

National Securities Market Commission (CNMV)

7 November 2019

In compliance with the provisions of Article 228 of the consolidated text of the Securities Market Law, ELECNOR, S.A. hereby reports the following

MATERIAL FACT

Elecnor and APG expand their strategic partnership to develop projects

Elecnor, S.A. (hereinafter "Elecnor") and Dutch group APG (hereinafter "APG"), which manages the world's second-largest pension fund, have today signed a strategic alliance that expands on the one they had previously signed at Celeo Redes, S.L. (hereinafter "Celeo Redes"), for the development of and joint investment in power transmission and renewable energy projects, not including wind power projects. Until the date of this operation, Elecnor held, through its subsidiary Celeo Concesiones e Inversiones, S.L. (hereinafter "Celeo"), a 51% stake in Celeo Redes, while APG held the remaining 49%. Celeo Redes has been consolidated within the Elecnor Group by the Global Integration Method.

Through this agreement, APG is to join Celeo, a company currently fully owned by the Elecnor Group, with 49% of the shareholding. This involves the contribution of APG's shares in Celeo Redes and a payment of EUR 43 million, with which Celeo Redes would become wholly owned by Celeo. Under this transaction, Celeo will be jointly managed by Elecnor and APG and as a result the Celeo Group, of which Celeo is the parent company, will be integrated into the Elecnor Group through the Equity Method.

As part of this agreement, Elecnor and APG estimate to commit joint capital investments in the amount of EUR 400 million, to be disbursed over the next five years.

The fair value of the shared assets is also expected to have a positive impact on the consolidated income of the Elecnor Group for the current financial year. This positive accounting impact will be determined on the closing date, which will be duly notified to the market.

In addition, this operation will have significant impacts on the consolidated balance sheet of 30 June 2019, mainly materialised through a reduction in the Tangible Fixed Assets and Non-Current Financial Assets of EUR 522 and 706 million, approximately and respectively, as well as through a reduction of the Financial Debt of approximately EUR 863 million.

The agreement must be approved by the financial credit institutions and the relevant antitrust authorities before coming into effect. Closing date is expected to occur in the coming weeks.

Elecnor has received legal advice from Cuatrecasas and APG has received financial advice from Banco Santander and legal advice from Uria Menéndez.