

Information on the Elecnor Group's third quarter of 2019

The businesses' activity produced a profit of EUR 57.1 million, an increase of 5.3% compared with the same period in the previous year, when the profit was EUR 54.2 million.

Key consolidated figures for the businesses' activity

In thousands of euro

	9M 2019	9M 2018
Net revenues	1,610,650	1,586,622
Pre-tax profit	128,240	112,257
Income tax	(45,544)	(35,483)
Profit attributable to non-controlling interests	(25,637)	(22,596)
Profit attributable to shareholders of the parent company	57,058	54,177

Additionally, in this last quarter there was an extraordinary negative result of EUR 40.5 million, not included in the above figures, which reflects the impact of the acquisition of control of the solar thermal companies Aste and Dioxipe, as explained in the "Corporate operations" section below. Taking everything into account, the consolidated net profit for the first nine months of 2019 is EUR 16.5 million.

Corporate operations

Acquisition of control of the solar thermal companies ASTE and Dioxipe as part of a wide-ranging corporate operation with our partner APG

a) Acquisition of control of the solar thermal companies Aste and Dioxipe

The Elecnor Group acquired 44.3% of Aste and 42.57% of Dioxipe, taking its stake in these companies to 100% and 97.57% respectively, for a price of EUR 14.2 million. As a result of this operation, the Group increased the average return on its joint investment in this business.

The Group is currently in the process of allocating the purchase price corresponding to its stake in the companies in accordance with IFRS 3, the amount of this investment should therefore be regarded as provisional.

Due to this operation, the Group recorded a lower profit of EUR 40.5 million in the income statement for the first nine months of 2019. This amount mainly reflects the impact of the valuation of the interest-rate derivatives of both projects at the date of acquisition of control (already reflected in Net Equity in the Consolidated Financial Statements for the first half of 2019), as well as an estimate of the allocation of the purchase price mentioned in the previous paragraph.

b) Agreement signed with the Dutch fund APG

After the close of the third quarter, the Elecnor Group signed an agreement with the Dutch fund APG under which both companies will acquire joint control of the sub-group whose parent company is Celeo Concesiones e Inversiones (see material fact notified to the CNMV [Spanish National Securities Market Commission] on 7 November 2019).

The gains that will materialise on completion of this operation, which is expected before the end of the financial year, will amply offset the accounting impacts described above in the section "Acquisition of control of the solar thermal companies Aste and Dioxipe".

Consolidated profit excluding the above corporate operation

In the first nine months of 2019, the Elecnor Group obtained a consolidated net profit of **EUR 57.1 million** from its ordinary activities, representing an **increase of 5.3%** compared with the figure of EUR 54.2 million for the same period in the previous financial year.



This growth was achieved thanks to the good performance of both the Infrastructure and Concession business lines, on which the Group bases its activity and which complement and enrich each other.

The results of the **Infrastructure business lines** improved thanks to:

- Leadership in service activities in the domestic market
- Construction of power transmission lines in Brazil
- Development of wind farms in the Magallanes region (Chile), Toabré (Panama) and Boulénouar (Mauritania)
- Railway tunnel projects in Norway
- Growth in the United Kingdom with electricity and telecommunications activities
- Strengthening of the company's presence in Africa with participation in the construction of Cameroon's largest hydroelectric power plant (Natchtgal), in the Cambambe and Lauca

¹ These figures do not include the result described in the previous section "Acquisition of control of the solar thermal companies Aste and Dioxipe".

hydroelectric power plants (Angola) and in the stabilisation of a high-voltage network in Yaundé (Cameroon)

- Positive trends for the US subsidiaries
- Development of other projects in the foreign market

With regard to the **Concession business line**, Elecnor currently operates 5,740 kilometres of power transmission lines in Chile and Brazil, and participates in 1,464 MW of renewable energy in operation or under construction in Spain, Brazil and Canada. The good performance of this business line made a positive contribution to the profit for the period.

In parallel, the Group is continuing to examine in depth the cost containment and control policies that all of its companies are constantly working on, especially in the current market. In this context, substantial effort has been put into bringing the resources used in the activity into line with the current economic scenario, and a significant improvement in efficiency has been achieved in the last few years.

Revenues

At 30 September, Elecnor's consolidated sales amounted to **EUR 1.6106 billion**, an **increase of 1.5%** compared with the total of 1.5866 billion for the same period in the previous financial year. Of this figure, the foreign market accounts for 51% (57% for the same period in the previous year) and the domestic market for 49% (43% for the same period in the previous year).



90% of these sales revenues are from the **Infrastructure business line**, and the other 10% to the **Concession business line**. This breakdown is similar to that for the same period in the previous year.

The **portfolio of signed contracts** pending execution at 30/09/19 and whose execution is expected to occur within the next 12 months **amounted to EUR 2.239 billion**. Of this figure, 75% corresponds to the international market, totalling EUR 1.671 billion, and 25% to the domestic market, totalling EUR 567 million.

Cartera de contratos



Forecast for 2019

Supported by its solid portfolio of contracts pending execution, the Elecnor Group is maintaining its goal for the whole of 2019 — exceeding the sales revenue and profit figures achieved for the previous financial year in its ordinary activities.

Change in the companies that make up the Group

During the first nine months of 2019, the most significant change in the Group's consolidation compared to the close of the 2018 financial year was the acquisition of control of the solar thermal companies Aste and Dioxipe, which changed from being consolidated by the equity method to being consolidated by the full consolidation method as part of the corporate operation outlined in the first section of this report.

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).