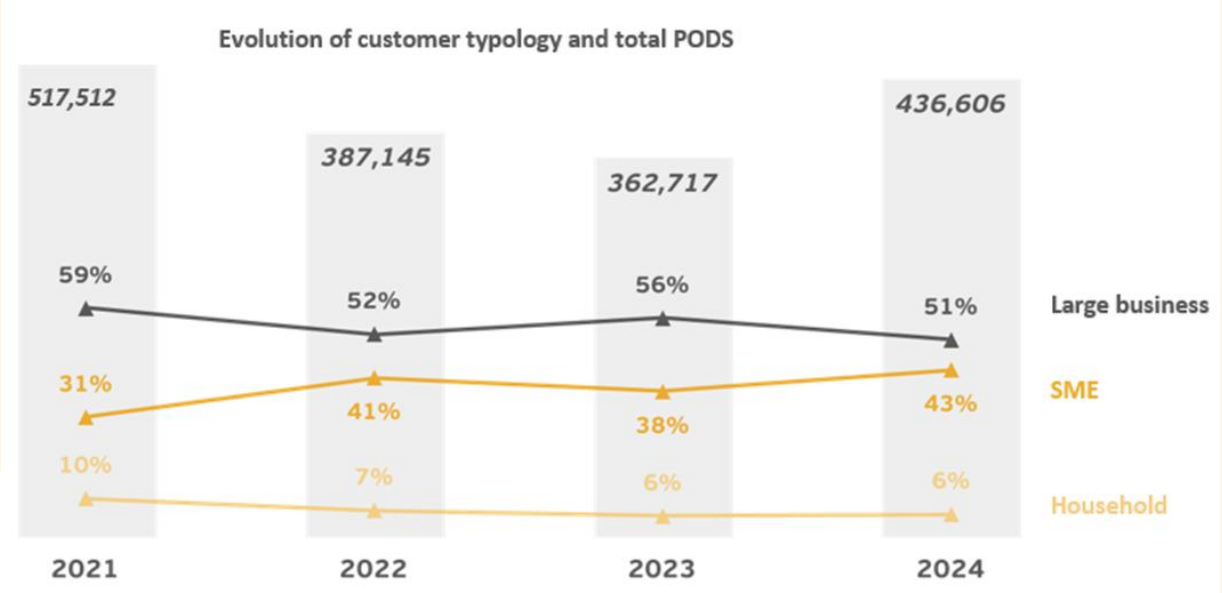


The **energy portfolio**, which corresponds to the estimated annual consumption of the retail clients is currently of **16.5 TWh**. The main driver of growth has been the excellent performance of the Dutch subsidiary, which incremented its electricity and gas portfolio by 55.4%, as well as the growth of the "Rest of Europe", which increased by 56.3% thus allowing the Group to gradually reduce the geographical risk.

The significant increase of the gas portfolio modified the mix between the two commodities placing it at 64% of electricity and 36% of gas, in comparison to the 69% and 31% respectively at the end of the previous year. This increase of portion of the gas portfolio confirms the commitment of Audax to diversify its portfolio of clients between both commodities in order to reduce the associated risk. Comparatively, with regard to the distribution of the supply points, electricity supply points constitute 76% of the total number, and gas supply points constitute the remaining 24%.

In line with its policy of **risk mitigation**, Audax maintains its strategy of **geographical diversification**. The most important markets by portfolio volume are the Netherlands, Hungary and Iberia.

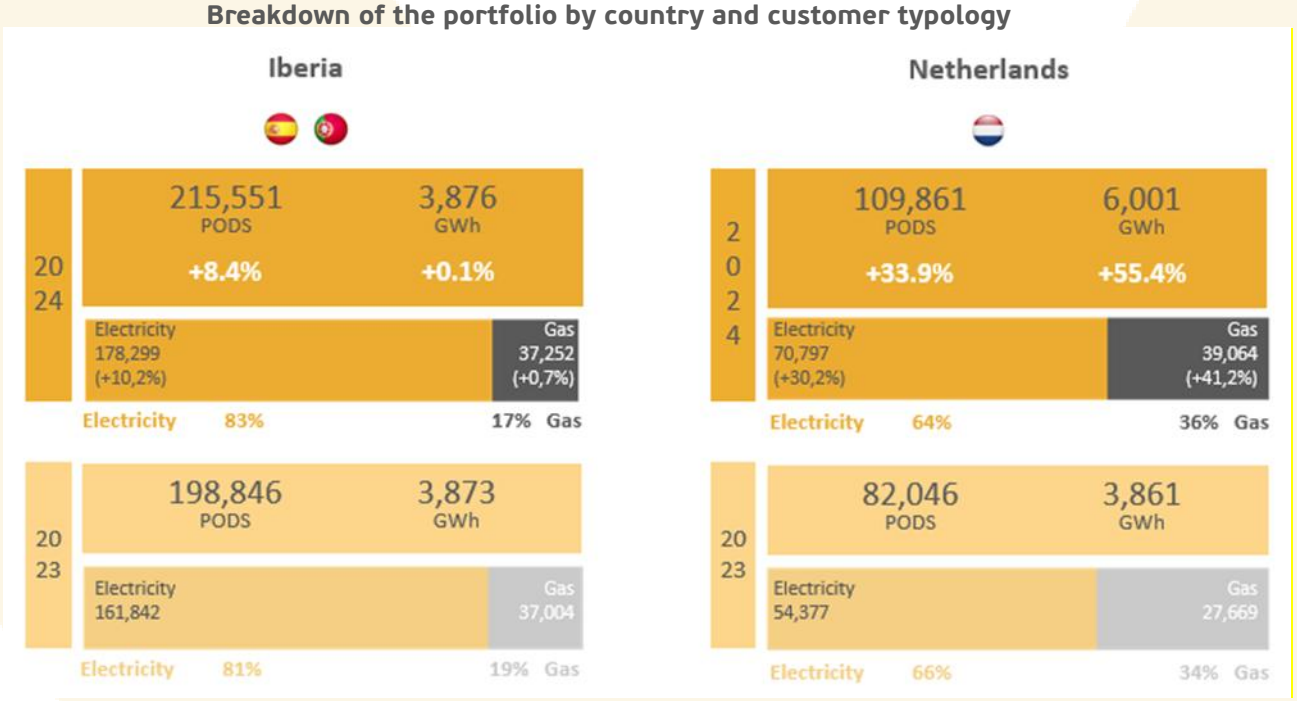
As a result of the risk mitigation strategies implemented by the Group, the volume of energy by each supply point has increased by 8.2% in comparison with 2021, from the average of 27.5 MWh / year / CUPS to the current 37.7% / year / CUPS. This increase demonstrates the clear focus of Audax on the industrial segment, mainly small and medium enterprises (SME), which represent a greater volume of energy by each unit of supply points.

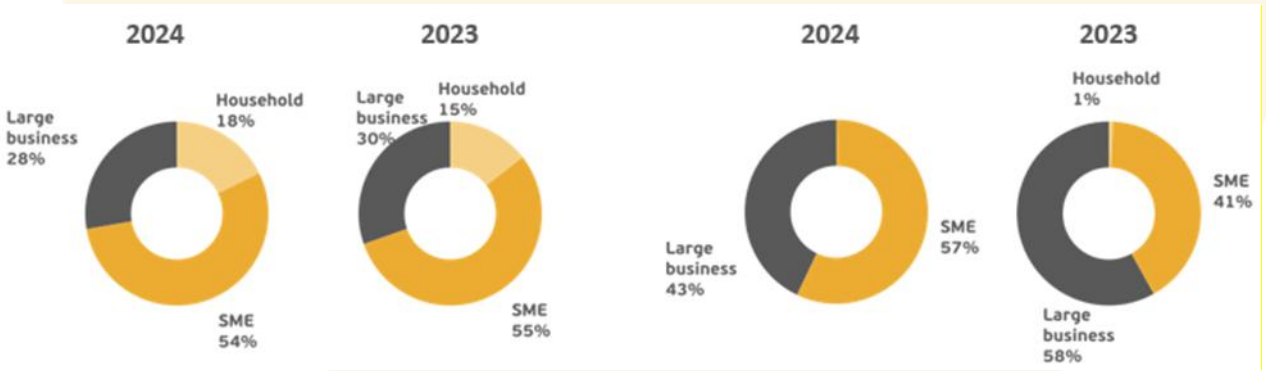


The mix of portfolio by client segment shows the clear strategy of the Group to focus on the corporate client segment. With the **industry sector** (SME + Large customer) occupying a solid 94%, the commitment to the key industry and diversification of clients is evident. Moreover, there has been a decrease of participation of the household segment, which dropped from 10.0% to 6.0% in comparison to 2021, as it is currently not within the strategic focus of the Company.

In this context, the predominance of the industry sector strengthens the strategy of the Group focused on maximising the profitability and mitigating the risks. This distribution emphasises the pursuit of the best relation among the volume of energy supplied, the financial stability and the associated risks, thus evincing a clear commitment to the sustainable growth and operational excellence in strategic markets.

Breakdown of the portfolio by country and customer typology





The set of Iberia achieved 216 thousand clients in 2024, which means an increase of 8.4% from the same period of the previous year. This global growth of supply points is the result of an increase of the number of clients in both commodities - of 10.2% in electricity and of 0.7% in gas.

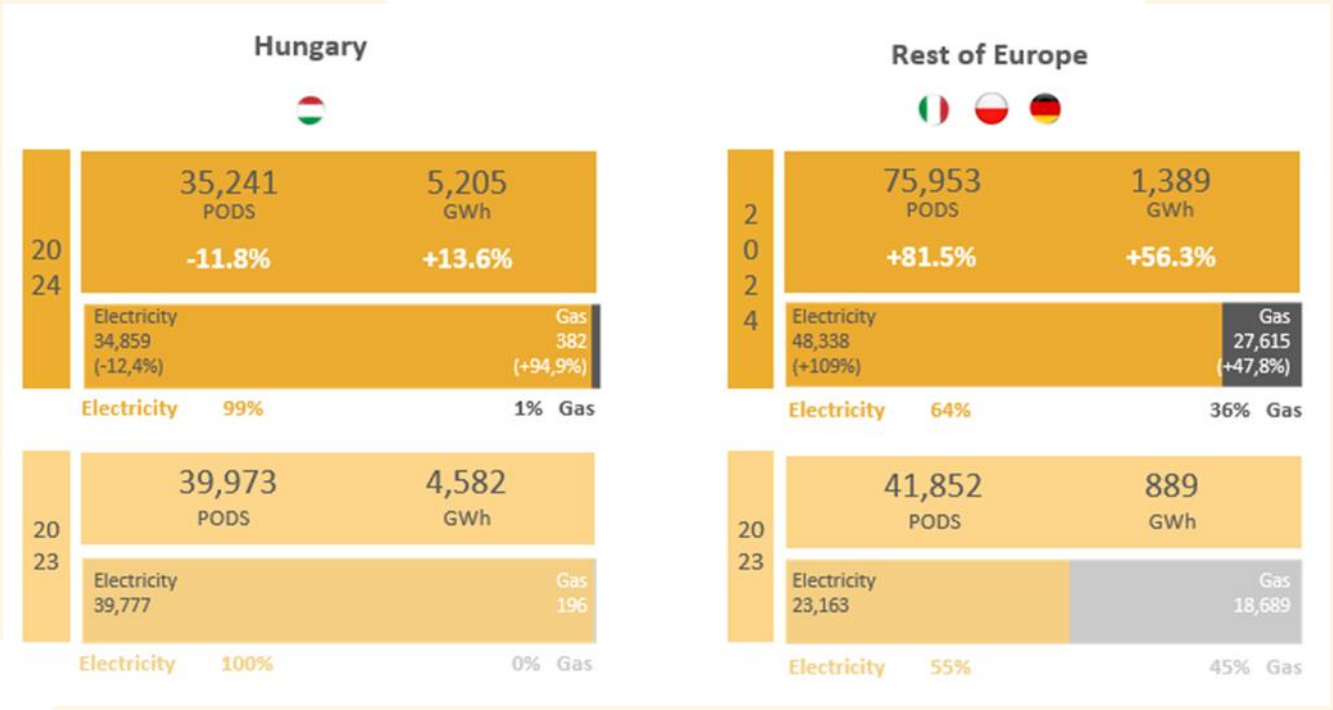
The volume of the energy portfolio is of 3.9 TWh, 0.1% more than in the same period of the previous year.

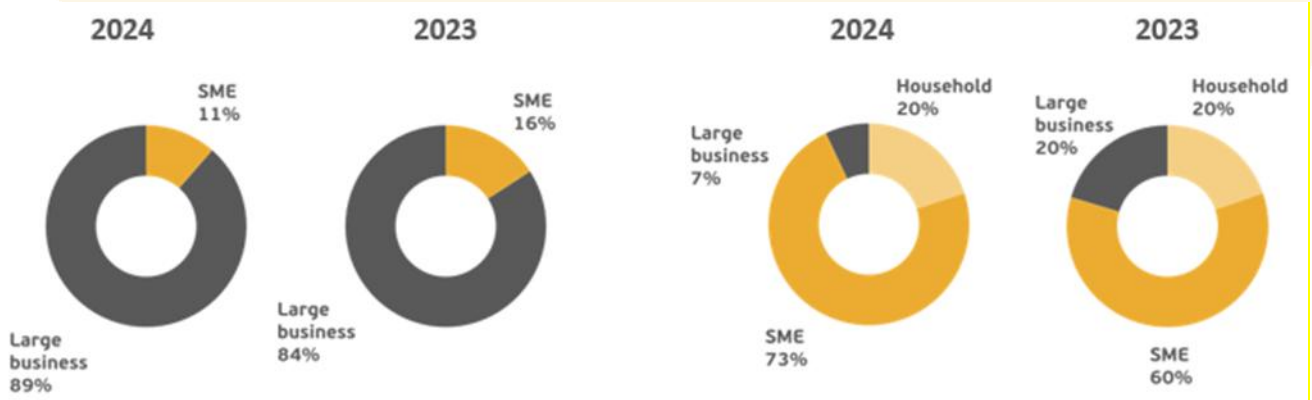
The Iberian market continues showing a clear predominance of the industrial sector in its client portfolio, where it occupies 82%, while 18% corresponds to the segment of household client.

In 2024 The Netherlands closes the year with 110 thousand clients and a volume of energy portfolio of 6.0 TWh, which means an increase of 33.9% and 55.4% respectively from the previous year.

With regard to the type of client, The Netherlands directs its attention to the industrial client, leaving entirely the domestic segment, which currently is not within the focus of the company.

Moreover, with regard to the breakdown of clients by type of supply, 86% of the portfolio operates at fixed price, while the remaining 14% is based on indexed prices, in line with the characteristics of the country.





In Hungary the client portfolio has been of 35 thousand supply points and the energy portfolio exceeds 5.2 TWh.

Hungary, which entered the gas market in October 2022, has continued committed to this commodity, increasing the total portfolio of gas clients by 94.9%, despite having reduced the portfolio of electricity clients due to the change of focus of the business efforts to the more profitable client.

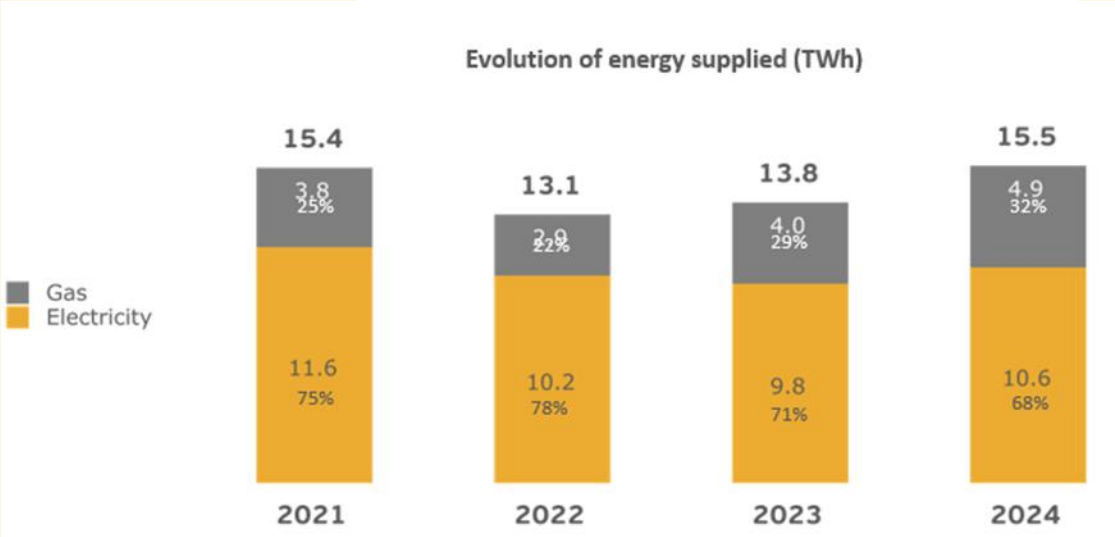
With regard to client segments in the energy portfolio, the country continues showing clear interest in the industrial sector, where 89% represents Large clients and 11% the SME sector.

In the group of countries in the Rest of Europe, which includes Italy, Germany and Poland, Audax has observed a considerable increase of 81.5% of supply points and a 56.3% increase of portfolio.

This increase demonstrates the success of the Group's strategy in these markets. Moreover, significant efforts have been made to increase the participation in the corporate client segment.

In 2024 the portfolio of these countries was of 1,389 GWh, in comparison to 889 GWh of the previous year. The progress is the result of the expansion in electricity supply points, with an increase of 109%, and gas supply points, which increased by 47.8%, thus consolidating the

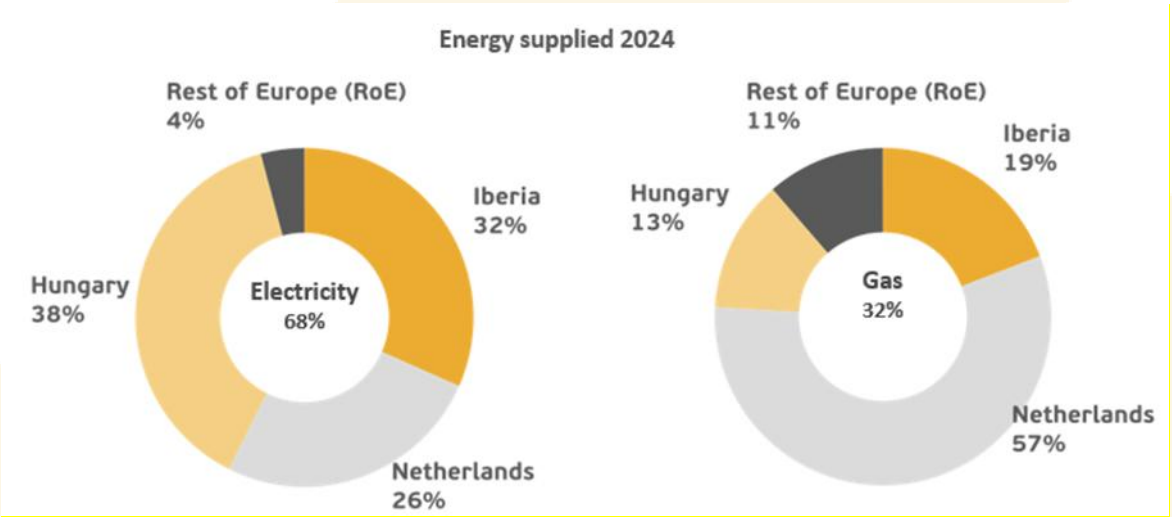
4.3. Supplied energy



The total amount of energy supplied by Audax in the year 2024 is of 15.5 TWh, an increase of 12.3% compared to 13.8 TWh of the previous year. The portfolio optimisation strategies have allowed to increase the volume of energy supplied as well as the EBITDA of the Group, which rose by 20.0%. The electricity represents 68% (10.6 TWh) and the gas represents 32% (4.9 TWh) of the total energy supplied, in comparison to 71% (9.8 TWh) and 29% (4.0 TWh) of the previous year.

The focus on the industrial segment and the increase of the SME segment were the factors, which boosted the volume of supplied energy, in line with the strategic objectives of the Company.

In comparison, the macroeconomic growth of global consumption of energy in the countries where the Group operates (Spain, Italy, Portugal, Germany, Poland, Hungary and The Netherlands) has been of 3.03%* in 2024 from 2023. Audax has achieved an outstanding performance, with a growth of 8.0% in electricity and of 22.8% in gas. These results highlight Audax's ability to exceed the average growth of the market and consolidate its position in the energy sector.



Hungary is the main electricity market of the Group, while The Netherlands leads in the gas supply. The Iberian market represents 32% in electricity supply and 19% in the supply of gas. The rest of

Europe, comprised of Italy, Germany and Poland, represents 4% and 11% of the electricity and gas markets respectively.

5. Financial figures

The most significant figures for the year 2024 in comparison to 2023 are as follows:

Consolidated Income Statement	2024	2023	Var. (%)
Revenues	1,987,774	2,293,155	-13.3
Gross margin	235.694	236.3	-0.3
EBITDA	**115.397**	**96.132**	**20.0**
EBIT	93.581	75.127	24.6
Net profit / loss	**63.253**	**31.38**	**102**
Net profit / loss attributable to parent company	60.562	29.03	109
Net profit / loss attributable to minority interests	2.691	2.35	14.5

EUR thousand

The operating **income** decreased by 13.3% in this period, mainly due to a reduction of the cost of commodities in the wholesale markets where the Group operates in comparison to the same period of the previous year. However, thanks to the increase of the energy supplied by the Group (+12.3%) and the strategy of price fixing, the operating income amounted to €2 million. The **gross margin** has maintain similar levels to the previous period (-0.3%) and amounted to €235.7 million.

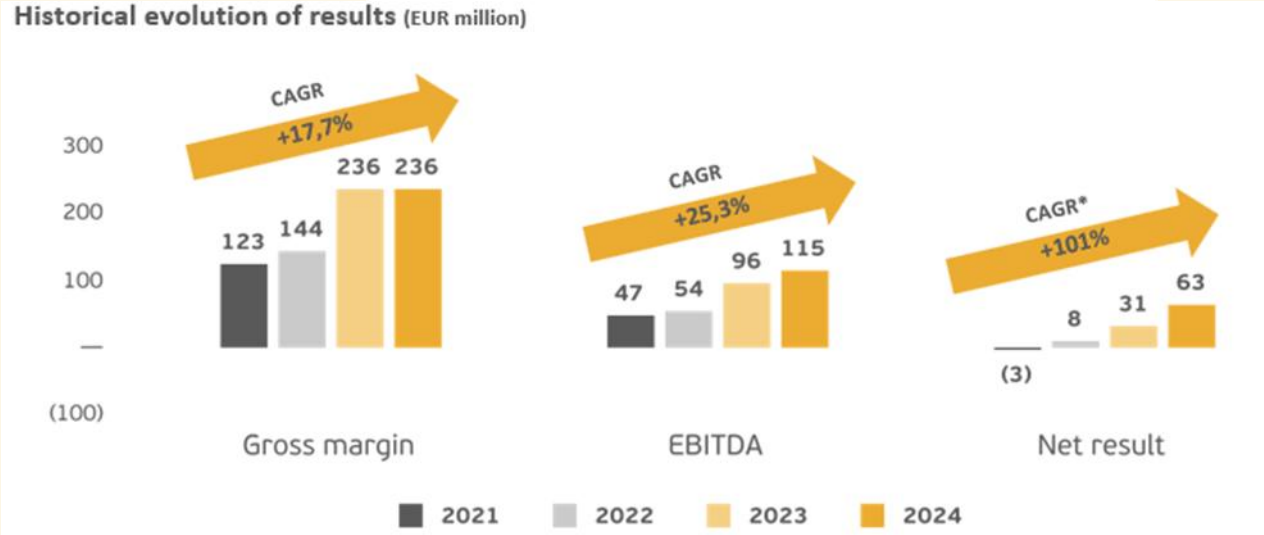
The **EBITDA** reached **€115.4 million** in 2024, which means an increase of 20.0%. This increase confirms the positive impact of the strategic decisions adopted in previous years, both in terms of margin guarantee and in reduction of operating expenses.

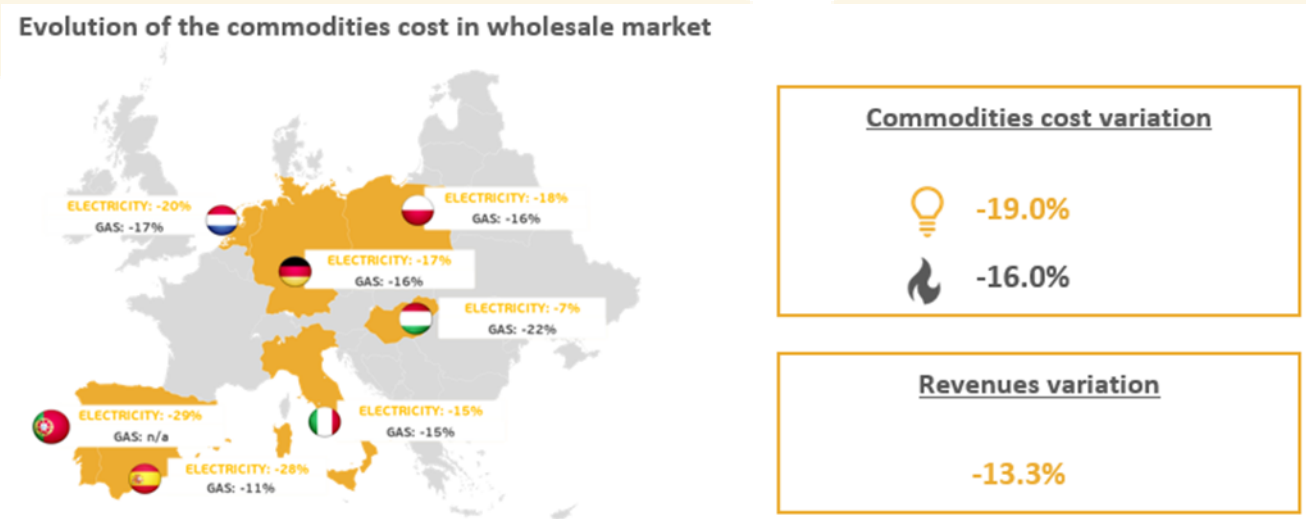
The **financial income** of Audax amounts to €-3.5 million, which means an improvement of €27.4 million in comparison to the previous year (€-30.9 million). This is mainly due to the exchange rate differences of €+9.1 million, while in 2024 this figure was €-4.1 million. Moreover, the transaction of repurchase and conversion of bonds carried out in January has had an impact of €+10.2 million on the financial income/expense for the year.

On the other hand, **the corporate income tax** has increased significantly by €12 million. Such increase is the result of the increase of profit before tax, thus demonstrating a higher profitability and a more solid financial performance of the Group.

Thanks to the improvement of the EBITDA and the financial income/expense, together with a significant progress in the results of international operations, the consolidated **net profit or loss** for the year has reached **€63.3 million,** compared to €31.4 million for the same period of the previous year.

In conclusion, the results obtained in 2024 reflect a marked improvement in comparison to the previous year, thus consolidating the growth and stability of the Group's operations. The significant increase achieved of the EBITDA and net profit or loss demonstrates the effective implementation of the strategic and operational decisions. These positive results highlight the Group's ability to continue generating value in the future.





The general reduction of cost of commodities in the wholesale markets where the Group operates (-19.0% in electricity and -16.0% in gas) has entailed a reduction of the operating income of the Group. However, this reduction (-13.3%) has been lower than the reduction of the cost of commodities.

In the retail branch, the **gross margin is measured in units of €/MWh of the energy supplied**. This implies that the change in the cost of energy does not have any direct impact on the gross margin of the Group, which is the result of the sum of the cost of commodity and margin unit.

On the other hand, in the generation branch a reduction of the energy price entails a proportional decrease of the gross margin, which the Group mitigates thanks to the vertical integration and the PPA agreements between energy generation and retail.

*Calculated between 2022-2024

5.1. Analysis of the EBITDA by geographic region

Iberia

The reduction of cost of commodities, in the first half of the year in particular, has implied a reduction of revenue and an adjustment of the gross margin due to the exceptional wholesale market transactions of the previous year.

With focus on profitability, the company has established strategies and measures to optimise the structural cost, improving the operational efficiency and strengthening its position in the market. These measures reflect an improvement of the EBITDA of +14.3%, reaching €32.0 million.

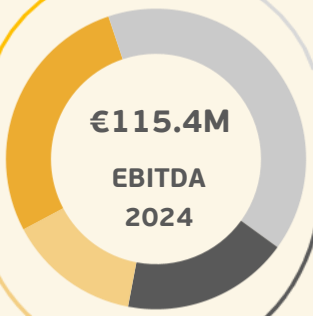
Iberia (€M)	2024	2023	%
Revenue	672.3	733.9	-8.4
Gross margin	88.9	102.0	-12.8
EBITDA	32.0	28.0	14.3

The Netherlands

Audax Netherlands has achieved an increase of its market share thanks to its good marketing strategy in a very competitive market, and increased its client portfolio by 55.4% reaching 110 supply points during this year.

The gross margin has increased by 7.4%, growing from €58.1 million to €62.4 million and has generated an EBITDA of €46.3 million (+6.4%).

The Netherlands (€M)	2024	2023	%
Revenue	574.0	570.5	0.6
Gross margin	62.4	58.1	7.4
EBITDA	46.3	43.5	6.4



Hungary

Hungary (€M)	2024	2023	%
Revenue	558.1	796.7	-29.9
Gross margin	39.8	41.3	-3.6
EBITDA	16.4	18.4	-10.9

The position of the portfolio has been stable from the previous year, thus allowing to maintain its market share. However, the decrease of the market cost has entailed a reduction of revenue and affected the possibility to maintain the unit margins, which were reduced.

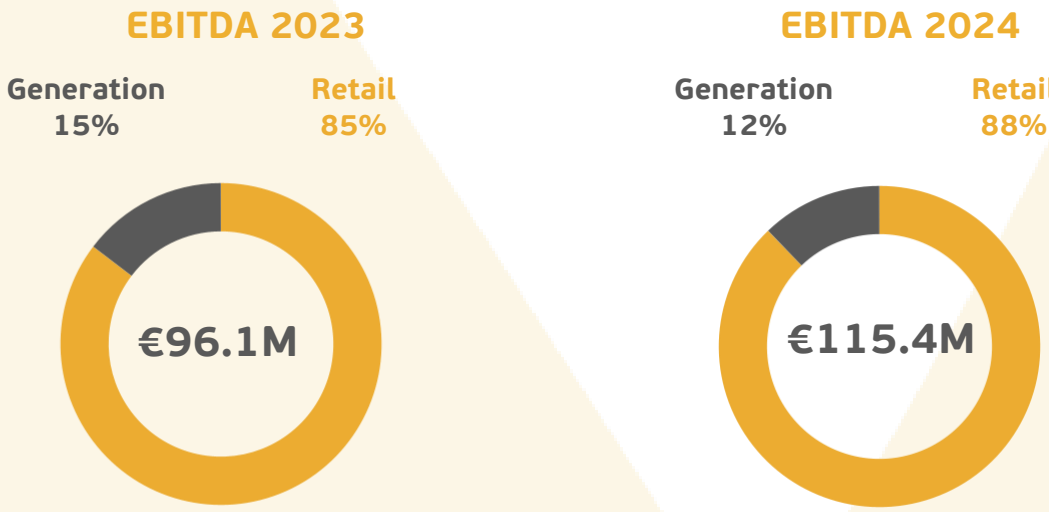
Moreover, the EBITDA of the country has decreased due to the accumulated negative impact of the inflation on the operating expenses and the increase of tax rates.

Rest of Europe (RoE)

Rest of Europe (€M)	2024	2023	%
Revenue	183.3	192.1	-4.6
Gross margin	44.6	34.9	27.8
EBITDA	20.7	6.3	229

In the retail segment of the Rest of Europe Italy stands out by having trebled its EBITDA in comparison to the previous year. Poland and Germany have managed to recover their operations in the last quarter, thus establishing good bases for growth in the next year.

Moreover, Poland and France in the generation segment have maintained stable their contributions from the previous year, confirming the consistency of their results.



In 2024 the **EBITDA** amounted to **€115.4 million**, meaning 20.0% more than in the same period of the previous year. Although the generation branch has undergone a reduction of its relative weight in the total EBITDA of the Group from 15% to 12%, this circumstance reflects diversification and strengthening of other business areas.

Audax, committed to the generation of 100% renewable energy and a **vertically integrated** business model, has continued investing and financing its current projects. This strategy allows the Company to stay competitive and resilient, even in the context of reduced prices in the electricity market, which decreased by an average of 19.0% in 2024.

The energy generated in Spain has increased by 15.7% compared to 2023, which demonstrates the efficiency and production capacity of Audax. The vertical integration and the policy of continuing investment in renewable energy ensure that the Group can adapt and prosper in a constantly changing market, despite the reduction of prices.

With the energy supply of **15.5** TWh in this period (+12.3% more than in the same period of the previous year), the unit EBITDA from energy supply amounts to €7.4/MWh, in comparison to €7.0/MWh in 2023, thus demonstrating an improvement of the global profitability of the Company.

5.2. Liquidity and Capital Resources

5.2.1. Leverage

Net Financial Debt	Dec-2024	Dec-2023	% Dec-24 vs. Dec -23
Gross Financial Debt (1)	576,881	582,774	-1.0
Other financial liabilities	23,227	22,845	1.7
Assets and liabilities arising from derivatives	-4,892	-11,696	-58.2
Cash and other cash equivalents	-350,181	-331,671	5.6
Net Financial Debt (2)	**245,035**	**262,252**	**-6.6**
Net Equity(3)	223,945	173,252	29.3
Leverage (4)	**52.2%**	**60.2%**	**-13.2**

(EUR thousands)

(1) Gross 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 **gross financial debt** amounts to €573.9 million, 1.0% less than in the same period of the previous year mainly due to the reduction of the debt from bonds and loans from credit institutions.

The amount of €350.2 million of **cash and other cash equivalents** reaffirms the Group's ability to continue generating cash and allocating it to the growth of the retail business, the investment in 100% renewable energy generation assets and the debt reduction.

The **net financial debt** amounts to €245.0 million, compared to €262.3 million as at December 2023, thus the financial debt being reduced by €17.2 million (6.6%).

