ZARDOYA OTIS, S.A.
Lorea García Jáuregui
Secretaria del Consejo de Administración

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Dirección General de Mercados
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Madrid, 28 de Julio de 2020

Acompañando esta carta, adjuntamos la siguiente información en inglés:

- Auditor Report
- Condensed Consolidated Interim Financial Statements for 1st Semester 2020
- Quarterly Report for 1st Semester 2020

NOTA: la citada información en inglés ha sido traducida por la propia entidad como traducción de cortesía y no tiene la consideración de oficial, prevaleciendo en todo caso y a esos efectos la versión en castellano.

Atentamente,

Lorea García Jáuregui

Zardoya Otis, S.A. and subsidiaries

Report on limited review of condensed interim consolidated financial statements at 31 May 2020

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Report on limited review of condensed interim Consolidated financial statements

To the Shareholders of Zardoya Otis, S.A.:

Introduction

We have performed a limited review of the accompanying condensed interim consolidated financial statements (hereinafter, the interim financial statements) of Zardoya Otis, S.A. (hereinafter, "the parent company") and its subsidiaries (hereinafter, "the group"), which comprise the balance sheet as at May 31, 2020, and the income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six months period then ended. The parent company´s directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial information, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six months period ended May 31, 2020 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007.

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Emphasis of Matter

We draw attention to Note 2, in which it is mentioned that these interim financial statements do not include all the information required of complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the group for the year ended November 30, 2019. Our conclusion is not modified in respect of this matter.

Other Matters

Interim consolidated directors´ Report

The accompanying interim consolidated directors' Report for the six months period ended May 31, 2020 contains the explanations which the parent company´s directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this directors' Report is in agreement with that of the interim financial statements for the six months period ended May 31, 2020. Our work is limited to checking the interim consolidated directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Zardoya Otis, S.A. and its subsidiaries´ accounting records.

Preparation of this review report

This report has been prepared at the request of the Directors of Zardoya Otis, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by the Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.

Original Spanish version signed by Rafael Pérez Guerra

28 July 2020

ZARDOYA OTIS S.A.
AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Thousands of euros)

	May 2020	November 2019	May 2019
ASSETS			
Non-current assets			
Property, plant & equipment (Note 7)	60,193	61,542	61,754
Intangible assets (Note 8)	164,899	170,770	169,581
Goodwill (Note 8)	162,363	161,208	153,975
Leased assets (Note 26)	27,624	-	-
Financial investments	839	941	811
Deferred tax assets (Note 14)	23,877	23,474	24,677
Other non-current assets (Note 9)	7,153	9,069	6,686
Total non-current assets	**446,948**	**427,004**	**417,484**
Current assets			
Inventories	30,247	23,174	26,257
Financial receivables	214	147	295
Trade and other receivables (Note 9)	201,814	207,966	215,653
Cash & cash equivalents	40,785	50,589	58,100
Total current assets	**273,060**	**281,876**	**300,305**
Total assets	**720,008**	**708,880**	**717,789**

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Thousands of euros)

		May 2020	November 2019	May 2019
	EQUITY			
	Share capital (Note 10)	47,046	47,046	47,046
	Share Premium	306	306	306
	Legal reserve	10,538	10,538	10,539
	Reserves in subsidiaries & other reserves	269,935	290,395	271,678
	Treasury stock (Note 11)	(2,572)	(2,572)	-
	Retained earnings	151,133	140,550	124,574
	Interim dividends paid (Note 25)	(75,212)	(75,243)	(75,274)
	Exchange differences	(109)	62	(116)
	Non-controlling interests	11,184	11,852	9,785
	Total equity	**412,249**	**422,934**	**388,538**
	LIABILITIES			
	Non-current liabilities			
	Other payables (Note 12)	5,655	5,828	5,643
	Lease liabilities (Note 26)	18,077	-	-
	Provisions for other liabilities & expenses (Note 17)	9,687	8,663	11,395
	Deferred tax liabilities (Note 14)	23,450	24,947	23,263
	Total non-current liabilities	**56,869**	**39,438**	**40,301**
	Current liabilities			
	Trade & other payables (Note 12)	217,882	226,838	264,818
	Current tax liabilities (Nota 13)	11,626	8,420	12,905
	Borrowings (Note 16)	264	795	282
	Lease liabilities (Note 26)	9,547	-	-
	Provisions for other liabilities & expenses (Note 17)	11,571	10,455	10,945
	Total current liabilities	**250,890**	**246,508**	**288,950**
	Total liabilities	**307,759**	**285,946**	**329,251**
	Total equity and liabilities	**720,008**	**708,880**	**717,789**

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED INCOME STATEMENT
(Thousands of euros)

		Six-month period ended May 31,	
		2020	**2019**
	Sales (Note 18)	387,736	394,852
	Other income	892	630
	Raw materials and consumables used (Note 20)	(123,746)	(134,331)
	Employee compensation and benefit expenses (Note 19)	(136,281)	(133,174)
	Depreciation, amortization and impairment charges (Notes 7, 8 & 26)	(14,563)	(9,810)
	Net other expenses (Note 21)	(26,323)	(29,459)
	Operating profit	**87,715**	**88,708**
	Finance income (Note 22)	61	173
	Finance cost (Note 22)	(588)	(150)
	Net exchange differences (Note 22)	(79)	(161)
	Other (losses) / gains	(4)	4
	Profit before tax	**87,105**	**88,574**
	Income tax (Note 23)	(21,242)	(20,721)
	Profit for the period	**65,863**	**67,853**
	Attributable to:		
	Owners of the Company	65,366	67,448
	Non-controlling interests	497	405
	Earnings per share for profit on continuing operations attributable to the equity shareholders of the company in the period (euros per share)		
	- Basic earnings per share (Note 24)	0.1389	0.1434

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (Thousands of euros)

	Six-month period ended May 31,	
	2020	**2019**
Profit for the period	65,863	67,853
Other comprehensive income		
Items that may subsequently be taken to P&L:		
Exchange rate differences	(171)	(106)
Other comprehensive income for the period, net of taxes		
Total comprehensive income for the period, net of taxes	65,692	67,747
Attributable to:		
– Owners of the parent company	65,195	67,342
– Non-controlling interests	497	405

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Thousands of euros)

			Attributable to owners of the parent company					Non-controlling Interests	Total equity
	Share capital	Share premium	Legal reserve	Treasury stock	Accum. foreign exchange differences	Share capital	Share premium		
Balance at Nov. 30, 2018	**47,046**	**306**	**10,162**	**-**	**(10)**	**276,258**	**89,947**	**10,646**	**434,355**
Application of 2018 profit			376			32,444	(145,731)		(112,911)
Dividend for 2018							112,911		112,911
Capital increase									
Profit for the period					(106)		67,448	405	67,747
Interim dividend 2018							(37,637)		(37,637)
Dividend for 2019							(37,637)		(37,637)
Dividend charged to available reserves						(37,637)			(37,637)
Business combination									
Other movements						613		(1,266)	(653)
Balance at May 31, 2019	**47,046**	**306**	**10,538**	**-**	**(116)**	**271,678**	**49,301**	**9,785**	**388,538**

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Thousands of euros)

			Attributable to owners of the parent company					Non-controlling Interests	Total equity
	Share capital	**Share premium**	**Legal reserve**	**Treasury stock**	**Accum. foreign exchange differences**	**Share capital**	**Share premium**		
Balance at Nov. 30, 2019	**47,046**	**306**	**10,538**	**(2,572)**	**62**	**269,935**	**85,767**	**11,852**	**422,934**
Application of 2019 profit									
Dividend for 2019									
Capital increase									
Profit for the period					(171)		65,366	497	65,692
Interim dividend 2019							(37,606)		(37,606)
Dividend for 2020							(37,606)		(37,606)
Dividend charged to available reserves									
Business combination								(1,165)	(1,165)
Other movements									
Balance at May 31, 2020	**47,046**	**306**	**10,538**	**(2,572)**	**(109)**	**269,935**	**75,921**	**11,184**	**412,249**

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Thousands of euros)

	Six-month period ended May 31	
	2020	**2019**
Net profit	**65,366**	**67,448**
Cash flows from operating activities		
Adjustments to profit		
Amortization/depreciation/provisions (Notes 7, 8, 9 & 26)	15,236	8,540
Taxes (Note 23)	21,242	20,721
Gains/(losses) on sale of fixed assets	-	4
Net interest paid	606	31
Profit attributable to non-controlling interests	497	405
Tax payments	(20,127)	(19,101)
Changes in inventories	(7,073)	7,092
Changes in receivables and other assets	6,822	(385)
Changes in payables and other liabilities	(4,473)	(1,518)
Net cash flow from operating activities	**78,096**	**83,236**
Cash flows from investing activities		
Investment in property, plant & equipment/intangible assets (Notes 7 & 8)	(2,637)	(2,570)
Acquisition of subsidiaries	(4,677)	(4,425)
Effect of business combinations	27	823
Net cash flow from investing activities	**(7,287)**	**(6,172)**
Cash flows from financing activities		
Dividends paid (Note 25)	(75,212)	(75,274)
Bank borrowings	(530)	(135)
Payments under operating leases (Note 27)	(4,871)	-
Net cash flows from financing activities	**(80,613)**	**(75,409)**
Net increase/(decrease) in cash and cash equivalents	**(9,804)**	**1,655**
Cash & cash equivalents at the beginning of the period	50,589	56,445
Cash & cash equivalents at the end of the period	40,785	58,100

Notes 1 to 31 form an integral part of these Condensed Consolidated Interim Financial Statements.

