

Information on the Elecnor Group's third quarter of 2020

The spread of COVID-19, a viral outbreak classified as a pandemic since March 11 by the World Health Organization, is having a significant impact on the world economy.

Since the outbreak of the pandemic, the Elecnor Group has monitored and designed action protocols following the recommendations issued by the Spanish Ministry of Health and the competent authorities in Spain and each market where it operates, always protecting safety and health of its workers, customers, suppliers and other stakeholders.

The Elecnor Group has been facing this exceptional situation by reorganising its productive activity to ensure critical infrastructures in the energy, telecommunications, water, gas and transport sectors remain operational, providing an essential service for all utilities.

In this complex environment, the Group has implemented a series of cost containment and employment flexibility measures that are making it possible to mitigate the risks that we face. This plan has enabled to gradually recover the full operation of the workforce.

The Group's priority during these months has been to ensure the safety of its employees, customers and suppliers, as well as to secure the financial strength. With these objectives in view, Elecnor has carried out some initiatives in line with the recommendations of the authorities, namely: the creation of a COVID-19 Monitoring Committee that has developed an Action Plan to protect health; the creation of a Special Contingency Plan that also defines the scope of action by Elecnor and its workers as an essential supplier of critical operators in the system; and, for a number of vulnerable groups and particularly at-risk workers, the "Occupational Health and Safety Service Action Procedure for exposure to SARS-CoV-2" has been activated.

Consolidated results

The ElecnoR Group's business activity reaches a net profit of EUR 55.9 million euros in the first nine months of 2020. The evolution of the result compared to the same period of the previous year (-2.1%) reflects the impact that the COVID-19 crisis has had on operations since mid-March, which is mitigated by the geographical and business diversification of the Group. During the third quarter, a better performance has been observed in the activities carried out by the Group's businesses, which has enable to go from a contraction of the result of -9.1% in the first six months of the year to the aforementioned -2.1% in the first nine months.

Key consolidated figures for the businesses activities¹

(thousands of Euros)	9M 2020	9M 2019 Restated ²	Change (%)
Turnover	1,612,144	1,671,652	-3.6%
Domestic	832,207	793,373	4.9%
International	779,937	878,279	-11.2%
Profit before income tax	84,102	84,869	-0.9%
Consolidated net profit	55,855	57,058	-2.1%

The performance of the Group's businesses during the crisis is demonstrating the basic and essential nature of its operations.

The Infrastructure Business develops a wide range of services that were affected during the first half of the year, but due to their essential nature, their operations normalized in the third quarter. In addition, it develops turnkey projects in different sectors and countries, especially in the field of energy, where investments have continued.

For its part, the impact on the activity of the Concession Business has been moderate since the bulk of the assets are in operation. These assets have had a good performance, despite the impact of the depreciation of the currencies in which it operates on the income statement. Assets currently under construction could experience delays that are foreseen to significantly affect expected profitability.

¹ The result at September 2019 included an extraordinary negative result of Euros 40.5 million, not included in the businesses figures for the same period in the prior year, which reflected the impact of the takeover of the solar thermal companies Aste and Dioxipe (see note 7 "Business combinations" in the Notes to the Annual Financial Statements of ElecnoR, S.A. and Subsidiaries as at and for the year ended 31/12/19). As a result, restated consolidated profit after tax for the first nine months of 2019 amounted to Euros 16.5 million

² As in the Annual Financial Statements as at and for the year ended 31/12/2019, the figures for the third quarter of 2019 have been restated in order to reflect retroactively the effects that would have occurred in the event that the assets and liabilities of the Celeo Redes subgroup had been consolidated using the equity method since the first agreement with APG (see note 2.e "Comparing the information" in the Notes to the Annual Financial Statements of ElecnoR, S.A. and Subsidiaries as at and for the year ended 31/12/19)

Consolidated profit of businesses activities³

In EUR million



The good performance of the **Infrastructure Business** during the last quarter has made possible to largely recover the impact of the health crisis, which has affected it since mid-March.

In the **national market**, the sales have managed to achieve positive growth rates thanks to the commitment shown by our main service clients who have maintained or even advanced their investment plans anticipating the opportunities derived from the National Integrated Energy and Climate Plan (PNIEC) 2021-2030. Moreover, during this period, construction works of wind farms have been carried out in Galicia and Zaragoza, and of photovoltaic solar parks in Ciudad Real and Cáceres.

In the international market, where emergencies were gradually declared in the countries in which the Group operates, it is worth highlighting the positive evolution of the construction of electricity transmission lines in Brazil and Chile, and also those of US subsidiaries (Hawkeye and Belco). Australia's large solar projects to be carried out during the financial year have not started in this period, and therefore their contribution will be come in the last months of the year.