The application of the profit and loss for the year together with the increase of share capital due to the amortisation of 314 convertible bonds with maturity in 2025 and the distribution with charge to the premium account contribute to the increase of the Company's net equity up to €223.9 million, thus strengthening the financial situation of Audax.

Consequently, **Audax's leverage decreases to 52.2%**, compared to 60.2% at the end of the previous year. Without considering the accounting effect of IFRS 16 the leverage in both periods would be of 49.8% and 58.2%.

The account of **other financial liabilities** includes €22,679 thousand in December 2024 and €20,988 thousand in December 2023 resulting from the application of **IFRS 16** standard related to the accounting treatment of financial leases. The **net financial debt excluding the effect of the aforementioned standard** would be of €222,356 thousand and €241,264 thousand at the close of 2024 and 2023 respectively, the difference being of 7.8%.

5.2.2. Financial Debt structure

The following table shows changes in the **gross financial debt** structure:

Gross Financial Debt structure	Dec-2024	Dec-2023	% Dec-24 vs. Dec -23
Bonds	355,489	395,172	-10.0
Promissory notes	125,895	112,132	12.3
Loans	32,116	49,653	-35.3
Project Finance	63,375	25,429	149
Lines of credit and others	6	388	-98.5
Total Gross Financial Debt	**576,881**	**582,774**	**-1.0**

(EUR thousands)

The **gross financial debt** structure has changed according to the strategic objective of Audax to reduce the overall debt and in particular to **reduce the debt with recourse to the parent company**. In this context the financing in bonds, promissory notes and loans has decreased by €43.5 million, while the debt of Project Finance (debt without recourse to the parent company) related directly to the financing of assets of renewable energy generation increased by €37.9 million.

The current structure of bonds issued by Audax is comprised of convertible bond with maturity in November 2025 (ISIN: XS2263652815) and senior bond with maturity in December 2027 (ISIN: ES0236463008).

During the year 2024 Audax proceeded to the settlement of 414 convertible bonds, 314 of which were repaid through the conversion into shares, as indicated in section "Important events". The current balance of outstanding convertible bonds amounts to **€83.6 million**.

Moreover, the renewal of the annual programme of repurchase of bonds should be noted, announced on 13 November 2024, of a maximum value of €50 million to be carried out against the senior bond. The outstanding balance of this issue amounts currently to **€294.1 million**. Audax has repurchased a total of 239 bonds for the amount of €23.9 million, of which only €5.9 million was finally repaid, and the remaining €17.1 million remains in the portfolio.

In December 2023 a finance agreement was signed for the amount of **€66 million**, without recourse to the parent company, through the **European Investment Bank**, for the purpose of developing a solar project portfolio of 141 MWp. At the end of 2024 the amount of €48.4 million was drawn up, recovering a part of the cash allocated in 2022 and 2023 to the construction of the photovoltaic plants.

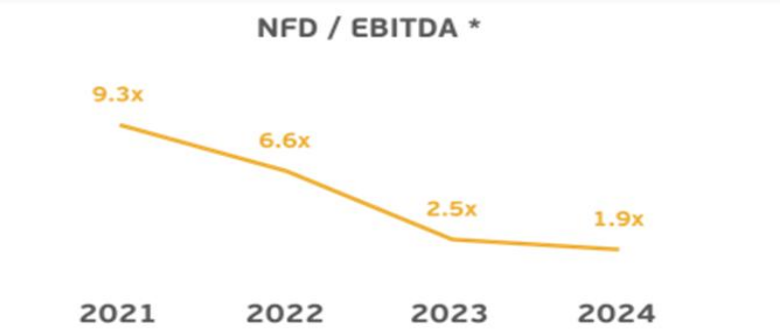
It should be noted that 85% of the Group's debt is negotiated at fixed interest rate, thus mitigating the risk of volatility of the interest rates affecting Audax's financial results.

Thanks to its excellent performance, the Group maintains a **solid financial position**, which allows it to follow its roadmap with regard to the development of its photovoltaic project portfolio, organic growth and to continue progressively to **reduce its debt**.

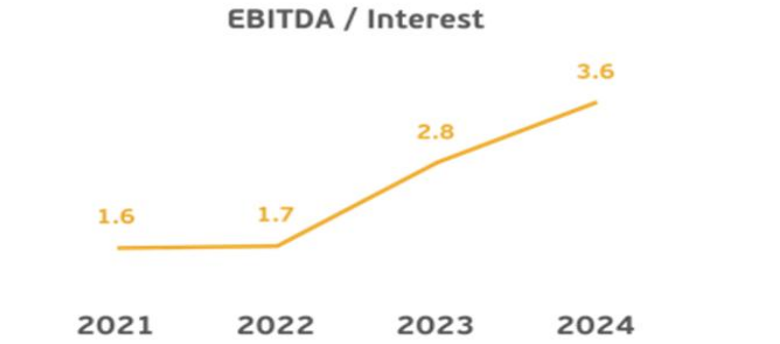
5.2.3. Changes of the main ratios

Audax continues reducing its NFD / EBITDA ratio this year, reducing its net financial debt and increasing its EBITDA, thus demonstrating its focus on the reduction of this ratio and its priority within the Group.

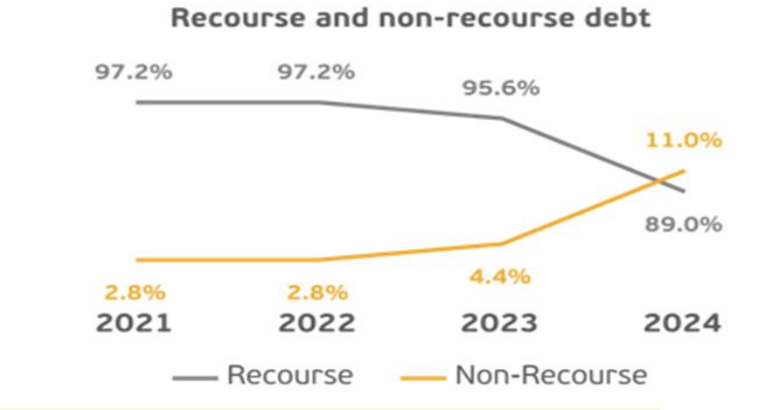
Likewise, the ratio EBITDA / Interest (what amount of consolidated financial expenses is covered by the EBITDA) is also a ratio that shows Audax's focus on the reduction of its financial expenses.



The ratio NFD / EBITDA * has decreased since 2021 and now is of **1.9x**. The changes of this ratio reflect the strategies of the Group in the area of restructuring the terms and reducing the debt, together with the growth of the EBITDA.



The generation of EBITDA in recent periods and, consequently, the generation of cash, has meant that, together with the reduction of the financial charge sustained, this ratio is showing a clear positive

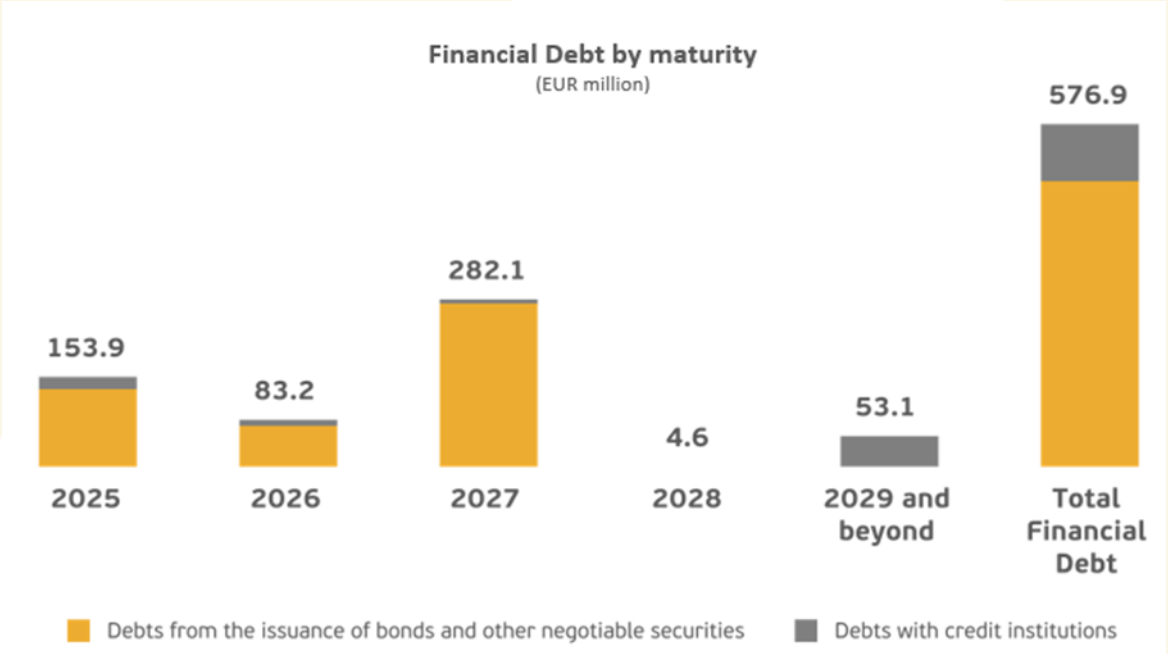


The **financial debt with and without recourse** (considering only as without recourse the debt linked to the financing of the renewable generation projects) has been gradually changing since 2021, the debt without recourse increasing (€63.4M) over the debt with recourse (€513.5M).

*DFN / EBITDA: ratio calculated excluding the impact of the application of IFRS 16 standard on financial lease in all periods. For the year 2024 the impact of the NFD is of €-22,378 thousand and on the EBITDA is of €-1,136 thousand.

5.2.4. Financial debt by maturity dates

The financial debt by maturity is set forth below. Only 26.7% of the total matures in 2025 (€153.9M) and is clearly lower than the €228.8M that the Group has in cash and equivalents at the end of the year. This working capital position (cash and the rest of short-term financial assets, €121.4M) and the forecasts of cash generation in the following years make it possible to securely tackle the maturities of the next years.



The current strategy in management of the financial debt of Audax is oriented to strengthen and optimise its financial structure by diversifying its finance sources with regard to instruments as well as geographic areas.

This plan is perfectly aligned with the commitments to financial soundness, creation of value and long-term sustainability.

In order to optimise the debt profile, the Group centres its efforts on optimising the cost of capital, on an accurate distribution of the maturities of the debt and on mitigating the risks.

Audax keeps monitoring continually the macroeconomic environment and the dynamics of the capital market in order to ensure informed decision-making and effective implementation of its financial strategy.

See Note 14 to the financial statements about Financial Liabilities for more detailed information.

5.2.5. Rating management

On 13 May 2024 the rating agency ETHIFINANCE RATINGS, formerly AXESOR, confirmed the rating of Audax Renovables, S.A. at "BBB-".

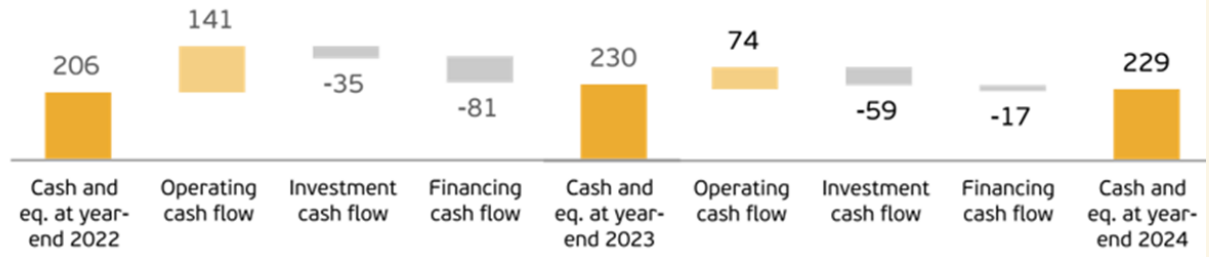
EthiFinance Ratings

BBB- ISSUER RATING Long-term Rating

Note: indicated maturity years correspond to calendar years

5.3. Cash Flow Statement

The evolution of the cash flow statement over the last two years has been the following:



Consolidated Cash Flow Statement	2024	2023	Var.	Var. (%)
Profit (loss) for the year before tax	**88,950**	**45,024**	**43,926**	**97.6%**
Cash flows from operating activities				
Adjustments to results	26,838	91,323	-64,485	-70.6%
Changes in working capital	5,273	47,406	-42,133	-88.9%
Other cash flows from operating activities	-46,867	-43,238	-3,629	8.4%
Cash flows from operating activities	**74,194**	**140,515**	**-66,321**	**-47.2%**
Cash flows from investment activities				
Payments of investments	-170,835	-91,348	-79,487	87.0%
Collection on divestments	111,914	56,410	55,504	98.4%
Business unit	0	3	-3	-100%
Cash flows from investment activities	**-58,921**	**-34,935**	**-23,986**	**68.7%**
Cash flows from financing activities				
Collections and payments for financial liability instruments	-265	-81,269	81,004	-100%
Issuance	252,870	170,857	82,013	48.0%
Repayment	-253,135	-252,126	-1,009	0.4%
Payments of dividends and remuneration of other financial liabilities	-16,422	-44	-16,378	37,223%
Cash flows from financing activities	**-16,687**	**-81,313**	**64,626**	**-79.5%**
Net increase/decrease in cash or equivalents	**-1,414**	**24,267**	**-25,681**	**-106%**
Cash or equivalents at the beginning of the year	230,196	205,929	24,267	11,784%
Cash and equivalents at the end of the year	228,782	230,196	-1,414	-614%

(EUR thousands)

6. Main risks and uncertainties

The Company's Risk Control and Management System

The Audax Renovables Group, in general terms, considers to be a risk any eventuality or contingency which might impede the Company's ability to successfully fulfil its business objectives.

In this regard, the Group is exposed to several risks which are inherent in different countries and markets where it operates and which can prevent it from implementing its strategies and achieving its objectives successfully. Therefore, the Board of Directors, aware of its importance, establishes a threshold of risk-opportunity in its Risk Appetite Statement and encourages the implementation of necessary mechanisms for the relevant risks to be adequately identified, managed and controlled according to its General Policy of Risk Control and Management.

According to the above, the General Policy of Risk Control and Management and, essentially, any activity aimed to control and mitigate the risks shall meet the following basic principles of procedure:

a. Integrate the risk-opportunity vision established in the Risk Appetite Statement in the management and strategy of the Company.

b. Ensure an appropriate separation of duties to guarantee an adequate level of independence.

c. Constant evaluation of the mechanisms for hedging, transfer and mitigation, in order to ensure their suitability and the implementation of the best market practices.

d. Guarantee the proper use of risk hedging instruments.

e. Inform about the risks for the Group and about the implemented systems to mitigate them.

f. Adjusting the Group's risk policy to all the specific policies which need to be developed in regards to risks.

g. Ensure the adequate compliance with the Corporate Governance rules.

h. Act at any time respecting the law and the Corporate Code of Ethics and Conduct.

The General Policy of Risk Control and Management and its basic principles are implemented according to the three lines of defence.

1. The First Line of Defence, represented in the functions of Business, operates the Group within the framework of the General Policy of Risk Control and Management and of the Delegation of Authority established by the Second Line of Defence, subject to the approval of the Risk Committee. The First Line of Defence shall meet the following responsibilities:

    a. To identify, measure and communicate the opportunities as well as potential identified risks.

2. The Second Line of Defence, represented in the Risk Control functions, identifies, measures and controls the risks incurred by Business. The Risk Committee reports directly to the Board of Directors and is hierarchically independent of Business. The Second Line of Defence shall meet the following responsibilities:

a. To establish a structure of policies, guidelines and limits and indicators of risk, as well as the corresponding mechanisms of their approval and deployment, which review and establish the risk appetite assumed annually in a qualitative and quantitative way, according to the established objectives and corresponding annual budgets, both at the Group and its main subsidiaries' level.

b. To continually identify relevant risks and threats, with regard to their possible impact on the key management goals and the financial statements (including contingent liabilities and other off-balance sheet risks.

c. To analyse those risks in each one of the businesses or corporate functions, as well as with regard to their integrated effect on the Group as a whole.

d. To measure and control the risks following homogeneous procedures and standards, which are common to the whole Group.

e. To analyse the risks associated to the new investments as an essential element in the process of decision making in profitability-risk approach.

f. To maintain a system of monitoring and control of the compliance of policies, guidelines and limits through adequate procedures and systems, including the contingency plans necessary in order to mitigate the impact of risk materialisation.

3. The Third Line of Defence, represented in the Internal Audit functions, verifies the correct and strict application of the established policies. Internal Audit reports directly to the Board of Directors and is hierarchically independent of the other Lines of Defence. The Third Line of Defence shall meet the following responsibilities:

    a. The constant evaluation of the suitability and efficiency of the application of the system and of the best practices and recommendations concerning risks from the perspective of their possible incorporation into the model.

    b. To audit the integral control and management system by the Internal Audit Management.

Moreover, the General Policy of Risk Control and Management is developed and complemented through the specific risk management policies approved by the Risk Committee, validated by the Internal Audit, and which are in consonance with the Risk Appetite Statement and the General Policy of Risk Control and Management itself, such as the policy of market risk management or Hedging Policy, or the programme of global risk management, which is focused on the uncertainty of the financial markets and endeavours to minimise the potential unfavourable effects on its financial profitability.

In the Company's general Policy of Risk Control and Management, the risk factors are, in general, the ones specified below:

a. Corporate governance risks.
b. Financial risks.
    a. Credit risk
        i. Energy generation activity
        ii. Energy retail activity
    b. Market risk

c. Electricity market price volatility risk
d. Liquidity risk
e. Interest rate risk
f. Guarantee terms risk
g. Access to finance
    i. Exchange rate risk
    ii. Capital management risk
    iii. Financial restriction risk

c. Risks related to the business sector
    a. Macroeconomic risks
    b. Market concentration risks
d. Regulatory risk
    a. Retail activity
    b. Generation activity
e. Competition risk
f. Operational risks
    a. Cost of deviation of demand for energy
    b. Risk of malfunction
g. Risk of exposition to the Spanish market
h. Litigation and reclamation risk
i. Dependence and concentration of qualified providers
j. Risk related to the meteorological conditions
k. Risks related to insurance
l. Dismantling of facilities
m. Dependence on factors impossible to be controlled by the Company
n. Risks that are specific to the Company
    a. Concentration in Audax ownership
    b. Customer concentration
    c. Information systems risk
    d. Risk derived from debt
    e. Key-person dependency risk
    f. Risk of fraud
    g. Other risks related to the retail activity
        i. Risk of product or price of the retail activity
        ii. Risk of reduced ability to negotiate price

7. R+D+i activities

As at 31 December 2024 the Group has allocated EUR 1,262 thousand to the R+D+i activities, while as at 31 December 2023 the amount allocated to this purpose was of EUR 1,521 thousand.

8. Staff

As at 31 December 2024 the number of the Group's employees is 783, while as at 31 December 2023 there were 754 employees.

9. 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.

In the year 2024 and in relation to the operating facilities, the Group incurred environmental expenses amounting to EUR 90 thousand, mainly for wildlife conservation purposes (EUR 72 thousand in 2023).

10. Acquisition and disposal of treasury shares

As at 31 December 2024 Audax Renovables, S.A. holds 2,800,000 treasury shares, which it acquired in the years 2023 and 2024 for the amount of EUR 4,738 thousand (at an average acquisition price of EUR 1.69 per share), which reduced the consolidated net equity of the Group.

This repurchase of shares was carried out under the Repurchase of Shares Programme authorised by the General Meeting of Shareholders on 16 June 2022, whose objective was to meet the inherent requirements of the convertible bonds issued by the Company, and in accordance with the Repurchase of Shares Programme authorised by the General Meeting of Shareholders published on 11 April 2024, whose objective was a plan of remuneration to management, which required the fulfilment of certain conditions establishing a potential award of 2,000,000 shares.

The Group has created a provision for this remuneration at the share price of 31 December 2024 amounting to EUR 1,033 thousand as an additional staff cost for the year, and the provision was recorded as a reduction of value of the Group's own shares in net equity for the year.

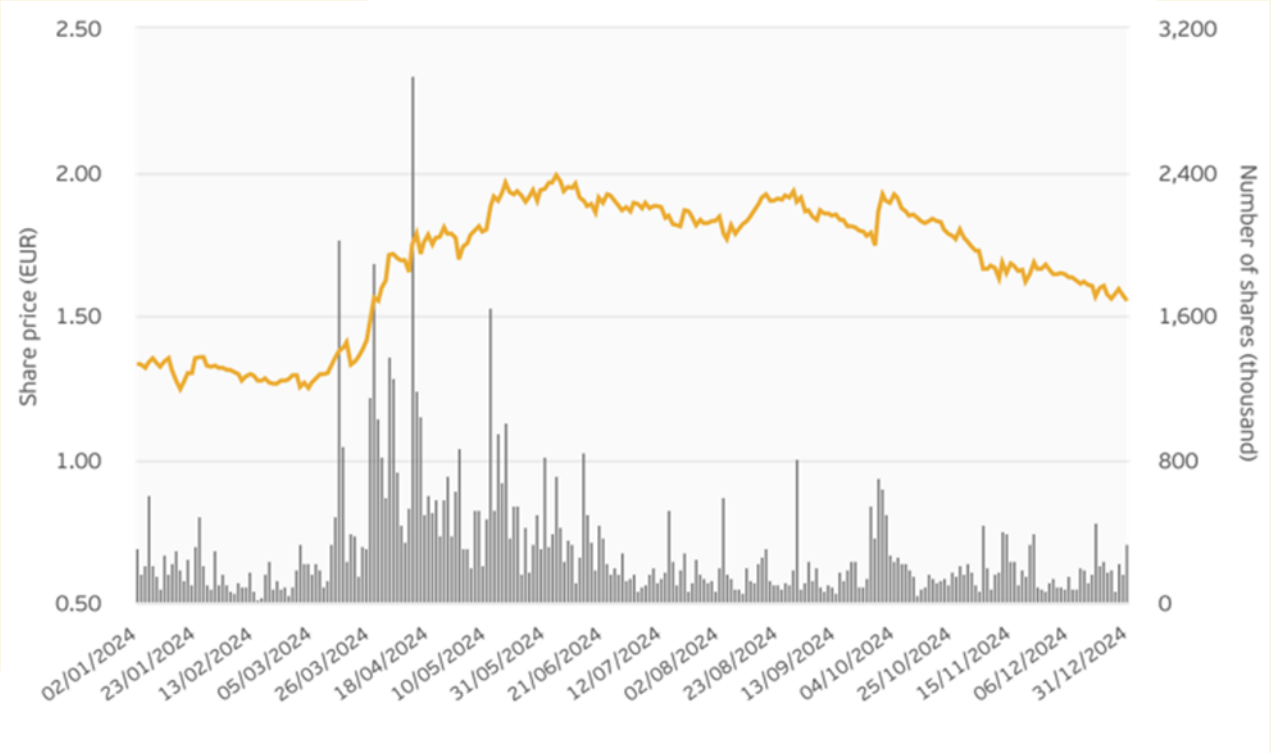
As at 31 December 2023 the Parent Company held 800,000 treasury shares, which it acquired for the amount of EUR 997 thousand (at an average acquisition price of EUR 1.25 per share).

11. Other important information

11.1. Stock market information

From 23 March 2020 Audax Renovables, S.A. is included in the IBEX SALL CAP ®. Moreover, on 28 February 2023 the Company was included in the MSCI World Small Cap, a global reference index, which groups the small capitalisation value companies in 23 countries of developed economies.

The stock market evolution of Audax during 2024 was as follows:



The following table shows the main trading data:

Audax Renovables - ADX.MC	2024	Units
Number of shares admitted to trading	453,430,779	No.
Share price at the beginning of the period	1.300	€ / share
Share price at the end of the period	1.550	€ / share
Maximum trading price	1.986	€ / share
Minimum trading price	1.244	€ / share
Trading price fluctuation during the period	0.19	%
Capitalisation at the end of the period	702,817,707	€
Number of traded shares	78,342,222	No.
Effective volume	133,397,726	€
Daily volume of traded shares (average)	306,024	No.
Effective daily volume (average)	521,085	€

It should be noted that the capitalisation at the end of the period amounted to **€703 million**. The **change of price** during the year 2024 was of **+19%** (from €1.300/share to €1.5500/share). Likewise, it should be noted that the maximum trading price was of **€1.986/share** and that with the transaction of repurchase of convertible bonds and subsequent increase of capital by the total of 13,139,725 shares, the increase of the **free float** of the Company rose by **17%** compared to the previous year.

11.2. Dividend policy

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

On 26 June 2024 the Board of Directors of the Company made public its approval of the policy on remuneration for the shareholders amounting to €15 million annually in the form of dividend or any other form in accordance with the applicable legislation for the fiscal years 2024, 2025 and 2026. The

policy was approved by the shareholders gathered in the Extraordinary General Meeting of Shareholders on 30 July.

On 27 September 2024, in accordance with the resolution of the Extraordinary General Meeting of the distribution to shareholders was approved with charge to the share premium account of €0.03328667 gross per share to all the existing and outstanding shares of the Company with the right to obtain the payment of the share premium on 7 October 2024.

11.3. 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.

The APM included in this management report have been calculated and presented according to the same methodology applied to all the periods.

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

The main operating figures are as follows:

Generation operating figures				
Alternative Performance Measures (APM)	Comparative			
	2024		2023	
Item	Installed capacity	Production	Installed capacity	Production
Unit	MW	GWh	MW	GWh
Spain	155.0	198.4	151.0	171.4
Wind	44.6	54.7	44.6	51.9
Solar	110.4	143.7	106.4	119.5
France	12.0	27.9	12.0	29.0
Poland	34.0	78.7	34.0	78.7
Panama*	66.0	165.4	66.0	241.7
Total	**267.0**	**470.4**	**263.0**	**520.8**

* Audax holds a stake of 30%

Retail operating figures						
Alternative Performance Measures (APM)	Comparative					
	2024			2023		
Item	Supply points	Portfolio	Supplied energy	Supply points	Portfolio	Supplied energy
Unit	#	GWh	GWh	#	GWh	GWh
Iberia	215,551	3,876	4,291	198,846	3,873	4,218
Electricity	178,299	2,923	3,345	161,842	2,714	3,188
Gas	37,252	953	946	37,004	1,159	1,030
The Netherlands	109,861	6,001	5,517	82,046	3,861	3,726
Electricity	70,797	2,809	2,718	54,377	1,904	1,841
Gas	39,064	3,192	2,799	27,669	1,957	1,885
Hungary	35,241	5,205	4,690	39,973	4,582	4,713
Electricity	34,859	4,326	4,063	39,777	4,096	4,214
Gas	382	879	627	196	487	498
Rest of Europe*	75,953	1,389	1,003	41,852	889	1,145
Electricity	48,338	516	441	23,163	439	539
Gas	27,615	873	562	18,689	449	605
Total	**436,606**	**16,471**	**15,501**	**362,717**	**13,204**	**13,802**
Total Electricity	**332,293**	**10,574**	**10,567**	**279,159**	**9,152**	**9,783**
Total Gas	**104,313**	**5,897**	**4,934**	**83,558**	**4,052**	**4,019**

*Rest of Europe comprises Italy, Germany and Poland

The main financial figures are as follows:

Alternative Performance Measures (APM)	Definition	Unit	Comparative		Relevance and purpose
			2024	2023	
Economic and Financial Figures					
Revenues	Ordinary income + other operating income	K€	1,987,774= 1,981,744 + 6,030	2,293,155= 2,290,438 + 2,717	Analytical measure of ordinary income considering other income related to the operations of the company
Gross margin	Operating income - Procurement	K€	235,694= 1,987,774 - 1,752,080	236,300= 2,293,155 -2,056,855	Performance measure of company's activity that provides information concerning net turnover less the expenses incurred for obtaining the turnover
EBITDA	Operating income - Procurement - Operating expenses - Impairment, reversal and profit (loss) on disposal of fixed assets	K€	115,397= 1,987,774 - 1,752,080- 120,331+ 34	96,132= 2,293,155 - 2,056,855-136,993 - 3,175	An indicator which determines production profitability and is used by the investors use to evaluate businesses
EBIT	EBITDA - Amortisation and Depreciation	K€	93,581= 115,397 - 21,816	75,127= 96,132 - 21,005	An indicator which determines production profitability considering Amortisation, Depreciation and Provisions, used by the investors to evaluate businesses (operating income).
Gross financial debt	Debt from issued bonds and other negotiable securities + Amounts owed to credit institutions	K€	576,881= 347,032 + 134,353+ 75,924+ 19,572	582,774= 418,484 + 88,821+ 54,619 + 20,850	Indicator used to determine the total of financial liabilities received from third parties
Net financial debt	Financial Debt + Other liabilities + Derivatives + Cash and other cash equivalents	K€	245,035= 576,881 + 23,227-4,892 - 350,181	262,252= 582,774 + 22,845--11,696 - 331,671	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	Net Equity of the Parent Company and of the minority interests	K€	223,945	173,252	Net equity amount used to calculate the Net Financial Debt
Leverage	Net Financial Debt / (Net Financial Debt + Net Equity)	%	52.2%=245,035 / (245,035 + 223,945)	60.2%=262,252 / (262,252 + 173,252)	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	K€	222,356= 245,035 -22,679	272,408= 262,252 10,156	Financial indicator that measures the ratio of the net financial debt after 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)	%	49.8%=222,356 / (222,356 + 223,945)	63.5%=272,408 / (272,408 + 156,891)	Financial indicator used to measure the ratio of the net debt without IFRS 16 effect, to the group's equity

The following table shows the main stock market data:

Alternative Performance Measures (APM)	Definition	Unit	Comparative		Relevance and purpose
			2024	2023	
Stock market figures					
Number of shares admitted to trading	-	no. of shares	453,430,779	440,291,054	Total number of shares traded in the stock market
Share price at the beginning of the period	-	€ / share	1.300	0.750	Price at the beginning of the reporting period for traded shares on the stock exchange
Share price at the end of the period	-	€ / share	1.550	1.300	Price at the end of the reporting period for traded shares on the stock exchange
Maximum trading price	-	€ / share	1.986	1.401	Highest price achieved by the shares traded on the exchange during the reporting period
Minimum trading price	-	€ / share	1.244	0.703	Lowest price achieved by the shares traded on the exchange during the reporting period
Trading price fluctuation during the period	((End of period share price - Beginning of period share price) / Beginning of period share price) * 100	%	0.19%= ((1.550- 1.300) / 1.300) * 100	73.45%= ((1.300-0.750) / 0.750) * 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	€	€702,817,707 = 453,430,779 * 1.550	€572,378,370 = 440,291,054 * 1.300	Value of the company's shares based on the trading price at the end of the period
Number of traded shares	Σ traded shares	no. of shares	78,342,222	228,271,944	Sum of the volume of shares traded during the reporting period
Effective volume	Amount related to the number of traded shares	€	133,397,726	269,783,945	Sum of the volume in EURO of shares traded during the reporting period
Daily volume of traded shares (average)	Average volume of traded shares	no. of shares	306,024	594,458	Average volume of shares traded during the reported period
Effective daily volume (average)	Amount related to the number of traded shares	€	521,085	702,562	Average volume in EURO of shares traded during the reporting period

12. Significant events subsequent to the balance sheet date

There are no significant events subsequent to the balance sheet date.

13. Average period of payment to suppliers

As specified in Note 16, the Company's average period of payment to suppliers in the year 2024 was of 38 days, while in the year 2023 it was of 35 days.

14. Corporate Governance Annual Report

The Annual Report on Corporate Governance shall be presented on the CNMV website.

15. Annual Report on the Remuneration of Directors

The Annual Report on Remuneration of Directors shall be presented on the CNMV website.

16. Non-financial information statement

The Non-financial Information Statement and the Information on Sustainability were prepared at the consolidated level in accordance with Directive 2022/2464 of 14 December 2022 Corporate Sustainability Reporting Directive (CSRD) on corporate information on sustainability, however it complies with the general dispositions published in preceding Law 11/2018.

The Non-financial Information Statement and the Information on Sustainability for the year 2024 are included as Appendix I to this Directors' Report and are an integral part thereof.



Non-Financial Information and Sustainability Statement 2024

Audax Renovables, S.A. and subsidiaries

For the year ended on 31 December 2024

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1. GENERAL INFORMATION (ESRS 2)

1.1 Basis of preparation

General basis for the preparation of the Sustainability Statement (BP-1)

The following is the Non-Financial and Sustainability Information Statement of Audax Renovables, S.A. and subsidiaries (hereinafter: "the Group", "Audax" or "the company"), a document which is part of the Directors' Report. The information in this document refers to the period between 1 January and 31 December 2024. The consolidation scope of the Non-Financial and Sustainability Information Statement (hereinafter: "Sustainability Statement" or "Non-Financial Information Statement") is the Group and corresponds to the scope of the financial statements.

The report has been prepared in accordance with Directive 2022/2464 of 14 December 2022 *Corporate Sustainability Reporting Directive* (hereinafter, CSRD) on corporate information on sustainability, however it complies with the general dispositions published in preceding Law 11/2018.

This Sustainability Statement meets the requirements established in Law 11/2018, of 28 December, amending the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Audit, concerning non-financial information and diversity information. This information can be found in Appendix 5.5 List of requirements under Law 11/2018 on non-financial information and diversity.

It also includes the information specified in article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as well as in the Delegated Regulations of the Commission. This information is featured in section 2.1 Disclosure of information under article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation).

The subsidiaries included in the consolidation scope are exempted from presenting individual or consolidated information on sustainability topics under article 19 bis or article 29 bis section 8 of Directive 2013/34/EU. The company has included explanatory information in the footnotes concerning certain specific indicators which have not been prepared in accordance with the scope of the report.

The Non-Financial Information Statement concerns primarily the core activities of the company. According to the double materiality assessment required by ESRS 1, the company has carried out an analysis of impacts, risks and opportunities of the sustainability topics featured in AR 16, taking into account its direct and indirect business relations as well as its upstream and downstream value chain. The assessment concludes that the company has not detected any material impacts, risks or opportunities related to the analysed sustainability topics in its value chain in neither of its upstream or downstream phases. A detailed explanation is provided in section 1.4 - Management of incidents, risks and opportunities.