ZARDOYA OTIS S.A. AND SUBSIDIARIES – Condensed Consolidated Interim Financial Statements for the six-month period ended May 31, 2020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Thousands of euros)

1. General information

Zardoya Otis S.A. (hereinafter, the Company) and its subsidiaries (together, the Group) have the main business activity of the manufacture and installation of elevators, the provision of the related maintenance service and the export of equipment for installation abroad. The Group has manufacturing plants in Madrid and San Sebastian and a modernization centre in Vigo (Pontevedra).

ZARDOYA OTIS S.A. is a company incorporated and registered in Madrid. Its head offices are in Madrid, calle Golfo de Salónica 73.

United Technologies Holding S.A., incorporated in France, held an interest in the Group of 50.01% of the Company's shares at May 31, 2020. On April 3, 2020, the then ultimate Group parent, United Technologies Corporation (incorporated in the United States), divided its structure into three different companies that grouped together its aerospace, elevator and air-conditioning / safety divisions. Thus, from said date onwards, the Group's ultimate parent became Otis Worldwide Corporation (Otis), incorporated in the United States, whose shares were first quoted on the New York Stock Exchange on April 3, 2020. Zardoya Otis, S.A. is listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

The annual consolidated financial statements for the year 2019 were approved by the Board of Directors on February 27, 2020, audited, and approved by the General Shareholders' Meeting held on June 16, 2020. These condensed consolidated interim financial statements were approved by the Board of Directors on July 28, 2020 and submitted to a limited review by the Group auditor at the Board's request

2. Bases of presentation

The condensed consolidated interim financial statements of the Group (Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the Notes thereto, all of which are condensed, consolidated and interim) for the six-month period ended May 31, 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and must be read in conjunction with the consolidated annual financial statements for the year ended November 30, 2019, which were prepared in accordance with International Financial Reporting Standards endorsed by the European Union (IFRS-EU) and approved under the European Commission Regulations currently in force.

3. Accounting policies

The accounting policies and consolidation processes applied in these condensed consolidated interim financial statements for the six-month period ended May 31, 2020 are the same as those used when preparing the consolidated annual financial statements for the annual period ended November 30, 2019, except in respect of the changes in accounting standards that have come into force in 2020, described in the Notes to the 2019 Consolidated Annual Financial Statements, which have had no material effect on the financial statements.

In relation to IFRS 9 *Financial Instruments*, it addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new hedge accounting rules and a new financial asset impairment model.

The Group has reviewed and validated that the new guidance has no significant impact on the classification and measurement of its financial assets for the following reasons:

- The Group does not currently hold any debt instruments classified as available for sale.

- Equity investments currently held at fair value through profit and loss will continue to be measured on the same basis under IFRS 9.

- Debt instruments currently classified as held-to-maturity and measured at amortized cost appear to meet the requirements to be classified at amortized cost under IFRS 9.

As explained in Note 5b, the Group has estimated the expected credit loss and credit risk depending on the age of the debt and experience in previous years, in accordance with a prior segregation of the customer portfolio and considering the current economic environment, in order to calculate the provisions necessary.

Note 9 shows details of receivables by age. The Group had set aside provisions of EThs 1,895 (EThs 753 in 2019) as of May 31, 2020 for debt aged less than 6 months, representing 0.7% of the balance of said bracket, in line with the credit experience with our customers.

IFRIC 23, "Uncertainty over Income Tax Treatments": the Interpretation provides requirements that will be added to those of IAS 12 “Income Tax”, specifying how the reflect the effects of uncertainty on accounting for income tax. Note 23 of these financial statements provides a breakdown of the provisions which shows that any impact of this Interpretation will not be significant for the financial reporting of the period commencing December 1, 2019.

IAS 28 (Amendment). “Investments in Associates and Joint Ventures”: this narrow-scope amendment clarifies that long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint venture but to which the equity method is not applied are accounted for in accordance with the requirements of IFRS

9. "*Financial Instruments".* The amendment of this IAS has no material impact on the Group.

IAS 19 (Amendment) "Plan Amendment, Curtailment or Settlement": this amendment specifies how companies should determine pension expenses when changes to a defined benefit pension plan occur. The amendment is effective on or after January 1, 2019, although there have been no changes to the Group's defined benefit plans that entail application of this standard.

The Group has applied IFRS 16 *"Leases"* retrospectively as of December 1, 2019, although it has not restated the comparative figures for the 2019 reporting period, as permitted by the specific transition rules of the Standard. The reclassifications and adjustments arising from the new lease rules were, therefore, recognized in the opening statement of financial position as of December 1, 2019.

Under the new Standard, almost all leases are recognized in the statement of financial position, since the difference between operating leases and finance leases is eliminated and an asset (the right to use the lease asset) is recognized, together with a financial liability for the lease payments. The only exceptions are short-term, low-value leases.

The Standard affects principally the accounting of the Group's operating leases. At the end of 2019, the Group held operating lease commitments of EThs 21,056 over the next five years. This change in regulations will mean that, regarding the operating lease expense currently presented by the Group as "Other net expenses", the Group will, as from the period commencing December 1, 2019, recognize the asset and the liability for future payments related to these commitments. It has been determined that this will have no significant effect on the Group's profit but, however, the related depreciation will be recognized and will affect the Group's EBITDA (operating profit plus depreciation/amortization). All the information and impacts are set out in Note 26.

The accounting estimates used are the same as those used for the annual financial statements for the period ended in November 2019. In the first semester of 2020, there were no value adjustments with a material effect on the items of the assets, liabilities, equity, profit and loss or cash flows presented. The corporate income tax calculated corresponds to the tax rate that is expected to be applicable to the profit for the full period.

Additionally, during the six-month period ended May 31, 2020, transition guidance was published on the interpretation of international standards that have not yet come into force and that the Group has not adopted early.

4. Changes in the companies that form part of the Group and transactions with non-controlling interests

In the six-month period to which these condensed consolidated interim financial statements refer, the following transactions and changes in the consolidated group took place:

Portis S.L. acquired 100% of the shares in Servirema, S.L. on February 25, 2020 for a value of EThs 1,049. The company's activity is the assembly, maintenance and repair of automatic doors in Cantabria.

Otis Maroc, S.A. acquired from Thyssenkrupp Elevator Maroc SARL the net assets of its elevator business in Morocco. The consolidated Group figures as of May 31, 2020 show an intangible asset of ETHs 704 related to this acquisition.

If the acquisitions had been made at the beginning of the period, the effect on the main figures of the consolidated income statement and statement of financial position would not have been material.

5. Financial risk management

Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management program is focused on the uncertainty of the financial markets and trying to minimize any potential adverse effects on the Group's financial profitability.

Risk management is controlled by Group Management in accordance with policies approved by the Board of Directors of the parent company. Management assesses and hedges financial risks in close collaboration with the Group's operating units, in order to:

- Ensure that the most important risks are identified, assessed and managed.
- Ensure an appropriate operating segregation of the risk management functions.
- Ensure that the risk exposure level accepted by the Group in its operations is in line with its risk profile.

Impacts caused by the COVID-19 virus

The situation derived from the evolution of the COVID-19 virus places the business community in general in a new situation of uncertainty. The effects of the global situation of the pandemic could have an impact on the extent of the demand and customer solvency, although no significant evidence of this has been noted to date. In this respect, the Group's directors and management are constantly monitoring the evolution of the situation, in order to tackle any possible financial or non-financial impacts that may be caused with guarantees of success.

a) Market risk

(i) Foreign exchange risk

The Group operates internationally and, therefore, is occasionally exposed to foreign exchange risk arising from transactions in US dollars. Foreign exchange risk arises from future commercial transactions and assets and liabilities recognized. However, these transactions are not significant and the effect of a change in the interest rate would not have a material effect on the Group's condensed consolidated financial information as of May 31, 2020.

To hedge the foreign exchange risk on future commercial transactions for importing materials, Group companies use forward contracts negotiated with the Otis Group Treasury Center.

