

Information on the Elecnor Group's first quarter of 2021

Consolidated profit/loss

Key consolidated figures for the business activity

Figures in thousands of Euros

	1Q 2021	1Q 2020
Net turnover	526,579	486,119
Profit/Loss before taxes	31,643	30,638
Income tax	(9,176)	(8,601)
Profit/Loss for the businesses attributable to non-controlling interests	(919)	(1,218)
Profit/Loss for the businesses attributable to shareholders of the Parent	21,548	20,819

The Elecnor Group attained net profits of EUR 21.5 million in the first quarter of 2021, which is a 3.5% increase on the profits obtained in the same period of the previous financial year.

This growth was obtained thanks to the positive performance of the Services and Projects Business¹ as well as the Concessions Business, businesses on which the Group bases its activities and which complement and reinforce one another.



The **Services and Projects Business** has witnessed an increase in the results of the **domestic market**, where the activity has continued its growth path during this period, thanks to services undertaken for the energy, telecommunications, water, gas and transport sectors, where it provides an essential service for all utilities, maintaining the safety and hygiene services adopted on the basis of government recommendations. Moreover, during this first quarter construction works on wind farms have been carried out in Cuenca, and on PV farms in Ciudad Real and Badajoz.

¹ Services and Projects Business, formerly known as the Infrastructure Business

On the **international market**, positive evolution during the period is mainly due to the construction of electricity transmission lines in Brazil and Chile, and also to US subsidiaries and to the start of major projects in Australia to be implemented during the financial year. It is worthy to note that this increase has contributed to the absorption of the costs for the launch of new activities and the expansion to new areas in Italy and the United Kingdom, countries in which the Group has been operating for years with positive results.

The operating profit/loss of the **Concessions Business** is in line with the one obtained during the same period of the previous financial year, and has been impacted by depreciation of the currencies in which the Group's assets operate (especially in Brazil and Chile). The Group already operates 5,740 km of electricity transmission lines in Chile and Brazil, and participates in 1,649 MW of renewable energy in operation and under construction in Spain, Brazil, Canada, Australia and Colombia, and continues its intense promotional activity to ensure its growth.

The Company is confident that the impact on the businesses of the crisis caused by the spread of COVID-19 continues to be limited: on the Services and Projects Business owing to the essential nature of many of its activities and on the Concessions Business owing to the strategic nature of the assets it operates.

The Group continuously evaluates its operating expenses to reduce any discretionary expenses, applying policies of contention and control to the expenses on a recurring basis, in all companies of the Group.

Turnover

At 31 March, Elecnor's consolidated sales reached **EUR 526.6 million** (EUR 486.1 million in the same period of the previous financial year); an 8.3% increase with respect to the first quarter of 2020. Of this, the domestic market accounts for 53% (55% in the same period last year), and the international market for 47% (45% in the same period last year).



The **Services and Projects Business** has increased its turnover at the domestic as well as the international level.

In the **domestic market**, the turnover reached positive growth rates partially due to the investment plans held by the main customers of the Group, anticipating the opportunities derived from the Integrated National Energy and Climate Plan (INECP) 2021-2030. Moreover, during this period construction works of wind farms have been carried out in Cuenca, and of solar PV farms in Ciudad Real and Badajoz.

In the **international market**, worth highlighting the contribution of the construction of electricity transmission lines in Brazil and Chile, and also those of US subsidiaries (Hawkeye and Belco). The major projects in Australia that commenced during this period also contribute to the increase of international turnover, as well as the new energy transmission lines in Angola, a biomass project in Belgium and a solar PV farm in the Dominican Republic.

The domestic turnover of the **Concessions Business** has increased through greater wind production, while the international Concessions Business was affected by the depreciation of the Brazilian Real, currency in which the subgroup Enerfin, dedicated to wind power generation, operates in Brazil.

Production portfolio

The **portfolio of signed contracts** pending execution by 31 March 2021 and whose implementation is expected to take place over the next 12 months, **amounts to EUR 2,509 million** (EUR 2,273 million at the end of 2020). Of this portfolio figure, 73% relates to the international market, for an amount of EUR 1,829 million, and 27% to the domestic market, for an amount of EUR 680 million. The domestic market portfolio has been increased by the PV farms in Ciudad Real and Badajoz, and the international market as a result of the signing of major agreements with Chile, Australia, Brazil and Colombia.

Backlog



Sustainability

Elecnor is the generator of change and well-being. It is therefore conscious of the importance of its actions on people and the setting where it undertakes its activities. Its purpose is to maximise positive impacts and minimise negative impacts on society and the environment, through responsible, ethical and transparent behaviour. This commitment is inherent in every aspect of its activities and business strategy, as well as in its relations with stakeholders.

In line with ESG criteria (environmental, social and governance), in 2020 the Elecnor Group contributed to global sustainability as follows:

Focused on people

- The prevention of occupational risks in the work centre
- Promotion of equality and diversity
- Inclusion of people at risk of social exclusion
- Increase of women in the workforce by 20%
- Women make up 30% of the Staff in Structure

Protecting the environment

- Continuity of the 2030 Climate Change Strategy
- Incorporation of environmental considerations in decision-making processes regarding investments and the planning and execution of activities
- Promotion of renewable energy
- Development of activities in keeping with an internal Environmental Management and Energy Management System, certified in accordance with ISO 14001 and ISO 5001 Standards, respectively
- Reduction of GHG emissions by 24% by 2030, as compared to 2014
- Highest score in the CDP international sustainability ratings, endorsing the company's leadership in the fight against climate change

Commitment to society

- Signatory Partner to the UN Global Compact
- Ally of the Sustainable Development Goals (SDG)
- Social action led by the Elecnor Foundation
- Dialogue with local communities
- Operating excellence

Good governance

- The highest ethical standards
- Zero tolerance for malpractice
- Reporting transparency
- Certification to UNE-ISO 37001 anti-bribery management system standard
- Certification to UNE 19601 criminal compliance management system standard

Forecast for 2021

The Group, supported by its solid portfolio of contracts and by the geographical and activities diversification of the company, is confident that its businesses will surpass the figures of the previous financial year.

The Group's businesses continue to generate solid operating cash-flow, which reinforces its financial position, and continue their production activity by applying protocols developed to fight the spread of COVID-19 and to protect the health and safety of employees. It is also tracking all accounts receivable from customers and current ongoing production values with the aim of controlling credit risk.

Change in the companies that make up the Group

During the first quarter of 2021, the Board approved the formulation of the joint project for the spin-off of Elecnor, S.A. in favour of Elecnor Servicios y Proyectos, S.A.U. The projected spin-off transaction will entail the spin-off of part of Elecnor's equity devoted to the services and projects business activity, comprising one economic unit acquired by universal succession by Elecnor Servicios y Proyectos. Insofar as Elecnor Servicios y Proyectos is fully owned by Elecnor, the spin-off will take place in accordance with the provisions of sec. 49.1 of Spanish Law 3/2009, of 3 April, on structural modifications of commercial enterprises, by reference to sec. 73.1 of the same legal text.

There have been no further changes in the consolidation scope of the Elecnor Group with respect to the end of 2020.

Basis of presentation and valuation principles

In this information, the individual companies have applied the accounting principles and criteria set out in the New Spanish General Accounting Plan, which entered into force on 1 January 2008. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).