The Group has not omitted elements of information on intellectual property, know-how or innovation results, nor has it used exemption from disclosure of upcoming events or matters under negotiation, in accordance with the provisions of article 19 bis, section 3 and article 29 bis section 3 of Directive 2013/34/EU.

Disclosure in relation to specific circumstances (BP-2)

Time horizons

The company's time horizons coincide with the definition in section 6.4 of ESRS 1, Definition of short-, medium- and long-term time horizons for reporting purposes.

The company establishes 2024 as its base year but includes in its Non-Financial Information Statement retrospective and prospective information on quantitative disclosure requirements reported in previous years in accordance with Law 11/2018 in order to facilitate understanding of the information disclosed with regard to the material sustainability material topics of the Group.

Assessment of the value chain

The company does not have any control over the activities of the upstream and downstream phases of its value chain or of their business relations, therefore it is complicated to obtain certain information on the value chain, especially of its upstream phases.

After undertaking reasonable efforts, the company used indirect information sources as the median values of the sector and other alternative variables in the disclosure requirements concerning sustainability topics of ESRS E1 - Climate change. The information, the basis of its preparation and the degree of accuracy is described in section 2.2. corresponding to ESRS E1.

The company is pondering the implementation in the near future of a management software in order to improve the process of obtaining and improving the quality of the data on sustainability and its own operations and of the value chain in the future.

Sources of estimation and outcome uncertainty

The Group has used sources of estimation and outcome uncertainty to calculate the data required by ESRS E1 on climate change. The information on sources and uncertainty is disclosed individually for each disclosure requirement.

Changes in preparation or presentation of sustainability information

This is the first year in which Audax Renovables prepares its Sustainability Statement in accordance with the ESRS Directive. The company shall provide development data only regarding the information disclosed in previous years which presented the indicators required under Law 11/2018.

Reporting errors in prior periods

During the year 2023 the company informed of 2 employees with errors in their age category, specifically in the subsidiaries located in Italy and The Netherlands.

Information derived from other legislation or from generally accepted pronouncements regarding information on sustainability

This Non-Financial and Sustainability Information Statement meets the requirements established in Law 11/2018, of 28 December, amending the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Audit, concerning non-financial information and diversity information. This information can be found in 5.5 List of requirements under Law 11/2018 on non-financial information and diversity.

It also includes the information specified in article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as well as in the Delegated Regulations of the Commission. This information is featured in section 2.1 Disclosure of information under article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation).

The Non-Financial Information Statement includes information which is complementary to the data required by the applicable industrial regulations on non-financial information, specifically it includes information on Sustainability prepared by the Group corresponding to the year ended on 31 December 2024 (hereinafter, the information on sustainability) according to the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council, of 14 December 2022, on Corporate Sustainability Reporting (CSRD).

Incorporation by reference

The company has incorporated information by reference to the consolidated financial statements according to the following data points: E1-5 DP 18 and AR 36 e); E1-6 DP 25 b); E1-6 DP 30.

1.2 Governance

The role of the administrative, management and supervisory bodies (GOV-1)

The governance model of the company is comprised of the following administrative, management and supervisory bodies:

Board of Directors

The principal mission of the Board of Directors is to guide, administer and represent the Company within the scope of activities featured in its objects, to define the general strategy and indicate the guidelines for its management, while being committed to the transparency and veracity of the information of the Company in its relations with the shareholders and the markets in general.

The Board of Directors of Audax Renovables is the highest governing body and has two delegated committees: the Audit Committee and the Appointments and Remuneration Committee. The Board of Audax Renovables is unitary and is comprised of the chairman, four members (two of whom are women) and a non-member female secretary.

Audit Committee

The competence attributed to the Audit Committee includes supervision of the efficacy of the internal audit, the financial and non-financial information, including information on sustainability, internal control systems and systems of financial and non-financial risk management of the Company, as well as the preparation and presentation of the mandatory financial information in accordance with the regulations applicable at any time, which apply to the auditing process.

This committee is comprised of a chairman and two members, one of them female.

Appointments and Remuneration Committee

The Committee's principal responsibilities involve, among others, the evaluation of the skills, knowledge and experience necessary for the Board of Directors, to suggest to the Board of Directors the directors and senior management's remuneration policy, and to submit to the Board the proposals of director appointments.

At the end of 2022 the Company incorporated the position of Sustainability Manager, who reports directly, from the organisational point of view to the Appointments and Remuneration Committee and is member of the senior management. The Sustainability Manager reports periodically on the company's performance in ESG topics to the Committee and informs about the sustainability-related impacts, risks and opportunities.

Currently the Appointments and Remuneration Committee is comprised of a chairman and two members, one of them female.

Roles and responsibilities of the administrative bodies concerning non-financial information and sustainability reporting

The roles and responsibilities of the administrative bodies in exercising the supervision of the process of management of the impacts, risks and opportunities related to sustainability are featured in the Regulations of the Board of Directors and Regulations of the Audit Committee, both documents published in the corporate website.

Expertise and skills of the administrative, management and supervisory bodies on sustainability topics

The administrative bodies of Audax are comprised of the members of the Board and senior management, which, in turn, is comprised of the General Manager, the Group Chief Internal Auditor and the Sustainability Manager.

All its members have extensive experience and expertise concerning the impacts, risks and opportunities related to sustainability in the energy sector and, more specifically, with regard to the activities carried out by Audax. The members of the Board are also directors of other listed and unlisted companies, which also represent reliable sources of information about the management of sustainability topics in other businesses. The information on the expertise of the members of the Board with regard to the activities of the company and the industry in which it operates can be found on the corporate website of Audax.

The Sustainability Manager is the person with the most extensive knowledge in sustainability topics of the company. With her experience as sustainability advisor over a period of more than 8 years, her education and knowledge, she has the necessary expertise for the management of the ESG topics in the Group. The Sustainability Manager received specialised sustainability training designed for managers during the year 2023.

When necessary, the company relies on external specialists such as the Big Four companies and other recognised consulting firms to carry out specific works related to the management of material impacts, risks and opportunities. Moreover, in their reporting duties to the Audit Committee, the external auditors shall inform about the amendments and regulatory changes applicable to the Company, including in the sustainability topics.

Information on composition and diversity of the members of the administrative, management and supervisory bodies of Audax Renovables

The chairman of the Board of Directors is the only member with executive power. Moreover, 40% of the members of the Board are independent.

Furthermore, 40% of the Board of Directors of Audax Renovables are women. The Company has established the commitment to maintain as a minimum this percentage of female representation as part of the *Long-term Incentive Plan* approved in 2024.

Members	Position	Board of Directors	Audit Committee	Appointments Committee	Gender
Mr Francisco José Elías Navarro	Executive Director	Chairman	-	-	Male
Mr Ramiro Martínez-Pardo del Valle	Independent Director	Member	Chairman	Chairman	Male
Mr Josep Maria Echarri Torres	Independent Director	Member	Member	Member	Male
Ms Anabel López Porta	Proprietary Director	Member	Member	Member	Female
Ms Rosa González Sans	Proprietary Director	Member	-	-	Female
Ms Naiara Bueno Aybar	Non-member Secretary	-	-	-	Female

Supervision of sustainability-related impacts, risk and opportunities

The responsibility with regard to the preparation and approval of the double materiality assessment of Audax Renovables based on the impacts, risks and opportunities related to the sustainability topics of ESRS 1 is described in Chapter 1.4 Impacts, risks and opportunities management.

The Board of Directors is the supreme body responsible for the approval of the double materiality assessment of the company. The Sustainability Manager identifies and evaluates the impacts, risks and opportunities related to sustainability topics outlined in Appendix AR 16 in cooperation with the management of the company and reports to the Appointments and Remuneration Committee and the Board of Directors for their approval the methodology used and the results obtained. The approval of the goals and objectives related to the ESRS outlined in this report also lies with the Board.

The Board of Directors delegates the supervision and management of the sustainability-related impacts, risks and opportunities to the Sustainability Manager, who shall report, at least quarterly, to the Appointments and Remuneration Committee and to the Board on the IROs and sustainability topics that are material to the company.

In general, the members of the Board of Directors and its delegated committees have necessary knowledge to supervise sustainability topics in the company. The Sustainability Manager informs periodically the Board of Directors, through the Appointments and Remuneration Committee, about the management of the impacts, risks and opportunities in sustainability topics and is the ultimate body responsible for determining whether the Manager herself has the right skills for their management or whether additional specialised resources are necessary.

If the members of the Board of Directors and/or members of its delegated committees determine that the company does not have specialised skills and/or knowledge to supervise a sustainability matter, external specialised entities, such as the Big Four companies and other recognised consulting firms are engaged to conduct the assessment and specific tasks related to the management of the impacts, risks and opportunities derived from the matter in question.

Information provided to the administrative, management and supervisory bodies of the company and sustainability topics addressed by them (GOV-2)

The Sustainability Manager informs the Appointments and Remuneration Committee at least quarterly about material sustainability questions, and the Committee relays the information to the Board of Directors. The Sustainability Manager informs about the impacts, risks and opportunities, the trends and regulatory developments related to the sustainability topics and the energy industry. All the decisions made by the company concerning the management of the sustainability topics reported to the Committees shall be relayed to and, if necessary, subsequently approved by the Board of Directors.

The Internal Audit Manager and the external auditors have the obligation to inform the Audit Committee about the changes in the financial regulations applicable to the Company, including sustainability topics.

The administrative bodies and their members take into account the sustainability-related impacts, risks and opportunities at the moment of making strategic decisions concerning important transactions, risk management process, internal control system or decision that may affect the everyday operation.

The Board addressed the complete list of impacts, risks and opportunities drawn-up by the company for the assessment of double materiality as part of the process of approval of the assessment, focusing on those that are material to Audax. Moreover, the Board has promoted various projects and initiatives related to the IROs identified during the year, such as: approval of the anti-corruption policy, approval of the plan of training on Compliance, approval of the necessary works for the calculation of the carbon footprint and the definition of the decarbonisation goal, among others.

Integration of sustainability-related performance into the incentive schemes (GOV-3)

In order to realise the ambitious strategic plan of the Group in the coming years the effort, commitment and involvement of its managers is essential. Therefore, in 2024 the Board of Directors approved the Long-term Incentive Plan of the Group for the years 2024-2026, intended for the executive directors, managers and key employees.

In this context Audax has put into operation an incentive plan ("Plan"), which allows its managers and key employees to participate in the creation of value and to obtain the right to receive the incentives after fulfilling the established requirements. The main object of the Plan is to incentivise, motivate and retain the management team and the key employees by offering them an incentive linked to the performance of the strategic plan. Thus it is possible to align the interests of the beneficiaries with those of the shareholders of Audax by offering them a competitive remuneration in accordance with the remuneration practices of the market and the organisational and strategic situation of the Group.

The Plan consists in assigning to each beneficiary at the beginning of the Plan a number of "Units", which will give them the right to a number of shares of Audax equivalent to the assigned units weighted by a determined percentage depending on the degree of fulfilment of the specified goals. The Plan is linked, among others, to the fulfilment of certain goals in the area of the ESG.

The goals in the area of sustainability established by the company to be achieved by 2026 are the following: to provide training in Compliance to all the employees, to maintain the balanced presence of women and men in the management and senior management of the Group and to fulfil the decarbonisation objectives, whose approval is expected in 2025. The weight of the ESG goals in the long-term incentive is of 10%.

The Plan is supervised by the Chairman of the Board of Directors and the General Manager of Audax, according to the instruction of the Board of Directors and the terms and conditions of the incentive are regulated in the document "General Conditions".

Statement on due diligence (GOV-4)

The company provides a reference to the chapters and sections where the elements of the due diligence process are addressed, mainly in order to identify, prevent and mitigate all the possible sustainability-related risks that could affect the company, the environment and the community in general as a consequence of its activities.

Audax has implemented diverse processes and internal policies in order to identify, prevent and mitigate the aforementioned risks. Those consist, among others, of the corporate risk management system, which includes the sustainability-related risks, the Corporate Code of Ethics and the Environmental Policy.

Element of due diligence	Chapter	Section	Page
Integration of due diligence into the governance, strategy and business model	1	1.2; 1.3; 1.4	5; 9; 17
Cooperation with the interested parties affected in all the key phases of due diligence	1	1.3	9
Identification and assessment of the negative impacts	1	1.4	17
Adoption of measures to mitigate, repair or compensate the negative impacts	2; 3; 4	E1-3; E4-3; S1-3; S4-3; G1-3	35; 44; 51; 60; 67
Monitoring of the efficacy of these efforts and communication	2; 3 ; 4	ESRS 2 GOV-3; E1-3; E4-1; S1-4; S4-4; G1-3	7; 35; 41; 52; 60; 67

Risk management and internal controls over sustainability reporting (GOV-5)

In order to meet the obligations under the applicable regulatory framework: CSRD, Law 11/2018, regulation of the CNMV, Corporate Enterprises Act, Good Governance Code of Listed Companies approved by the National Securities Market Commission (CNMV), and associated circular 1/2020, European Regulation 852/2020 on Sustainable Finance Taxonomy, the company shall disclose each year the sustainability statement related to that year. The responsibility for risk management and internal controls over sustainability reporting lies with the Board of Directors, which delegates the supervision of the internal control systems to the Audit Committee.

Within the responsibilities attributed to the Audit Committee there is the supervision of the efficacy of the internal audit services, the financial and non-financial or sustainability reporting, internal control systems and the systems of financial and non-financial risk management of the Group.

The process of gathering and consolidation of the sustainability information made available to the stakeholders requires the application of internal controls and reviews to ensure the reliability and quality of the reported information. With this regard, the Sustainability department is responsible for the preparation and consolidation of the Group's Sustainability Statement. The Sustainability Manager defines the criteria to be used in the report based on the regulatory frameworks in the area of sustainability applicable to the company and is responsible for identifying and assessing the sustainability-related impacts, risks and opportunities.

In order to prepare and consolidate the information, the sustainability manager coordinates the process of gathering information with the managers of the subsidiary companies and their areas of responsibility. During this phase a control layer is applied by conducting controls of the contents of the qualitative information and carrying out comparisons of quantitative information and the data reported in previous years, all this supported by the internal documentation of the areas.

The responsibility for approving the Non-Financial Information Statement or the Sustainability Statement lies with the Board of Directors upon presentation and approval of the Audit Committee. Moreover, the sustainability report is subject to annual verification conducted by a third independent party, which provides another supervision layer, the verification being required by the ESRS Directive on sustainability reporting.

1.3 Strategy

Strategy, business model and value chain (SBM-1)

Business model

Founded in the year 2000, Audax Renovables is an independent energy Group present in 9 countries, listed on the Spanish continuous market and whose activities are centred on supplying electricity, gas and guarantees of origin (hereinafter, "GOs"), as well as on the generation of 100% renewable energy. Its business model is based on vertical integration, guaranteeing efficient supply of energy to its clients.

After more than two decades in the energy sector, the Group is undergoing the expansion process. At the end of 2024 the Group is comprised of 84 subsidiary companies and has a team of 783 employees in different countries across Europe, as stated in section 3.1 corresponding to ESRS S1 - Own Workforce.

In 2024 Audax supplied 15.5 TWh of energy to more than 426,000 customers in 8 European countries (Spain, Portugal, France, Italy, The Netherlands, Germany, Poland and Hungary) and generated 305 MWh of electricity from renewable sources in its solar plants and wind farms located in Spain, Poland, France and Panama.

Its main objective is to lead the energy transition in its sector, continuing its activity of electricity, gas and GOs supply, investing in the business of electricity generation from 100% renewable sources and contributing to the improvement of the European energy mix and reduction of CO_2 emissions to the atmosphere.

Main activities and services of Audax Renovables

Electricity and natural gas retail

Audax Renovables is mainly involved in selling electricity, gas and GOs. The Group's main business activity is to supply electricity, gas and GOs to businesses and individual clients through the retailing activity carried out in several European countries: Spain, The Netherlands, Hungary, Poland, Portugal, Italy and Germany.

The enterprise carries out activities related to the retail of natural gas, considered as fossil fuel according to the definition of the Regulation (EU) 2018/1999 of the European Parliament

In 2024 the Group supplied a total of 15.5 TWh of energy to over 426,000 clients, 54% of which were domestic customers. As part of its commitment to sustainability and promotion of renewable energy, it should be noted that 11% of the electricity supplied by the Group has been certified as renewable.

The clients to whom Audax provides its services are mostly businesses and household customers located in Europe, specifically in the following countries: Spain, Hungary, The Netherlands, Italy, Poland, Portugal and Germany.

It is important to differentiate the activity of the retail companies from the suppliers. The activity of a retailer is centred on the purchase of energy and GOs from the market in order to supply them to the end client and on carrying out the invoicing services, while the supply companies are responsible for managing the physical infrastructure and maintenance of the electricity and gas lines to enable the supply of energy to the households. This is the reason why Audax has no control over the management or operation of the infrastructure or installations of the energy it retails.

Generation of energy from renewable sources

In 2016 the Group decided to extend its activities and become involved in the production of energy from 100% renewable sources using wind and solar photovoltaic technology, and consequently become a vertically integrated company.

At the close of the year the Group owns a portfolio of wind and photovoltaic projects with the capacity to generate 955 MW, which generated 305 MWh in 2024. The projects are located in Spain, France, Poland, Portugal, Italy and Panama and are in different stages of development and operation. The information on the situation of the portfolio is available to the stakeholders through the quarterly and half-yearly reports of the company published on the corporate Website.

Renewable sources are at the core of energy transition, and therefore the main goal of the Group is to increase the number of energy generation projects and provide the company with a robust portfolio of projects. The energy generation projects are being carried out according to the best practices of construction and operation of power plants, ensuring the protection of the environment, compliance with the applicable legislation, preservation of biodiversity and conservation of historic heritage, ensuring the welfare of the local communities where it operates. For the construction of new power plants Audax purchases all the necessary materials and modules from external providers of recognised prestige, who meet the high quality and environmental standards, and throughout the year has not identified any risks or impacts related to the input of the power plants or its procurement.

Significant sectors and banned products

The company is mainly involved in selling electricity, gas and GOs. The gas it sells comes from fossil fuels, and all the activities related to fossil fuels are considered one of the main causes of the climate change. In 2024 the company retailed 4.9 TWh in Europe and the income related to this activity represents 31% of the total income of the Group.

The company does not render any services nor does it sell any products considered as banned in neither of the countries where it operates.

Goals related to sustainability

As a part of its commitment to sustainability, the Group has continued working on the implementation of the Sustainability Strategic Plan during the reporting period. Various projects and initiatives have been carried out to address the identified impacts, risks and opportunities.

The achievement of the following goals during 2024 should be noted:

- Increase of the installed capacity in the generation project portfolio.
- Approval of the Anti-Corruption Policy.
- Approval of the Gifts and Hospitality Policy.
- Calculation of the carbon footprint for the 3 scopes.
- Update of the Corporate Risk Map.
- Approval of the plan of training in Compliance.

The most important goal with regard to sustainability of the company is to increase the installed capacity of the generation portfolio and to have power plants of renewable energy in all the countries where the Group currently sells electricity. The Group has continued working on the expansion of the portfolio and on the construction of solar plants in 2024 and will continue doing it in the long term.

Various policies have been defined at the Group level, thus meeting the goals previously set, which were approved by the Board of Directors during the year, as well as the update of the corporate risk map and the plan of training in Compliance, among others.

The company has also worked on the calculation of the carbon footprint for the 3 scopes for the first time and continues working on establishing a decarbonisation goal, whose approval is expected in 2025, in accordance with the Sustainability Strategic Plan 2023-2025.

Audax encourages and actively promotes the use of energy from renewable sources among its stakeholders, especially among its clients. It provides information on how to certify the energy used as renewable through the acquisition of the guarantees of origin in order to contribute to the global objectives to reduce the greenhouse gas emissions. It also offers to its clients the self-supply installations of solar panels as an alternative to the contaminating sources that they currently use.

At the close of the year 11% of the total volume of energy supplied by the Group was certified as renewable, which shows that there are no short-, medium- or long-term signs of any significant changes that could arise in the demand of our clients.

The Group has likewise worked on extending the services and products offered to the clients with regard to energy efficiency by developing solutions, which will help reduce the energy consumption as well as the invoice amount. In this case the company is developing an application to monitor the consumption in real time and the time frames of the day when the price of the energy is more economical.

Looking ahead, the company is very aware of the challenges it faces with regard to waste management and circular economy. The complex materials, the volume of the wind turbine blades, the limitations of recycling and reusing this kind of equipment - these are all challenges faced by the sector, and to which the industry is allocating multiple resources to develop technology capable of responding to these challenges. The average life cycle of the power plants of the Group is of 20 years, therefore this question be material for Audax in the future.

Corporate strategy

The strategy of the company integrates material sustainability questions, which affect directly the company's business. The elements of the company's strategy related directly to the ESRS that are material for the company are outlined below:

Climate change mitigation (ESRS E1)

One of the strategic pillars of Audax is to become a vertically integrated company in all the markets where we operate. The future goal is to increase the installed capacity of the generation portfolio and to have power plants of renewable energy in all the countries where the Group currently sells electricity.

As a part of its commitment to the protection the natural environment and the fight against climate change, Audax has worked during 2024 on calculating the carbon footprint for the three scopes and on defining a decarbonisation goal towards 2030 in its principal activity: the retail of electricity.

Energy (ESRS E1)

The company is also striving to expand its product portfolio by focusing on offering services and installations to improve the energy efficiency and alternatives for the consumption of renewable energy.

Focus on the people and improvements in the organisation model (ESRS S1)

The company continues working on the consolidation of its team. The human resources department is leading the "Organizational Project", which allows the company to strengthen the functions of the Group, to standardise the organisation and operation model of own employees of the Group, to clarify the function and reporting lines at all levels of the company and to identify the positions most exposed to potential risks.

Business conduct (ESRS G1)

- **Fostering corporate culture:** The consolidation and promotion of the corporate culture and the values of Audax among the employees is one of the strategic goals of the company. In 2024 the company appointed a Group Compliance Officer as the leading manager for the task of fostering and building up the company's corporate and compliance ethics.
- **Prevention of corruption and bribery:** In 2024 various actions were carried out, such as the approval of the Anti-Corruption and Bribery Policy of the Group and a training for employees in these topics. ESRS 4 on business conduct features information concerning disclosure and performance of the company with regard to the aspects mentioned above.

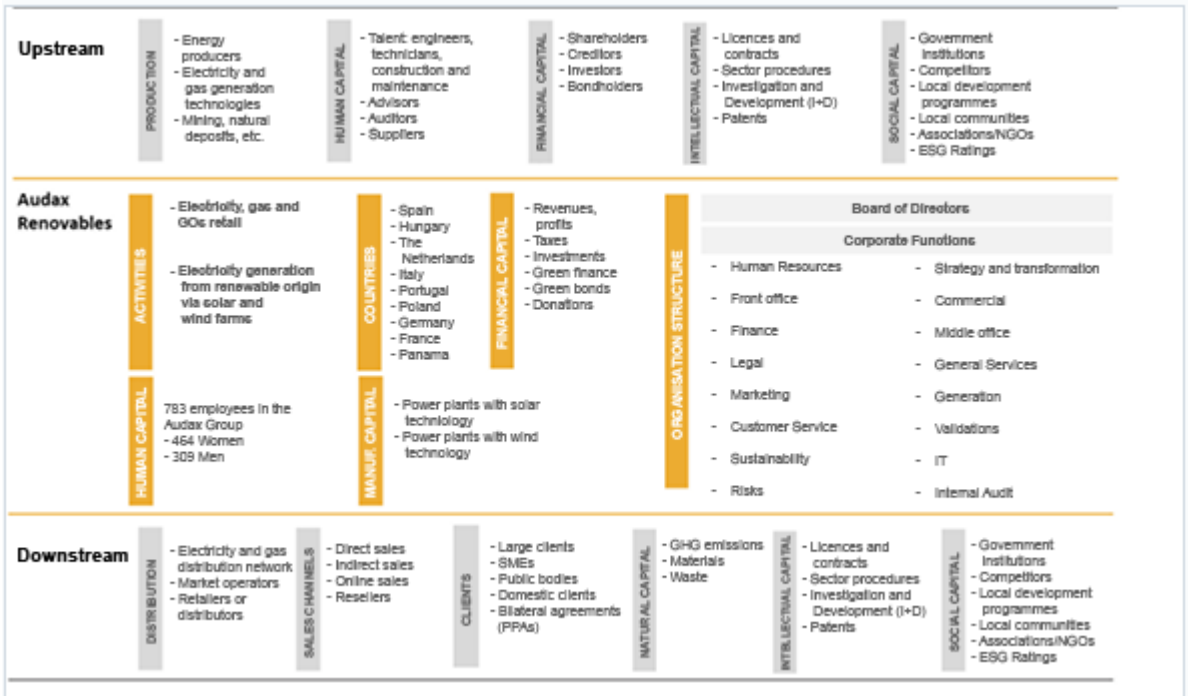
Sustainability Strategic Plan 2023-2023

As a part of the commitment of the company to sustainable development and integration of sustainability topics in the corporate strategy, the Board of Directors approved in 2023 the Sustainability Strategic Plan. The plan defines a roadmap to achieve the company's goals regarding sustainability, manage the identified impacts and risks and take advantage of the opportunities.

The plan intends to give a response to the main challenges, which the Company is facing, in the three sustainability pillars: environmental, social and corporate governance. In response to these challenges, the plan is centred around four strategic lines: **"Sustainable leadership"**, **"We protect the natural environment"**, **"Together we can do more"** and **"Compliance Culture"** under the common goal of improving the ESG performance in each of these areas and become a progressively more sustainable company. The plan outlines 40 projects and/or initiatives with specific goals based on the sustainability questions that are material for the Company during the period of 2023-2025.

Value chain

The following table shows the value chain of Audax:



Interests and opinions of the stakeholders (SBM-2)

Audax carries out an annual review of the stakeholders map as a part of the materiality analysis in order to prioritise them and to identify potential new stakeholders. The analysis is conducted taking into account the expertise of the managers of the company and the context analyses carried out. The company takes into consideration the expectations and needs of its stakeholders in the decision-making and corporate strategy, either by direct consultation or through public information or external specialised consulting firms.

The information on the main stakeholders of Audax Renovables is outlined below:

Stakeholders	Cooperation process	Integration in the company
Customers	Customer Service or Customer Care through in-person or digital communication (in person meeting, telephone, e-mail, traditional mail, WhatsApp, etc.)	Evaluations are made for the managers to identify opportunities of improvement in customer experience. The insight into the consumer needs, consumer habits and preferences provide the company with ideas on how to improve the services and products it offers.
Own workforce	- Direct monitoring channels, such as the managers and HR. - Suggestion box - Whistleblowing channel - Through the representatives of the employees in the subsidiaries where they are available.	Action plans are being implemented to foster the corporate culture, boost professional development and improve the reconciliation of personal life and professional activity.
Shareholders, bondholders and investors	- Presentation of quarterly results. - Holding the annual General Meeting of Shareholders.	There is an active relation of transparency and communication concerning the company's strategy and goals. In 2024 the General Meeting of Shareholders was held, where questions of their interest and/or concern can be brought up.
Suppliers, contractors and business partners	Communication with the suppliers and contractors during the purchase process.	Implementation of improvements and suggestions in the purchase process in order to strengthen the internal control.
Public administration and organisations	Complying with the regulatory procedures to obtain the permits necessary to carry out the activities. Cooperation meetings with public administration bodies.	Adaptation and update of internal processes and documents to implement the applicable legal requirements.
Media	Through press notes, meetings with the media, corporate websites and social networks.	The company strives to convey an image of a sound company and bears in mind the importance of reputation in achieving the company's goals.
Auditors	Annual audits	The audits are used by the company to detect points of improvement in the internal processes in order to improve the internal controls and meet the disclosure requirements.
Competitors	Surveys	The opinions of our competitors in sustainability topics are a key source of information for the assessment of our own ESG strategy.
ESG Ratings	Qualification processes (EthiFinance, Sustainalytics, CDP)	The evaluation criteria and the qualifications of the ESG ratings are important for the purpose of prioritising the ESG strategy.

Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3)

As a result of double materiality assessment Audax has identified the following material impacts, risks and opportunities:

ESRS	Topic	Sub-topic	Impact, Risk or Opportunity	IRO
E1 Climate change		Climate change mitigation	Impact	Direct and indirect emission of greenhouse gas by the activity of retail of natural gas and of electricity from renewable sources
			Impact	Purchase of guarantees of origin (GOs).
			Opportunity	Definition of a decarbonisation goal at the Group level
			Risk	Changes in the customer demand for green energy.
		Climate change adaptation	Risk	Risk of not achieving the goal to reduce the global warming to 1.5ºC and that the energy transition will not advance as expected.
			Risk	Possible climate risks of transition related to the retail of gas.
		Energy	Impact	Promotion of technological innovation and development in the sector of renewable energy through the implementation of energy storage technology.
			Impact	Promotion of renewable energy to reduce the dependence on fossil fuels.
			Impact	Fair pricing of the energy invoice to improve the customer experience.
			Impact	Implementing technology solutions to improve the energy efficiency and reduce the cost of energy for the end client.
			Risk	Energy price volatility.
			Risk	Risk of decrease of demand for renewable energy and/or GOs because of an increase of cost in the client invoice.
			Risk	Inadequate management of the purchase/sale of energy (electricity and gas) and GOs.
			Risk	Political instability and global geopolitical conflicts that may affect the changes in the price of and demand for energy.
E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Impact	Loss of biodiversity and ecosystems through direct use of rural land for the construction and operation of power plants.
		Impact on the state of the species	Impact	Deaths, accidents and rescues of species in areas and surroundings of power plants.
S1	Own workforce	Working conditions	Impact	Representation of the employees by trade union or Works Council
			Impact	Occupational accidents, diseases or fatalities of own workforce and self-employed workers.
			Impact	Create stable and quality employment.
			Impact	Pay gap by gender
			Impact	Reconciliation measures that support the distribution between professional and personal time.
			Impact	Own workforce covered by collective agreements
			Impact	Training programmes for the employees
			Impact	Employee performance evaluation model

ESRS	Topic	Sub-topic	Impact, Risk or Opportunity	IRO
S4	Consumers and end-users	Impacts related to the information for consumers and/or end-users	Impact	Communication channels for customers' complaints and requests
			Impact	Privacy of information and client data breaches
			Impact	Access to quality information
			Impact	Indirect sales channels that use dishonest marketing practices
		Personal security of the consumers and/or end users	Impact	Incidents related to the use and maintenance of the gas installations by customers and end users
		Social integration of consumers and/or end users	Impact	Restrictions in contracts with customers in situations of social exclusion
G1	Business conduct	Corporate culture	Impact	Fostering corporate culture.
			Impact	Media exposure of the CEO and majority shareholder of the Group
			Risk	Risk of greenwashing of the actual impact of the business and its core activities
			Risk	Not identifying irregular conduct because of the lack of confidence in the whistleblowing channel
		Corruption and bribery	Risk	Risk of incidents related to corruption, bribery and/or fraud of the employees of the Group
		Management of the relations with suppliers including payment practices	Impact	Evaluation of suppliers implementing environmental and social criteria according to the CSDDD European Directive
			Risk	Related party transactions.

Climate change

The fight against the climate change and the commitment to the energy transition are two of the main challenges addressed by the Group in the area of sustainability. The company is changing the way of producing, distributing and consuming energy, and the regulators are promoting policies of climate neutrality, which prioritise renewable energy consumption over fossil fuels as a pathway to decarbonisation. Fossil fuels and all the activities related to them are one of the main causes of the climate change, and renewable sources constitute the main factor for the transition towards low-carbon economy. As a result of the materiality analysis the company concluded that the risks and impacts identified with regard to the change are primarily associated with the energy transition and the European legislation applicable in this context. The company has not conducted an analysis of resilience of its strategy and its business model as such, but did carry out an analysis of climate risks derived from climate change, applied to the generation assets. The results obtained from the application of the tool indicate that the total risk level, considering all the threats, is similar in almost all the assets due to the similarities of the installations, and is "Low" or "Minimal" in great majority. With the exception of the photovoltaic plant located in the region of Toledo in Spain, which is the only asset, whose risk is "Moderate" in a scenario of high emissions in 2050, due to the extreme heat in the region and possible loss of efficiency resulting from it.

The majority of material impacts and risks identified with regard to climate change do not have significant effects expected in the short, medium or long term, however the company is striving to respond to such impacts and therefore has worked on the calculation of the carbon footprint for the 3 scopes during the year 2024 and has begun working on defining the first decarbonisation goal of the Group, whose approval is expected in 2025, as described in chapter 2.2 Climate change (ESRS E1).

Biodiversity and ecosystems

The solar and wind farms have direct impact on biodiversity and ecosystems, such as the loss of biodiversity and ecosystems by direct use of rural land for the construction and operation of power plants, or the deaths, accidents and rescues of species in areas and surroundings of power plants, and therefore there is high regulatory pressure for the implementation of measures of protection of the natural environment and ecosystems during all the stages of development of the projects. For each of the power generation projects environmental impact studies are conducted, as well as environmental management and monitoring plans are drawn up, and specific prevention and mitigation measures are implemented, adapted to the characteristics of the area and the species inhabiting it, always in compliance with the environmental and social requirements established by the administration.

In 2024 the company did not identify any risk concerning the loss of biodiversity or related to the loss of species at risk of extinction or vulnerable to it.

Own workforce

- **Working conditions**

The company has identified six material impacts related to the working conditions, two of which are negative and four are positive. The identified negative impact related to adequate wages is actual and is due to the pay gap by gender of the Group and that the majority of the management team of the company is comprised of men, thus creating a significant pay gap in the management positions. The second negative impact identified is a potential impact and is connected with potential accidents that the employees could suffer. The company has low accident rates, but the IRO is linked to the protection of human rights and workers' rights where the criteria of severity prevails over probability.

With regard to the four positive actual and material impacts, the company has identified the creation of quality employment, promotion measures for the reconciliation of the professional and personal life, the freedom of association of the employees and the number of employees covered by collective agreements as material IROs.

- **Equal treatment and opportunities**

The company has identified six material impacts related to equal treatment, of which five are actual positive impacts and one is a potential negative impact. With regard to the material positive impacts the company has identified IROs related to the improvement of the organisation model as a goal of the corporate strategy, the training programmes offered to the employees, the model of performance assessment, the new onboarding programme implemented in 2024 and employment of persons with disability. The only potential negative impact that is material for the company are the possible situations of workplace harassment, mobbing or any situation of difference in treatment or opportunities that may arise in the company and affect its employees.