The Group holds an investment in foreign currency in Otis Maroc S.A., the net assets of which are exposed to foreign exchange risk. However their value is not significant and the effect of a change in the exchange rate would not have a material effect on the Group's financial statements.

In relation to commercial export and import transactions, the Group is exposed to exchange rate risk that is not significant. At May 31, 2020, there were outstanding balances in currencies other than the euro equivalent to EThs 1,476 (EThs 768 at May 31, 2019).

(ii) Price risk

The Group has only limited exposure to commodity price risk.

Additionally, Group companies do not hold investments in companies outside the Group and, therefore, they are not exposed to securities price risk.

b) Credit risk

The Group has no significant concentrations of risk with customers and there are no significant old credit balances (Note 9). The Group has policies in place to ensure that installation sales are made to customers with appropriate credit histories and, in addition, regular debt-monitoring procedures are conducted by the departments involved in debt collection.

To minimize credit risk, the Group has risk management policies in place to limit the amount of risk with any one financial institution. The credit risk arises from cash and cash equivalents, financial instruments, deposits with financial institutions, debt available for sale and receivables. The banks and financial institutions with which the Group works enjoy recognized prestige and have high credit ratings.

The amounts of trade receivables are shown in the statement of financial position net of the provision for impairment. At May 31, 2020, said provision was EThs 68,825 (EThs 68,933 at May 31, 2019). As explained in Note 5b, the Group makes estimates depending on the age of the debt and experience in previous years, in accordance with a prior segregation of the customer portfolio and considering the current economic environment, in order to calculate the provisions necessary.

As of May 31, 2020, the Group held current deposits with financial institutions of EThs 5,380 (EThs 8,856 as of May 31, 2019). As stated above these deposits are placed with prestigious financial institutions in Spain and Portugal.

c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. For this purpose, Group treasury aims to maintain flexibility in funding by keeping committed credit lines available.

As of May 31, 2020, cash and cash equivalents represented EThs 32,785 (EThs 50,589 at May 31, 2019), including amounts held as cash, in banks and as current deposits with financial institutions.

The change in the statement of cash flows in relation to operating, investing and financing activities is shown below:

	05.31.20	05.31.19
Cash at beginning of period	**50,589**	**56,445**
Cash flow from operating activities	78,096	83,236
Cash flow from investing activities	(7,287)	(6,172)
Cash flow from financing activities	(80,613)	(75,409)
Cash at end of period	**40,785**	**58,100**

d) Cash flow and fair value interest rate risk

As the Group does not hold important remunerated assets, income and cash flows from operating activities are substantially independent of changes in market interest rates.

The Group does not use financial derivatives to hedge interest rate risks derived from its activity.

The Group's interest rate risk arises on non-current borrowings tied to variable indexes. The variable interest rate applied to the loans from financial institutions is subject to fluctuations in the Euribor.

As stated in Note 16, the Group did not hold any borrowings at fixed rates at May 31, 2020.

e) Capital risk management

The Group's objectives in relation to capital management are to safeguard its capacity to maintain sustained long-term profitability; to have the capacity to fund both its internal and external growth through acquisitions; to obtain adequate yields for the shareholders and to maintain an optimal capital structure that includes equity, the generation of its own cash from the business in each year and, as far as necessary, borrowings at the lowest cost possible.

The Group considers leverage as a capital management indicator. It is calculated by dividing the net debt by the total capital. The net debt is calculated as total borrowings plus other financial liabilities less cash and cash equivalents less current financial assets.

	05.31.2020	05.31.2019	11.30.2019
Borrowings (current and non-current)	264	282	795
Other current and non-current financial liabilities	13,797	12,529	16,450
Cash and cash equivalents	(40,785)	(58,100)	(50,589)
Net financial debt	(26,724)	(45,289)	(33,344)
Equity	412,249	388,538	422,934
Leverage (*)	**-0.07**	**-0.12**	**(0.09)**

(*) (Net financial debt/(Net financial debt + Equity))

At May 31, 2020, the net financial debt represented -0.2505 of EBITDA (-0.4630 at the end of 2019). (EBITDA = Operating profit plus amortization plus depreciation).

6. Segment reporting

The 2019 consolidated annual financial statements explain the criteria applied to identify and define the Group's operating segments. In the period ended May 31, 2019, there were no changes in these criteria.

Consequently, the segments are the markets of Spain, Portugal and Morocco/North Africa, since each of them is under independent supervision, as set out in IFRS 8.

Zardoya Otis's main goal is service excellence. From this standpoint, the Company is determined to attend to vertical transport customers in all the phases of our product's life, covering elevator design and manufacture, integrating the technological advances that have made us industry leaders, not only for new buildings, but also for existing ones, and including maintenance services and substitutions. Therefore, new sales (and substitutions) and elevator maintenance are not considered separate segments, since they are products and services that complement each other and have the same nature, with an integrated production process, aimed at the same type of customers, and a single distribution network where no distinction is made between them. For the Group, they are a single branch of business that is managed as such, having similar risks and opportunities. Consequently, the segments identified are the geographical differentiation between markets of Spain, Portugal and Morocco/North Africa, since they are under independent supervision, as stipulated in IFRS 8.

The differentiation between the segments corresponds to the structure of the management information that is produced on a monthly basis and revised regularly and is used as a basis for decision-making by Management and the Board of Directors.

May 2020			Assets			
	Sales	Operating profit	Total assets	Amortization/ depreciation	Non-current investments in assets	Liabilities
Zardoya Otis Group – Spain	355,148	76,040	614,297	9,323	1,948	270,183
Otis Group– Portugal	30,763	11,125	67,813	397	40	24,132
Otis Maroc – Morocco	9,143	1,079	37,898	195	705	13,444
Eliminations – intra-group transactions	(7,318)	(529)	-	-	-	-
Consolidated	387,736	87,715	720,008	9,915	2,693	307,759

May 2019			Assets			
	Sales	Operating profit	Total assets	Amortization/ depreciation	Non-current investments in assets	Liabilities
Zardoya Otis Group – Spain	360,062	76,650	601,060	9,196	2,871	275,136
Otis Group– Portugal	30,762	11,039	71,124	428	85	28,094
Otis Maroc – Morocco	11,498	1,521	45,605	186	84	26,021
Eliminations – intra-group transactions	(7,470)	(502)	-	-	-	-
Consolidated	394,852	88,708	717,789	9,810	3,040	329,251

Additionally, the separate information on the parent company and the subsidiaries is shown below:

May 2020	Sales	Operating profit	%	Investments in non-current assets
Zardoya Otis S.A.	275,671	60,532	21,88	1,948
Spanish Group companies (21 companies)	102,275	15,507	15,16	40
Otis Portugal Group and Enor – Portugal (3 companies)	30,763	11,125	36,16	705
Otis Maroc – Morocco	9,143	1,080	11,81	-
Group total	417,852	88,244	21,07	2,693
Eliminations – intra-group transactions	(30,116)	(529)	-	-
Consolidated	387,736	87,715	22,56	2,693

May 2019	Sales	Operating profit	%	Investments in non-current assets
Zardoya Otis S.A.	285,446	63,465	22,23	2,871
Spanish Group companies (21 companies)	96,457	13,185	13,67	0
Otis Portugal Group and Enor – Portugal (3 companies)	30,762	11,039	35,89	85
Otis Maroc – Morocco	11,498	1,521	13,23	84
Group total	424,163	89,210	21,03	3,040
Eliminations – intra-group transactions	(29,311)	(502)	-	-
Consolidated	394,852	88,708	22,47	3,040

7. Property, plant and equipment

Details of and movement on the different categories of property, plant and equipment are shown in the following table:

	Land & buildings	Machinery	Furniture, accessories & equipment	Total
At November 30, 2018				
Cost	63,658	28,718	70,988	163,364
Accumulated depreciation	(16,462)	(23,945)	(60,831)	(101,238)
Impairment loss				
Net carrying amount	**47,196**	**4,773**	**10,157**	**62,126**
2019				
Business combinations	-	-	65	65
Increases	-	2,108	877	2,985
Decreases	(203)	-	(314)	(517)
Depreciation charge	(552)	(632)	(1,768)	(2,952)
Derecognition of accumulated depreciation	-	-	47	47
Impairment losses	-	-	-	-
Other movements	-	-	-	-
	(755)	1,476	(1,093)	(372)
At May 31, 2019				
Cost	63,455	30,826	71,616	165,897
Accumulated depreciation	(17,014)	(24,577)	(62,552)	(104,143)
Impairment loss	-			
Net carrying amount	**46,441**	**6,249**	**9,064**	**61,754**
At November 30, 2019				
Cost	63,200	31,367	74,122	168,689
Accumulated depreciation	(17,582)	(25,210)	(64,355)	(107,147)
Impairment loss	-	-	-	-
Net carrying amount	**45,618**	**6,157**	**9,767**	**61,542**
2020				
Business combinations (Note 26)	-	-	8	8
Increases	-	807	1,085	1,892
Decreases	(18)	-	(181)	(199)
Depreciation charge	(545)	(743)	(1,897)	(3,185)
Derecognition of accumulated depreciation	-	-	135	135
Impairment losses	-	-	-	-
Other movements	-	-	-	-
	(563)	64	(850)	(1,349)
At May 31, 2020				
Cost	63,182	32,174	75,034	170,390
Accumulated depreciation	(18,127)	(25,953)	(66,117)	(110,197)
Impairment loss	-	-	-	-
Net carrying amount	**45,055**	**6,221**	**8,917**	**60,193**

The property, plant and equipment figures include property, plant and equipment in the course of construction for a value of EThs 2,259 (EThs 2,123 in 2019). Of the total property, plant and equipment net of depreciation of EThs 60,195 (EThs 61,754 in 2019), a total of EThs 456 is located in Portugal and a total of EThs 2,634 in Morocco (EThs 482 in Portugal and EThs 2,770 in Morocco in 2019). There is no other property, plant and equipment outside Spanish territory.