The contribution of the following projects to the result of these first nine months can be pointed out:

- The design, construction and commissioning of the Pokuase substations in the southeast of Ghana and Viana - Gabela in Angola.
- The construction works of the Matala hydroelectric plants in Angola and Nachtigal in Cameroon. Thus, Elecnor reinforces its presence in these countries and its commitment to Africa as a market for the present and the future.
- The construction of the 120 MW Girasol photovoltaic solar park in the Dominican Republic (which will be the largest photovoltaic plant in the country); and the Kaleo & Laura photovoltaic solar park in Ghana.
- The biomass cogeneration plant in the Belgian city of Ghent.

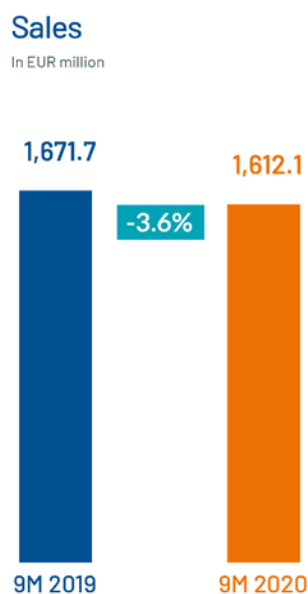
³ As in the Annual Financial Statements as at and for the year ended 31/12/2019, the figures for the third quarter of 2019 have been restated in order to reflect retroactively the effects that would have occurred in the event that the assets and liabilities of the Celeo Redes subgroup had been consolidated using the equity method since the first agreement with APG (see note 2.e "Comparing the information" in the Notes to the Annual Financial Statements of Elecnor, S.A. and Subsidiaries as at and for the year ended 31/12/19)

The **Concessions Business** sees mitigated the effect of the devaluations of the currencies of the countries in which the Group operates its assets, especially Brazil and Chile, due to the greater wind resource available in Brazil in this period of the year, maintaining stability in the results of the rest of companies in this business. The Group operates 5,740 km of electricity transmission lines in Chile and Brazil, and participates in 1,744 MW of renewable energy in operation and construction in Spain, Brazil, Canada, Colombia and Australia.

It should be noted in this business that the Group, through its wind development and exploitation subsidiary Enerfin, has started up the Cofrentes Wind Farm in Valencia, which will generate an annual production of 155,000 MWh of electrical energy.

Revenues

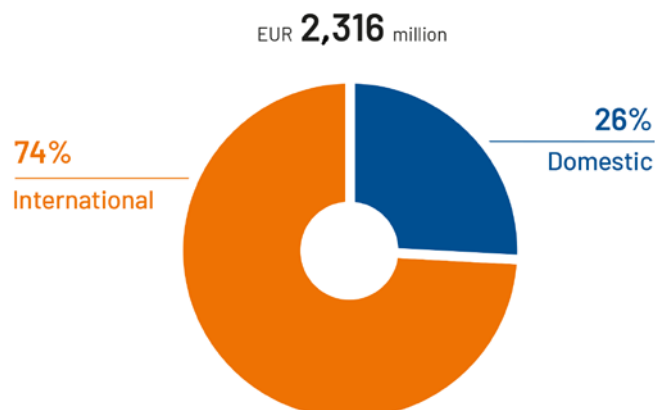
As of 30 September, Elecnor's consolidated sales stood at **EUR 1,612.1 million** (EUR 1,617.7 million for the same period in the previous year). Of this, the domestic market accounts for 52% (47% in the same period last year), and the international market for 48% (53% in the same period last year).



In these sales figures, 95% are from the **Infrastructure Business**, and the remaining 5% from the **Concessions Business** (93% for Infrastructure and 7% for Concessions for the same period in the previous year).

The **production portfolio** as of 30 September, which execution is expected to occur within the next 12 months, **amounts to EUR 2,316 million** (EUR 2,223 million at 2019 closing). Of this figure, 74% relates to the international market, totalling EUR 1,724 million, and 26% to the domestic market (EUR 592 million). The domestic order intake has favoured by the developed solar farms and wind farm; the international portfolio includes relevant contracts in Brazil, Angola, the United States and Italy.

Production portfolio



Forecast for 2020

The Group continues the productive activity, applying the protocols developed to combat the spread of COVID and protect the health and safety of workers.

The Group's businesses continue to generate solid operating cash-flow, which reinforces its financial position. Additionally, Elecnor has financing lines available for amounts projected to be sufficient to mitigate liquidity needs in the current situation. It is also tracking all accounts receivable from customers and current ongoing production values with the aim of controlling credit risk. Finally, it is considered that capital recovery will not be compromised by the effects of the pandemic situation.

The Group, supported by its solid backlog and by the geographical and activities diversification of the company, is confident that its businesses will reach similar figures to those of the previous year.

Change in the companies that make up the Group

During the first nine months of 2020, there have been no significant changes in the consolidation scope of the Elecnor Group compared with the 2019 closing position.

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).