The only potential negative impact is connected with possible violations of the fundamental rights of the employees that may affect own workforce. Despite of the company having only own workforce in the European countries where the regulations are very exigent with regard to the respect of the fundamental rights of the workers, as it is a sustainability topic related to the human rights, the criteria of severity prevails over probability, thus making material the subject. The company has not identified any material risk or opportunity related to own workforce.

Consumers and end-users

Being a listed company it is essential to make available to the end clients transparent and accessible information on the services and products offered by the company, the prices and the organisation policies, which will allow the clients to make informed decisions according to theirs needs and expectations.

All the subsidiaries have their own Customer Service Department centred around giving a personalised response to any possible concerns, doubts, incidents and/or complaints of their clients to address the identified negative impacts. Moreover, in order to evaluate the quality and remedies provided to the clients, the company collects its feedback through satisfaction surveys in order to evaluate the service received and analyses the reviews included in public websites by its clients.

The company is particularly sensitive to the privacy of its clients and protection of their personal data, and therefore a positive impact has been identified in this subtopic.

Business conduct

The impacts and risks identified with regard to the corporate culture and corruption are closely related. The company focuses on fostering corporate culture and therefore has approved in 2024 the Compliance Training Plan. Regarding the management of relations with suppliers, the company needs to work in the upcoming years on adapting the CSDDD European Directive in order to strengthen the control system of the value chain in the aspects related to the environment and human rights.

1.4 Management of impacts, risks and opportunities

Description of the process of determining and evaluating material impacts, risks and opportunities (IRO-1)

Double Materiality Assessment

The process carried out by the company in order to determine and evaluate material impacts, risks and opportunities (hereinafter, the IROs) has been based on the process outlined in ESRS 1 and in the *Materiality Assessment Implementation Guidance* published by EFRAG.

Beginning by the list of sustainability topics outlined in Appendix A (AR 16) of ESRS 1 of Delegated Regulation (EU) 2023/2772, the company carries out an identification of the IROs and a subsequent assessment in order to determine which of the IROs identified are material for the company. There are two assessment perspectives: the materiality of impact and the financial materiality. An IRO becomes material if it is so in any of the two perspectives.

The double materiality assessment is conducted annually by the Sustainability Manager in cooperation with the management of the organisation. The results obtained are submitted to the Board of Directors and to the Appointments and Remuneration Committee for approval.

Below there is a summary of the methodology applied to carry out the assessment:

Step 1: Understanding the context

- **Preliminary analysis of the potentially material issues related to own activities, corporate strategy and business plan:** The company analyses its strategy, the regulatory context, the financial statements and the industry trends in connection with the sustainability topics of Appendix A (AR 16) of ESRS 1. The analysis is centred on own activities in the countries where the company operates and its business relations throughout the value chain. The analysis takes into account the internal policies and procedures of the company.
  The double materiality assessment is based on the corporate risk map of the company, where the most significant risks are identified, including the ESG risks. Both processes are complementary; the assessment of financial materiality of the risks included in the IROs register is coherent with the assessment of the risks evaluated in the risk map.

  The information thus collected gives a preliminary list of the IROs and allows to identify sustainability topics that are potentially material according to the management and the stakeholders. The preliminary list will be the basis for drawing up the register of IROs in the next step.

- **Analysis of the value chain:** The analysis covers business operations within own operations as well as upstream and downstream of the value chain, identification of risks, impacts and opportunities related to each chain actor, and sustainability topics specified in RA 16 of ESRS 1. Audax does not have operating control or power to influence the actors of its value chain, neither upstream nor downstream. Due to these characteristics, there are limitations on obtaining information from suppliers and clients.

- **Understanding the affected interested parties:** The Group maintains fluent and transparent relations with stakeholders, considering it as essential to understand their expectations and needs related to the company's activity and the risks to which they might be exposed. In 2024 the stakeholders map was reviewed as a part of the double materiality assessment. The company is aware of the importance of obtaining a complete view of the internal and external impacts of Audax, as well as of incorporating the perspective of its stakeholders to prioritise the material subjects.

  As a part of the double materiality assessment the company consulted its stakeholders by conducting a survey among a sample group of stakeholders, where all the significant groups specified in section 1.3 of the Strategy were represented. The survey asked the respondents to prioritise the sustainability subjects they considered material to Audax from the impact perspective as well as from the finance perspective. The results of the survey conducted among the stakeholders are included in the preliminary assessment of materiality carried out by the management.

Step 2: Identification of the sustainability-related actual and potential IROs

In this phase of analysis, the company draws up a list of actual and potential business IROs based on the conclusions obtained during the previous step and the information disclosed in the Non-financial information statements of the previous years, the corporate risk management process and the internal control system and, in general, all the internal policies and processes of the Group.

The methodology used to elaborate the list is based on the method described in the "ESRS Implementation Guidance - Materiality Assessment" published by EFRAG, and the classification of IROs meets the CSRD requirements.

Each identified IRO is linked to the materiality topics, sub-topics and/or sub-sub-topics included in Appendix A of ESRS 1. The list includes a detailed description of the IRO, its geographical location, its position within the value chain, the affected activity, the time horizon applicable and whether it is related to the Human Rights, such as outlined in the Regulation.

The company has identified a total number of 82 IROs, 48 of which are impacts, 29 are risks and 5 are opportunities.

Step 3: Analysis and determination of sustainability-related material IROs

In accordance with the Directive, this sustainability statement is based on an assessment of double materiality, which determines material sustainability topics of Audax Renovables. The double materiality parts from the premise that a sustainability matter can be material to the company in two dimensions, in terms of impact and in terms of finance, as defined in ESRS 1.

Impact materiality

Impact materiality evaluates the actual or potential, positive or negative impacts of the company on people and/or the environment over a short-, medium- and long-term. The assessment includes an evaluation of impacts related to the company's own operations as well as upstream and downstream value chain, including the impacts connected with its activities, services and business relations.

Determining the impact materiality

Audax has applied the severity and probability criteria to evaluate the materiality of the identified impacts, depending on their characteristics and whether these are actual or potential, negative or positive impacts. With regard to the actual and negative impacts, the materiality is based on the magnitude, extent and irremediable character of the impact, while for the positive impacts the materiality is based on the magnitude and the extent. With regard to potential impacts, the materiality includes the likelihood of their occurrence.

Impact materiality assessment = Severity x Probability

Severity = Magnitude x Extent x Irremediable character

Definition of thresholds of impact materiality:

The **severity** of a determined negative impact, whether actual or potential, is evaluated depending on its effect on people and/or the environment. The company has determined its thresholds for quantifying the severity based on three criteria:

- Scale: Represents the degree to which the impacts may affect the activity of the company. It is quantified from 1 to 5, the 1 representing a low scale and the 5 a high scale, depending on the consequences and time horizons of the impact on the company, the environment and/or the community in general.

- Scope: Quantifies the extent of the impact and considers the number of affected subsidiaries, persons or ecosystems. It is quantified from 1 to 5, the 1 representing a low scope and the 5 a high scope.

- Irremediable character: Represents the measure in which it is possible to remediate the impact. It takes into consideration the limits existing at the time of restoring the affected ecosystems to a situation at least equivalent to that in which they were in before the negative impact occurred. It is quantified from 1 to 5, depending on whether the impact can be remediated immediately or whether the consequences of the impact are irremediable by the company, the environment or people in general. It applies only to negative impacts.

The **probability** evaluates the likelihood of occurrence of a potential impact statistically. It is linked to the percentage of probability of occurrence based on the identified impacts. The probability is quantified from 0.2 to 1, of which 0.2 is the lowest probability and 1 means that the likelihood of occurrence is between 80% and 100%.

Assessment criteria depending on the type of impact:

With regard to the **actual and negative impacts**, the materiality thresholds are based on the severity of the impact, while for the **positive impacts** the materiality is based solely on the scale and the scope. For actual impacts the probability is considered to be 1.

The materiality thresholds for **potential negative impacts** are based on the severity and its three criteria (scale, scope and irremediable character), as well as on the probability of occurrence. In the case of potential positive impacts the procedure is the same, but without taking into account the irremediable character.

If the identified impact is related to the Human Rights, as defined in paragraph 45 of ESRS 1, the severity of the impact takes precedence over its likelihood at the time of assessing its materiality.

Financial materiality

A sustainability matter is material from the financial point of view if it produces or can be expected to produce significant financial effect on the company or can affect directly or indirectly the development, financial situation, financial performance, cash flows, access to financing or the cost of capital over a short, medium or long term. Financial materiality quantifies in financial terms the impact, which the identified risks and opportunities of the company could have if they materialised. The assessment carried out includes an evaluation of risks and opportunities related to the company's own operations as well as upstream and downstream the value chain, including the risks connected with its business relations, environment and the community in general.

The process of identification of the risks that can have financial effects takes into account the corporate risk map, which includes the risks related to financial management, tax risks, risk of business continuity and crisis management, among others.

Determining financial materiality:

Financial materiality is assessed based on a combination of likelihood of occurrence and potential magnitude of financial effects connected with the identified risks and opportunities.

Materiality of impact assessment = Probability x Magnitude of financial effects

Definition of thresholds of financial materiality:

The **probability** evaluates the likelihood of occurrence of a risk or opportunity and is quantified from 0.2 to 1, of which 0.2 is the lowest probability and 1 means that the likelihood of occurrence is between 80% and 100%.

The **magnitude of financial effects** is evaluated according to the effects that a risk or opportunity could have on the income of the Group. It is quantified from 1 to 5, where 1 represents a low risk and consequences equivalent to less than 25% of the income of the Group, and 5 stands for a low risk and consequences equivalent to 85% of the Group's income.

Definition of thresholds of materiality in sustainability sub-topics and topics

The identified IROs are evaluated according to the thresholds defined above and the result is a quantitative score that enables comparability and prioritisation. The resulting scores of the IROs are grouped by sustainability sub-topic, and the average of impact materiality and financial materiality is calculated by sub-topic of the identified IROs. Likewise, the average of materiality of the sub-topics is calculated to obtain the score of materiality by sustainability topic.

The company considers as material the sustainability sub-topics which obtain at least 1.5 points in financial materiality and/or impact materiality assessment, the score in only one of the assessed dimensions being enough to be considered as material. Therefore, the material sustainability topics are those, which fall under the sub-topics identified as material by the company and the materiality is calculated according to the average of its sub-topics.

Assessment and prioritisation of IROs and construction of the double materiality matrix

The Sustainability Manager carries out an initial quantitative evaluation, which is reviewed by the managers of the different areas of the company. There are individual and specific meetings with the management to review the scores obtained of the IROs and to introduce changes if necessary.

Once the review has been completed by the management, the sustainability topics and sub-topics material to Audax are determined and presented to the Board of Directors for approval.

Step 4: Presentation and approval of the conclusions of the double materiality assessment

As a result of the assessment a list of sustainability topics and sub-topics material for the company is obtained as well as a list of material IROs.

The assessment carried out in 2024 led to considering as material thirteen (13) materiality sub-topics, grouped into five (5) sustainability topics, outlined in Appendix A (AR 16) of ESRS 1.

Sustainability topics that are material to Audax Renovables

Audax prepares this Non-Financial Information Statement in accordance with the results obtained in the double materiality assessment on sustainability sub-topics and topics of AR 16 and, as a consequence, addresses only the disclosure requirements specified in the CSRD Directive for each one of them:

ESRS	Sustainability topic	Sub-topic
E1	Climate change	Climate change adaptation
		Climate change mitigation
		Energy
E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss
		Impact on the state of the species
S1	Own workforce	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
S4	Costumers and end-users	Impacts related to the information for consumers and/or end users
		Social integration of consumers and/or end users
G1	Business conduct	Corruption and bribery
		Corporate culture
		Management of the relations with suppliers including payment practices

Sustainability topics that are not material to Audax Renovables

As a result of the double materiality assessment carried out the company arrived at the conclusion that the following sustainability topics are not material and provides information on the conclusions with regard to each topic.

ESRS	Sustainability topics that are not material
E2	Pollution
E3	Water and marine resources
E5	Circular economy
S2	Workers in the value chain
S3	Affected groups

- **Pollution (ESRS E2)**

Pollution is not a material issue for the company because the most important activity of the company and the greatest impact on pollution is the domestic use of the office space of the Group by the employees. The only production activity of the company is the generation of renewable energy in solar plants and wind farms. The installation of photovoltaic modules and wind turbines does not generate soil pollution in and of itself, but the company applies specific protective and mitigating measures to the waste of the power plants in order to avoid soil degradation and pollution. The company has not detected any case of soil pollution in 2024.

With regard to the sub-topics related to pollution it is important to indicate that Audax does not produce, nor does it use or sell substances considered to be of very high concern according to the REACH Regulation, or substances of concern or products containing them. No significant impacts or risks have been detected with respect to the use of plastic, primarily the use of packaging, which is sent to authorised waste managers for its recycling.

- **Water and marine resources (ESRS E3)**

Audax does not have any impacts or risks associated with the use of water and marine resources. The company does not carry out, directly or indirectly, spills or extractions of marine resources. The company and all its facilities consume tap water. The Group's offices use water at a domestic level because of the use of canteens and office space. In the power plants the use of water is mainly due to the cleaning of the solar panels, which is carried out at most once a year. The company monitors and reports annually the water consumed in the Group's offices and power plants. In 2024 the reported water consumption was of 381.5 m^3.

- **Circular economy (ESRS E5)**

Circular economy has not proved to be material for the company, due to the time horizon considered for the formulation of this report and the useful life of the power plants.

The Group is aware of the great challenge faced by the wind farms and power plants with regard to recycling material and circular economy. The complex materials, the volume of the wind turbine blades, the limitations of recycling and reusing this kind of equipment - these are all challenges faced by the sector, and to which the industry is allocating multiple resources to develop technology capable of responding to these challenges.

The average life cycle of the power plants of the group is of 20 years, therefore this question will be material for Audax in the future. The first option that is being considered is the possibility of repowering the power plants to extend their useful life.

Currently the law requires that dismantling plans be drawn up and guarantees be provided to public agencies, which would be executed if Audax decided to evade responsibility at the end of the useful life of the power plants. The group follows the latest developments in technology and cooperates with companies dedicated to the development and innovation in this area, such as Vestas, a global leader in wind technology and the supplier of wind technology installed by the Group.

- **Workers in the value chain (ESRS S2)**

Workers in the value chain is not a material topic for the company because the Group does not have operating control over the workers in the value chain and there have been no incidents related to the working conditions or infringement of human rights of the employees in the value chain during 2024, nor during the whole history of Audax. The potential negative impacts identified are related to a potential situation in which the workers in the value chain do not receive fair or balanced working conditions. In such cases the company shall examine the situation and adopt appropriate measures, including reporting the situation and/or terminating the business relationship.

- **Affected groups (ESRS S3)**

With regard to the affected groups it is important to note that, despite the importance of this topic in the energy industry, Audax does not have any impact or risk related to violation of human rights in local communities where it is located and where its power plants and offices operate, therefore the topic is not material for the company. All the power plants and offices are located in Europe with the only exception of a wind farm in Panama. In this case, dialogue and community actions are carried out among local communities in Panama, and the company has contributed to the welfare of those communities, always being supported in its actions by, and cooperating with, the government.

In 2024 the Group has not identified any significant impacts or risks related to the civil and political, economic, social and cultural rights of the community groups or of the indigenous people.

Disclosure requirements established in the ESRS covered by the company's Sustainability Statement (IRO-2)

Section 5.5 List of requirements under Law 11/2018 on non-financial information and diversity and section 5.4 List of disclosure requirements of Appendix 5 feature a list of disclosure requirements met while drawing up the Sustainability Statement, as a result of double materiality assessment, indicating where the relevant information can be found in this report.

a. ENVIRONMENTAL INFORMATION

2.1 Disclosure of information under article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation).

i. Introduction to the Taxonomy Regulation

The European Green Deal is an integral strategy of the European Union intended to achieve climate neutrality by 2050 by reducing to zero the greenhouse gas net emissions. This ambitious goal is meant to transform Europe into the first climate neutral continent by promoting a sustainable and inclusive development model, which allows to preserve the natural resources and to improve the quality of life of its citizens.

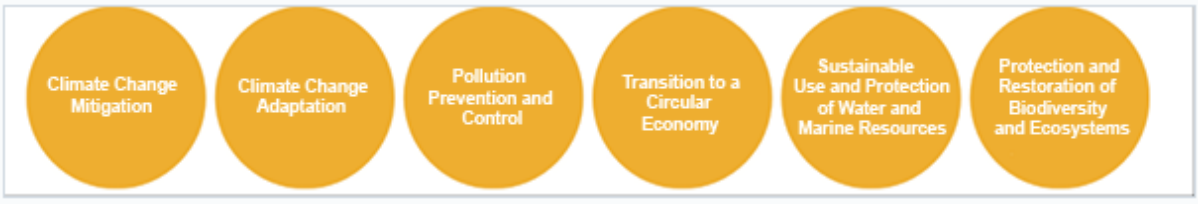
In order to meet this goal, the European Green Deal establishes three major lines of action:

1. To redirect the capital flows towards sustainable investments, ensuring that the economic growth should be aligned with the environmental sustainability principles.
2. To manage the financial risks resulting from global challenges, such as climate change, the loss of biodiversity and environmental degradation.
3. To foster transparency and a long-term vision in the financial and economic decisions, bolstering a resilient and socially responsible economy.

In this context, the EU Taxonomy is a key element to achieve the first goal of the Green Deal: to redirect the capital towards activities that would contribute significantly to the environmental sustainability.

Regulation (EU) 2020/852 (hereinafter, the Taxonomy Regulation) provides a regulatory framework that defines which economic activities can be considered environmentally sustainable. This classification system allows companies, investors and political leaders to rely on clear technical criteria that ensure coherence in the identification of activities aligned with the environmental goals of the EU.

The Taxonomy Regulation, in its Article 9, establishes environmental objectives to which an economic activity shall contribute in order to be considered as environmentally sustainable. These objectives are:



The activities that contribute substantially to these objectives and meet the technical criteria established in Delegated Acts are considered as sustainable:

- **Delegated Regulation (EU) 2021/2139** (hereinafter, Delegated Climate Act), published on 09 December 2021, outlined the activities related to the mitigation of and adaptation to the climate change.
- **Delegated Regulation (EU) 2022/1214** (hereinafter, Delegated Complementary Climate Act), published on 9 March 2022, added specific activities of nuclear energy and natural gas under strict conditions.
- **Delegated Regulation (EU) 2023/2485**, approved on 27 June 2023, extended and updated the technical criteria established in Delegated Regulation (EU) 2021/2139.
- **Delegated Regulation (EU) 2023/2486** (hereinafter, Environmental Delegated Act), approved on 27 June 2023, extended the Taxonomy by including activities related to non-climate objectives, such as water and biodiversity protection, pollution prevention or transition towards circular economy.

Thus, the EU Taxonomy not only contributes to fulfilling the European Green Deal but also strengthens the position of Europe as a global leader in sustainability and ecological transition.

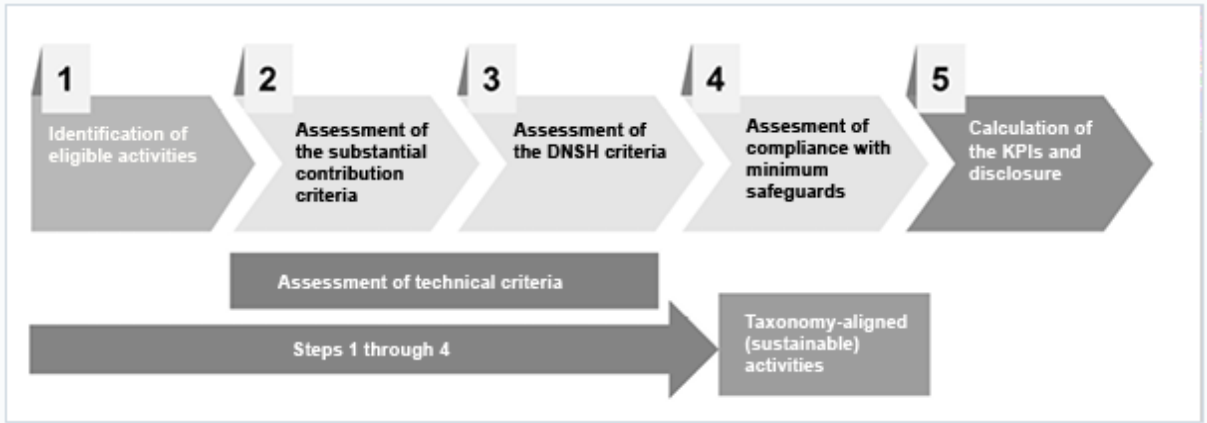
In this context, Audax Renovables has identified and disclosed taxonomy-eligible and taxonomy-aligned activities based on the information on the fiscal year 2024 of the six objectives outlined in the previous Delegated Acts, as well as various FAQs published by the European Commission between 2022 and 2024 related to the interpretation of the Delegated Regulation.

The Taxonomy Regulation also includes specific disclosure obligations intended to ensure transparency regarding the environmental impact. During the fiscal year 2021 the Group disclosed, according to simplified guidelines, the economic activities considered to be eligible under the Taxonomy, together with a set of key relevant performance indicators: income, capital expenses (CapEx) and operating expenses (OpEx) related to the Taxonomy. Since 01 January 2023 the Group has also been disclosing the part of these indicators corresponding to the activities aligned with the Taxonomy criteria, thus reinforcing its commitment to sustainability and the transparency according to the disclosure requirements established in **Delegated Regulation (EU) 2021/2178** (hereinafter, Delegated Act of article 8) and the subsequent amendments introduced in **Delegated Regulation (EU) 2023/2486**.

1.4.1 Application of the Taxonomy Regulation in Audax Renovables

Audax Renovables has implemented a structural approach to evaluate the eligibility of its activities and, if applicable, their alignment with the Taxonomy Regulation. This procedure, supervised directly by the senior management, involves management areas of the Group and key teams that are in charge of the activities considered as eligible within their companies.

The main steps of this analysis are the following:



2.1.3 Identification of eligible activities

According to the requirements established in article 1(5) of the Delegated Act of article 8, Audax Renovables identifies as eligible the economic activity included in the Climate Act, Complementary Climate Act or Environmental Act when it is described in these delegated acts, without it necessarily implying the fulfilment of the selection technical criteria.

In this regard, the eligibility indicate solely that the activity might contribute significantly to one of the six environmental objectives established by the Taxonomy, while the non-eligible activities are those that do not appear in neither of the Delegated Acts.

The determination of eligibility is an initial step that allows to proceed to the assessment of the alignment with the Taxonomy requirements.

List of activities carried out by Audax Renovables

Activity	Description of the activity
Generation of energy from renewable sources	The Group supports all kinds of activity connected with electricity generation from 100% renewable sources, primarily wind and solar energy. The Group runs a 1 GW portfolio of projects of electricity generation from renewable sources in wind farms and solar plants in Spain, France, Poland, Portugal, Italy and Panama.
Electricity and natural gas retail	The Group provides electricity and gas to businesses and individual clients through the retailing activity carried out in several European countries: Spain, Portugal, Italy, Germany, Poland, the Netherlands and Hungary.

Upon detailed analysis, Audax Renovables has identified the activities of **energy generation from renewable sources** as eligible.

Likewise, although they do not generate direct income to the Group, Audax Renovables also considers the **purchase and lease of light commercial vehicles** in its assessment of eligible activities.

These activities fall under the environmental objectives of climate change mitigation and adaptation, while no eligible activities related to the environmental non-climate objectives established in the Environmental Delegated Act were found.

List of taxonomy-eligible activities

Activity	Symbol	Description of the activity	Audax's activity
Electricity generation through solar photovoltaic technology	CCM 4.1	Construction or operation of installations of electricity generation through solar photovoltaic technology (FV).	Construction and operation of photovoltaic power plants
Electricity generation from wind energy	CCM 4.3	Construction or operation of installations of electricity generation from wind energy.	Construction and operation of wind farms
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	Purchase, financing, lease and use of vehicles classified under categories M1 and N1, which fall under the scope of application of Regulation (EC) no. 715/2007 of the European Parliament and of the Council, or under the category L (two- and three-wheel vehicles and quadricycles).	Vehicles owned by the company
Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings.	CCM 7.5	Installation, maintenance and repair of instruments and devices for measurement, regulation and control of the energy efficiency in buildings (for example, smart gas, heat, cooling and electricity meters).	Installation of smart meters
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	Installation, maintenance and repair of renewable energy technologies (for example, photovoltaic solar systems).	Installation of photovoltaic solar systems
Conservation, including habitat restoration, of ecosystems and species	BIO 1.1	Commencement, development and execution on own account or by commission or contract, of conservation activities, such as restoration activities intended to maintain or improve the conditions and the tendencies of the terrestrial, freshwater and marine habitats, of the ecosystems and the populations of species of wild fauna and flora related to them.	Measures to minimise the environmental impact of the renewable energy generation plants

On the other hand, the activities of the Group that are not eligible according to the Taxonomy include the retail of electricity and operations related to the supply of natural gas.

Audax Renovables stays alert to the updates of the Delegated Acts in order to ensure that its assessment reflects the regulatory changes and the development of opportunities in sustainable activities.

2.1.4 Analysis of alignment of the activities with the Taxonomy

Upon identifying all the activities of the Group that are eligible under the Taxonomy (see table above), Audax Renovables proceeded to examine the criteria for a substantial contribution to the climate change mitigation, as well as the criteria for not causing significant harm to other environmental objectives.

This process has allowed to evaluate the alignment of the activities with the Taxonomy. Below we present a list of the activities that comply with the Taxonomy and we describe how they meet the necessary technical criteria.

This year the evaluation was centred on the objective of climate change mitigation, which currently is the most important objective for our activities.

List of taxonomy-aligned activities:

Eligible activity	Audax's activity	Alignment
CCM 4.1 Electricity generation through solar photovoltaic technology	Construction and operation of photovoltaic power plants	Yes
CCM 4.3 Electricity generation from wind energy	Construction and operation of wind farms	Yes
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Vehicles owned by the company	No
CCM 7.5 Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings.	Installation of smart meters	No
CCM 7.6 Installation, maintenance and repair of renewable energy technologies	Installation of photovoltaic solar systems	No
BIO 1.1 Conservation, including habitat restoration, of ecosystems and species	Conservation measures (power plants)	No

Activities that meet the selection technical criteria (substantial contribution and DNSH)

CCM 4.1 Electricity generation through solar photovoltaic technology

Audax Renovables has **photovoltaic plants in different stages**, which produce and will produce energy of 100% renewable sources in Spain, Portugal and Italy. For more updated information concerning the photovoltaic generation portfolio see sections E1-5 and E1-6 of chapter 2.2 ESRS E1 - Climate change.

Moreover, this activity **does not cause significant harm** to other environmental objectives.

Adaptation to climate change

The information on adaptation to climate change can be found in section E1-1 Transition plan for the mitigation of climate change of chapter 2.2 ESRS E1 - Climate change of this report.

Transition towards circular economy

Audax Renovables implements the best available technologies while selecting solar photovoltaic plants or during the stage of construction planning, ensuring that these technologies persist throughout the life cycle of the project.

The waste produced in various stages of development of the solar photovoltaic farms, from construction to operation, is managed according to the local regulations on waste management.

Protection and restoration of biodiversity and ecosystems

In all the installations where it is legally required to carry out an Environmental Impact Assessment (EIA) we ensure that potential impacts on biodiversity and ecosystems are avoided. If it is not possible to avoid them, we implement measures to mitigate or eliminate those impacts in an adequate way.

CCM 4.3 Electricity generation from wind energy

Audax has **wind farms in operation**, which produce electricity of 100% origin in Spain, France, Poland and Panama. For more updated information concerning the wind generation portfolio see sections E1-5 and E1-6 of chapter 2.2 ESRS E1 - Climate change.

Moreover, this activity **does not cause significant harm** to other environmental objectives.

Adaptation to climate change

The information on adaptation to climate change can be found in section E1-1 Transition plan for the mitigation of climate change of chapter 2.2 ESRS E1 - Climate change of this report.

Sustainability and protection of water and marine resources

Does not apply to Audax, because all the wind farms are on-shore.

Transition towards circular economy

Audax Renovables implements the best available technologies while selecting wind farms or during the stage of construction planning, ensuring that these technologies persist throughout the life cycle of the project.

The waste produced in various stages of development of the wind farms, from construction to operation, is managed according to the local regulations on waste management.

Protection and restoration of biodiversity and ecosystems

In all the installations where it is legally required to carry out an Environmental Impact Assessment (EIA) we ensure that potential impacts on biodiversity and ecosystems are avoided. If it is not possible to avoid them, we implement measures to mitigate or eliminate those impacts in an adequate way.

Activities that do not meet some of the selection technical criteria (substantial contribution and / DNSH)

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

As at the end of 2024 Audax Renewables owns a total number of 5 (in terms of ownership or lease) vehicles of the M1/N1 category, classified as low or zero emission, belonging to the Audax Renewables Nederland B.V. company. Although the Group has hybrid vehicles (HEV), the activity 6.5 does not meet the substantial contribution criteria.

Minimum safeguards

We expect to align gradually this activity with the requirements established in the Taxonomy, along with the gradual migration of the Group's vehicle fleet.

CCM 7.5 Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings.

During 2024 Audax Renovables has restructured it energy efficiency department in order to extend its services related to the climate change mitigation offered to the clients (for example, the installation of smart meters). Although the activities of this department are still in their initial stage, during 2024 Audax Renovables already began to install smart meters (intended to measure and control the energy efficiency and, consequently, reduce emissions).

CCM 7.6 Installation, maintenance and repair of renewable energy technologies

During 2024 Audax Renovables has restructured it energy efficiency department in order to extend its services related to the climate change mitigation offered to the clients (for example, the installation of solar photovoltaic systems). Although the activities of this department are still in their initial stage, during 2024 Audax Renovables already began to install solar photovoltaic systems.

BIO 1.1 Conservation, including habitat restoration, of ecosystems and species

In all the installations where it is legally required to carry out an Environmental Impact Assessment (EIA) we ensure that potential impacts on biodiversity and ecosystems are avoided. If it is not possible to avoid them, we implement measures to mitigate or eliminate those impacts in an adequate way.

Minimum safeguards

The minimum social safeguards include all the procedures implemented in the company in order to ensure that the activities are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on business and Human Rights, including the principles and rights established in the fundamental conventions referred to by the International Labour Organisation Declaration on fundamental principles and rights at work and the International Charter of Human Rights (article 18 of Regulation 2020/852).

In order to asses the fulfilment of the minimum social safeguards, and taking as a reference the '*Final Report on Minimum Safeguards*' published by the European Commission in October 2022, Audax Renovables has analysed the following four dimensions: human rights, corruption and bribery, taxation and fair competition, as specified below:

Human Rights

Audax Renovables stays firmly committed to the defence of human rights in accordance with the Ten Principles of the UN Global Compact, to which the company continues adhered since 2013.

Likewise, the Code of Ethics of Audax Renovables conveys a firm commitment to human rights and civil liberties recognised by national and international agreements and legal systems of the countries where it operates. In particular, the Code of Ethics specifically expresses the Group's commitment to human rights and labour rights, equal opportunities, diversity and non-discrimination, the right to privacy, harassment prevention, reconciliation of personal and professional life, health and safety of the employees, the commitment to and protection of the environment, commitment to training and development and the promotion of open and fluid communication between employees.

Moreover, it establishes that the principles of conduct of the Group mean compliance with the law and with the corporate governance system, and integrity.

Lastly, the company has never been declared guilty of infringement of labour rights or human rights.

Corruption and bribery

Audax has established robust anti-corruption processes. Specifically, it has implemented a code of ethics and a policy against corruption and bribery, whose object is "*to address the necessary compliance with the legal requirements concerning anti-corruption principles, management of the risk derived from any kind of corrupt business practice or any operation contrary to the good practice, in any of its forms, and to implement, among others, principle no. 10 of the UN Global Compact, established as one of the values within Audax Renovables, S.A.*".

This policy, applicable to the Audax Group (including all the directors, managers and employees of the Group), clearly defines the prohibited conducts and the allowed conducts, establishing rules of conduct with regard to accepting or offering gifts or invitations, thus prohibiting and kind of bribery, all of which in compliance with the Gifts and Hospitality Policy.

Lastly, it should be mentioned that neither the companies of the Group nor any members of its senior management have been convicted by the courts for corruption.

Taxation

Audax Renovables has drawn up guidelines for accounting policies, which define the accounting principles and criteria of the companies of the Group, as well as a general risk control and management policy, which identifies the risk related to regulatory changes (among others, those related to taxation). All these documents, being an important element of supervision for Audax, are presented to and approved by the Board of Directors. Moreover, Audax has formulated a corporate risk map, which includes possible tax risks.

Lastly, it should be mentioned that none of the companies of the Group has been convicted for non-compliance with the tax law.

Fair competition

In its Code of Ethics the Group expressly makes a commitment to compete fairly and with respect to the rights of others in the different markets where it operates, complying with the applicable laws at all times and in all geographical locations, in particular with regard to the rules of competition, be it in the local, national or international context.

This general principle includes respect to legitimate business that the Group's competitors may develop with potential clients of the Group. It thus indicates that all kind of comments or behaviour that could be dishonest towards the competitors should be avoided.

In order to ensure prevention of any breach of fair competition principles, Audax Renovables carries out special awareness-raising actions related to the code of ethics, directed to its employees as well as its managers.

Lastly, neither the companies of the Group nor their managers have been convicted by courts for any breach of the fair competition regulations.

2.1.5 Accounting policy

The accounting policy followed by Audax Renovables in the calculation of the key performance indicators (hereinafter, KPI) that should be disclosed under the EU Taxonomy Regulation is based on the criteria established in the Delegated Act of article 8 and its subsequent amendments, as well as on the different FAQs published by the European Commission between 2022 and 2024 concerning the interpretation of the Delegated Regulation.

Any assumptions or estimates used for the calculation of the KPIs shall be outlined in this chapter. These estimates or assumptions can be modified and disclosed in the future when necessary according to future official guidelines of the European Commission or the best practices of the industry.