The Group follows the policy of taking out all the insurance policies deemed necessary to cover any possible risks that could affect, among other items, the property, plant and equipment. At May 31, 2020 and 2019, none of the Group's financial liabilities was secured by property, plant and equipment and, therefore, all the property, plant and equipment was free of any encumbrances.

8. Intangible assets

Details of and movement on the principal types of intangible assets are shown below:

	Maintenance contracts	Goodwill	Other	Total
At November 30, 2018				
Cost	329,301	161,131	19,553	509.985
Accumulated amortization	(162,980)	-	(13,566)	(176.546)
Impairment losses	-	(8,054)	-	(8.054)
Net carrying amount	**166,321**	**153,077**	**5,987**	**325.385**
2019				
Increases	55	-	-	55
Business combinations	4.075	898	-	4,973
Decreases	(117)	-	-	(117)
Amortization charge	(6.821)	-	(37)	(6,858)
Impairment losses recognized in period	-	-	-	-
Derecognition of accumulated amortization	117	-	-	117
Other movements	-	-	-	-
	(2.691)	898	(37)	(1,830)
At May 31, 2019				
Cost	333.314	162,029	19,553	514,896
Accumulated amortization	(169.684)	-	(13,603)	(183,287)
Impairment losses	-	(8,054)	-	(8,054)
Net carrying amount	**163.630**	**153,975**	**5,951**	**323,556**

	Maintenance contracts	Goodwill	Other	Total
At November 30, 2019				
Cost	341,749	169,262	21,223	532.234
Accumulated amortization	(176,945)	-	(15,257)	(192.202)
Impairment losses	-	(8,054)	-	(8.054)
Net carrying amount	**164,804**	**161,208**	**5,966**	**331.978**
2020				
Increases	-	705	96	801
Business combinations (Note 27)	763	450	-	1,213
Decreases	-	-	-	-
Amortization charge	(6.693)	-	(37)	(6,730)
Impairment losses recognized in period	-	-	-	-
Derecognition of accumulated amortization	-	-	-	-
Other movements	-	-	-	-
	(5.930)	1,155	59	(4,716)
At May 31, 2020				
Cost	342.512	170,417	21,319	534,248
Accumulated amortization	(183.638)	-	(15,294)	(198,932)
Impairment losses	-	(8,054)	-	(8,054)
Net carrying amount	**158.874**	**162,363**	**6,025**	**327,262**

In the six-month period ended May 31, 2020, the Group carried out the business combinations described in Note 27.

At May 31, 2020, there were no indications of a change in the assumptions used for impairment testing in 2019 and, therefore, the recoverable amount (value in use) of each CGU exceeded the carrying amount of its net assets for consolidation purposes.

9. Trade and other receivables

	At May 31		
	2020	**2019**	**11.30.2019**
Other non-current assets	7,153	6,686	9,069
Total	7,153	6,686	9,069
Trade receivables	192,331	188,517	186,667
Less: provision for impairment of receivables	(68,921)	(68,933)	(69,090)
Trade receivables - net	123,410	119,584	117,577
Amounts due from customers for contract work	29,527	41,989	38,873
Other receivables	7,721	9,399	4,378
Public authorities (Note 13)	9,261	9,713	8,251
Prepayments	854	4,296	741
Receivables from related parties (Note 28)	31,041	30,672	38,146
Total	201,814	215,653	207,966

The total amount of the costs incurred at the reporting date was EThs 151,385 (EThs 145,151 in 2019), which includes recognized profits (less recognized losses) of EThs 1,652 for all the contracts in progress (EThs 1,416 in 2019). Trade receivables for contract work were EThs 121,858 (EThs 103,162 in 2019), which was the net amount of the cost incurred at the reporting date and the prepayments received from customers.

Movement on the provision for impairment of receivables was as follows:

	At May 31		
	2020	**2019**	**30.11.2019**
Balance at beginning of period	69,090	85,184	85,184
Provision made (Note 21)	2,318	1,088	1,268
Applications (Note 21)	(1,645)	(2,358)	(3,162)
Reversal of unused provisions	(842)	(14,981)	(14,200)
Balance at end of period	68,921	68,933	69,090

Provisions and reversals of provisions appear on the income statement under the “Net other expenses” heading. The net provision recognized in 2019 is -0.17% of Group sales (first semester of 2019: -0.32%).

The Group makes estimates depending on the age of the debt and experience in previous years, in accordance with a prior segregation of the customer portfolio and considering the current economic environment, in order to calculate the provisions required. In the six-month period, the Group reversed provisions of EThs 842 (EThs 14,981 in the same period of 2019) with no effect on the income statement. The amount was cancelled against the relevant customer account, since it referred to uncollectible balances.

As an additional breakdown, a summary of receivables aged both less and more than 6 months and not impaired is set forth below:

At May 31, 2020

Thousands of euros	Total	Impaired	Net	Not matured	Matured but not impaired
Less than 6 months	115,185	(1,895)	113,290	60,415	52,875
Between 6 months and 1 year	12,752	(4,473)	8,279	-	8,279
Between 1 and 2 years	18,050	(16,209)	1,841	-	1,841
More than 2 years	3,134	(3,134)	-	-	-
Under litigation	43,210	(43,210)	-	-	-
Total	**192,331**	**(68,921)**	**123,410**	**60,415**	**62,995**

At May 31, 2019

Thousands of euros	Total	Impaired	Net	Not matured	Matured but not impaired
Less than 6 months	103,226	(753)	102,473	63,621	38,852
Between 6 months and 1 year	16,579	(2,609)	13,969	-	13,969
Between 1 and 2 years	20,475	(17,334)	3,141	-	3,141
More than 2 years	6,800	(6,800)	-	-	-
Under litigation	41,437	(41,437)	-	-	-
Total	**188,517**	**(68,933)**	**119,584**	**63,621**	**55,962**

Additionally, non-current assets include notes to be collected from customers maturing at more than one year for an amount of ETHs 3,690 (ETHs 3,843 in 2019) and pension assets that result from the present value of the obligation at the reporting date less the fair value of the assets attached to the plan.

10. Share capital

	No. Shares	Ordinary shares	Total
At November 30, 2018	**470,464,311**	**470,464,311**	**470,464,311**
Capital increase	-	-	-
At May 31, 2019	**470,464,311**	**470,464,311**	**470,464,311**
Capital increase	-	-	-
At November 30, 2019	**470,464,311**	**470,464,311**	**470,464,311**

	No, Shares	Ordinary shares	Total
At November 30, 2019	**470,464,311**	**470,464,311**	**470,464,311**
Capital increase	-	-	-
At November 30, 2020	**470,464,311**	**470,464,311**	**470,464,311**

All the shares of the Group parent belong to the same class and have the same voting rights.

The total number of authorized ordinary shares is 470,464,311, with a par value of 0.10 euros per share (2019: 0.10 euros per share).

All the shares issued have been subscribed and fully paid up as follows:

Shareholder	Shares			% shar		
	05/31/2020	**11/30/2019**	**05/31/2019**	**05/31/2020**	**11/30/2019**	**05/31/2019**
United Technologies Holdings, S.A.	235.279.377	235.279.377	235.279.377	50,01	50,01	50,01
Euro-Syns, S.A.	53.373.751	53.373.751	55.015.423	11,35	11,35	11,69
Other non-controlling interests	181.425.314	181.425.314	180.169.511	38,56	38,56	38,30
Treasury stock	385.869	385.869	-	0,08	0,08	-
	470.464.311	470.464.311	470.464.311	100,00	100,00	100,00

All the shares of Zardoya Otis, S.A. are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges.

