

Audax earned 7.8 million euros in 2022

- *The Group increased revenues by 56% to 2.633 billion euros, with EBITDA of 54 million euros, up 16% year-on-year.*
- *Audax made a profit of 7.8 million euros, reversing the previous year's losses.*

27 FEBRUARY 2023. Audax Renovables (ADX.MC), a vertically integrated Spanish energy group that generates 100% renewable energy and supplies electricity and gas to customers in seven European countries, earned 7.8 million euros in 2022. The Group increased its revenues by 56% to a total of 2.633 billion euros.

Vertical integration has enabled the company to successfully manage high volatility in global energy markets, particularly due to the conflict in Eastern Europe and rising commodity prices.

The business optimisation measures implemented during the year, the market diversification policy and the 9% increase in new installed capacity (reaching 245 MW) resulted in a 17% increase in the gross margin to 144 million euros and a 16% increase in EBITDA (54 million euros). The profit was 7.8 million euros, compared to a loss of 3.3 million euros in the previous year.

Audax has increased the weight of generation in its EBITDA contribution from 27% in 2021 to 42% in 2022, the fruit of its commitment to a vertically integrated business based on 100% renewable generation. In generation, EBITDA increased significantly compared to the end of 2021, due to the higher installed capacity and higher sales prices.

It should be noted that this generation EBITDA comes from an active portfolio valued by an independent expert at 129 million euros at the end of 2022, with 130 million euros of assets in the pipeline that do not yet generate EBITDA because they have not yet reached the operational phase, demonstrating the huge potential of the Group's generation activities.

In terms of gross financial debt, the company was able to reduce its debt by 130 million euros to 642 million euros, thus consolidating a solid financial position that will allow it to progress its project development roadmap and meet its short-term maturities. As a result of its liquidity management and capital discipline, the company generated an operating cash flow of 152 million, of which 45 million was used for new investments and 146 million for debt reduction.

On a pro forma basis, if the market access transaction with Shell Energy Europe Limited in Spain had been included in the full year 2022, Audax would have generated approximately 50 million euros of additional cash flow.

Diversification of customer portfolio and increased profitability

Audax continues to pursue its policy of organic and inorganic growth, which has enabled it to increase the number of supply points by 14% over the last four years to 387,000, with a total of 13 TWh of energy supplied. Last year, in view of market developments and the risks associated with volatility, the company focused its efforts on strengthening profitability by implementing measures to diversification of its portfolio and mitigating risk in all the countries where it operates. In this context, the company has reduced the number of supply points by 25% and the volume of energy supplied by 15% compared to the previous year, which has had a direct positive impact on both gross margin and EBITDA. At present, electricity supply points account for 80% of the total and gas supply points for the remaining 20%.

Those countries where vertical integration is more established (mainly Southern Europe) are the best performers over the year. On a country basis, Hungary is the most important country for electricity, accounting for 45% of the total energy supplied by the Group, and the Netherlands is the most important country for gas, accounting for 52% of the total. Iberia accounts for almost a third of the total in both commodities.

The company's main focus continues to be the industrial customer, accounting for 93% of its total portfolio. The weight of domestic customers has been reduced from 11% to 7% in 2022, due to the company's efforts in its historic target segment of SMEs.

Favourable progress in the generation portfolio

Worldwide, Audax's production in 2022 was 258 GWh (excluding Panama), an increase of 29% compared to the previous year. Production in the Spanish market increased significantly (70%) due to the contribution of new photovoltaic plants, which added 90 GWh to production.

With regard to the development of the project portfolio and as a result of the fulfilment of the milestones of RDL 23/2020 in Spain, the Audax Group's portfolio at the date of this report stands at 1.4 GW. Audax continues to make progress with its planned development and construction activities, starting work on 26 MW and commissioning 19 MW of PV.

The Group has projects of 141 MWp at a very advanced stage with a favourable EIS and 323 MWp close to the construction stage, totalling 464 MWp, in addition to the 26 MWp currently under construction and 245 MWp in operation.

ESG developments

During 2022, the company strengthened its strategic direction and sustainability management with the aim of making further progress on ESG. During the year, the Board approved the new sustainability strategy and appointed a new person responsible for its development and implementation.

The roadmap for this new strategy revolves around the three pillars of environment, society and governance, for which we have defined and are working on actions and initiatives to improve performance.

For José Elías, chairman of Audax Renovables, "we have once again faced a year in which the market has tested our solvency and success. Our strong strategy for renewable energy generation and the optimisation of our customer portfolio, together with the conclusion of important strategic agreements with top-class partners, will allow us to further increase Audax's competitiveness."

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About Audax Renewables

Founded in 2000, Audax Renewables is a vertically integrated Spanish energy group that generates 100% renewable energy and supplies electricity and gas to customers in seven European countries.

It currently has a portfolio of wind farms and photovoltaic plants in Spain, Portugal, Italy, France, Poland and Panama in operation, under construction and at different stages of development, exceeding 1GW. In its marketing activity, the group chaired by José Elías Navarro supplies renewable energy and gas to more than 380,000 customers in Spain, Portugal, Italy, Germany, Poland, Holland and Hungary, and spearheads the SME segment in Iberia. Audax was first listed on the Spanish secondary market in 2003, and in 2007 it made the leap to the continuous market, where it became part of the IBEX SMALL CAP® index in March 2020. It currently has a market capitalisation of more than 600 million euros and a team of more than 800 professionals.

For further information, visit www.audaxrenewables.com