The KPIs that are eligible and aligned with the Taxonomy are calculated as the KPIs associated to each specific eligible activity aligned with the Taxonomy and are divided between the total KIPs of the Group. Wile calculating the numerators, the KPIs were assigned to the eligible activities aligned with the Taxonomy depending on the eligibility and alignment assessment described in the previous section of this chapter.

The income KPI is directly linked to the ratios used in the consolidated financial statements of the Group, while those of CapEx and OpEx of the Taxonomy refer to the kind of expenses or additions required by the EU Taxonomy Regulation.

For the consolidated figures of the EU Taxonomy, the consolidation adjustments are made primarily in accordance with the principles used in the consolidated financial statements.

Double accounting

All the disclosed KPIs of the Taxonomy exclude double accounting, because each KPI is assigned to a different activity, which is independent, in order to divide the financial figures among the applicable activities.

Audax Renovables considers that all its economic activities eligible under the Taxonomy contribute to the mitigation of the climate change, therefore they are disclosed only under this objective.

Calculation of the income KPI

According to the definition in the Delegated Act of article 8, the proportion of income of the Group that is eligible and aligned with the Taxonomy is calculated as income derived from products or services associated with the eligible and Taxonomy-aligned economic activities, divided into the total income of the Group disclosed in the Group's financial statements.[1]

The activities: **CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles** and **BIO 1.1 Conservation, including habitat restoration, of ecosystems and species**, eligible but not aligned, do not generate income.

In this regard, on the one hand, the income related to the activity **CCM 4.1. Electricity generation through solar photovoltaic technology** includes the total revenue associated to the power plants of Cañamares (Davinci Energía, S.L.U.), Carolinas 1 and 2 (Las Piedras Solar, S.L.U.), Zarzuela 1, 2, 3 and 4 (Corot Energía, S.L.U.), Alberizas 1, 2, 3 and 4 (Corot Energía, S.L.U.), Toconal (Centauro Energía Solar, S.L.), Calañas (Elogia Calañas), Los Arenales (Corinto Solar, S.L.U.), La Miranda (Ulises Power, S.L.), Zaratán 1 and 2 (Zurván Gestión de Proyectos), Cuatro Caminos 1 (Zeus Power, S.L.), Cuatro Caminos 2 (Hera Power, S.L.), Cuatro Caminos 3 (Juno Power, S.L.) and Cuatro Caminos 4 (Diana Power, S.L.), El Rebollo (Atlas Power, S.L.) and Lucero (Solar Buaya Inversiones, S.L.U.); while the income linked to the activity **CCM 4.3. Electricity generation from wind energy** includes the total revenue associated to the power plants of Eólica Pedregoso A, B and C (Eólica El Pedregoso, S.L. and Eólica Del Pino, S.L), Postolin (Eólica Postolin Sp Z.o.o) and Beausemblant (Eoliennes De Beausemblant, S.A.S). In order to calculate this income, the individual turnover of each generation company (of renewable electricity) of the group has been taken into account and consolidation adjustments have been made (thus avoiding the double accounting of the income, because the generation companies of Audax Renovables sell renewable electricity to the companies of Audax which, in turn, retail it to the market). Audax considers that, in order to offer a more precise representation of the alignment of its operations with the Taxonomy of sustainable activities of the European Union, the calculation of the income ratio shall include the turnover of the renewable generation business.

[1] The total income of the Group disclosed in its financial statements differs from the KPI because it does not take into consideration the inventories, only the Net Turnover.

Following the criteria established in the Delegated Act of article 8, the wind farm of Toabré (Parque Eólico Toabré, S.A.), in which Audax holds a 30% share, has not been included in this calculation.

On the other hand, the income associated to the activity **CCM 7.5 Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings** includes the revenue from the installation of smart meters, and the income associated to the activity **CCM 7.6 Installation, maintenance and repair of renewable energy technologies** includes the revenue from the installation of photovoltaic solar systems.

Calculation of the CapEx KPI

According to the definition of the Delegated Act of article 8, the proportion of CapEx of the Group which is eligible and aligned with the Taxonomy is calculated as the proportion of CapEx connected with the asset or processes linked to the eligible activities aligned with the Taxonomy to the total CapEx of the Group, calculated as the additions of tangible and intangible assets during the year considered before depreciation, amortisation and possible new measurements, including those resulting from revaluations and impairment, corresponding to the relevant fiscal year, excluding changes in fair value, including likewise the additions to tangible and intangible assets that result from business combinations.

The calculation is carried out based on the following standards: IAS 16 Property, plant and equipment, paragraphs 73,(e)(i) and (iii), IAS 38 Intangible assets, paragraph 118,(e)(i), IAS 40 Property investments, paragraph 76a) and b) (for the fair value model), IAS 40 Property investments, paragraph 79d)(i) and (ii) (for the cost model), IAS 41 Agriculture, paragraph 50b) and e) and IFRS 16 Lease, paragraph 53h)[2].

The same procedure is followed in the calculation of the CapEx KPI of the eligible activities that are not aligned.

In this regard, the CapEx related to the activity **CCM 4.1. Electricity generation through solar photovoltaic technology** includes the total CapEx associated to the power plants of Cañamares (Davinci Energía, S.L.U.), Carolinas 1 and 2 (Las Piedras Solar, S.L.U.), Zarzuela 1, 2, 3 and 4 (Corot Energía, S.L.U.), Alberizas 1, 2, 3 and 4 (Corot Energía, S.L.U.), Toconal (Centauro Energía Solar, S.L.), Calañas (Elogia Calañas), Los Arenales (Corinto Solar, S.L.U.), La Miranda (Ulises Power, S.L.), Zaratán 1 and 2 (Zurván Gestión de Proyectos), Cuatro Caminos 1 (Zeus Power, S.L.), Cuatro Caminos 2 (Hera Power, S.L.), Cuatro Caminos 3 (Juno Power, S.L.) and Cuatro Caminos 4 (Diana Power, S.L.), El Rebollo (Atlas Power, S.L.) and Lucero (Solar Buaya Inversiones, S.L.U.); while the CapEx linked to the activity **CCM 4.3. Electricity generation from wind energy** includes the total CapEx associated to the power plants of Eólica Pedregoso A, B and C (Eólica El Pedregoso, S.L. and Eólica Del Pino, S.L), Postolin (Eólica Postolin Sp Z.o.o) and Beausemblant (Eoliennes De Beausemblant, S.A.S).

Following the criteria established in the Delegated Act of article 8, the wind farm of Toabré (Parque Eólico Toabré, S.A.), in which Audax holds a 30% share, has not been included in this calculation.

With regard to the activity **CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles**, eligible but not aligned, the total CapEx associated to the purchase and/or lease (which would involve registering a right-of-use asset under IFRS 16) of the following companies has been included: Audax Renovables, S.A., Unieléctrica Energía, S.A., Audax Renewables K.F.T, Audax Gas Trading K.F.T., Audax Renewables Nederland B.V., Audax Energie, GmbH, Audax Sucursal (Portugal), Audax Renewables Polska sp. z o.o. and Audax Energía S.R.L.

Lastly, it should be mentioned that the Audax Group has not had any additions to CapEx related to the activities **CCM 7.5 Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings**, **CCM 7.6 Installation, maintenance and repair of renewable energy technologies** or **BIO 1.1 Conservation, including habitat restoration, of ecosystems and species**.

Calculation of the OpEx KPI

According to the definition in the Delegated Act of article 8, the proportion of OpEx of the Group that is eligible and aligned with the Taxonomy is calculated as OpEx related to assets or processes associated with the eligible and Taxonomy-aligned economic activities, in proportion to the total OpEx of the Group according to the Taxonomy.

In this context, the numerator of the Taxonomy OpEx includes non-capitalised direct costs related to the investigation and development, building renovation measures, short-term lease, maintenance and repairs, as

[2]A lease which does not involve registering a right-of-use asset is not accounted for as CapEx.

well as other direct expenses related to the daily maintenance of the fixed assets of the company or of a third party commissioned to perform the activities, and which are necessary to ensure the continuing and efficient functioning of these assets.

The same procedure is followed in the calculation of the OpEx KPI of the eligible activities that are not aligned.

In this regard, the OpEx related to the activity **CCM 4.1. Electricity generation through solar photovoltaic technology** includes the total OpEx associated to the power plants of Cañamares (Davinci Energía, S.L.U.), Carolinas 1 and 2 (Las Piedras Solar, S.L.U.), Zarzuela 1, 2, 3 and 4 (Corot Energía, S.L.U.), Alberizas 1, 2, 3 and 4 (Corot Energía, S.L.U.), Toconal (Centauro Energía Solar, S.L.), Calañas (Elogia Calañas), Los Arenales (Corinto Solar, S.L.U.), La Miranda (Ulises Power, S.L.), Zaratán 1 and 2 (Zurván Gestión de Proyectos), Cuatro Caminos 1 (Zeus Power, S.L.), Cuatro Caminos 2 (Hera Power, S.L.), Cuatro Caminos 3 (Juno Power, S.L.) and Cuatro Caminos 4 (Diana Power, S.L.), El Rebollo (Atlas Power, S.L.) and Lucero (Solar Buaya Inversiones, S.L.U.); while the OpEx linked to the activity **CCM 4.3. Electricity generation from wind energy** includes the total OpEx associated to the power plants of Eólica Pedregoso A, B and C (Eólica El Pedregoso, S.L. and Eólica Del Pino, S.L), Postolin (Eólica Postolin Sp Z.o.o) and Beausemblant (Eoliennes De Beausemblant, S.A.S).

Following the criteria established in the Delegated Act of article 8, the wind farm of Toabré (Parque Eólico Toabré, S.A.), in which Audax holds a 30% share, has not been included in this calculation.

With regard to the activity BIO 1.1 Conservation, including habitat restoration, of ecosystems and species, although Audax Renovables did have operating expenses (Taxonomy OpEx), currently it is working on updating its systems in order to include this information and disclose it in the next year report.

Lastly, Audax Renovables does not have (Taxonomy) OpEx associated with the activity CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, because the entirety of the cost has been capitalised (IFRS adjustment).

Neither does Audax Renovables have (Taxonomy) OpEx related to the activity CCM 7.5 Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings, nor to the activity CCM 7.6 Installation, maintenance and repair of renewable energy technologies.

2.2 Climate change (ESRS E1)

Objective

The objective of this chapter is to provide the information necessary to understand how the activities of Audax Renovables affect the climate change in terms of material impacts, risks and opportunities.

Interaction with other ESRS

This chapter shall be read in connection with ESRS 2. General information.

Disclosure requirements

The fight against the climate change and the commitment to the energy transition are two of the main challenges addressed by the Group in the area of sustainability. The company is changing the way of producing, distributing and consuming energy, and the regulators are promoting policies of climate neutrality, which prioritise renewable energy consumption over fossil fuels as a pathway to decarbonisation. Fossil fuels and all the activities related to them are one of the main causes of the climate change, and renewable sources constitute the main factor for the transition towards low-carbon economy.

The energy transition is a challenge, but also an opportunity to improve the state of the planet and people's health, to create quality jobs and to generate wealth in a more sustainable way. Therefore, in 2019 Audax Renovables extended its focus to the generation of 100% renewable energy in order to provide the company with a portfolio of photovoltaic projects, which demonstrates the company's strong commitment to the sustainability and renewable energy.

SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

The climate change has become a material subject to Audax as a consequence of its activities of both retail and generation of energy. The conclusions of the double materiality assessment carried out according to ESRS E1 on climate change establish as material the following topics and sub-topics of sustainability due to the material IROs identified by the company as part of its double materiality assessment.

ESRS Topic	Sub-topic	Impact, Risk or Opportunity	IRO
E1 Climate change	Climate change mitigation	Impact	Direct and indirect emission of greenhouse gas by the activity of retail of natural gas and of electricity from renewable sources
		Impact	Purchase of guarantees of origin (GOs).
		Opportunity	Definition of a decarbonisation goal at the Group level
		Risk	Changes in the customer demand for green energy.
	Climate change adaptation	Risk	Risk of not achieving the goal to reduce the global warming to 1.5ºC and that the energy transition will not advance as expected.
		Risk	Possible climate risks of transition related to the retail of gas.
	Energy	Impact	Promotion of technological innovation and development in the sector of renewable energy through the implementation of energy storage technology.
		Impact	Promotion of renewable energy to reduce the dependence on fossil fuels.
		Impact	Fair pricing of the energy invoice to improve the customer experience.
		Impact	Implementing technology solutions to improve the energy efficiency and reduce the cost of energy for the end client.
		Risk	Energy price volatility.
		Risk	Risk of decrease of demand for renewable energy and/or GOs because of an increase of cost in the client invoice.
		Risk	Inadequate management of the purchase/sale of energy (electricity and gas) and GOs.
		Risk	Political instability and global geopolitical conflicts that may affect the changes in the price of and demand for energy.

With regard to each climate-related identified risk the company informs whether it considers it a climate-related physical risk or a climate transition risk:

Impact, Risk or Opportunity	IRO	Physical risk / Transition risk
Risk	Changes in the customer demand for green energy.	Transition risk
Risk	Risk of not achieving the goal to reduce the global warming to 1.5ºC and that the energy transition will not advance as expected.	Transition risk
Risk	Possible climate risks of transition related to the retail of gas.	Transition risk
Risk	Energy price volatility.	Transition risk
Risk	Risk of decrease of demand for renewable energy and/or GOs because of an increase of cost in the client invoice.	Transition risk
Risk	Inadequate management of the purchase/sale of energy (electricity and gas) and GOs.	Transition risk
Risk	Political instability and global geopolitical conflicts that may affect the changes in the price of and demand for energy.	Transition risk

The company has not conducted an analysis of resilience of its strategy and its business model as such, but did carry out an analysis of climate risks derived from climate change, applied to the generation assets.

The analysis was based on the physical risk detection tool applied to each asset. Two scenarios were analysed: a scenario of low greenhouse gas (GHG) emissions (SSP1-2.6) and a scenario of high GHG emissions (SSP5-8.5), under three timelines (base line, 2030 and 2050). 8 different extreme climate and meteorological threats have been analysed, which could harm the assets of the company, affect the biodiversity and the ecosystems and have a financial impact on the assets of Audax. The following threats have been considered: extreme heat, forest fires, floods, droughts, rains and cyclones, extreme cold and landslides.

The results obtained from the application of the tool indicate that the total risk level, considering all the threats, is similar in almost all the assets due to the similarities of the installations, and is "Low" or "Minimal" in great majority. With the exception of the photovoltaic plant located in the region of Toledo in Spain, which is the only asset, whose risk is "Moderate" in a scenario of high emissions in 2050, due to the extreme heat in the region and possible loss of efficiency resulting from it.

All the photovoltaic plants face the risk of extreme heat in at least one of the climate scenarios and timelines. Even though they are designed to withstand high temperatures, a significant increase of temperature may affect their efficiency and electronic parts, conditioning the operation of the power plants.

All the solar plants face a risk classified as "High" related to water stress and drought, in both timelines. The reduction of water consumption for the panel cleaning procedures is one of the measures the Company is currently taking into account. Lastly, in a scenario of high emissions in 2050, the analysis has shown that there are two assets with a high exposure to the risk of fire damage. Specifically it concerns a photovoltaic farm in Spain and a wind farm in France.

The Group has defined a series of adapting measures for each of the identified climate threats. These adapting measures include, among others, the improvement of the fire prevention systems, installation of rainwater harvesting systems for the purpose of cleaning the modules, or installation of cooling systems in order to improve the efficiency of the panels.

Integration of sustainability-related performance into the incentive schemes (GOV-3)

The Group has introduced a decarbonisation objective into its Long-Term Incentive Plan of the Audax Group intended for the key managers and employees. The main object of the Plan is to incentivise, motivate and retain the management team and the key employees by offering them an incentive linked to the performance of the strategic plan.

The Plan consists in assigning to each beneficiary at the beginning of the Plan a number of "Units", which will give them the right to a number of shares of Audax equivalent to the assigned units weighted by a determined percentage depending on the degree of fulfilment of the specified goals. The Plan is linked, among others, to the fulfilment of a decarbonisation-related goal. Specifically, 3.3% is assigned to the fulfilment of the first decarbonisation goal of the Group by 203, whose approval is expected in 2025.

The Plan is supervised by the Chairman of the Board of Directors and the general manager of Audax, according to the instructions of the Board of Directors and the terms and conditions of the incentive are regulated in the document Long-Term Incentive Plan of the Audax Group, 2024-2026.

Transition plan for climate change mitigation (E1-1)

Audax Renovables is a company primarily involved in rendering services, except for the activity of renewable energy generation through wind and solar farms. In 2024 the company calculated for the first time the 3 scopes of carbon footprint, revealing that the most significant CO_2 emissions of the company are those related to scope 3, as they represent more than 99% of the total emissions of the Group.

Those emissions correspond to the transport and distribution of electricity and natural gas, which in terms of decarbonisation translates into a greater complexity, because Audax does not have operating control nor power of influence over its upstream and downstream value chain.

At the close of the year the Group does not have a transition plan for the climate change mitigation, which would ensure that its strategy and business model are compatible with the transition towards sustainable economy and reduce the global warming to 1.5 degree Celsius, in line with the Paris Agreement. However, the Group has worked throughout 2024, and will continue working in 2025, on the definition of the first decarbonisation goal of the Group, as a part of its Sustainability Strategic Plan 2023-2023.

The definition of the decarbonisation goal will focus on the retail of electricity of renewable origin activity through the purchase of guarantees of origin and will be established for the period of 2025-2030. The group is working on the definition of the goal as well as a plan to achieve it. The Board of Directors is expected to approve the decarbonisation goal in 2025.

The company is not exempted from the EU Paris-aligned Benchmarks. It agrees with the exemption criteria established in Article 12.1(d) to (g) and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmarks Regulation).

Policies related to climate change mitigation and adaptation (E1-2)

The company does not have specific policies on climate change mitigation and adaptation, but does have an Environmental Policy applicable to all the subsidiaries and all the activities, which includes as a part of its commitment to the environment the fight against climate change and the contribution to the decarbonisation of the economy in general. The policy was approved by the Board of Directors in 2023.

Actions and resources in relation to climate change policies (E1-3)

The company has not established decarbonisation levers yet, but they will be developed in 2025. Considering that the activity of Audax is centred on the retail and generation of renewable energy, the company has implemented specific measures in order to extend it generation capacity and optimise the use of financial resources allocated to the energy transition.

Currently Audax Renovables develops, constructs and operates renewable energy installations with a portfolio of renewable energy generation projects in various European markets. Its investments in energy generation have been financed primarily with own resources, accumulating approximately €200 million since the year 2020. Thus in 2024 the investment in renewable energy generation plants of Audax has reached €49.5 million, as shown in section 5.3 Taxonomy indicators. These investments are designed to strengthen the company's role as independent producer of renewable energy and to contribute to the reduction of emissions in the energy sector.

In 2024 Audax Renovables produced a total of 305 GWh of energy generated from 100% renewable sources.

Source	Installed capacity [MW]	Energy production [GWh]
Wind	157	161
Solar	110	144

Complementarily to the generation activity, the Group retails electricity and natural gas, supplying energy to businesses and households in various countries across Europe, including Spain, Portugal, Italy, Germany, Poland, the Netherlands and Hungary.

Moreover, in order to support its sustainable growth strategy, the company has established a Reference Regulatory Framework for the Green Finance, aligned with the international principles of sustainable bonds. Through this framework, the company has carried out issues of green bonds to finance projects of renewable energy generation.

In the future the company will continue expanding its renewable generation capacity and optimising its financial structure to support energy transition.

Targets related to climate change mitigation and adaptation (E1-4)

As a part of its Sustainability Strategic Plan 2023-2025 the company has been defining its first decarbonisation goal, whose approval is expected in 2025, and which will be centred around its main activity, the energy retail. At the close of the year 2024 the company does not have targets related to climate change.

As a part of the supervision of the identified IROs in climate change topics, the company monitors its carbon footprint after establishing its baseline in 2023, and oversees its energy consumption disclosed in the disclosure requirements E1-5 and E1-6 included below.

Energy and emissions (E1-5; E1-6)

Energy consumption and energy mix

The energy consumption of the Group is mainly related to its corporate facilities, including the headquarters and the subsidiaries, and the operations of its 100% renewable energy generation plants, in addition to the consumption related to its vehicle fleet.

Energy consumption in facilities

Audax operates through various facilities, which include renewable energy generation plants and headquarter and subsidiary offices. The main energy consumption is in the electricity plants, where the sources with renewable origin guarantees prevail.

Offices

The reported consumption of energy is limited to the offices under operational control, using the same scope of report for the scopes 1 and 2 of carbon footprint.

Additionally to the consumption of electricity, in the office in Hungary (without operational control) the demand for thermal energy is satisfied by systems of "district heating", optimising the use of local sources of energy.

Energy generation facilities

The energy generation facilities of Audax Renovables use exclusively renewable sources, meeting the central goal of carbon footprint reduction of the Group.

Energy consumption in the vehicle fleet

The own vehicle fleet represents other significant source of energy consumption. The majority of the Group's companies have gathered primary data on consumption of different fuels (E5, E10 and B7).

Energy consumption and mix *(MWh)*	**2024**
(1) Consumption of fuel from coal and coal products	-
(2) Consumption of fuel from crude oil and petroleum products	1,157.2
(3) Consumption of fuel from natural gas	-
(4) Consumption of fuel from other fossil sources	-
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	69.0
(6) Total energy consumption from fossil sources	1,226.2
Proportion of fossil sources in total energy consumption (%)	36%
(7) Consumption of fuel from nuclear sources	0.3
Proportion of nuclear sources in total energy consumption (%)	0%
(8) Consumption of fuel from renewable source, such as biomass (also comprising industrial and municipal waste of biologic origin, biogas, hydrogen from renewable sources, etc.)	93.7
(9) Consumption of purchased or acquired electricity, heat, steam or cooling from renewable sources	2,098.0
(10) Consumption of self-generated non-fuel renewable energy	-
(11) Total renewable energy consumption	2,191.7
Proportion of renewable sources in total energy consumption (%)	64%
Total energy consumption	3,418.3

The sector in which the Group operates is considered as a high climate impact sector under Delegated Regulation (EU) 2022/1288.

Energy intensity based on revenue *(MWh/€)*	**2024**
Total energy consumption from activities in sectors of high climate impact by revenue from activities in sectors of high climate impact	0.00

The following table shows the reconciliation of the reported denominator with the note on net revenue from activities in sectors of high climate impact in the financial statements:

Revenue (EUR million)	**2024**
Revenue from activities in sectors of high climate impact	1,981.7
Other income	-
Total revenue (financial statements)	1,981.7

Methodologies applied and calculation limitations

Energy consumption is not included with regard to the offices without direct operational control, such as leased offices under operational control of the lessee. This consumption falls within scope 3, category "downstream leased assets" according to the guidelines of GHG Protocol.

The electricity consumed with guarantee of origin is considered entirely renewable. In order to calculate the consumption of electricity without guarantee of origin the retailer applies a percentage of renewable energy of the mix remaining after the guarantees are redeemed, using the national residual energy mix as the ultimate benchmark.

With regard to the vehicle consumption of Portugal, where the direct consumption information is not available, the consumption has been estimated by calculation based on the cost of fuel and the corresponding conversion factors for each type of fuel. Consequently, the information on the energy consumption of the vehicle fleet of the Group has been obtained from direct registers of fuel supply complemented by calculation models based on expenses in specific companies, such as in the case of Portugal.

Moreover, because the fuel consumed contain a percentage of renewable fuels in compliance with applicable European regulations, the proportion of bioethanol in E5 and E10 fuels as well as the proportion of biodiesel in B7 fuel have been calculated as renewable energy consumption. The remaining volume of fuel consumed is considered fossil fuel.

In 2024 the estimation is of 1.5% of the total energy consumption.

Generation and retail of energy

Audax Renovables manages a diverse and robust portfolio of energy generation projects strategically focused on renewable sources. The total installed capacity is of 955 MW, distributed in wind farms and solar plants located in Spain, France, Poland, Portugal, Italy and Panama.

In 2024 the Group supplied a total of 15.5 TWh of energy. 11% of the energy supplied is certified as renewable, ensuring that its client base have access to more sustainable options aligned with the global energy transition.

Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions

In 2024 the Group conducted an integral assessment of its carbon footprint, implementing for the first time an exhaustive study of the Scope 3 emissions. Using the methodology of the GHG Protocol the Group included emissions of the gas and electricity it sells, thus enabling transparent management and reporting of its emissions available to the interested parties.

The Group's carbon footprint for the year 2023, the first under the requirements of ESRS E1-6, is of 3,430,874 tCO_{2eq}, calculated according to the market-oriented approach. A detailed analysis reveals that Scope 3 emissions are the major part of Audax's total carbon footprint, at almost 100% of total emissions.

Taking 2023 as the baseline year, the company pledges to continue a continuous improvement route, using innovative technologies and improved practices to achieve significant reductions of its carbon footprint.

Inventory of emissions for 1, 2 and 3 scopes *(tCO_2e)*	**Development**		
	2023	**2024**	**% 2024/2023**
GHG emissions scope 1			
Gross GHG emissions scope 1	423.5	307.6	(27.4)%
Gross GHG emissions of scope 1 from regulated systems of emissions trading (%)	-	-	-
GHG emissions scope 2			
Gross GHG emissions of scope 2 based on location	515.0	316.7	-38.5%
Gross GHG emissions of scope 2 based on market	239.0	42.6	-82.2%
Total indirect gross GHG emissions (scope 3)	**3,429,679.5**	**3,655,119.8**	**6.6%**
1 Goods and services purchased	126,187.5	156,056.3	23.7%
2 Capital goods	8,606.7	8,413.5	-2.2%
3 Activities related to fuels and energy (not included in scopes 1 or 2)	2,560,522.4	2,589,346.4	1.1%
4 Upstream transportation and distribution	-	-	-
5 Waste generated in operations	4.3	4.2	-2.3%
6 Business travels	111.8	281.3	151.6%
7 Employee commuting	939.6	835.3	-11.1%
8 Upstream leased assets	30.2	50.2	66.2%
9 Transportation and distribution	-	-	-
10 Processing of sold products	-	-	-
11 Use of sold products	733,257.4	900,111.6	22.8%
12 End-of-life treatment of sold products	-	-	-
13 Downstream leased assets	-	-	-
14 Franchise	-	-	-
15 Investments	19.7	21.0	6.6%
Total GHG emissions			
Total GHG emissions (based on location)	3,431,151.9	3,655,744.1	6.5%
Total GHG emissions (based on market)	3,430,207.1	3,655,470.0	6.6%

The following table shows the intensity of GHG emissions (total GHG emissions by net income):

GHG intensity by revenue *($tCO_2e/€$)*	**2024**
Total GHG emissions (based on location) by revenue	0.002
Total GHG emissions (based on market) by revenue	0.002

The following table shows the reconciliation of the reported denominator with the note on net revenue in in the financial statements:

Revenue *(EUR million)*	**2024**
Revenue from activities in sectors of high climate impact	1,981.7
Other income	-
Total revenue (financial statements)	1,981.7

Definition of the base year

The base year is 2023, with data that cover the Group's activities from 1 January 2023 to 31 December 2023. That year was selected as base year because it is representative of the current activities of the Group and was the most recent complete year when the Group completed the process of footprint development.

Organisational limits

In its footprint calculation the Group used an operational control approach, including the emissions where it has full power to introduce and implement its operating policies in the operation.

Corporate

This function comprises all the activities in its offices, including administrative tasks and support services which contribute to the total operational footprint of the Group.

Retail

This segment includes the acquisition and sale of gas and electricity retailed by the Group. It implies the management of the supply chain, interactions with clients and market transactions, fundamental for the assessment of the Group's carbon footprint.

Generation

This function covers operations of renewable electricity generation of the Group. It includes all the assets related to the wind and solar photovoltaic energy production, reflecting the Audax Group's commitment to sustainable energy.

In this regard, the inventory of the Group's emissions includes direct and indirect GHG emissions originated in the consolidated accounting group, comprising the parent company as well as its subsidiaries.

Methodologies applied and calculation limitations

The organisation's carbon footprint has been calculated according to the GHG Protocol. The total emissions of the base year, as well as of the subsequent years, shall be reported following a market-based approach, which takes into account our use and retail of renewable energy.

The following greenhouse gases were taken into consideration in the carbon footprint: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF_6)[3].

The Group's information on scope 2 GHG emissions in gross terms includes solely the electricity consumed. In order to calculate the Scope 2 GHG emissions the Group has followed the location-based as well as the market-based approach. For the location-based emissions the Group uses average emission factors from energy generation for specified locations. While for the market-based emission the Group quantifies the GHG emissions of the producers from whom it purchased electricity under a contract.

Audax Renovables has identified its significant categories of Scope 3 by considering the estimated emissions of GHG together with the criteria established in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This identification process has involved factors such as financial expenses, influence, transition risks and opportunities, and the perspectives of the stakeholders. For information on excluded Scope 3 categories and its justification see paragraph *"Materiality and exclusions from GHG inventory"* of this section.

Both in the base year and in the calculation of the carbon footprint for the year 2024 actual data were used based on the activity for the greatest part of the emissions inventory. On the other hand, the following considerations have been taken into account:

[3] The activities of Audax Renovables do not produce emissions of perfluorocarbons (PFC) or nitrogen trifluoride (NF_3).

- The emissions from network losses have been estimated using information provided annually by the electric system operator of the national grid of each country, provided by the AIB (Association of Issuing Bodies).
- The emissions connected with the purchase of goods and services, i.e., the emissions connected with the supply chain - except for the purchase of gas and electricity - have been calculated using the approach based on expenses (EEIO).
- The emissions connected with the employee commuting have been estimated based on a survey on employees and relevant emission factors (DEFRA).
- The Group updates annually its Scope 3 GHG emissions for each significant category, based on the data on the activities of the reporting period. Consequently, the complete inventory of the Scope 3 GHG of the Group is updated in this regard.
- The emission factors used come from MITECO, AIB, DEFRA, the OCCC and, in the case of calculation of market-based scope 2, from Audax's suppliers.

Materiality and exclusions from GHG inventory

A limited number of categories of Scope 3 have been excluded from the carbon footprint assessment due to their lack of materiality or their irrelevance to the Group's operations.

Upstream transportation and distribution

Excluded because the associated emissions are not significant for the Group's activities, as its operations are predominantly of retail character.

Downstream transportation and distribution

Excluded, because the emissions related to the distribution of gas and electricity are already accounted for in other categories.

Processing of sold products

Excluded because the Group retails exclusively end products, therefore additional processing is not needed.

End-of-life treatment of sold products

Excluded because not applicable to the retailed products, which are gas, electricity and GOs.

Franchise

Excluded because Audax does not have franchise activities within its business model.

GHG removal and GHG mitigation projects financed through carbon credits (E1-7)

The subsidiary located in Italy in 2024 acquired 130,000 CO_2 credits through financing of the CO_2 removal projects, equivalent to 303,646 MWh of gas. In 2024 the company offset 62,157 t of CO_2, and the rest will be offset during the next year. The financed projects are solar parks located in India and comply with the VCR-VERRA recognised standard.

Internal carbon pricing system (E1-8)

The Company does not have an internal system of carbon pricing.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)

Audax does not provide this information under transitional provision of Appendix C of ESRS 1 of CSRD.

2.3 Biodiversity and ecosystems (ESRS E4)

Objective

The objective of this chapter is to provide information necessary to understand how the activities of Audax Renovables affect biodiversity and ecosystems, as well as the activities that the company undertakes to protect and remediate the impacts of its activities on the ecosystems.

Interaction with other ESRS

This chapter shall be read in connection with ESRS 2. General information.

Disclosure requirements

Protection of biodiversity and ecosystems is a material question for Audax as a consequence of its activity of electricity generation from renewable sources. The conclusions of the double materiality assessment conducted in accordance with ESRS E4 - Biodiversity and ecosystems, establish as material the following topics and sub-topics of biodiversity:

ESRS	Topic	Sub-topic	Impact, Risk or Opportunity	IRO
E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Impact	Loss of biodiversity and ecosystems through direct use of rural land for the construction and operation of power plants.
		Impact on the state of the species	Impact	Deaths, accidents and rescues of species in areas and surroundings of power plants.

Consideration of biodiversity and ecosystems in the strategy and business model (E4-1)

The fight against the climate change and the energy transition towards a low-emission economy are two of the main challenges addressed by the Group in the area of sustainability. The company is changing the way of producing, distributing and consuming energy, and the European regulators are promoting policies of climate neutrality such as the Paris Agreement, which prioritise renewable energy consumption over fossil fuels as a pathway to decarbonisation. In Europe the renewable sources constitute the main focus of the energy transition and, therefore, in 2019 the company decided to centre around the activity of energy generation from 100% renewable sources in order to make of Audax a vertically integrated company and continue promoting renewable energy consumption.

In line with the above, the Group has established as one of its main strategic goals the growth of renewable energy generation projects in order to provide the company with a portfolio of photovoltaic and wind projects that would contribute to the medium and long term sustainability of its business. At the close of the year 2024 the Group owns 14 power plants in different stages of development, 10 of which are photovoltaic plants and 4 are onshore wind farms located in Spain, France, Poland, Portugal, Italy and Panama.

The projects are in different stages of development and operation. The information on the situation of the portfolio and the progress of the projects is available to the stakeholders through the quarterly and half-yearly reports published on the company's corporate Website.

The solar and wind farms have direct impact on biodiversity and ecosystems, such as the loss of biodiversity and ecosystems by direct use of rural land for the construction and operation of power plants, or the deaths, accidents and rescues of species in areas and surroundings of power plants, and therefore there is high regulatory pressure for the implementation of measures of protection of the natural environment and ecosystems during all the stages of development of the projects. For each of the power generation projects environmental impact studies are conducted, as well as environmental management and monitoring plans are drawn up, and specific prevention and mitigation measures are implemented, adapted to the characteristics of the area and the species inhabiting it, always in compliance with the environmental and social requirements established by the administration.

The environmental legal framework applicable to the generation activity ensures that the execution of the generation projects of the company be carried out through the best practices during the stages of construction and operation, guaranteeing the protection of biodiversity and ecosystems, conservation of the historical heritage and well-being of the local communities where the power plants are located. All the generation projects are subject to favourable environmental decisions issued by the public administration bodies, which allow the company to legally commence the construction, installation of the power plants and which establish all the preventive and compensatory environmental measures to be undertaken for the protection of biodiversity.