11. Treasury stock

The Ordinary General Shareholders' Meeting of Zardoya Otis, S.A. held on May 23, 2018 authorized the Board of Directors to acquire, directly or indirectly, treasury stock of Zardoya Otis, S.A., observing the limits and requirements set out in article 146 and related articles of the Capital Companies Law.

At its meeting of December 11, 2018, the Board of Directors agreed to acquire treasury stock to be used in company acquisition transactions.

As a consequence of an acquisition transaction, Zardoya Otis, S.A. acquired shares for a value of ETHs 6,206 euros and, on June 28, 2019, in payment, gave in exchange 536,925 treasury shares that it held on its portfolio, valued at ETHs 3,557.

At May 31, 2019, Zardoya Otis, S.A. held 385,869 treasury shares (zero at May 31, 2019) for a value of ETs 2,572.

12. Trade and other payables

	At May 31 2020	At May 31 2019	11.30.2019
Suppliers	36,621	37,945	37,801
Amounts payable to related parties (Note 28)	7,235	7,799	11,601
Other payables	4,881	11,774	4,369
Invoices not yet received	9,849	9,839	12,640
Notes payable	122	102	122
Amounts due to customers on contract work	84,426	86,316	80,918
Acquisition commitments	8,142	6,886	10,622
Other amounts payable to the Public Treasury (Note 13)	25,227	23,617	26,957
Outstanding employee remuneration	27,085	28,706	26,954
Other	14,294	51,834	14,854
Total	217,882	264,818	226,838

Balances payable to related companies are partly denominated in foreign currency. No other significant amounts are payable in foreign currency. The heading "Amounts payable to related parties" includes balances in currencies other than the euro for an amount equivalent to ETs 1,476 (ETs 768 in 2019). It also includes the amount of the partial cash distribution of the share premium corresponding to United Technologies Group (Note 28).

In 2020 and 2019, the heading "Other" includes the obligation to shareholders other than United Technologies Group arising from the 4th resolution on the Agenda of the General Shareholders' Meetings held in June 2020 and May 2019, respectively, which approved dividends for a gross amount of 0.08 euros per share.

Additionally, at May 31, 2020 and 2019, the "Other" heading contained the value of the commitment of ETs 13,071 (2019 ETs 13,071) relating to the application of IAS 32 and the agreement signed in the purchase of companies in preceding reporting periods.

Likewise, there are non-current acquisition commitments under the heading "Other payables" for ETs 5,655 (ETs 5,643 in 2019) with the following maturities:

At May 31, 2020	Current	Non-current 2021	Non-current 2022/23	Non-current Total
Acquisitions 2020	7,372	3,967	410	4,377
Acquisitions until 2019	770	1,278	-	1,278
	8,142	5,245	410	5,655

At May 31, 2019	Current	Non-current 2020	Non-current 2021/22	Non-current Total
Acquisitions 2019	220	220	3,080	3,300
Acquisitions until 2018	6,666	1,253	1,090	2,343
	6,886	1,473	4,170	5,643

13. Public Treasury

	At May 31		
	2020	2019	11.30.19
Receivable balances			
Social Security	-	1,019	-
Withholdings on investment income	489	298	129
Public Treasury, VAT	477	445	423
Public Treasury, input VAT	7,257	7,337	6,813
Tax from previous periods	1,038	614	886
Total (Note 9)	9,261	9,713	8,251
Payable balances			
Provision for corporate income tax	66,940	70,779	46,979
Payments on account of corporate income tax	(55,314)	(57,874)	(38,559)
Total	11,626	12,905	8,420
Public Treasury, withholdings operated	2,516	2,806	2,810
Public Treasury, VAT	6,304	1,024	7,010
Public Treasury, output VAT	5,889	8,511	6,439
Social Security	10,518	11,276	10,698
Total (Note 12)	25,227	23,617	26,957

14. Deferred tax assets

	At May 31	
	2020	2019
Deferred tax assets		
to be recovered after more than 12 months	23,197	23,997
to be recovered within 12 months	680	680
	23,877	24,677
Deferred tax liabilities		
to be recovered after more than 12 months	22,363	21,696
to be recovered within 12 months	1,087	1,567
	23,450	23,263

Gross movement on the deferred tax account was as follows:

Deferred tax assets	2020	2019
At November 30	23,474	24,197
Business combinations	-	-
P&L impact	403	480
At May 31	23,877	24,677

Deferred tax liabilities:	2020	2019
At November 30	24,947	23,672
Business combinations	-	1,019
P&L impact	(1,497)	(1,429)
At May 31	23,450	23,263

Movement on deferred tax assets and liabilities during the period was as follows:

Deferred tax assets	**Welfare commit-ments**	**Amortization/ depreciation assets**	**Other**	**Total**
At November 30, 2018	**10,899**	**6,500**	**6,798**	**24,197**
P&L impact	313	137	30	480
At May 31, 2019	**11,212**	**6,637**	**6,828**	**24,677**
At November 30, 2019	10,713	6,831	5,930	23,474
P&L impact	378	-	25	403
Al 31 de mayo de 2020	**11,091**	**6,831**	**5,955**	**23,877**

Deferred tax liabilities	**Amortization/ depreciation assets**	**Other**	**Total**
At November 30, 2018	**23,672**	**-**	**23,672**
P&L impact	(1,429)	-	(1,429)
Business combinations	1,020	-	1,020
At May 31, 2019	**23,263**	**-**	**23,263**

Deferred tax liabilities	**Amortization/ depreciation assets**	**Other**	**Total**
At November 30, 2019	24,947	**-**	24,947
P&L impact	(1,497)	-	(1,497)
Business combinations	-	-	-
At May 31, 2020	**23,450**	**-**	**23,450**

Deferred taxes are calculated on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts in the consolidated annual financial statements. In order to determine their amounts, tax rates enacted or substantially enacted at the reporting date and expected to apply when the deferred tax asset is realized or the deferred tax liability is settled are used.

15. Welfare commitments

Post-employment commitments held with Group employees, consisting of the payment of social security benefit complements, other retirement benefits and life insurance premiums, are met through group insurance policies and are classified as defined benefit plans.

The liability recognized on the statement of financial position for the defined benefit plans is the present value of the obligation at reporting date less the fair value of the assets attached to the plan. The defined benefit obligation is calculated annually, once the salary adjustment process has concluded in October, by independent actuaries, using the projected unit credit method. The consolidated income statement in these condensed financial statements shows an expense of EThs 1,151 (2019: EThs 992) for this item, presented as employee benefit expenses (Note 19).

At the end of the six-month period, the Company's best estimate of the contributions to be paid in 2020 was EThs 2,362 (EThs 1,984 in 2019).

16. Borrowings

At May 31, 2020 and 2019, the carrying amount of current borrowings from financial institutions was equal to its fair value, since the impact of discounting was not significant. Interest accrued in the six-month period was EThs 50 (2019: EThs 42).

The non-current portion of borrowings, which was EThs 0.00 (2018: EThs 0.00), is shown at amortized cost in accordance with the effective interest rate method. The borrowings mature as follows:

At May 31 2020:

	Current	2020	2021	Non-current
Borrowings from financial institutions	264	-	-	-
	264	-	-	-

At May 31, 2019:

	Current	2019	2020	Non-current
Borrowings from financial institutions	282	-	-	-
	282	-	-	-

17. Provision for other liabilities and expenses

	At May 31		
	2020	2019	11.30.19
Non-current			
Other commitments with employees	9,687	11,395	8,663
Current			
Litigations, customer transactions	108	175	172
Guarantees for services and contracts	8,661	9,369	7,481
Chamber of Commerce and other taxes	2,802	1,401	2,802
	11,571	10,945	10,455

The provision for guarantees covers principally service commitments free of charge derived from the signature of contracts by Group companies, usually with a term of less than one year. Risks provided for relate to litigations and other identified risks inherent to the Group's activity.

18. Sales

	At May 31	
	2020	2019
Service	256,876	258,271
New installations	54,596	56,807
Exports	76,066	79,426
Other sales	198	347
Total sales	387,736	394,852

A breakdown of sales by segment of activity as of May 31, 2020 and 2019 is shown below. It is presented on the basis of the breakdown requirements required by IFRS 15 (Note 3):

	At May 31, 2020				
	Zardoya Otis Group-Spain	**Otis Group-Portugal**	**Otis Group-Morocco**	**Elim.**	**Total**
Services provided	226,889	26,603	3,385	-	256,876
New installations	44,786	4,052	5,758	-	54,596
Exports	83,384	-	-	(7,318)	76,066
Other saes	90	108	-	-	198
Total sales	**355,148**	**30,763**	**9,143**	**(7,318)**	**387,736**

	At May 31, 2019				
	Zardoya Otis Group-Spain	**Otis Group-Portugal**	**Otis Group-Morocco**	**Elim.**	**Total**
Services provided	228,467	26,387	3,417	-	258,271
New installations	44,506	4,221	8,081	-	56,807
Exports	86,896	-	-	(7,470)	79,426
Other saes	193	154	-	-	347
Total sales	**360,062**	**30,762**	**11,498**	**(7,470)**	**394,852**

For the purposes of comparison, the figures for New Installations and Services Provided for 2019 and 2018 include reclassifications between them of EThs 25,173 and EThs 20,447, respectively, relating to new elevators installed in buildings that did not initially have one. For presentation purposes, the Zardoya Otis Group now considers this activity as New Installations, when it was previously considered as part of the Service activity.

19. Employee benefit expenses

	At May 31	
	2020	2019
Wages and salaries	100,550	98,090
Social security and other expenses	34,580	34,092
Welfare commitments (Note 15)	1,151	992
	136,281	133,174

Social security and other includes severance payments to employees of EThs 934 in 2020 (2019: EThs 1,188).

As from December 1, 2010, the long-term incentive plan for certain Zardoya Otis executives who are also considered as Otis Group executives was also included. This includes Group share-based compensation (Note 28). The expense recognized for this item in the period ended May 31, 2020 was EThs 358 (EThs 247 in 2019).

20. Raw materials and consumables used

	At May 31	
	2020	2019
Materials and subcomponents for installations and services	151,425	163,642
Elimination of intra-group transactions	(27,679)	(29,311)
	123,746	134,331

21. Other net expenses

The breakdown of other net expenses in accordance with their nature is:

	At May 31	
	2020	2019
Leases	7,308	8,569
Repairs and maintenance	1,381	1,399
Insurance premiums	529	196
Advertising and publicity	1,156	1,289
Transport	5,598	6,277
Supplies and other services	3,844	7,154
Independent professionals	1,367	1,218
Subcontracting	883	1,013
Other	3,584	3,594
Impairment of receivables (Note 9)	673	(1,250)
EThs	26,323	29,459

22. Net finance cost

	At May 31	
	2020	2019
Interest expense:		
– bank borrowings	(365)	(150)
– lease interest	(223)	-
	(588)	(150)
Interest income:		
– from financial institutions	61	173
	61	173
Net foreign exchange transaction gains / (losses)	(79)	(161)
	(606)	(138)

23. Income tax

The tax expense calculated in the interim period applies the tax rate that is expected to be applicable to the profit for the full year. The amounts thus estimated may require subsequent adjustments in accordance with the Group's evolution.

	At May 31	
	2020	2019
Current tax expenses	23,142	22,630
Deferred taxes (Note 14)	(1,900)	(1,909)
Tax expense	21,242	20,721

	A 31 de mayo	
	2020	2019
Profit before tax	87,105	88,574
Tax expense	21,242	20,721
Effective tax rate	24,38%	23,39%

24. Earnings per share

Basic earnings per share are calculated, in accordance with IAS 33, by dividing the profit attributable to the owners of the company by the weighted average number of ordinary shares in issue in the period, excluding treasury shares acquired by the Company.

No event that could dilute the earnings per share has occurred.

	At May 31 (EThs)	
	2020	2019
Profit attributed to the owners of the Company	65,366	67,448
Weighted average number of ordinary shares in issue during the period	470,850,180	470,464,311
Basic earnings per share	0.1389	0.1434

25. Dividends and partial cash distribution of the share premium

In the 2020 period, the following dividend distributions have taken place:

1. Interim dividend charged to the 2019 profit paid by Zardoya Otis, S.A.:

	EThs
3rd dividend 0.080 euros gross per share. Declared on December 11, 2019 and paid out on January 10, 2020. Shares: 470,464,311 (treasury shares: 385,869). Maximum total: 37,637,144.88 euros	37.606

2. Interim dividend charged to the 2020 profit paid by Zardoya Otis, S.A.:

1st dividend 0.080 euros gross per share. Declared on March 20, 2020 and paid out on April 10, 2020. Shares: 470,464,311 (treasury shares: 385,869). Maximum total: 37,637,144.88 euros	37.606

In the 2019 period, the following dividend distributions took place:

1. Interim dividend charged to the 2018 profit paid by Zardoya Otis, S.A.:

	EThs
3rd dividend 0.080 euros gross per share. Declared on December 11, 2018 and paid out on January 10, 2019. Shares: 470,464,311 (no treasury shares held). Maximum total: 37,637,144.88 euros	37,637

2. Interim dividend charged to the 2019 profit paid by Zardoya Otis, S.A.:

1st dividend 0.080 euros gross per share. Declared on March 20, 2019 and paid out on April 10, 2019. Shares: 470,464,311 (no treasury shares held). Maximum total: 37,637,144.88 euros	37,637

3. The General Shareholders' Meeting held on May 22, 2019 approved a dividend charged to voluntary reserves, paid by Zardoya Otis, S.A.:

2nd dividend: 0.080 euros per share. Approved on May 22, 2019 and paid out on July 10, 2019. Shares: 470,464,311 (no treasury shares held). Maximum total: 37,637,144.88 euros	37,637

26. Leases

The Group adopted IFRS 16 *"Leases"* retrospectively as of December 1, 2019, although it has not restated the comparative figures for the 2019 reporting period, as permitted under the specific transition rules of the Standard. The reclassifications and adjustments that arise from the new rules on leases are therefore recognized in the opening statement of financial position as of December 1, 2019.

Since December 1, 2019, leases have been recognized as a right-of-use asset and the related liability as of the date on which the leased asset becomes available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is taken to profit and loss over the term of the lease in such a way as to product a constant regular interest rate on the outstanding balance of the liability for each reporting period.

With the application of IFRS 16, the Group recognizes lease liabilities in relation to the leases that had previously been classified as "operating leases" under the principles of IAS 17 *"Leases"*. These liabilities are measured as the present value of the remaining lease payments discounted at the lessee's incremental borrowing rate of 2.04%.

The right-of-use assets associated with real estate leases are initially measured at the amount at which the liability is initially measured, as described in the preceding paragraph. The right-of-use asset is depreciated over the lease term on a straight-line basis.

The right-of-use assets recognized are related to the following types of assets:

	May 31, 2020	December 1, 2019
Real estate	13,736	15,099
Equipment	377	450
Vehicles	13,511	16,723
Total right-of-use assets	**27,624**	**32,272**

At May 31, lease liabilities matured as follows:

	Less than 1 year	**Between 1 & 3 years**	**Over 3 years**	**Total**
Lease liabilities	9,547	16,708	1,369	27,624

The difference between the depreciation of the leased asset and the payments is classified as a finance cost. The impacts of applying the rules on leases are as follows:

	May 31, 2020
Depreciation of assets (Expense)	4,648
Operating lease payments (Note 21)	(4,871)
Finance cost (Note 22)	223

The reclassifications of cost increased the EBITDA for the period by EThs 4,872.

27. Business combinations

Portis, S.L. acquired 100% of the shares of Servirema, S.L. on February 25, 2020 for a value of EThs 1,049. The company is engaged in the assembly, maintenance and repair of automatic doors in Cantabria.

The total cost of the aforementioned business combination, most of which relates to goodwill and the maintenance portfolio, has been determined provisionally. No costs are attributable to the business combination other than auditing costs and legal expenses on the transfer, which were not significant and were charged to profit and loss in the period.

The amounts recognized for the business combination do not differ from the carrying amounts immediately before the combination, determined in accordance with IFRSs.

28. Related-party transactions

United Technologies Holdings S.A. (incorporated in France) holds 50.01% of the shares of Zardoya Otis, S.A. The

Group’s ultimate parent is Otis Worldwide Corporation (Otis), incorporated in the United States).

Transactions and balances with related parties were as follows:

EThs	**05.31.20**	**05.31.19**
Transactions with Otis Elevator Co		
Royalties	10,124	10,277
Charge to Otis for development engineering centre costs	2,073	1,779
Transactions and balances with Otis Group companies from sales and purchases of goods and services		
Sales and recharged expenses	70,112	73,177
Purchases and incurred expenses	20,390	21,702
Receivables (Note 9)	31,041	30,672
Payables (Note 12)	7,235	7,799

The Group has been party to a technical assistance agreement, “Intellectual Property License Agreement”, with Otis Elevator Company since 1999. This agreement allows the Company to use the trademarks and have access to Research & Development activities and global product development. The cost of this agreement is a royalty between 2.1% and 3.5% of sales to end customers.