The company has not conducted an analysis of biodiversity resilience as such, but has conducted an analysis of climate risks derived from the climate change, according to the description of paragraph ESRS E1 - Climate change. An analysis of the assets has been carried out taking into account the potential impacts of the climate change on the assets and on the ecosystems where these are located. The company has not identified significant system or transition risks with regard to biodiversity and ecosystems, which could affect significantly the strategy or the economic performance of the company.

The analysis of physical risks has been focused on power plants taking into account primarily the impacts on the loss of biodiversity and on the installations themselves as a consequence of the climate change. The analysis reveals that the only risks to which some of the power plants of the company are exposed are the drought and extreme heat. As a part of the analysis a set of mitigation measures has been established to be applied in the case of materialisation of the identified risks, such as for example: the implementation of dry cleaning systems to clean the photovoltaic panels, the installation of rainwater harvesting systems and an improvement of the fire prevention systems, among others.

In 2024 the company did not identify any high risk concerning the loss of biodiversity or related to the loss of species at risk of extinction or vulnerable to it. The rescues carried out, the wind studies and bird monitoring, the observation activities and equipment shutdowns are the control framework based on which the company analyses and evaluates these risks.

The Group has not received any sanction or fine for infringements related to biodiversity or the environment and no risk of non-compliance has been detected.

The company has two activities that are eligible and aligned with the Taxonomy Regulation. The generation activities aligned and eligible are:

- Electricity generation through solar photovoltaic technology
- Electricity generation from wind energy

In chapter 2.1 - Disclosure of information under article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation). Key performance indicators are disclosed concerning the turnover, CapEx and OpEx which adjust to the taxonomy under Delegated Regulation (EU) 2021/2178 of the Commission.

Location of the assets

Since 2023 the internal strategy of location selection for the power plants has been to avoid the situation in which the plants are located in protected areas through the selection of locations. The company avoids expressly that the plants be located in protected areas or recognised areas of high biodiversity value.

However, the Group has one power plant called "Pedregoso", located in Tarifa, whose surface is of 480 ha and it is located within the limits of the nature park Parque Natural de los Alcornocales. In accordance with the law, the wind farm obtained its authorisation established by Law 2/189 approving the Inventory of Protected Areas of Andalucía and establishing its protection rules. The authorisation, according to the provisions of art. 25.2 of Decree 292/1995 and art. 21 of Law 7/1994, was incorporated to the Environmental Impact of the farm.

The only actors of the value chain who interact with biodiversity and ecosystems in the power plants are the own workforce and the employees of the installation and maintenance firms commissioned by the company to perform the tasks in the locations.

The company applies mitigation measures related to biodiversity in accordance with the conclusions of the environmental impact assessment (EIA) and the provisions of the favourable environmental impact declarations (DIA) approved by the competent bodies under Law 21/2013 of 9 December on environmental assessment of installations for the production of electricity from solar and wind energy.

Management of impacts, risks and opportunities

The process of determining and evaluating material impacts, risks and opportunities related to biodiversity and ecosystems has been carried out by Audax in accordance with the provisions of chapter *1.4 Management of impacts, risks and opportunities*. During the process of IROs identification the results obtained from the analysis of physical risks derived from climate change and potential impacts detected were taken into account. The double materiality assessment conducted in accordance with ESRS E4 - Sustainability and ecosystems, establishes as material the following topics and sub-topics of sustainability:

- **Direct impact drivers of biodiversity loss**

Direct impact drivers of biodiversity loss of the company are connected with the sub-topic of direct exploitation of rural land for the construction and operation of the power plants, specifically, in the areas where the wind and solar farms of the Company are located. While a power plant is undergoing the development and construction process, specific research is carried out into the environmental impact on the land, local vegetation and fauna for the purpose of understanding the behaviours of the species dwelling in the area and establishing adequate environment protection and conservation measures.

The company does not contribute to direct impact drivers of biodiversity loss connected with the sub-topics of climate change, land-use change, freshwater-use change or sea-use change because it is not required by own operations. Neither does it contribute to the introduction of invasive alien species or pollution.

- **Impact on the state of species**

The impact of the wind turbines of the wind farms on birds is particularly relevant because of potential accidents caused on their flight paths It is fundamental to analyse and understand the flight paths and the behaviour of the avian fauna of the area due to the risk posed by the wind turbines to birds. Audax focuses on reducing the bird mortality in all its wind farms and on monitoring the species at risk of extinction or vulnerable to it. The Company collaborates with Fundación Migres, a private non-profit entity, whose purpose is the study, conservation and propagation of nature and, in particular, the study of bird migration and its relation to climate change, geared towards preservation and improvement of heritage.

Policies related to biodiversity and ecosystems (E4 -2)

The Group has implemented the Environmental Policy applicable to all its subsidiaries and activities. The Policy is a general framework of reference for the purpose of integrating environmental aspects in the decision making and strategy of the Group. The policy was approved by the Board of Directors in 2023 and features the commitment and guidelines to be followed by the company with regard to the environment protection and biodiversity conservation.

It is related with the direct impact drivers of biodiversity loss because of land use and the impacts on the state of species, covering exclusively own operations. The company has not implemented specific biodiversity policies, nor agricultural, marine or deforestation policies, or policies related to potential social consequences of impacts related to biodiversity because it has not identified any risks or negative impacts on these topics. Neither are there legally applicable requirements which would obligate the company to have such policies implemented.

The Group has integrated robust environmental management systems to the activity of its subsidiaries and their environmental impacts. With this regard, the Hungarian subsidiary uses an environmental management certified under the ISO 14001 standard and the Spanish subsidiary Unieléctrica has obtained the ISO 50001 certification on its energy management system. As a part of its Sustainability Strategic Plan the Group continues working towards implementing certified environmental management systems in other companies of the Group.

While drawing up the Non-Financial Information Statement and conducting environmental controls, the Sustainability Manager, in close collaboration with the Generation Department, checks annually the environmental indicators of the Group in order to detect potential impacts, risks or opportunities and apply additional measures when necessary. The indicators are verified as a part of this Sustainability Statement.

Actions and resources related to biodiversity and ecosystems (E4 -3)

Biodiversity and ecosystem protection is a topic, which affects directly the energy generating activity of Audax Renovables, particularly in the areas where its wind and solar farms are located. Therefore, biodiversity protection is integrated into all the stages of the energy generation projects. While an installation is undergoing the construction process, research is carried out into local vegetation and fauna for the purpose of understanding the behaviours of the species dwelling in the area and establishing adequate environment protection and conservation measures. Once the construction is completed and the installation is put into operation, an exhaustive process of monitoring and tracking of these species is put in place as an integral part of the everyday operation of the facility.

For each of the power generation projects environmental impact studies are conducted and environmental management and monitoring plans are drawn up, which define the actions and measures of prevention and compensation to be implemented. In the case of wind farms, due to the risk posed by the wind turbines to birds, it is fundamental to understand the flight paths and the behaviour of the avian fauna of the area especially of the endangered species. The company collaborates with Fundación Migres, a private non-profit entity, whose purpose is the study, conservation and propagation of nature and, in particular, the study of bird migration and its relation to climate change, geared towards preservation and improvement of the natural heritage.

The protection and mitigation measures are specific to each power plant, some of the most common being the following: catching and marking, GPS monitoring, nest rescue, shutdown of the turbines, alignment of the blades during night-time hours or farming activities, grazing-related activities, among others.

When the monitoring team detects a situation of risk for a species, it should contact the control centre of the wind farm and request shutdown of those wind turbines, which pose a risk to the avian fauna at the moment. This procedure shall prevent potential collisions with the wind turbines. The shutdown of the wind turbines shall be the most strict possible, in order to reduce the probability of collision as well as to avoid unnecessary extension of the shutdown, and always meeting the shutdown criteria established in the instruction applied.

It is particularly important to locate the injured fauna in the wind farms in order to quantify the direct impact on birds and chiroptera. It is the main tool that allows to determine the areas of the highest danger within the farms as well as situations and meteorological conditions which pose major risk. Exhaustive inspections are carried out daily in order to locate the fauna injured by collision with the wind turbines, bot at the base of each turbine as well as within the scope of 100 metres around it. Should an injured bird included in the lists issued by the Regional Delegations be located, the company shall report it to the competent body in order to transport the bird to a recovery centre or, in case of fatality, the presence of the environmental authority at the scene shall be required. However, in the case of species not included in the list issued by the competent Delegation it will not be necessary to report it to the Environment Agents. The specimen shall be collected by the surveillance team if it is deceased, or transported to a recovery facility if it is injured.

In order to monitor and prevent potential future impacts, all the impacts related to situations of risk to avifauna shall be registered for subsequent analysis and follow-up, whether or not the shutdown of wind turbines was involved, and the time elapsed between each one of the phases of the wind turbine shutdown shall be recorded.

- **Rescues and relocations**

16 rescues and relocations were carried out concerning groups of mammals and reptiles. All the rescues were carried out in the wind farm Toabré located in Panama. Two of the rescues were specimens of boa constrictor and rainbow boa, both species considered vulnerable according to the Regional Catalogue of Endangered Species of Panama. One rescue concerned a juvenile jaguarundi, a species also considered vulnerable. All the specimens were rescued and relocated.

- **Wind turbine shutdown**

During 2024 it was necessary to stop the wind turbines because of situations of risk to birds. The wind turbines were shut down 44 times. The shutdown time of the turbines (when at least one turbine was stopped) was of 28.5 hours.

- **Control of the vegetation**

Periodic control of the herbaceous vegetation of the photovoltaic plants is carried out through grazing, avoiding the use of the herbicides.

Reforestation is a usual compensatory measure required by law in the wind farms and photovoltaic plants for the purpose of restoring and preserving the natural habitats affected, and of compensating for a possible loss of vegetation due to the installation of wind turbines and photovoltaic panels. The most common practice is to reforest a number of hectares equivalent to the area covered with the installations. In 2024 the Group carried out replanting of seedlings in the total area of 25.29 hectares with predominant native trees of the area.

All the controls and actions carried out in relation to biodiversity are documented and monitored through monitoring reports, rescue and relocation plans and invoices or certificates of the action performed. The reports are made annually by various consulting firms and local environmental agencies in accordance with the law applicable in each location.

The company does not have access to the amounts in biodiversity topics because there is no specific classification for these expenses which would allow to differentiate them from operating expenses of the power plants.

Targets related to biodiversity and ecosystems (E4 -4)

The company has not established targets related to biodiversity and ecosystems at the moment because it considers that the impacts of power generation activity on biodiversity are duly covered by the actions and measures described above.

In line with the target of strengthening the internal regulations the company committed to draw up a policy concerning biodiversity topics, which shall be approved by the Board of Directors the next year and will address specifically biodiversity-related material impacts of Audax.

Impact metrics related to biodiversity and ecosystems change (E4 -5)

At the time of disclosing the following information the company relies on the metrics and actions related to biodiversity gathered in various reports on environmental impact of the photovoltaic plants and wind farms. The reports are made annually by various consulting firms and local environmental agencies in accordance with the law applicable in each location.

- **Vulnerable or endangered species in the installations' surroundings**

During the year 2024 more than 2,537 species were spotted and identified in the power plants. The spotting included 2 vulnerable species (Spanish imperial eagle and Iberian grey shrike) and one at risk of extinction (Egyptian vulture) according to the IUCN (International Union for Conservation of Nature) Red List. Moreover, the company registers the species identified according to the regional lists of endangered species applicable in each region. According to the regional lists, 29 species considered vulnerable and 5 at risk of extinction were spotted.

Monitoring campaigns and nest rescue actions were carried out concerning 6 birds, specifically Montagu's harriers, considered vulnerable according to the regional list, in order to contribute to their protection. Moreover, measures such as location and protection of nests, application of temporary restrictions in order to facilitate the reproduction of species, installation of nest boxes and conservation of large tree species are implemented.

- **Injured fauna**

Injured fauna is considered to be all the birds or chiroptera found injured or deceased, as well as rests of plumage and bones. In 2024, 26 injured specimens were located, 3 of them considered vulnerable according to the regional list of wildlife species under special protection. 7 of these specimens were deceased chiroptera of the *Pipistrellus pipistrellus* (bat) species, considered vulnerable according to the IUCN Red List.

The majority of the bird collisions concern species of a size smaller than domestic pigeon and are inevitable collisions (predominantly collisions with the wind turbine shaft) that are not included in the criteria for shutdown in the instructions of environmental monitoring programmes of the wind farms.

Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities (E4-6)

Audax does not provide this information under transitional provision of Appendix C of ESRS 1 of CSRD.

3. SOCIAL INFORMATION

3.1 Own workforce (ESRS S1)

Objective

The objective of this chapter is to specify the disclosure requirements established by the CSRD Directive concerning own workforce, which shall enable users of the Sustainability Statement to understand the material impacts, risks and opportunities related to the persons working in the company.

Interaction with other ESRS

The chapter shall be read in connection with Chapter 1.4 of ESRS 2 - General requirements.

Disclosure requirements

Strategy

Interests and views of the stakeholders (ESRS 2 SBM-2)

The sustainability topics corresponding to ESRS S1 - Own workforce have proved to be material to Audax because the employees are a key strategic pillar of the company and are one of the most significant stakeholders to Audax, together with the clients. Human team is the Group's most valued asset, which plays a fundamental role in its operation and success. The interests and opinions of the employees on the strategy, processes and critical points of the business are one of the major levers of value generation of the company.

The Group fosters fluid communication on all organisation levels through its open door policy promoted by the Management in order to share suggestions, opinions and any type of concerns. The main communication channel of the employees are the meetings with the Management, where identified critical points are shared and improvement actions are determined.

Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

The process of determining and evaluating material impacts, risks and opportunities related to own workforce has been carried out by Audax in accordance with the provisions of chapter 1.4 Management of impacts, risks and opportunities.

The conclusions of the double materiality assessment conducted under ESRS S1 - Own workforce establish as material the following topics and sub-topics, all of them identified in own operations, related to the employees of the Group:

ESRS	Topic	Sub-topic	Impact, Risk or Opportunity	IRO
S1	Own workforce	Working conditions	Impact	Representation of the employees by trade union or Works Council
			Impact	Occupational accidents, diseases or fatalities of own workforce and self-employed workers.
			Impact	Create stable and quality employment.
			Impact	Pay gap by gender
			Impact	Reconciliation measures that support the distribution between professional and personal time.
			Impact	Own workforce covered by collective agreements
		Equal treatment and opportunities	Impact	Possible incidents of workplace harassment, violence or any situation of difference in treatment or opportunities that may arise in the company and affect its employees.
			Impact	Training programmes for the employees
			Impact	Employee performance evaluation model
			Impact	Onboarding process for new employees
			Impact	Improvement of the organisation model focused on the employee
			Impact	Employment of persons with disability
			Risk	Risk of losing a tender because of lack of updated Equality Plan
		Other work-related rights	Impact	Violation of fundamental labour rights such as child labour or forced labour, which affect own workforce

Working conditions

The company has identified six material impacts related to the working conditions, two of which are negative and four are positive. The identified negative impact related to adequate wages is actual and is due to the pay gap by gender of the Group and that the majority of the management team of the company is comprised of men, thus creating a significant pay gap in the management positions. The second negative impact identified is a potential impact and is connected with potential accidents that the employees could suffer. The company has low accident rates, but the IRO is linked to the protection of human rights and workers' rights where the criteria of severity prevails over probability.

With regard to the four positive actual and material impacts, the company has identified the creation of quality employment, promotion measures for the reconciliation of the professional and personal life, the freedom of association of the employees and the number of employees covered by collective agreements as material IROs.

Equal treatment and opportunities

The company has identified six material impacts related to equal treatment, of which five are actual positive impacts and one is a potential negative impact. With regard to the material positive impacts the company has identified IROs related to the improvement of the organisation model as a goal of the corporate strategy, the training programmes offered to the employees, the model of performance assessment, the new onboarding programme implemented in 2024 and employment of persons with disability. The only potential negative impact that is material for the company are the possible situations of workplace harassment, mobbing or any situation of difference in treatment or opportunities that may arise in the company and affect its employees.

Other work-related rights

The only potential negative impact is connected with possible violations of the fundamental rights of the employees that may affect own workforce. Despite of the company having only own workforce in the European countries where the regulations are very exigent with regard to the respect of the fundamental rights of the workers, as it is a sustainability topic related to the human rights, the criteria of severity prevails over probability, thus making material the subject.

The company has not identified any material risk or opportunity related to own workforce.

Strategy

Policies related to own workforce (S1-1)

All the subsidiaries of the Group have a Human Resources Department responsible for the definition of the internal policies, guidelines and procedures related to the management of own workforce. The organisation's uppermost level responsible for the application of the policies related to own workforce is the Human Resources department of the Group led by the Chief People & Communication Officer.

The internal policies and procedures of the organisation related to own workforce are developed at local level and are applicable to the employees of the different subsidiaries depending of the country they are in. The policies and procedures are available from the Employee Portal and the corporate intranet. New policies and updates on the existing policies are communicated to all the employees by e-mail. The company makes the information available to the interested parties who may be affected such as employees of the value chain and stakeholders such as suppliers and clients who shall contribute to the application of the policies and procedures.

Human Rights

Audax stays firmly committed to the defence of human rights in accordance with the Ten Principles of the UN Global Compact, to which the company continues adhered since 2013. Accordingly, Audax Renovables respects in all its activities the fundamental rights of its employees and public liberties recognised by national and international agreements and legal systems of the countries where it operates, such as stated in the Corporate Code of Ethics applicable to al the subsidiaries of the Group. In particular, it establishes the company's commitment with regard to the different identified material impacts: the commitment to human and labour rights, equal opportunities, the right to privacy, harassment prevention, work-life balance, health and safety of the employees, the commitment to training and development and the promotion of open and fluid communication between employees.

The company does not have a specific policy on human rights because the identified material impacts related to potential violation of human rights in the case of Audax Renovables are specifically referred to labour rights, addressed by the employee policies and procedures. The policies and procedures related to employees do not explicitly address the treatment of human beings or forced labour or compulsory labour or child labour, because it has not detected any impact, whether actual or potential, or any potential risk related to these violations of human rights in its own activities or in its value chain.

Equal treatment and opportunities

The Group does not have a specific equal treatment policy, but it does have a Harassment Protocol, whose objective is to promote workplace environment free of any conduct susceptible to being construed as harassment or bullying in the workplace. The protocol defines what kind of conduct is considered as workplace harassment and specifies a procedure to be followed in a situation of workplace harassment. In this regard, the use of the Whistleblowing Channel is also encouraged as a means of secure and confidential communication available to all the employees. The protocol is applicable to all the subsidiaries of the group and is available to the employees through the corporate intranet.

The Spanish company has an Internal Equality Plan, which was implemented in 2020 and is currently being updated. During the year the company has worked on the update of the plan in cooperation with an renown firm with expertise in the area. The plan shall specifically address the issues of discrimination based on gender and age, both topics considered material to the company.

Work-life balance

The group promotes among all its subsidiaries the balance between the professional and personal life and has implemented policies designed to facilitate the distribution of professional and personal life in all its subsidiaries, agreed individually with the employees, such as: teleworking conditions, working-time reductions and flexible hours. Not all the employees are covered with these policies in general, there should be certain conditions met for the agreement to be adaptable to the workplace.

The policies and agreements related to the work-life balance shall be approved by the direct managers of the employees and human resources.

Health and safety of own workforce

The company does not have a specific policy on health and safety, but all the subsidiaries of the Group have various guidelines and procedures in health and safety topics, such as: occupational risk prevention plans, self-protection plans and internal guidelines and training on occupational risk prevention in the workplace and in teleworking situations, self-protection plans etc. The majority of the subsidiaries have external prevention services in close cooperation in order to define and implement all the necessary policies and measures of health and safety and occupational risk prevention.

Particularly, the subsidiary located in Hungary has a Health and Safety Management System certified in accordance with the ISO 45001 standard.

Remuneration policy

All the subsidiaries have a remuneration policy based on a fixed element and a variable part, which is evaluated annually, and not all the employees are subject to this policy.

The Group strives to ensure a just remuneration based on the equality principle, as it is stated in individual human resource policies of the subsidiary companies of the Group. This commitment is also noticeable in the organisation's Code of Ethics and Conduct, where it is explicitly stated that the Group "promotes equal opportunities between men and women in recruitment, training and promotion of professionals in their working conditions".

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Audax understands that the perspectives and opinions of its own workforce are form the basis in the company's decision-making processes, in particular concerning the identified impacts. In all the subsidiaries of the Group, except for the subsidiary located in Hungary and the subsidiary located in the Netherlands, the processes of cooperation with own workforce are designed directly with own employees. The Group fosters fluid communication at all organisation levels through its open door policy promoted by the Management in order to share suggestions, opinions and any type of concerns. The main communication channel of the employees are the meetings with the Management, where identified critical points are shared and improvement actions are determined. Generally, all the employees may contact the human resources manager of the subsidiary in order to communicate any important aspect.

The communication in order to cooperate with the employees may be initiated by the employee or by the Management and does not have any determined frequency. General managers together with the managers of the Human Resources departments are operationally responsible for ensuring that the cooperation with the employees is taken into account in the decision-making process of the company.

In the case of the Hungarian subsidiary, the company has a Works Council and a trade union, with whom the General Manager negotiates and consults at fixed intervals (half-yearly, yearly, etc.). The function of the works council is to represent the interests of the employees of Audax before the management, while the role of the trade union is to represent the interests of the employees of the sector before the management, for example in remuneration negotiations.

The subsidiary located in the Netherlands also has a Works Council, which plays a key role in the interaction with the workforce. One of the most important rights established by the Dutch law is the right to consent *(instemmingsrecht)*, which allows the company's council to approve or reject the suggested changes in the policies that affect directly the workforce. It may be applied to decisions related to the work schedule of the employees, remuneration systems or health and safety measures. Through regular consultations with the company's council the company ensures that the opinions of the employees are taken into account in the decision-making processes. These consultations are carried out in the key stages according to the nature of the matter in question. Moreover, the feedback of the company's council is fundamental to designing the policies in order to ensure that these are aligned with the legal requirements as well as with the expectations of our workforce.

In addition to the quarterly periodic meetings and the comments shared through the minutes of the meetings in the intranet, there are at least two meetings a year between the works council and the management in order to debate questions and ensure coordination. This structured approach to the participation helps the company to effectively address the potential impacts on the employees, ensuring at the same time compliance with legal requirements.

In general, the Group applies the same communication mechanisms described above in order to take into account the opinions and interests of the employees who may be vulnerable to the impacts, such as employees with disability or migrants. The Dutch subsidiary, whose regulation is more ambitious in this respect and recognises nursing mothers as vulnerable workers, imposes the obligation to establish specific measures to protect them, allowing them to use 25% of their working hours for breast milk expression, and to create spaces for that purpose.

It is certain that the company pays special attention to the possible obstacles or barriers faced by those employees, but at the moment no indication has been noted of an issue that would require specific measures to collaborate with the employees in such situation beyond the measures described above.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

Generally, the incidents or negative impacts related to own workforce are treated individually depending on the severity of the impact and the necessary measures to be applied in order to remediate it. Each subsidiary has a Human Resources Manager, who is in charge of defining and implementing the necessary measures to remediate the negative impacts that could affect own workforce. Moreover, the Group has a Group Chief People Officer, the leading manager responsible for the correct remediation of the negative impacts affecting the employees of the Group, and who supports the local managers in the performance of their duties.

The employees may communicate their concerns or needs regarding the company, staff management and its policies directly to their superiors, to the local human resources managers, to the Group Chief People Officer and to the Compliance Officer. Audax applies the open-door policy promoted by the Management to share all kinds of concerns or impacts that could affect the company's employees.

The company has implemented its Whistleblowing Channel as a mechanism for the purpose of addressing impacts, claims or complaints related to own workforce and work issues, which can be used by the employees and their representatives anonymously and with respect to the non-retaliation principle, as described in chapter 4.1. of ESRS G1.

The company considers that its employees are aware of and have confidence in these channels for the communication of their concerns through various initiatives carried out in its subsidiaries. In 2024 various subsidiaries of the Group conducted satisfaction surveys among their employees through an external independent firm, where the employees responded anonymously. The surveys included questions on work-life balance, cooperation, management support, information provided by the management, and development opportunities.

In 2023 the Group conducted among its employees a survey on the ethical climate, which included questions on the speak-up culture and the whistleblowing channel in order to evaluate the perception of the employees of Audax concerning the availability, purpose, confidentiality and management of the Whistleblowing Channel and boost confidence in the use of the channel to communicate the negative impacts in good faith and without fear of retaliation.

Audax contributes to the achievement of Sustainable Development Goal 8, specifically global goal 8.8. on labour rights protection and promotion of safe and secure working environment for all. The growth of Audax in recent years has been exponential, and not only in the economic aspect. At the close of the year 2024 the staff is comprised of 783 employees, while at the end of the previous year there were 755 employees.

Adopting measures related to the impacts, risks and opportunities for own workforce (S1-4)

In case of detecting negative impact, actual or potential, on own workforce, risks or opportunities related to own workforce, the local human resources departments are responsible for investigating the impacts and applying the necessary actions to mitigate and/or implement them. The impacts, risks and opportunities are assessed individually. The company describes below specific measures adopted to address the material impacts, risks and opportunities identified.

With regard to the positive material and actual impacts, the company has continued working during 2024 on increasing the staff by creating quality employment, offering training and development plans to improve the knowledge and expertise of its employees. Regarding work-life balance, all the subsidiaries of the Group have implemented a hybrid model of office and teleworking, depending on their needs and whether the job position allows it. The work-life balance measures are highly valued by the employees and contribute to improving their personal life and work life by adjusting their specific circumstances.

In order to improve its organisational model, one of the identified material impacts, the Group is implementing an ERP: *SAP Success Factor,* to strengthen the controls on employee information of the Group for the purpose of improving the data management, unifying the processes among the subsidiaries and improving the data consolidation process at the Group level. The implementation of the tool is carried out in cooperation with a Big Four firm and terms have been established for designing, implementing, testing and putting into operation of the platform in the different subsidiaries. The project is led by the Chief People & Communication Officer and the system is expected to be launched in 2025.

Regarding freedom of association, talks were initiated during the year with a trade union at the Headquarters level. The company has also tackled the update of the Equality Plan in cooperation with an renown firm with expertise in the area. The approval of the update is expected in 2025.

In order to address the identified negative impact related to adequate wages, the company has carried out a remuneration audit of the years 2022 and 2023 in cooperation with an independent expert to obtain comparative data regarding the current market, and to draw up a plan of improvement of the employee remuneration and try to reduce the possible inequalities among the employees.

Regarding the potential negative impact related to health and safety, the company offers annual training on occupational risk prevention and has implemented procedures and guidelines on health and safety (occupational risk prevention plans, self-protection plans and internal guidelines on occupational risk prevention in the workplace and in teleworking, among others).

Considering the risk of losing a tender because of lack of updated Equality Plan, the company has undertaken its update, and the Plan is expected to be registered in the first quarter of 2025.

The company evaluates the efficacy of the actions and initiatives carried out, based on the direct feedback from its employees and from the suggestion boxes made available in the subsidiaries. Moreover, the company monitors certain indicators, such as number of accidents, hours of absenteeism and performance assessment to ensure that the applicable policies are complied with. Local human resources managers, together with the Chief People & Communication Officer, are the leading managers for the task of defining and implementing the actions and initiatives related to own workforce.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

The company has not yet established targets related to managing negative impacts in a formal way, but in 2024 tackled the actions described in the previous paragraph: Adopting measures related to the impacts, risks and opportunities for own workforce (S1-4).

Characteristics of the company's employees (S1-6)[4]

The information on the staff of the company includes the number of employees at the end of the reporting period[5]. Moreover, the information disclosed on own workforce represents 96.6% of the employees of the Group.

Number of employees by gender[6]:

Gender	Number of employees
Men	319
Women	464
Other	N/A.
Not notified	N/A.
Total	**783**

Number of employees by country where there are more than 50 employees[7]:

Country	Number of employees
Spain	370
Hungary	183
The Netherlands	109
Total	**662**

Number of employees by type of contract, broken down by gender[8]:

Men	Women	Other	Not disclosed	Total
Number of employees (head count)				
319	464	N/A.	N/A.	783[9]
Number of permanent employees (head count)				
298	446	N/A.	N/A.	744
Number of temporary employees (head count)				
21	18	N/A.	N/A.	39
Number of employees of non-guaranteed hours (head count)				
N/A.	N/A.	N/A.	N/A.	N/A.
Number of full-time employees (head count)				
301	384	N/A.	N/A.	685
Number of part-time employees (head count)				
18	80	N/A.	N/A.	98

[4] Note 19 – Income and Expenses of the consolidated Annual Accounts includes the information on the accumulated average staff as at 31 December 2024.

[5][6][7][8] The information disclosed on own workforce represents 96.6% of the employees of the Group.

Number of employees by type of contract, broken down by country[10]

In line with the commitment to create stable and quality employment, the Group encourages indefinite employment contracts for professionals. As at 31 December 2024, 95% of the employees have indefinite contracts, while only 5% are temporary employees.

Spain	Hungary	The Netherlands	Italy	Portugal	Poland	Germany	Total
Number of employees (head count)							
370	138	109	49	33	32	7	783
Number of permanent employees (head count)							
364	182	81	47	32	32	6	744
Number of temporary employees (head count)							
6	1	28	2	1	0	1	39
Number of employees of non-guaranteed hours (head count)							
N/A.	N/A.	N/A.	N/A.	N/A.	N/A.	N/A.	N/A.
Number of full-time employees (head count)							
311	180	79	43	33	32	7	685
Number of part-time employees (head count)							
59	3	30	3	0	0	0	98

Total number of employees who left the company[11]

During the reporting period the total number of employees who left the company was of 106. In total, 48 employees left the company voluntarily and 50 were dismissed during the period.

Staff turnover rate[12]

The staff turnover rate during the reporting period was of 13.7%. A total number of 106 employees left the company for different reasons (voluntary resignation, dismissal, retirement or death in service). In order to tackle these departures, the Company incorporated a total number of 152 employees throughout the year.

Characteristics of non-employees in the company's own workforce (S1-7)

The company understands a non-employee to be persons with contracts to supply labour to the company («self-employed people») as well as people provided by firms primarily engaged in «employment activities» according to NACE Code N78.

The information on non-employees of the company includes the number of employees at the end of the reporting period. At the end of the year Audax informs on 17 non-employees in own workforce of the company.

[10] [11] [12] The data disclosed on own workforce represent 96.6% of the employees of the Group, with 4.4% excluded due to lack of homogenisation of the information.

Collective bargaining coverage and social dialogue (S1-8)

Collective bargaining coverage and social dialogue by country with number of employees >50 [13]

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees - EEA (for countries with >50 employees representing >10% of total workforce)	Employees - Non-EEA (estimate for regions with >50 employees representing >10% of total workforce)	Representation in the workplace (only EEA) (for countries with 50 employees representing >10% total workforce)
0-19%	N/A.	N/A.	Spain
20-39%	N/A.	N/A.	N/A.
40-59%	N/A.	N/A.	N/A.
60-79%	N/A.	N/A.	N/A.
80-100%	Spain Hungary The Netherlands	N/A.	Hungary The Netherlands

Diversity metrics (S1-9)

Gender distribution at top management[14]

The top management is comprised of three members, two of them men and one woman, meaning there is 33% of female representation in top management and 66% of male representation.

Top Management	Number of employees
Men	2
Women	1
Other	N/A.
Not notified	N/A.
Total	**3**

Age distribution among the employees[15]**:**

Of the total number of employees approximately 13% are under 30, 72% are between 30 and 50, and 15% are over 50 years old.

Age	Number of employees
<30	101
30-50	561
>50	121
Total	**783**

Adequate wages (S1-10)

All the employees of Audax Renovables are paid an adequate wage, in line with applicable benchmarks, Directive (EU) 2022/2041 and applicable local regulations on minimum wage.

The company understands adequate wage to be the total remuneration of the employee including, apart from the wage, other elements that vary among the employees. Among those elements there are incentive plans, variable supplements and other benefits such as health insurance, which contribute to reduce the essential expenses and provide financial security.

[14] [13] The information disclosed on own workforce represents 96.6% of the employees of the Group.

Social protection (S1-11)

100% of the Group's employees are covered by social protection against loss of income due to sickness and work accidents. The employees in Spain, the Netherlands, Hungary, Italy and Germany are covered by social protection measures against loss of income due to unemployment from the employee's beginning of work for the company, due to sickness or disability acquired through work-related accident or disease, paternal leave and retirement.

The employees of the subsidiary in Poland are covered by social protection against loss of income due to sickness or disability, but they are not covered by social protection against loss of income due to unemployment from the employee's beginning of work for the company, nor paternal leave or retirement. The employees of the subsidiary in Portugal are not covered by social protection.

Persons with disabilities (S1-12)

The Group has consolidated the information on employees with disability in accordance with the legally applicable definitions in each of the countries where the Company operates. In 2024 the company comprised 7 persons with disability, representing 1% of the total number of employees, similar to the figure disclosed the previous year.

Training and skills development metrics (S1-13)

Number of employees who participated in periodic performance assessment[16]

In 2024 75% of the employees of the Group's subsidiaries participated in annual performance assessments with their direct superiors. The employees make one performance assessment a year and in 2024 all the performance assessments planned by the management were carried out. The assessment process involves the human resources departments in order to ensure that the assessment process is complied with and the equality principles are respected. 590 employees were evaluated on their performance in 2024, 282 of them were men (88% of the total number of men) and 308 were women (66% of the total number of women).

Average number of hours of training by employee and by gender:

Gender	Average number of hours of training
Men	11.7
Women	12.6
Other	N/A.
Not notified	N/A.
Total average number of hours of training	**12.2**

Health and safety metrics (S1-14)

100% of the employees of Audax are covered by health and safety management systems of the company, based on the local legal requirements applicable to the different subsidiaries of the Group. Only the subsidiary in Hungary has a health and safety management system certified in accordance with ISO 45001 international standard.

In 2024 there were no fatalities in consequence of work-related injuries and health problems. The rate of accidents recorded is of 1.36%, with 2 work-related accidents. In total, 65 days were lost to work-related injuries in consequence of work accidents.