Additionally, in September 2010, a “Recharge Agreement” was signed with United Technologies Corporation (UTC), which concerned the possibility that certain Zardoya Otis, S.A. executives who were also considered to be Group executives, since they held important management responsibilities, should benefit, depending on their performance and the attainment of common objectives of Zardoya Otis, Otis and United Technologies Corporation (UTC), from the long-term incentive plan, which included UTC share-based compensation schemes. The Agreement is applicable to incentives assigned as from December 1, 2010. The cost, approved by the Audit Committee, is included under the employee benefit expense heading, generating a credit account with Otis Group companies (presented as other provisions in the statement of financial position). At May 31, 2020, the expense for this item was EThs 358 (2019: EThs 247), relating to the fair value of the accumulated assets used as a reference, EThs 5,574 (2019: EThs 5,213).

As of May 31, 2020, the Group held a balance of EThs 8,000 under the cash and cash equivalents heading for cash deposits placed by Zardoya Otis, S.A. with Otis Treasury Center INC (OTC) (2019: zero). Deposits with group companies in 2020 were cash placements maturing at 30 days, which accrued an average interest rate of 0.01%, approximately 0.01 percentage points higher than the usual market rate.

The global compensation accrued in the period by the members of the Board of Directors was EThs 1,195 (EThs 1,104 in 2019) for all items. The amount accrued by members of Group senior management was EThs 533 (EThs 499 in 2019).

	2020	**2019**
Fixed compensation	150	147
Variable compensation	240	195
Bylaw-stipulated compensation	433	533
Other non-current benefits.	337	195
Pension plan contributions	35	34
TOTAL	**1,195**	**1,104**

29. Average number of employees in the period

The Group's average number of employees at the end of the six-month period was 5,583 people (4,998 men and 585 women). For the six-month period of 2019, it was 5,481 people (4,884 men and 597 women). The average number of people employed at the end of the period with a disability rating of 33% or more was 49 (43 men and 6 women).

30. Seasonality

The Group has no sales subject to significant variations over the year. In this respect, maintenance revenue is recognized on a straight-line basis when accrued. Consequently, seasonality is not considered material for the purposes of these condensed consolidated interim financial statements.

31. Events after the reporting date

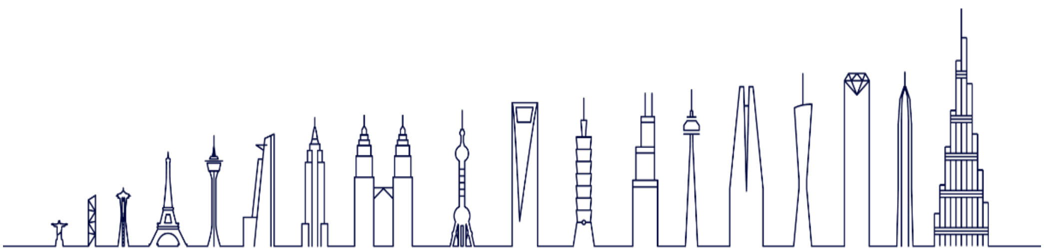
The General Shareholders' Meeting approved the distribution of a dividend charged to voluntary reserves, paid on July 10, 2020 for a maximum amount of EThs 28,228 at a rate of 0.060 euros per share.

ZARDOYA OTIS, S.A

QUARTERLY REPORT FOR

SECOND QUARTER 2020

FISCAL YEAR: DECEMBER 1, 2019 – NOVEMBER 20, 2020



1. ENVIRONMENT AND PROSPECTS

The prospects for 2020 have changed drastically due to the situation created by COVID-19. According to the International Monetary Fund (IMF), the pandemic will provoke a contraction in consumption and tourism, two of Spain's most important economic drivers. The IMF's estimates in April 2020 considered a sharp contraction of between -4% and -8% in the GDP in the geographical areas where Zardoya Otis has its operations. As a positive aspect, the FMI outlook for 2021 envisages a recovery in the interannual GDP of around 4-5% for the three countries in which Zardoya Otis operates.

The FMI's projections for interannual CPI rates in said countries are moderate for 2020 (+/- 0.3%), although they will increase to 0.7% in 2021 in Spain, 1.4% in Portugal and 1.3% in Morocco.

As could be expected, the forecasts include a heavy rise in the unemployment rate. In the case of Spain, according to the IMF, it will be over 20% in 2020, although it will begin to decrease progressively from 2021 onwards. Likewise, a decrease of more than 5 points in the unemployment rate is forecast for Portugal for 2021.

Regarding the real estate sector, although expectations were moderately optimistic at the beginning of 2020, there is now a high degree of uncertainty in connection with the manner and speed of the economic recovery. There are widely differing forecasts, ranging from a swift V-shaped recovery to a slow L-shaped recovery, after a prolonged period of recession.

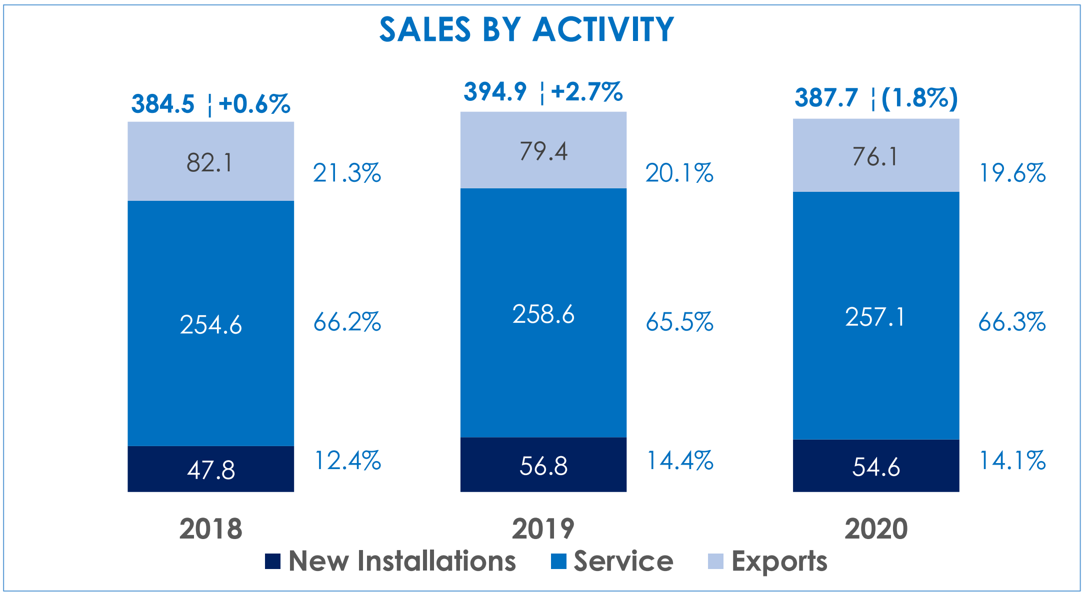
The final outcome will, to a large extent, depend on the decisions made by national governments and by the European Union.

All the experts do, however, appear to coincide in that companies that have placed a decided bet on technology and digitalization as an element that will transform the sector definitively will take the greatest advantage of post-COVID-19 opportunities for the real estate sector. In this respect, the Zardoya Otis Group has made significant efforts with a view to positioning itself in the new environment.

2. BUSINESS EVOLUTION

SALES:

Total consolidated sales for the first semester of 2020 were 387.7 million euros, in comparison with the 394.9 million euros of the first semester of 2019, representing a drop of 1.8%. We can consider this figure to be discreet, taking into account the economic consequences of the COVID-19 pandemic, which has affected most sectors and markets worldwide.



(Million euros – cumulative figures at the end of each 1st semester)

For comparative purposes, the New Sales and Service figures for the periods 2019 and 2018 include reclassifications between them for EThs 25,173 and EThs 20,447, respectively, relating to new elevators installed in buildings that did not originally have an elevator. For presentation purposes, the Zardoya Otis Group now considers this activity as New Sales while, in the past, it was considered part of the Service activity.

New installations

The value of new installations in the first semester of 2020 was 54.6 million euros, 3.9% down on the 56.8 million euros obtained in the same period of 2019.

In this first semester, new installations sales accounted for 14.1% of total sales (14.4% in the first semester of 2019).

Service

Consolidated service sales totalled 257.1 million euros (258.6 million euros in the first semester of 2019), showing an annual decrease of 0.6%.

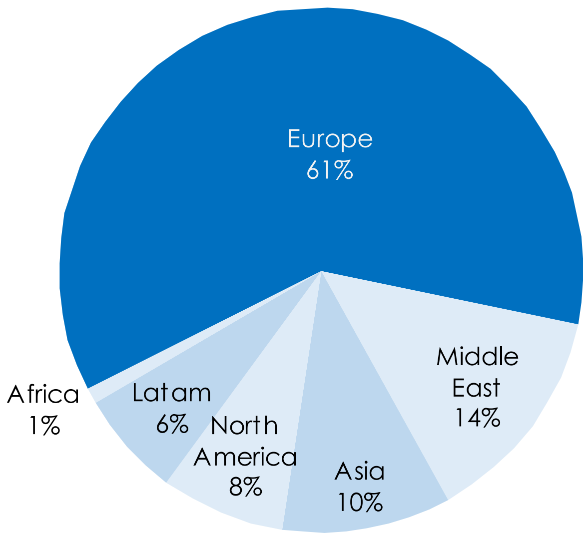
The service activity accounted for 66.3% of the Group's total billing in this period (65.5% in the first semester of 2019).