Work-life balance metrics (S1-15)

92% of the Group's employees are entitled to family-related leave in accordance with the local regulations applicable in each country.

Remuneration metrics: pay gap and total remuneration (S1-16)

Pay gap by gender[17]

The Group's pay gap is of 41%[18] and has been calculated as the difference between the average remuneration levels of the female and male employees, represented as the percentage of the average remuneration level by hour of the male employees.

Upon updating the pay gap by professional category, the company concludes that the difference between the remuneration received by men and women is highlighted in management posts because the majority of those posts are occupied by men, specifically 25 of the 32 existing management posts are occupied by men, while only 7 managers are women.

Pay gap (%)[19]	Management	Leadership	Middle Management	Others
2024	42%	19%	16%	29%

At the end of 2023 the Group's pay gap was of 41%, a similar figure to the one calculated at the close of the present year[20].

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is of 16.15.

Incidents, complaints and severe human rights impacts (S1-17)

During the reporting period Audax Renovables did not register any incident or complaint concerning severe human rights impacts among its own workforce or the rest of the stakeholders, nor did it incur any fines or sanctions related to those matters.

Neither were there any work-related incidents of harassment or discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation or other relevant forms of discrimination involving own workforce or internal and/or external stakeholders across the company's operations in the reporting period. The company did not incur any fines or penalties related to situations of harassment.

3.2 Consumers and end users (ESRS S4)

Objective

The objective of this chapter is to provide information on how the company affects its end clients who purchase its services, in terms of impacts, risks and opportunities.

Interaction with other ESRS

The chapter shall be read in connection with Chapter 1.4 of ESRS 2 - General requirements.

Disclosure requirements

Strategy

Interests and views of the stakeholders (SBM-2)

The topic of ESRS S4 on consumers and end users has been considered material to Audax as a consequence of the activity of energy retail. The main activity of Audax Renovables is the retail of electricity and gas to end consumers, which makes of the consumers the primary source of income of the company and a fundamental strategic pillar for the sustainability of the business in the long term, therefore consumers and end users are the most significant stakeholders of Audax.

[17] The information disclosed on own workforce represents 96.6% of the employees of the Group.

[18] The data is not comparable with that of the previous year due to a change in the calculation methodology.

[19] Pay gap of senior management is not disclosed due to data confidentiality and privacy.

[20] The company does not inform on the breakdown of the pay gap by professional category because of the different calculation criteria used in t
he present year, which makes comparison impossible.

The majority of the Group's clients are businesses and domestic users. During recent years the Group has focused its strategy on corporate instead of domestic sector, thus the industrial sector represents 46% of the total number of clients and domestic users represent 54%.

The company concentrates on the client and their adequate management; therefore, all the Group's subsidiaries have their own Customer Service Department, focused on addressing the concerns, doubts, incidents and/or complaints through the established different communication channels. The Group makes available to its customers various bilateral communication channels to give them a voice and thus be able to consider their needs and expectations related to the services provided by the company. Their interests and views are essential for evaluating the transparency and suitability of the services and the information provided by the company.

Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3)

The process of determining and evaluating material impacts, risks and opportunities related to end users has been carried out by Audax in accordance with the provisions of chapter 1.4 of ESRS 2 IRO-1: Description of the processes of determining and evaluating material impacts, risks and opportunities.

The conclusions of the double materiality assessment conducted in accordance with ESRS S4 - Consumers and end users, establish as material the following topics and sub-topics related to client management:

ESRS	Topic	Sub-topic	Impact, Risk or Opportunity	IRO
S4	Consumers and end users	Impacts related to the information for consumers and/or end users	Impact	Communication channels for customers' complaints and requests
			Impact	Privacy of information and client data breaches
			Impact	Access to quality information
			Impact	Indirect sales channels that use dishonest marketing practices
		Personal security of the consumers and/or end users	Impact	Incidents related to the use and maintenance of the gas installations by customers and end users
		Social integration of consumers and/or end users	Impact	Restrictions in contracts with customers in situations of social exclusion

Impacts related to the information for consumers and/or end users

Most of the identified impacts related to the information provided by the company to its clients are positive and existing impacts. Being a listed company it is essential to make available to the customers transparent and accessible information on the services and products offered by the company, the prices and the organisation policies, which will allow the clients to make informed decisions according to their needs and expectations.

With regard to the sub-topics of access to information and freedom of expression it should be noted that all the consumers, and stakeholders in general, may freely express their concerns, views, complaints, requests and any information they consider relevant through the communication channels made available to the by the Group. All the subsidiaries have their own Customer Service Department centred around giving a personalised response to any possible concerns, doubts, incidents and/or complaints of their clients. Moreover, in order to evaluate the quality and remedies provided to the clients, the company collects its feedback through satisfaction surveys to evaluate the service received and analyses the reviews included in public websites by its clients.

The company is particularly sensitive to the privacy of its clients and protection of their personal data, and therefore the sub-topic of privacy has been considered as material due to its positive impact to the company. The clients may access and consult the information on their invoices and energy consumption through secure channels on the websites. The Data Protection Officer of the Group is responsible to monitor the compliance with all the applicable regulations on privacy and use of information.

The Group makes an important commercial effort to attract and retain customers through different sales channels: direct sales, indirect sales, online sales and resellers. It is specifically on the indirect sales channels where the company has identified an actual negative impact due to a penalty imposed by the CNMC for irresponsible marketing practices used by one of the indirect sales channels of Audax in 2021.

The CNMC imposed a sanction of €1.5 million on Audax Renovables for potentially irregular conduct in consumer contracts in 2019. The Company lodged an administrative appeal with the National court, which has not been yet resolved. In 2022 the CNMC issued a disciplinary decision imposing a sanction of €9.258 million on various subsidiaries of the Audax Group. The companies involved lodged an appeal against the decision with administrative court and requested precautionary measures in the form of (i) suspension of the obligation to pay the sanction and (ii) suspension of the application of the resolutions concerning the prohibition of entering into contracts with public administrations. The appeal was admitted for processing in January 2023. In the case of Audax, the precautionary suspension was approved by judicial decision.

Personal safety of the consumers and/or end users in gas installations

Being a natural gas retailer, the company is aware that each year there are several fatalities derived from the use and maintenance of gas installations by the end-users. According to a recent investigation of the U*niversidad Jaume I de Castellón in Spain*, the use of gas kitchens is the cause of approximately 40,000 premature deaths per year in Europe. Audax does not have responsibility nor control of possible incidents related to the use and maintenance of the gas installations by customers and end users In this case the negative impact detected is related to the downstream value chain, specifically the distribution companies and the consumers themselves, the main parties responsible for the reviews, maintenance and quality of their installations.

Social integration of consumers and/or end users

Audax is aware that there are certain vulnerable communities and persons at risk of social exclusion who may face additional barriers to obtaining quality energy services. With this regard the European regulation establishes the obligation of large retailers to offer a discount rate. Audax, being an independent retailer, does not offer this service at the moment. Despite having detected a potential negative impact, the company has never received any complaint or claim for discrimination reasons.

The Group has not detected any material risks related to potential infringement of human rights of its clients or of any actor of its value chain.

Policies related to consumers and end users (S4 -1)

The company has implemented customer service guidelines which establish the principles of addressing possible claims and complaints of the clients. There are protocols of verification of calls, authorisation of third parties, and the company has also defined various protocols of action depending on the type of incident reported by the client, in order to provide personalised attention and remediate any possible impact quickly and efficiently.

Every subsidiary has its own multichannel customer service system and the consumers can contact Audax directly by telephone, e-mail, personally in the offices, by traditional mail or through social networks. Moreover, all the subsidiaries have an exclusive portal for the customers, which allows them to view and control their invoices, change their personal information and register the status of their electricity meter.

The company has implemented Privacy Policy in accordance with Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016, applicable to all the subsidiaries, on protection of natural persons with regard to the processing of personal data and on the free movement of such data. The organisation's uppermost level responsible for compliance with the policy is the Global Data Protection Officer (DPO) of the Group. The Policy is accessible through the corporate websites of the Group and informs the users of the purpose for which personal data are collected, so that they can decide freely and voluntarily if they want to share the requested information.

In general, the Corporate Code of Ethics features the company's commitment to the protection of the fundamental human rights in accordance with the 10 UN Guiding Principles on Business and Human Rights.

Processes for engaging with consumers and end-users about impacts (S4-2)

All the subsidiaries of the Group have their own Customer Service Department centred around addressing any possible concerns, doubts, incidents and/or complaints of their clients.

The Group has established various communication channels as the basis of the process for engaging with consumers about impacts and/or complaints. The clients can contact the company by telephone, e-mail, personally in the offices, by traditional mail and/or through social networks.

The communication channels made available are not intended exclusively for addressing the impacts and/or complaints, they are also used by the clients for the purpose of expressing their needs and expectations. The company receives daily feedback from its clients and uses it while making strategic decisions related to the services and products offered by the company, or to improve those services and products, or to remediate any detected impact.

The general manager has the ultimate responsibility for ensuring that the needs and expectations of the clients are considered in the decision-making process of the company and influence the focus of the Group.

Processes to remediate negative impacts and channels for consumers and end users to raise concerns (S4 -3)

Audax Renovables has various processes to remediate the negative impacts related to its clients, depending on the nature of their claims or complaints. The company has implemented internal action protocols for determined claims, such as, for example: invoice errors, breakdown, supply cuts, discrepancies between invoiced items and rectification of personal data, among others.

Despite of the fact that each subsidiary has its own process and protocols, and internal actions adapted to the local regulations of each country of operation, all the processes are defined around a common basis. Firstly, the claim and/or complaint is registered. The company always tries to tackle the incident and/or complaint online and therefore applies immediately the necessary measures and, if the incident is solved, it gets closed. Otherwise, the incident is categorised as pending and the customer service department proceeds to adopt the necessary measures to solve the incident and/or complaint as quickly as possible.

All the subsidiaries have a register of incidents, claims and/or complaints where they record all the incidents/complaints received, specifying the channel, the date of occurrence and the status of the issue, among others. The company evaluates the efficacy of the measures implemented to solve the incidents reported by its clients by analysing the notifications and monitoring the calls as part of the internal operating control, analysing the number of complaints that need reopening and reviewing the results of the satisfaction surveys. In the cases when the company receives negative results of the surveys, it contacts the client to obtain more information on the reasons of the negative assessment and to engage in remediation to avoid the necessity to repeatedly contact the client regarding the same complaint.

The company also has a Whistleblowing Channel accessible by third parties, which protects the anonymity of the persons and respects the principle of non-retaliation, such as described in the disclosure requirements G1-1: Business conduct policies and corporate culture of Chapter 4 of this document.

Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

All the Group's subsidiaries have their own Customer Service Department, which reports organisationally to the Commercial Department and is responsible for the definition and implementation of the necessary measures for managing material impacts identified by the company. Depending on the nature of the identified impacts, the Customer Service department defines the measures to be implemented and assigns human and economic resources necessary for the implementation of the suggested measures, always upon approval of the Commercial Department manager. The company received a total number of 7,664[21] complaints and/or claims during 2024

[21] The number of claims and complaints received by the Dutch subsidiary is not included due to limitations in access to information.

and resolved 97% of them. The method used most frequently by the customers to contact the company has been by e-mail.

The Group uses different sales channels (direct sale, indirect sale and online sale) which are monitored to prevent potential negative impacts on the clients in relation to the services offered by the company, the marketing practices used to attract new clients and data usage. The monitoring is also carried out by the Customer Service department and consist in monitoring the calls between the clients and the sales channels to assess whether the marketing practices used are appropriate. Regarding data usage, the company has a Data Protection Officer in place, who is responsible for the appropriate management of the data and compliance with the applicable regulations in these matters.

The company strives daily to ensure that its customers receive personalised service and quality, transparent information, therefore in 2024 the company has been implementing a Chatweb as an additional communication channel. It has also been working to improve the specialisation of the agents by type of client to ensure that the clients receive totally personalised service and attention.

With regard to the identified actual positive impacts, the company continues endeavouring to ensure that its clients receive personalised service and quality, transparent information, therefore in 2024 the company has been implementing a Chatweb as an additional communication channel. It has also been working to improve the specialisation of the agents by type of client to ensure that the clients receive totally personalised service and attention.

Regarding the persons and/or communities at risk of exclusion, the company does not have information on potential situations of vulnerability or exclusions of its clients if it is not informed by them. Audax made the decision of not cutting off the supplies of electricity and gas to domestic customers in general to avoid negative impacts on vulnerable persons. During this year, and always when exceptional circumstances occur, such as the natural disaster of DANA in Valencia, the company applies additional measures for its clients, such as launching personalised service campaigns, through which it offers deferment of invoice payments.

The company is especially mindful of the need to protect the personal data of its clients and website service users. If any incident related to potential breach of information occurs, the Global Data Protection Officer (DPO) is notified immediately in order to investigate and remediate it. About personal safety of the customers of Audax Renovables, the company has not adopted any measures beyond promoting the care and use of its installations, especially of gas, due to the potential consequences. The company does not have operating control over the state of the installations nor of the use of them. No case has occurred and no penalty has been imposed in the area of human rights in relation to the clients or the rest of the stakeholders.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4 -5)

The company has not established targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

4. GOVERNANCE INFORMATION

4.1 Business conduct (ESRS G1)

Objective

The objective of this chapter is to provide information on the strategy, approach, processes and procedures and performance of Audax Renovables with regard to business conduct.

Interaction with other ESRS

The chapter shall be read in connection with Chapter 1.4 of ESRS 2 - General requirements.

Disclosure requirements

Governance

The role of the administrative, management and supervisory bodies (GOV-1)

The Board of Directors of Audax, by itself or through its delegated committees, is the main body responsible for formulating, approving and implementing all the policies, procedures and protocols related to business conduct and legal compliance within the organisation.

The Board of Directors requires that the conduct of all the managers, employees and external partners should be aligned with the applicable legislation and regulations, as well as with the principles and values of the Code of Ethics and other applicable internal regulations.

In line with this ethic culture and legal compliance, the Board approved a Compliance and Criminal Risk Prevention Model (hereinafter, the "Compliance Model" or "Model") which includes all the elements, procedures and controls necessary for effective prevention, detection of and reaction to potential criminal acts, highlighting the Policy and Handbook on Compliance and Criminal Risk Prevention.

The main functions of the Board of Directors of Audax with regard to business conduct, and which it is engaged in supervising and monitoring through the Audit Committee, are the following:

- Supervising the compliance with the Company's internal codes of conduct and corporate governance rules.
- Meeting the highest ethic standards by the administrative body.
- Promoting the compliance culture through public commitment of the administrative body.
- Adopting, implementing, maintaining and continually improving the Model and the established standards.
- Provide the compliance department with adequate technical and economic resources.

The company's three lines of defense model, established in order to improve risk control and management, including management of legal compliance and criminal risks, is comprised of:

- **The first line**: comprised of the managers of the operating areas who oversee and control the risks daily;
- **The second line**: comprised of the supervision functions, such as the Risks function, Compliance function, as well as the Sustainability and ESG function, each one of them supervising the policies and procedures of their own area;
- **The third area**: comprised of the Internal Audit Department, in charge of providing independent assessment of the effectiveness of the internal control and risk management systems.

The managers of the areas and departments in charge of the control, management and monitoring of the company's activities constitute the "first line of defence" of the Compliance Model. Their function is to supervise the compliance with the policies, procedures, laws, standards and other regulations, which may have significant impact on the everyday operations of the Group.

During 2024 the Criminal Compliance Committee (CCP) ceased its activities on 15 May 2024, at which date the Board of Directors of Audax Renovables (through its delegated body, the Audit Committee) approved the dissolution of the CCP and the subsequent appointment of the Group Compliance Officer (hereinafter, GCO). This new position is in charge of the management, control and supervision of the compliance model of the Group and its various subsidiaries. As a consequence of the implementation of the Compliance Model, the position of

Compliance Officer was created, as well as local managers for the implementation of the Model were appointed in each of the subsidiaries comprising the Company, who report to the GCO.

In 2024 the Criminal Compliance Committee ceased its activities when the Board of Directors of Audax Renovables (through its delegated body, the Audit Committee) approved the appointment of the Group Compliance Officer. This new position is in charge of the management, control and supervision of the compliance model of the Group and its various subsidiaries. As a consequence of the implementation of the Compliance Model, the positions of Compliance Manager or Delegate or Compliance Officer were defined and established as local managers appointed for the implementation of the Model in each of the subsidiaries comprising the Company, who report to the GCO.

The Board of Directors delegates the supervision responsibilities to the Audit Committee which, through the Group Compliance Officer, carries out the monitoring and control of the Compliance Model and Internal Information System (Whistleblowing channel).

In order to supervise the implementation of and compliance with all these documents, the Group Compliance Officer, in cooperation with the Internal Audit Department, is responsible for submitting to the Audit Committee the questions related to the business conduct and legal compliance when applicable.

The members of the Board of Directors have extensive experience and expertise concerning the impacts, risks and opportunities related to business conduct in the activities of Audax. The members of the Board are also directors of other listed and unlisted companies, representing reliable sources of information about the management of business conduct matters in other businesses.

The Board is duly informed about arising or recurring topics of ethics and compliance, and their approval is necessary for implementing or achieving certain tasks, which affect the Compliance Model, such as questions related to business conduct, potential impacts related to the Model, the development and updating of policies related to business conduct, extraordinary technical/economic resources, among others. The Board is informed about topics related to business conduct and compliance through the Audit Committee and the Group Compliance Officer.

Material impacts, risks and opportunities and their interaction with the strategy and business model (ESRS 2 SBM-3)

The process of determining and evaluating material impacts, risks and opportunities related to business conduct has been carried out in accordance with the provisions of chapter 1.4 of ESRS 2 IRO-1: Description of the processes of determining and evaluating material impacts, risks and opportunities.

The conclusions of the double materiality assessment conducted in accordance with ESRS G1 - Business conduct establish as material the following topics and sub-topics related to client management:

ESRS	Topic	Sub-topic	Impact, Risk or Opportunity	IRO
G1	Business conduct	Corporate culture	Impact	Fostering corporate culture.
			Impact	Media exposure of the CEO and majority shareholder of the Group
			Risk	Risk of greenwashing of the actual impact of the business and its core activities
			Risk	Not identifying irregular conduct because of the lack of confidence in the whistleblowing channel
		Corruption and bribery	Risk	Risk of incidents related to corruption, bribery and/or fraud of the employees of the Group
		Management of the relations with suppliers including payment practices	Impact	Evaluation of suppliers implementing environmental and social criteria according to the CSDDD European Directive
			Risk	Third-party transactions.

Business conduct policies and corporate culture (G1-1)

The Group has in place the following policies related to business conduct and corporate culture, which address the identification, assessment, management or remediation of its impacts, risks and opportunities related to corporate culture, corruption and bribery and supplier management:

- **Corporate Code of Ethics and Conduct:** The document's purpose is to make known to all employees of the Group the values and general principles which ought to govern their work and professional activity. Another objective of the document is to help attain the goals set in the organisation's mission vision and values. The Code of Ethics contains, among others, the recommendations of good governance, of general recognition in the international markets, as well as the principles of social responsibility, such as the respect of fundamental rights and ethical commitments towards the environment and the suppliers.
- **Disciplinary Rules and Sanctions:** It sets out the disciplinary proceedings for non-compliance with the principles and actions outlined in the Corporate Code of Ethics and Conduct. The sanctions system featured in the collective agreement will also be applicable, together with the Spanish civil and criminal laws in force.
- **Compliance and Criminal Risk Prevention Handbook** of Audax Renovables and its group of companies: this document represents a firm commitment to supervising the compliance carried out by the Group of the management and prevention of criminal risks, which could affect it according to its activity and business sector, and especially after the consecutive amendments to the Spanish Criminal Code, the guidelines established in this aspect by the Spanish Public Prosecutor's Office and the ethical principles of corporate good governance.
- **Compliance and Criminal Risk Prevention Policy.** Within the framework of the Compliance Handbook mentioned before and in line with the Code of Ethics, the policy informs Audax Renovables' employees and third parties of the organisation's opposition to the commitment of any illicit, criminal or unlawful act.
- **Anti-corruption policy:** The Group has in place the Anti-corruption and Anti-bribery Policy, approved by the Board of Directors of Audax Renovables, S.A. on 24 February 2024. The purpose of this policy is to address the necessary compliance with the legal requirements concerning anti-corruption principles, management of the risk derived from any kind of corrupt business practice or any operation contrary to the good practice, in any of its forms, and to implement, among others, principle no. 10 of the UN Global Compact, established as one of the values within the Audax Renovables Group, among Directors, Significant Shareholders or other Related Persons (according to the definitions of these terms featured in the following paragraph).

- **Internal Information System Policy.** Initial design and approval of the Policy of Internal Information System and Informant Protection in accordance with Law 2/2023 of 20 February, on the protection of persons who report breaches of law and on fight against corruption.
- **Internal Information System Procedure.** It is the Procedure (replacing the previous Whistleblowing Channel Regulations), which updates in accordance with the requirements of Law 2/2023 of 20 February and regulates the protection of persons who report breaches of law and on fight against corruption.
- **Whistleblowing Channel.** It is a tool made available to the employees and business partners who wish to use it, in order to enable them to report irregularities or make enquiries. The reports can be submitted preferably through a platform designed for this purpose, accessed from the Employee Portal as well as through an external link available on the corporate website. The subsidiary in Hungary has its own reporting channel, which complies with all the requirements applicable to the Group's Whistleblowing Channel.
- **Non-retaliation protocol:** The Audax Group applies the principle of zero tolerance towards any kind of retaliation (including threats of and attempts at reprisals) against the whistleblowers who decide to report in good faith irregularities or infringements through the Internal Information System or to cooperate in the investigation of any report, and the Group shall make every effort to avoid, pursue and punish such conduct.

In order to oversee the implementation of and compliance with the aforementioned policies the Audit Committee monitors the activities of the compliance body. Moreover, and as a third line of defence, with regard to ensuring a greater control environment, the Internal Audit Department of Audax Renovables, also reporting to the Audit Committee, draws up annually its Annual Audit Plan, where its outlines the actions to be carried out during the year, including also the necessary audit activities of the compliance area.

As a result of the implementation process of the regulatory Compliance Model, the Group endeavours, and has been endeavouring in previous years, to establish the bases of special training in order to prevent and detect criminal offences resulting from the risk matrix.

Fostering corporate culture

The Group strives to promote the culture of information or communication ("*speak up*") among its stakeholders, both internal and external, encouraging and supporting the communication of any concerns about unethical conduct and/or infringements of regulations (internal and/or external) within the area of professional activity, and to guarantee the protection of the informant against any possible reprisals. For this purpose, the company organises training sessions on the principal internal policies and regulations in order to inform on the guidelines for prevention and detection of compliance risks and, particularly, of the criminal and corruption risks.

In 2024 the company tackled the subject of raising employee awareness regarding Compliance through a series of information and training campaigns for selected employees in order to strengthen the integrity and legal compliance and, consequently, foster and raise employee awareness of the importance of the principle of zero tolerance towards corruption and bribery, among other compliance risks, specifically, dedicating special material to the Gifts and Hospitality Policy, strictly derived from and connected with the Group's Anti-corruption and Anti-bribery Policy. The training sessions were approved by the Board through the Audit Committee as a part of the Compliance Training Plan 2024-2025.

Whistleblowing channel

The need to protect the good reputation and prestige of Audax requires that all its employees, when acting on behalf of the Group, comply with applicable legislation, the Corporate Code of Ethics and Conduct and applicable internal policies and procedures.

In order to detect any conduct against the rules outlined above, Audax has established the Whistleblowing Channel, designed for the purpose of communicating possible irregularities or infringements, which could constitute a breach of law, of the Code of Ethics or its implementing provisions or of other internal applicable regulations; as well as for the purpose of submitting requests of explanation of specific doubts raised by the application or interpretation of applicable regulations, both external and internal, including doubts concerning the operation of the Channel or any other applicable rules.

The functions of the whistleblowing channel are outlined in the Internal Information System Procedure. Its purpose is to establish the principles, guidelines and functions of the Internal Information System, as well as to regulate the protocols and actions to be taken by the Internal Information System Manager as the body responsible for its management, assisted by the Criminal Compliance Committee in the processing of the enquiries and/or complaints received, always respecting the fundamental rights and duties of the persons who use it.

The Internal Information System and the Whistleblowing Channel of Audax are governed by the following principles:

- Legality and corporate ethics.
- Independence and impartiality
- Transparency and accessibility
- Traceability and security.
- Diligence and celerity
- Good faith.
- Respect for fundamental rights
- Prohibition of retaliation
- Confidentiality.
- Anonymity and personal data protection.

In 2024 the Whistleblowing Channel, which belongs to the Internal Information System (IIS) of the Group, received two reports at the Headquarters level. Both reports were duly analysed and evaluated by the Group Compliance Officer with the assistance of an independent external advisor, with due attention and respect for the guarantees of confidentiality, independence and impartiality, as per the Policy and Internal Procedure of the Internal Information System and the Group's Informant Protection.

The Group maintains its commitment to tackle every report with a review of the adequate and possible corrective measures in order to ensure the pertinent compliance by its stakeholders and, therefore, the whistleblowing channel is available from the corporate website to all the employees and third parties who may need it.

In 2024 the employees of the Italian subsidiary received specific training on the whistleblowing channel.

Compliance training

The Group continues striving to establish the bases of special training to prevent and detect criminal offences resulting from the Corporate Risk Matrix. The Group Compliance Officer draws up annually a Compliance Training Plan as part of their annual Action Plan. The Training Plan was presented to the Board in July for its approbation.

In 2024 an information and training campaign was carried out, which consisted in launching and publishing on the Employee Portal of a series of training sessions on the function of the Compliance Officer, the whistleblowing channel and the gift policy, as well as a special webinar on the Compliance Model, designed for the Directors, Senior Managers, Managers and the positions identified by the Compliance Officer as the posts that are most at risk with regard to corruption.

Information on functions that are most at risk regarding corruption and bribery

The training sessions on compliance matters are intended for groups of employees selected by the Compliance Officer and the local Compliance Officers based on the specific risks of their areas of responsibility. The group that are most exposed to risk and responsibility due to their position as guarantors are the Directors, the Senior Managers and the Managers of the company, as the positions of ultimate responsibility for the Compliance Model and for fostering the culture of risk prevention in their areas of responsibility.

The company has identified 27 positions whose functions are highly exposed to the risk related to corruption and/or bribery and, consequently, training sessions have been organised for those key posts.

Management of relationships with suppliers (G1-2)

The Group strives for compliance with the Code of Ethics and Conduct throughout its supply chain, especially among its suppliers. Consequently, Chapter 7 of the Code of Ethics outlines the ethical principles, which govern the conduct of the suppliers of the Group's companies, and which should be expressly accepted by those suppliers before the beginning of their contractual relationship.

All the subsidiaries of the Group have in place a department and/or persons exclusively dedicated to the management of the relationships with suppliers. The Group's relationships with its suppliers are regulated through agreements, which include legal, environmental and social requirements that the third parties shall meet depending on the services rendered to the company.

Audax has not identified any risks or negative impacts related to the environment or any potential cases of infringement of human rights by its suppliers during the year 2024 nor in previous years. In 2024 no fines were imposed either for non-compliance with the law or regulations in social and economic field related to the Group's suppliers.

Most Audax's suppliers are located in Europe, where there is high regulatory pressure on the environment protection and on the defence of Human Rights. The company has not implemented any documented procedure of supplier evaluation based on social and environmental criteria and currently does not carry out audits of its suppliers. The main reasons are that it has not identified material risks or negative impacts in the areas related to the suppliers and the currently applicable laws do not impose on the company any obligation to implement such procedure. However, the Group shall strengthen its process of management and evaluation of its suppliers as a part of the necessary tasks for the purpose of adapting to the EU Corporate Sustainability Due Diligence Directive (CSDDD), whose entry into force is expected in 2026.

Prevention and detection of corruption and bribery (G1 -3)

In recent years corruption has become a global problem, which not only stifles the economy and the markets, but also hinders the appropriate allocation of existing public resources, thus being one of the main obstacles to the social and economic development. Therefore, the Group pays special attention to corruption and bribery offences, as well as to any and all corruption-related risks and the results of changes in applicable legislation.

Audax is part of the United Nations Global Compact since 2013 and in its adherence to the tenth principle it makes every effort to continue its commitment to fight against corruption in all its forms. The organisation rejects the use of any practices, offers or requests of illicit payments, monetary or otherwise, for the purpose of obtaining benefits in its relations with the interested parties.

The Group has in place the Anti-corruption and Anti-bribery Policy, approved by the Board of Directors in the first quarter of 2024. The policy aims to provide the company with a framework for meeting the anti-corruption legal requirement, managing the risk derived from any type of corrupt business practice or any operation contrary to the Code of Ethics, in any of its forms. The Policy establishes and defines the situations of risk or red flags, the prohibited conducts, the actions to foster compliance with the Policy, the roles of responsibility adopted by the different bodies and the elements that comprise the organisation in Audax (with regard to Governance), the Internal Information System made available to report infringements of anti-corruption and anti-bribery regulations and the management of such reports, the information and instruction on the Policy and its disciplinary measures.

The Code of Ethics features a commitment to the rules of transparency and business ethics and extends it to its suppliers in order to prevent any form of corruption and/or bribery. Audax Renovables has implemented various mechanisms, processes and measures to prevent, detect and address reports or incidents of corruption or bribery, such as for example: the contract validation handbook, bank reconciliation, delivery contract model, disclosure of public administration delivery contract terms, internal processes of cash and bank accounts management, digital certificates of electricity and gas purchases, forecast of income from energy retailing and price hedging contracts, among others. These documents and controls establish and put into practice the organisation's key measures for mitigating the risk of potential corrupt conduct of its members.

In the case of detecting incidents related to or justified suspicions of potential cases of corruption and/or bribery, such information shall be communicated immediately to the superior, to the Group Compliance Officer or through the Whistleblowing Channel in order to initiate the investigation of the case.

Upon conducting the relevant investigation, if any corruption case is confirmed, the information shall be reported to the General Management and to the Audit Committee, who shall communicate it to the Board of Directors on their next extraordinary session if required.

Anti-corruption and anti-bribery training

In order to ensure the compliance with the Anti-corruption and Anti-bribery Policy, the organisation disseminates the Policy as widely as possible among the Board of Directors, managers and employees. The company informs the employees on the policy through the Employee Portal and requires that they read it and sign it. The Policy is made available to the stakeholders through the corporate website.
In 2024 the company continued engaged in raising awareness among the employees in topics of Compliance through information and training campaign in order to strengthen the integrity and legal compliance and thus promote and raise employees' awareness of importance of the principle of zero tolerance towards corruption and bribery. The training sessions are included in the Compliance Training Plan 2024-2025 drawn up by the Group Compliance Officer, and various of these sessions were conducted in 2024.

The training offered in 2024 addressed criminal compliance and corporate conduct. A special session was dedicated to the directors, senior managers and managers of the Audax Group on criminal compliance and the most significant risks, including corruption risk. Training sessions have been also organised concerning corporate conduct, principles and values that the employees in functions at risk, middle management and leadership should apply in their everyday activities. The percentage of functions at risk covered by the training on Compliance is 3.5% of the total number of employees.

Moreover, as a part of the onboarding process of the company, the employees receive information sessions on ant-corruption, organised by the Group Compliance Officer, the Sustainability Manager and the Group Risk Officer.

Anti-corruption and anti-bribery training[22]

Anti-corruption training	Functions at risk	Management	Other employees
Scope of the training			
Number of employees	27	12	325
Number of trained employees	27	12	325
Method and duration			
Classroom training			
Computer-based training	x	x	x
Voluntary computer-based training			
Frequency			
Required frequency of training	Yearly	Yearly	Yearly
Subjects covered			
Corruption definition	x	x	x
Policy	x	x	x
Procedures in case of suspicion or detection	x	x	x
Other (please specify)	Gifts and Hospitality	Gifts and Hospitality	Gifts and Hospitality

Incidents of corruption or bribery (G1-4)

The Group has not been sanctioned, and no legal claims have been brought against it on incidents related to corruption or bribery in none of its subsidiaries in 2024,

Political influence and lobbying activities (G1-5)

Audax Renovables did not make any political contributions in 2024 nor in previous years.

The Group does not make political contributions or donations; however it respects social an public activity of its employees. The Anti-corruption Policy of the company establishes the prohibition of making donations to political parties and their related foundations. The Corporate Code of Ethics of the Group also states that any relationship, membership or collaboration of the employees of the Group with political parties or other kind of public-purpose entities, institutions or associations shall be carried out in a private capacity, thus avoiding any relation to the Group and/or its subsidiary companies.

None of the members of the administrative, management and supervisory bodies has held a position in public administration comparable to their appointment and the company is not registered in the EU Transparency Register.

Corporate lobbying activities

The Dutch subsidiary *Audax Renewables Nederland B.V.*, is the only subsidiary of the Group which carries out corporate lobbying activities. The company is member of the *Energie-Nederland*, the largest industrial association of the Netherlands, which is an alliance of all the producers, suppliers and retailers of electricity, gas and heat. *Energie-Nederland* represents practically all the energy market of the Netherlands and has 80 members engaged in renewable and non-renewable energy. The objective of the association is to defend the interests of its members in all the areas of energy supply in The Hague (the capital city of the Netherlands) and Brussels, from production and retail of the energy to supply to the consumers and businesses.

The total amount paid for the affiliation to *Energie-Nederland* in 2024 was €37,538.

Audax is also member of other organisations, such as Red Española del Pacto Mundial, AESE or AEE (Asociación Empresarial Eólica), but does not carry out lobbying activities in any of these associations. The objective of these alliances is to keep up with the trends and updates of the regulations, energy efficiency and changes in the sector, among others.

[22] The information disclosed covers the subsidiaries located in Spain.

Payment practices (G1-6)

The company manages payments to suppliers in an efficient and transparent way, making sure to meet the agreed payment terms. The company applies the same payment terms to all its providers, whether these are small, medium or large companies.

The average period of payment to suppliers in Spain refers to Law 15/2010 which establishes measures against delayed payment in business transactions, as well as the modifications established in Law 18/2022, of 28 September, on business creation and development.

	2024	2023
Average term of payment to suppliers (days)	38	35

	2024	2023
Percentage of the total of invoices paid within 30 days	99%	94%

For the rest of the countries, as there is no legal obligation to disclose the information, no standardised methodology of calculation of the average terms of payment has been developed, and the company is engaged in developing a common criteria of information disclosure.

With regard to legal proceedings currently outstanding for late payment, the company informs that the subsidiary located in Poland has a legal proceeding currently outstanding initiated by one of its energy suppliers, which was resolved in favour of the claimant on 13 June 2024, at which date Audax was required to pay the amount claimed for delays in business transactions under agreement.

5. Appendices

5.1 List of data points included in regulations derived from other EU legislation

Disclosure requirement and related data point	Page	Regulation on sustainability-related disclosures in the financial services sector reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Board's gender diversity (paragraph 21 (d))	5	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)	5			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Statement on due diligence paragraph 30	8	Indicator number 10 of Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i)	9	Indicator number 4 of Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii)	N/A.	Indicator number 9 of Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii)	N/A.	Indicator number 14 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv)	N/A.			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	N/A.				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	N/A.		(a), Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1 Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emission reduction targets paragraph 34	N/A.	Indicator number 4 of Table #2 of Annex 1	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3 Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources, disaggregated by sources (only high climate impact sectors) paragraph 38	36	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37	36	Indicator number 5 of Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	36	Indicator number 6 of Table #1 of Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	36	Indicator number 1 and 2 of Table #1 of Annex 1	Article 449 bis; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	36	Indicator number 3 of Table #1 of Annex 1	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56	40				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	N/A.			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	N/A.		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book. Climate change physical risk: exposures subject to physical risk		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	N/A.		Article 449bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	N/A.			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Non-material	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	Non-material	Indicator number 7 of Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	Non-material	Indicator number 8 of Table #2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Non-material	Indicator number 12 of Table #2 of Annex 1			

ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Non-material	Indicator number 6.2 of Table #2 of Annex 1	
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Non-material	Indicator number 6.1 of Table #2 of Annex 1	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i)	N/A.	Indicator number 7 of Table #1 of Annex 1	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	N/A.	Indicator number 10 of Table #2 of Annex 1	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	N/A.	Indicator number 14 of Table #2 of Annex 1	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Non-material	Indicator number 11 of Table #2 of Annex 1	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Non-material	Indicator number 12 of Table #2 of Annex 1	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Non-material	Indicator number 15 of Table #2 of Annex 1	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Non-material	Indicator number 13 of Table #2 of Annex 1	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Non-material	Indicator number 9 of Table #1 of Annex 1	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Non-material	Indicator number 13 of Table #3 of Annex I	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Non-material	Indicator number 12 of Table #3 of Annex I	
ESRS S1-1 Human rights policy commitments paragraph 20	49	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	49		Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Non-material	Indicator number 11 of Table #3 of Annex I	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	49	Indicator number 1 of Table #3 of Annex I	
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	50	Indicator number 5 of Table #3 of Annex I	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	56	Indicator number 2 of Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	77	Indicator number 3 of Table #3 of Annex I	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	56	Indicator number 12 of Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	56	Indicator number 8 of Table #3 of Annex I	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	57	Indicator number 7 of Table #3 of Annex I	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	57	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1), Annex II
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Non-material	Indicator number 1 and 13 of Table #3 of Annex I	
ESRS S2-1 Human rights policy commitments paragraph 17	Non-material	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	
ESRS S2-1 Human rights policy commitments paragraph 17	Non-material	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1	
ESRS S1-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 19	Non-material	Indicator number 10 of Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	Non-material		Delegated Regulation (EU) 2020/1816, Annex II
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Non-material	Indicator number 14 of Table #3 of Annex 1	
ESRS S3-1 Human rights policy commitments paragraph 16	Non-material	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Non-material	Indicator number 10 of Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)
ESRS S3-4 Human rights issues and incidents paragraph 36	Non-material	Indicator number 14 of Table #3 of Annex 1	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	59	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	59	Indicator number 10 of Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)
ESRS S4-4 Human rights issues and incidents paragraph 35	60	Indicator number 14 of Table #3 of Annex 1	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	64	Indicator number 15 of Table #3 of Annex 1	
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	64	Indicator number 6 of Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II

ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	69	Indicator number 17 of Table #3 of Annex 1
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	69	Indicator number 16 of Table #3 of Annex 1

5.2 Disclosure of information under Law 11/2018

5.2.1 Tax information

Tax information of Audax Renovables for the year 2024 is presented below:

Consolidated earnings before tax

Country	2024	2023
Spain	€5,489,383	€-4,766,194
Italy	€11,059,979	€2,312,353
The Netherlands	€30,081,949	€26,584,167
Portugal	€1,999,294	€444,098
Poland	€407,237	€270,687
Germany	€-3,449,183	€-5,380,910
France	€1,035,921	€190,741
Hungary	€13,937,531	€9,374,903

Income tax paid

Country	2024	2023
Spain	1,308,575	€4,147,441
Italy	1,897,853	€1,223,953
The Netherlands	8,416,456	€9,872,712
Portugal	870,534	€218,701
Poland	423,731	€742,968
Germany	0	€0
France	57,104	€66,605
Hungary	7,011,163	€0

Public subsidies received

Audax Renovables did not receive public subsidies in 2024.

Other economic contributions

The Group has cooperated with the following non-profit associations and organisations

NGO or non-profit association	Country
El sueño de Vicky	Spain
Fundación Esclerosis Múltiple (fem)	Spain
Asociación AfAB	Spain
Fundación Adana	Spain
Aosciación Afanoc Niños con cáncer	Spain
Fundación Ricky Rubio	Spain
Instituto Guttman	Spain
Fundación Alzheimer Cataluña	Spain
Amigos de los mayores	Spain
Aprenem autisme	Spain
Aspanoa Niños con Cáncer	Spain
Fundación el Somni dels Nens	Spain
Asociación Alfabetics 60	Spain
Asociación Cordobesa de Esclerósis Múltiple	Spain
Asociación Adevida	Spain
Asociación Redmadre Córdoba	Spain
Cofradía de Nuestra Señora del Campo	Spain
Hintalovon Gyermekjogi Alapítvány	Hungary

5.2.2 Information on own workforce[23]

The Group has ended the year 2024 with a total of 783 employees, of which 59% are women and 41% are men, employed by the different subsidiaries. In comparison to the previous year, there has been no significant change of the number of employees. In 2023 the staff comprised 755 employees, of which 60% were women.

The following table shows the breakdown of employees by country, age, gender, professional category, type of employment contract and work time:

Employees by gender

Gender	2024	2023
Men	319	300
Women	464	455
Total	**783**	**755**

Employees by professional category and gender:

	2024		2023	
Professional category	**Men**	**Women**	**Men**	**Women**
Senior Management	2	1	2	1
Management	25	7	18	5
Leadership	14	7	18	6
Middle Management	31	38	34	35
Others	247	411	228	408
Total	**319**	**464**	**300**	**455**

Employees by age and gender:

	2024		2023	
Age	**Men**	**Women**	**Men**	**Women**
Under 30	52	49	42	55
Between 30 and 50	206	355	205	349
Over 50	61	60	53	51
Total	**319**	**464**	**300**	**455**

Employees by country and gender:

	2024		2023	
Country	**Men**	**Women**	**Men**	**Women**
Spain	163	207	152	212
Hungary	40	143	39	130
The Netherlands	76	33	71	34
Italy	19	30	14	30
Portugal	9	24	10	27
Poland	9	23	8	20
Germany	3	4	6	2
Total	**319**	**464**	**300**	**455**

[23] The information disclosed on own workforce represents 96.6% of the employees of the Group.

Breakdown of employees by type of contract, gender, age, professional category and country[24]

In line with the commitment to create stable and quality employment, the Group encourages indefinite employment contracts for professionals. As at 31 December 2024, 95% of the employees had indefinite contracts, while only 5% were temporary employees.

Employees by type of contract and gender:

	2024		2023	
Type of contract and gender	**Men**	**Women**	**Men**	**Women**
Indefinite	298	446	266	410
Fixed-term	21	18	34	45
Total	**319**	**464**	**300**	**455**

Employees by type of contract and age:

	2024		2023	
Type of contract and gender	**Indefinite**	**Fixed-term**	**Indefinite**	**Fixed-term**
Under 30	84	17	66	31
Between 30 and 50	541	20	511	43
Over 50	119	2	99	5
Total	**744**	**39**	**676**	**79**

Employees by type of contract and professional category:

	2024		2023	
Type of contract and professional category	**Indefinite**	**Fixed-term**	**Indefinite**	**Fixed-term**
Senior Management	3	0	3	0
Management	32	0	23	0
Leadership	20	1	24	0
Middle Management	69	0	68	1
Others	620	38	558	78
Total	**744**	**39**	**676**	**79**

Employees by type of contract and country:

	2024		2023	
Type of contract and professional category	**Indefinite**	**Fixed-term**	**Indefinite**	**Fixed-term**
Spain	364	6	353	11
Hungary	182	1	166	3
The Netherlands	81	28	74	31
Italy	47	2	41	3
Portugal	32	1	14	23
Poland	32	0	20	8
Germany	6	1	8	0
Total	**744**	**39**	**676**	**79**

[24] The company informs on the number and breakdown of contracts at the close of the year because the difference between the median and the number of contracts at the close of the year is lower than 5%.

Dismissals

In 2024 a total number of 50 dismissals took place in the organisation, compared to 54 in the previous year). The following table shows the number of dismissals by gender, age and professional category:

Dismissals of employees by age and gender:

	2024		2023	
Age	**Men**	**Women**	**Men**	**Women**
Under 30	5	2	8	8
Between 30 and 50	11	25	15	17
Over 50	3	4	4	5
Total	19	31	27	27

Dismissals of employees by age and professional category[25]

	2024	
Professional category	**Men**	**Women**
Senior Management	0	0
Management	0	0
Leadership	0	0
Middle Management	1	2
Others	18	29
Total	19	31

Employees' remuneration

Remuneration of the Board of Directors (in € thousand)

The table below shows the average remuneration of the Board of Directors and the employees by category, age, country and gender in comparison to the previous year

	2024		2023	
Gender	**Members**	**Remuneration**	**Members**	**Remuneration**
Men	3	918	4	940
Women	2	391	2	344
Total	**5**	**1,309**	**5**	**1,284**

Senior Management's remuneration[26]:

	2024	2023
Total	€194,411	€132,500

Employees' remuneration by gender[27]:

Gender	**2024**	**2023**
Men	€43,785	€39,064
Women	€26,215	€23,165
Total	**€33,373**	**€29,419**

[25] No information is provided on the situation of the previous year due to difficulties in obtaining historical data.
[26] No information is provided on the remuneration of senior management by gender due to confidentiality.
[27] Due to the different criteria used for the calculation of the remuneration during this year from the ones used the previous year, it is not possible to compare the data.

Employees' remuneration by professional category and gender[28]:

	2024	
Professional category	**Men**	**Women**
Management	€145,788	€85,513
Leadership	€81,035	€67,861
Middle Management	€43,278	€36,794
Others	€32,586	€23,403
Total	**€43,785**	**€26,215**

Average remuneration by country and professional category:

	2023			
Country	**Management**	**Leadership**	**Middle Management**	**Others**
Spain	€143,075	€86,498	€36,322	€17,532
Portugal	-	-	€22,400	€13,124
The Netherlands	€143,764	€63,840	€45,525	€43,407
Poland	€60,267	-	€28,627	€20,431
Hungary	€82,199	€57,453	€29,905	€15,529
Italy	-	€165,880	€31,570	€26,099
Germany	-	-	€36,077	€31,030

Employees' remuneration by age and gender[29]:

	2024	
Age	**Men**	**Women**
Under 30	€24,273	€21,285
Between 30 and 50	€43,982	€26,833
Over 50	€59,752	€26,590
Total	**€43,785**	**€26,590**

Average remuneration by age and country:

	2023		
Country	**< 30 years**	**30-50 years**	**>50 years**
Spain	€21,958	€30,978	€30,435
Portugal	€12,512	€16,198	€15,584
The Netherlands	€26,779	€50,024	€60,382
Poland	€18,004	€23,853	€45,729
Hungary	€15,774	€18,070	€20,878
Italy	€24,599	€43,105	€35,728
Germany	-	€56,101	€34,196

28 29 30 Due to the different criteria used for the calculation of the remuneration during this year from the ones used the previous year, it is not possible to compare the data.

Employees' remuneration by country and gender:

	2024		2023	
Country	**Men**	**Women**	**Men**	**Women**
Spain	€36,796	€27,059	€36,578	€25,231
Hungary	€30,824	€20,486	€24,958	€16,153
The Netherlands	€64,133	€44,989	€52,972	€38,495
Italy	€62,873	€32,672	€50,248	€27,006
Portugal	€17,944	€17,447	€14,956	€14,980
Poland	€42,826	€26,626	€35,036	€23,680
Germany	€40,302	€34,301	€56,189	€34,109
Total	**€43,785**	**€26,215**	**€38,705**	**€25,665**

Accident and absenteeism rates

The aim of the implementation of all these measures is to reduce to the minimum the accidents at work. The Group has never had to mourn any lives lost since the beginning of its activity.

	2024	2023	
Accident and absenteeism rates		**Men**	**Women**
No. of work accidents with sick leave	N/A.	3	-
No. of days lost due to work accidents with sick leave	N/A.	112	-
Frequency rate	N/A.	18.83	-
Severity rate	N/A.	0.7	-
Hours of absenteeism	49,700	40,214	

Employees' training

Audax Renovables' success is the result of the work, commitment and professionalism of its team. Therefore, the Company promotes policies and schemes of professional development directed to its employees.

In 2024 the Group continued offering a programme of continuing training to its employees in order to ensure that the staff had the necessary skills to assume the responsibilities and carry out the tasks associated with their positions and, at the same time, develop new skills, which would enable them to grow personally and professionally.

We would like to highlight the following courses conducted in 2024:

- **English:** In order to improve internal communication among the Group's subsidiaries and with the Group's stakeholders, English courses have been offered to all the interested employees. Currently more than 100 employees participate in weekly English lessons.
- **Compliance:** Training sessions determined in the Compliance Training Plan were organised.
- **Cybersecurity and data management:** 6 courses concerning these topics were conducted in various subsidiaries of the Group.
- **Courses on ORP (Occupational Risk Prevention) in the construction sector:** The courses included basic training in the necessary prevention topics in the construction sector. Necessary training to be able to go to the construction site.

The training programme is not limited to the obligatory courses but is aimed at including the specific needs of the employees. Therefore, all the subsidiaries of the Group have internal processes for the purpose of requesting specific training related to a specific job position.

The following table shows the total number of hours of training of the employees by professional category and gender:

	2024		2023	
Hours of training	**Men**	**Women**	**Men**	**Women**
Senior Management	92	56	33	187
Management	121	143	271	813
Leadership	381	282	229	1454
Middle Management	493	909	489	613
Others	2,747	4,504	3,421	2,923
Total	**9,728**		**10,431**	

5.3 Taxonomy indicators

Template: Proportion of the turnover of goods or services associated to Taxonomy-aligned activities - disclosure for the year 2024 (Regulation 2021/2178)

Fiscal year 2024	Year			Substantial contribution criteria						Criteria of no harm ('Do not cause significant harm').									
Economic activities	Symbol	Income (€)	Proportion of the Net Turnover, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) Turnover, year 2023	Category of enabling activity	Category of transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation through solar photovoltaic technology	CCM 4.1	7,137,053	0.4%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.3%		
Electricity generation from wind energy	CCM 4.3	13,460,349	0.7%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.6%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		20,597,402	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	0.9%		
Of which: enabling		0.00	0.0%	0.0%													0%	F	
Of which: transitional		0.00	0.0%	0.0%													0%		T
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings.	CCM 7.5	9,115	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	128,009	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**137,124**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**20,734,526**	**1.0%**	**1.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.9%**		
A. ACTIVITIES THAT ARE NOT TAXONOMY-ELIGIBLE																			
Turnover of not Taxonomy-eligible activities (B)		**1,959,290,842**	**99%**																
TOTAL		**1,980,025,368**	**100%**																

	Proportion of Net Turnover/Total Net Turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	1.0%	1.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Template: Proportion of CapEx of goods or services associated to Taxonomy-aligned activities - disclosure for the year 2024 (Regulation 2021/2178)

Fiscal year 2024	Year			Substantial contribution criteria						Criteria of no harm ('Do not cause significant harm').									
Economic activities	Symbol	CapEx (€)	Proportion of CapEx, year 2024	Climate change mitigation	Adaptation to climate change	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx, year 2023	Category of enabling activity	Category of transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation through solar photovoltaic technology	CCM4.1	49,322,981	82.4%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	64.0%		
Electricity generation from wind energy	CCM4.3	103,742	0.2%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.9%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**49,426,723**	**82.6%**	**83.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	S	S	S	S	S	S	**S**	**64.9%**		
Of which: enabling		0.0	0.0%	0.0%													0%	F	
Of which: transitional		0.0	0.0%	0.0%													0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM6.5	111,059	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings	CCM7.5	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of renewable energy technologies	CCM7.6	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Conservation, including habitat restoration, of ecosystems and species	CCM1.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								-		
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**111,059**	**0.2%**	**0.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**49,537,782**	**82.8%**	**83.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**64.9%**		
A. ACTIVITIES THAT ARE NOT TAXONOMY-ELIGIBLE																			
CapEx of not Taxonomy-eligible activities (B)		**10,307,218**	**17.2%**																
TOTAL		**59,397,000**	**100%**																

	Proportion of CapEx/total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	82.6%	82.8%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Template: Proportion of OpEx of goods or services associated to Taxonomy-aligned activities - disclosure for the year 2024 (Regulation 2021/2178)

Fiscal year 2024	Year			Substantial contribution criteria						Criteria of no harm ('Do not cause significant harm').									
Economic activities	Symbol	OpEx (€)	Proportion of OpEx year 2024	Climate change mitigation	Adaptation to climate change	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-	Category of enabling activity	Category of transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation through solar photovoltaic technology	CCM 4.1	682,648	9.9%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.8%		
Electricity generation from wind energy	CCM 4.3	2,509,703	36.4%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0%		
Op-Ex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,192,351	**46.2%**	**46.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	S	S	S	S	S	S	S	**0.8%**		
Of which: enabling		0.0	0.0%	0.0%													0%	**F**	
Of which: transitional		0.0	0.0%	0.0%													0%		**T**
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of instruments and devices for measurement and control of the energy efficiency in buildings	CCM 7.5	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Conservation, including habitat restoration, of ecosystems and species	CCM 1.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								-		
OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		3,192,351	**46.2%**	**46.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.8%**		
A. ACTIVITIES THAT ARE NOT TAXONOMY-ELIGIBLE																			
OpEx of not Taxonomy-eligible activities (B)		**3,710,448**	**53.8%**																
TOTAL		**6,902,799**	**100%**																

	Proportion of OpEx/total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	46.2%	46.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Template: Nuclear and fossil gas related activities (Delegated Regulation 2022/1214)

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No

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5.5 List of requirements under Law 11/2018 on non-financial information and diversity

List of contents required by Law 11/2018			
Information required by Law 11/2018	**Materiality**	**Page of the report where the item is addressed**	**Reporting criterion: Selected GRI and ESRS**
GENERAL INFORMATION			
Brief description of the business model including its business environment, organisation and structure	Material	5	ESRS 2 MDR-P ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 SBM-1 ESRS 2 SBM-2 ESRS 2 SBM-3 G1-1
Markets where it operates	Material	7 9	
Objectives and strategies of the organisation	Material	12	
Main factors and trends, which may affect its future development	Material	14 64	
Materiality principle	Material	17 22	ESRS 2 IRO-1 ESRS 2 IRO-2
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues connected with the group's activity	Material	35 43 49 59 64	ESRS 2 SBM-3 ESRS 2 MDR-P E1-2 E4-2 S1-1 S4-1 G1-1
ENVIRONMENTAL ISSUES			
Detailed general information			
Detailed information on current and expected impacts of the company's activities on the environment and, if applicable, on health and safety	Material	17	ESRS 2 IRO-1
Environmental assessment or certification procedures	Material	35 44	ESRS 2 MDR-A E1-3 E4-3
Environmental risk prevention means	Material	35 44	ESRS 2 MDR-A E1-3 E4-3
Application of precautionary principle	Material	35 44	ESRS 2 MDR-A E1-3 E4-3
Quantity of environmental risk provisions and guarantees	Material	35 44	ESRS 2 MDR-A E1-3 E4-3
Pollution			
Measures to prevent, reduce or repair emissions seriously affecting the environment, taking into account any form of pollution specific to the activity, including noise and light pollution.	Non-material	N/A.	N/A.
Circular economy and waste prevention and management			
Measures to prevent, recycle, reuse, recover and eliminate waste	Non-material	N/A.	N/A.
Actions to combat food waste	Non-material	N/A.	N/A.
Sustainable use of resources			
Water consumption and water supply within local limits	Non-material	N/A.	N/A.

Raw material consumption and measures adopted to improve material efficiency	Non-material	N/A.	N/A.
Energy consumption - direct and indirect	Material	36	E1-5
Measures adopted to improve energy efficiency	Material	35	ESRS 2 MDR-A E1-3
Use of renewable energy	Material	36	E1-5
Climate change			
Greenhouse gas emissions generated as a result of the company's activity, including use of goods and services it produces	Material	36	E1-6
Measures taken to adapt to the consequences of climate change	Material	34 35 40	ESRS 2 MDR-A E1-1 E1-3 E1-7 E1-8
Medium and long-term voluntary reduction goals to reduce greenhouse gas emissions, and measures adopted for that purpose	Material	34 35	ESRS 2 MDR-T E1-1 E1-4
Biodiversity protection			
Measures taken to preserve or restore biodiversity	Material	44	ESRS 2 MDR-A E4-3
Impacts made by activities or operations on protected areas	Material	45	E4-5
EU Taxonomy			
EU Taxonomy indicators concerning eligibility	Material	81	N/A.
SOCIAL ISSUES AND MATTERS CONCERNING PERSONNEL			
Employment			
Total number and distribution of employees by country, gender, age, and professional category	Material	75	S1-6 S1-9 GRI 405-1 regarding employees by category, gender and age
Total number and distribution of types of employment contracts and annual average of indefinite-term contracts, fixed-term contracts and part-time contracts by gender, age and professional category	Material	76	GRI 2-7 (2021) regarding employees by type of employment contract, by gender S1-6
Number of dismissals by gender, age and professional category	Material	77	GRI 3-3 (2021) S1-6
Average remuneration and its development, according to gender, age and professional category or similar	Material	77	GRI 3-3 (2021) S1-16
Pay gap, remuneration of equal work posts or of company average	Material	56	GRI 3-3 (2021) S1-16
Average remuneration of directors and managers, including variable remuneration, allowances, compensations, payments to long-term saving and retirement plans and any other payment, distributed by gender	Material	77	GRI 3-3 (2021) S1-16
Implementation of policies for disconnecting from work	Material	49	ESRS 2 MDR-P S1-1
Number of employees with disability	Material	56	S1-12
Work organisation			
Organisation of working time	Material	49	ESRS 2 MDR-P S1-1

Mechanisms and processes that the company has in place to promote the involvement of the employees in the management of the company, in terms of information, consultation and participation	Material	51	S1-3
Number of hours of absenteeism	Material	79	GRI 3-3 (2021) S1-14
Measures designed to help conciliation between work and family life and encourage co-responsible use of the rights by both parents	Material	52 53 56	ESRS 2 MDR-T ESRS 2 MDR-A S1-4 Measures S1-5 Targets S1-15
Health and safety			
Workplace health and safety conditions	Material	55 56	S1-11 S1-14
Work accidents, in particular, its frequency and severity, as well as occupational diseases; itemised by gender	Material	79	GRI 403-9 regarding accidents number and rate GRI 403-10 regarding work-related ill health and occupational diseases S1-14
Social relations			
Organization of social dialogue, including procedures of information, consultation and negotiation with employees	Material	50	S1-2
Mechanisms and processes that the company has in place to promote the involvement of the employees in the management of the company, in terms of information, consultation and participation	Material	51	S1-3
Percentage of employees covered by collective agreement, by country	Material	55	S1-8
Balance of collective agreements, particularly in the area of occupational health and safety	Material	55-56	S1-8
Training			
Policies implemented in the area of training	Material	79	ESRS 2 MDR-P S1-1
Total number of hours of training by professional category	Material	79	S1-13
Universal accessibility			
Universal accessibility for persons with disabilities	Material	52 56	ESRS 2 MDR-A S1-4 S1-12
Equality			
Measures adopted in order to promote equal treatment and equal opportunities for women and men	Material	52 53	ESRS 2 MDR-T ESRS 2 MDR-A S1-4 S1-5
Equality plans, measures taken to promote employment, protocols against sexual and gender harassment	Material	49 52	ESRS 2 MDR-P ESRS 2 MDR-A S1-1 S1-4 GRI 3-3
Policy against any type of discrimination and, if applicable, diversity management	Material	49	ESRS 2 MDR-P S1-1
RESPECT FOR HUMAN RIGHTS			
Application of due diligence procedures			

Application of due diligence procedures in the areas of human rights and prevention of the risk of human rights violation and, if applicable, measures to mitigate, manage and repair possible infringements committed	Material	8 60 61	ESRS 2 GOV 4 S1-3 S4-4
Complaints about cases of human rights violation	Material	57	S1-17
Measures implemented for the purpose of promotion and compliance with the provision of the ILO fundamental conventions related to the freedom of association and the right to collective bargaining, elimination of discrimination in employment and occupation, abolition of forced labour, and effective abolition of child labour	Material	49	ESRS 2 MDR-P S1-1
FIGHT AGAINST CORRUPTION AND BRIBERY			
Measures adopted to prevent corruption and bribery	Material	67	G1-3
Measures designed to fight money laundering	Material	67	G1-3
Contributions to foundations and non-for-profit entities	Material	74	GRI 2-28 (2021)
SOCIAL INFORMATION			
Company commitment to sustainable development			
The impact of the company's activity on local employment and development	Non-material	N/A.	N/A.
The impact of the company's activity on local communities and areas	Non-material	N/A.	N/A.
Relations and modalities of dialogue with members of local communities	Non-material	N/A.	N/A.
Association or patronage activities	Non-material	N/A.	N/A.
Subcontracting and suppliers			
Including social, gender equality and environmental issues in the procurement policy	Material	67	G1-2
Recognising own social and environmental responsibility in relations with suppliers and subcontractors	Material	67	G1-2
Supervision and audit systems and their results	Material	67	GRI 2-6 (2021) G1-2
Consumers			
Measures for the consumer health and safety	Material	60	ESRS 2 MDR-T ESRS 2 MDR-A S4-4 Measures
Complaint systems, complaints received and resolved	Material	60	S4-3
Tax information			
Profit obtained country by country	Material	74	GRI 3-3 (2021)
Income tax paid	Material	74	GRI 3-3 (2021)
Public subsidies received	Material	74	GRI 201-4 regarding subsidies

Audax Renovables, S.A. and subsidiaries

Limited Assurance Report issued by an assurance provider on the Consolidated Non-Financial Information Statement (NFIS) and the Sustainability Reporting

31 December 2024

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

KPMG Auditores, S.L.
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Limited Assurance Report issued by an assurance provider on the Consolidated Non-Financial Information Statement and the Sustainability Reporting of Audax Renovables, S.A. and subsidiaries for 2024

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

To the Shareholders of Audax Renovables, S.A.

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter, NFIS) of Audax Renovables, S.A. (hereinafter, the Entity) and its subsidiaries (hereinafter, the Group) for the year ended 31 December 2024, which forms part of the consolidated directors' report of the Group.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, namely the sustainability reporting prepared by the Group for the year ended 31 December 2024 (hereinafter, the Sustainability Reporting) in accordance with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on Corporate Sustainability Reporting (CSRD). This Sustainability Reporting has also been subject to a limited assurance review.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The Group's Non-Financial Information Statement for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected criteria of the European Sustainability Reporting Standards (ESRS), as well as the other criteria described based on each subject area in the "5.5 List of requirements under Law 11/2018 on non-financial information and diversity " table of the aforementioned Statement;

b) The Sustainability Reporting as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying note "General basis for the preparation of the Sustainability Statement (BP-1)", including:

   - That the description of the process for identifying the sustainability reporting information included in note "Description of the process of determining and evaluating material impacts, risks and opportunities (IRO-1)" is consistent with the process carried out and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
   - Compliance with ESRS.

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- Compliance of the disclosure requirements, included in subsection "2.1 Disclosure of information under article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation) of the environment section of the Sustainability Reporting, with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 for assurance engagements on non-financial information issued by the Spanish Institute of Registered Auditors (ICJCE) and considering the contents of the note published by the Spanish Accounting and Audit Institute (ICAC) on 18 December 2024 (hereinafter, Generally Accepted Professional Standards).

The scope of the procedures applied in a limited assurance engagement is less than those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Assurance Provider Responsibilities section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Matter

On 27 February 2024, a different assurance provider issued a favourable independent assurance report on the Consolidated Non-Financial Information Statement of Audax Renovables, S.A. and subsidiaries for 2023.

Directors' Responsibility

The preparation of the NFIS included in the consolidated directors' report of the Group, and the content thereof, is the responsibility of the Directors of Audax Renovables, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected criteria of the ESRS, as well as the other criteria described based on each subject area in the "5.5 List of requirements

under Law 11/2018 on non-financial information and diversity" table of the aforementioned Statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of Audax Renovables, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

In relation to the Sustainability Reporting, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the Sustainability Reporting in accordance with the contents of the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the Sustainability Reporting in note "Description of the process of determining and evaluating material impacts, risks and opportunities (IRO-1)". This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- evaluating the materiality of the impacts, risks and opportunities identified; and
- making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of the Sustainability Reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance of the CSRD, the ESRS and the disclosure requirements included in subsection "2.1 Disclosure of information under article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)" of the environmental section of the Sustainability Reporting with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider necessary to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

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Inherent Limitations in the Preparation of the Information

In accordance with the ESRS, the Entity's Directors are required to prepare prospective information based on assumptions and hypotheses, which are to be included in the Sustainability Reporting, regarding events that may occur in the future, as well as any possible future actions that the Group may take. The actual outcome may differ significantly from the estimates, as future events often do not occur as expected.

In determining sustainability disclosures, the Entity's Directors interpret legal and other terms that are not clearly defined and may be interpreted differently by others, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

Responsibility of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and Sustainability Reporting are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and Sustainability Reporting is consistent with the description of the process followed by the Group and allows, where appropriate, for the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and the Sustainability Reporting that are likely to contain material misstatements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of Work Performed

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and scope of the procedures selected depend on professional judgement, including the identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and the Sustainability Reporting.

Our work consisted of making inquiries of management, as well as of the different units and components of the Group that participated in the preparation of the NFIS and the Sustainability

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Reporting, reviewing the processes for compiling and validating the information presented in the NFIS and the Sustainability Reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance process:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the note "Description of the process of determining and evaluating material impacts, risks and opportunities (IRO-1)", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance work on the Sustainability Reporting:

- Making inquiries of Group personnel:
  - to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain information necessary for the external review.
  - to understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents) and review the Group's internal documentation on its process.
- Through inquiries of Group personnel, gaining an understanding of the Group's processes for collecting, validating and reporting information relevant to the preparation of its sustainability reporting.
- Assessment of how consistent the evidence obtained from our procedures on the Group's process for determining the information to be included in the Sustainability Reporting is with the description of the process included in the Sustainability Reporting, and assessment of whether the Group's process duly identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessment of whether all the information identified in the Group's process for determining the information to be included in the Sustainability Reporting is effectively included.
- Assessment of how consistent the structure and presentation of the Sustainability Reporting is with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.

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

- Inquiries of relevant personnel and performance of analytical procedures on the information disclosed in the Sustainability Reporting considering where material misstatements are likely to arise, whether due to fraud or error.
- Performance of sample substantive procedures on information disclosed in the Sustainability Reporting considering where material misstatements are likely to arise, whether due to fraud or error.
- Procurement of any reports issued by accredited independent third parties included as an appendix to the consolidated directors' report in response to the requirements of European regulations and, in relation to the information to which they refer and in accordance with Generally Accepted Professional Standards, confirmation solely that the accreditation of the assurance provider and the scope of the report issued is in line with European regulations.
- Procurement of any documents containing the information included by reference, the reports issued by auditors or assurance providers on those documents and, in accordance with Generally Accepted Professional Standards, confirmation solely that the document referred to by such information included by reference meets the conditions described in the ESRS for incorporating information by reference in the Sustainability Reporting.
- Procurement of a representation letter from the Directors and management regarding the NFIS and the Sustainability Reporting.

Other Information

Management of the entity is responsible for other information. Other information comprises the consolidated annual accounts and other information included in the consolidated directors' report, but does not include either the auditor's report on the consolidated annual accounts or assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the Sustainability Reporting included as an appendix to the consolidated directors' report.

Our assurance report does not cover other information and we do not express any assurance conclusions on said information.

In connection with our engagement to provide assurance on the Sustainability Reporting, our responsibility is to read the other information identified above and, in so doing, consider whether the other information is materially inconsistent with the Sustainability Reporting or with the knowledge we have acquired during the assurance engagement that could be indicative of material misstatements in the Sustainability Reporting.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Silvana Alfaya Bas

27 February 2025

AUDAX RENOVABLES, S.A.

The Annual Financial Report of Audax Renovables, S.A. and Subsidiaries for the year 2024 comprising:

- Consolidated annual accounts - Consolidated balance sheet, Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in net equity, Consolidated statement of cash flows and Consolidated notes to the annual accounts

- Consolidated Directors' Report (which includes the Non-financial information statement)

Prepared according to the European Single Electronic Reporting Format in compliance with Commission Delegated Regulation (EU) No 2019/815, under identification number 9BD6EAFD8CDF6DDE8B88624D5A02BBDC545AEAA89CB6B066D766D4EBE7A226C5, was drawn up by the Board of Directors of Audax Renovables, S.A. at its meeting on 25 February 2025. Approved and signed below by all the Directors, in compliance with article 253 of the Spanish Companies Act.

BOARD OF DIRECTORS

Mr Francisco José Elías Navarro
Chairman

Mr Josep María Echarri i Torres
Member

Mr Ramiro Martínez-Pardo del Valle
Member

Ms Anabel López Porta
Member

Ms Rosa González Sans
Member