Exports

At the end of the first semester of 2020, the cumulative net export sales figure, after sales to our subsidiaries had been eliminated in the consolidation process, was 76.1 million euros, 4.2% lower than the 79.4 million euros obtained in the first semester of 2019.

In the first semester of 2020, exports represented 19.6% of Group consolidated sales (20.1% in the same period of 2019). To offset the drop in markets such as Turkey and the Middle East, we are continuing to make a special effort to introduce our products into central and northern European countries and are increasing our exports to Africa.

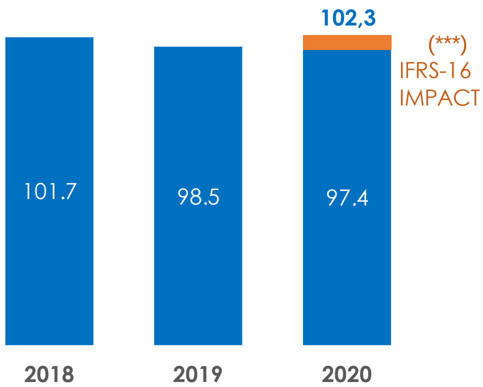
EXPORTS BY REGION



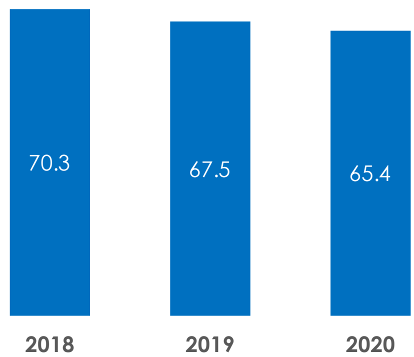
The graph shows the geographical destinations of the exports of 76.1 million euros in the first semester of 2020.

RESULTS

EBITDA (*)



CONSOLIDATED PROFIT AFTER TAX (**)



(*) EBITDA in million euros – cumulative figures at the end of each first semester.
(**) Consolidated profit after tax on continuing operations attributable to the Company's shareholders for each semester (expressed in million euros).
(***) Shows the impact of higher depreciation of 4.6 million euros and an increase of 223 thousand euros in finance costs, derived from application of "IFRS 16. Leases".

EBITDA (operating profit plus amortization and depreciation) at the end of the first semester of 2020 was 102.3 million euros, 3.8% up on the figure for the first semester of 2019. The EBITDA for this first semester includes the positive effect of higher depreciation of 4.6 million euros, derived from application of "IFRS 16. Leases", which introduces the requirement for companies to report leased assets attached to their activity on their balance sheets (as mentioned in Note 26 of the Condensed Consolidated Interim Financial Statements, the Group has been applying this Standard since December 1, 2019, although it has not restated the comparative figures for the fiscal year ended November 30, 2019, as permitted by the Standard's specific transitional rules). If the aforementioned effect of IFRS 16 is not included, the resulting EBITDA would have been 97.4 million euros, representing a 1.1% decrease on the figure obtained in the same period of 2019.

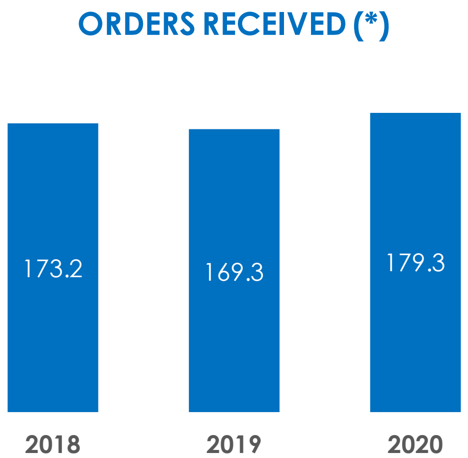
Likewise, when considering the impact of IFRS 16 on the *second quarter* of the year, the EBITDA totalled 51.4 million euros, 2.5% higher than the 50.2 million euros obtained in the same period of 2019. Once again, if we do not include the impact of IFRS 16, the EBITDA in the second quarter would have been 49 million euros, 2.3% lower than the figure for the same period of 2019.

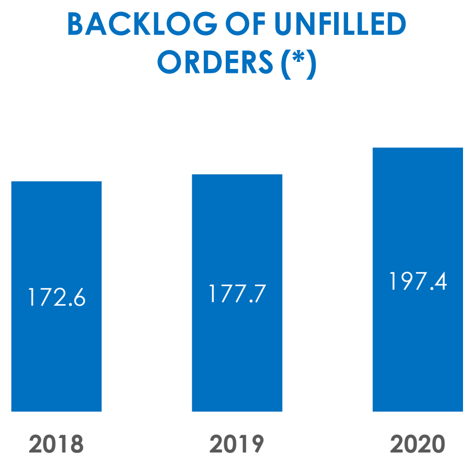
Consolidated profit before tax was 87.1 million euros in the first semester, 1.7% down on the same period of 2019.

Profit after tax was 65.4 million euros in the first semester of 2020, 3.1% lower than the 67.5 million euros obtained in the first semester of 2019.

As mentioned in Note 8 of this half-yearly report, the Group applied numerous operating, commercial and cost containment measures in the second quarter of 2020, which allowed it to partially offset the effects of the pandemic that the whole world is suffering. At the same time, we are placing priority on the safety of our employees and customers, while striving to maintain the high-quality service to which the passengers are accustomed.

3. OTHER KEY DATA





(*) Includes cumulative figures for New installations, Modernizations and Exports at the end of the semester (expressed in million euros).

For comparative purposes, the orders received figures for 2019 and 2018 include sums of EThs 62,151 and EThs 74,288, respectively, relating to exports to distributors, other Otis companies and end customers in the Marine sector. Similarly, the backlog of unfilled orders for the first semesters of 2019 and 2018 contains sums of EThs 23,933 and EThs 22,971 for the same items. For presentation purposes, the Zardoya Otis Group now includes the transactions described in their Exports figures.

Orders received and backlog of unfilled orders

Regarding the figures for the *second quarter* of 2020, orders received for modernizations, new installations and exports, in both new and existing buildings and Marine, totalled 80.5 million euros, a decrease of 13.5% on the 93.1 million euros obtained in the *second quarter* of 2019.

Notwithstanding the foregoing, in the *first semester* of 2020, orders received for modernizations, new installations and exports, in both new and existing buildings and

Marine, totalled 179.3 million euros, representing an increase of 5.9% on the 169.3 million euros obtained in the same period of 2019.

The backlog of unfilled orders at the end of the *first semester* of 2020 was 197.4 million euros, an increase of 11.1% in comparison with the 177.7 million euros of the same period of 2019.

Units under maintenance

We ended the first semester of 2020 with 293,446 units, representing growth of 0.9% on the units under maintenance in the first quarter of 2019.

4. CONDENSED CONSOLIDATED INCOME STATEMENT
(Cumulative figures at the end of the first semester expressed in millions of euros)

	2020	2019
SALES	**387.7**	**394.9**
OTHER REVENUE	0.9	0.6
RAW MATERIALS AND CONSUMABLES USED	(123.7)	(134.3)
EMPLOYEE BENEFIT EXPENSE	(136.3)	(133.2)
OTHER EXPENSES	(26.3)	(29.5)
EBITDA (*)	**102.3**	**98.5**
AMORTIZATION. IMPAIRMENT AND GAINS/(LOSSES) ON DISPOSALS OF FIXED ASSETS (*)	(14.6)	(9.8)
OPERATING PROFIT	**87.7**	**88.7**
REVENUE FROM FINANCING ACTIVITIES	0.1	0.2
COST OF FINANCING ACTIVITIES (*)	(0.6)	(0.2)
NET FOREIGN EXCHANGE DIFFERENCES	(0.1)	(0.2)
OTHER GAIN/LOSS	**(0.0)**	**0.0**
PROFIT BEFORE TAX	**87.1**	**88.6**
INCOME TAX EXPENSE	(21.2)	(20.7)
PROFIT FOR THE YEAR	**65.9**	**67.9**
ATTRIBUTABLE TO:		
ATTRIBUTABLE SHAREHOLDERS	**65.4**	**67.5**
NCI	**0.5**	**0.4**

(*) Shows the impact of higher depreciation of 4.6 million euros and an increase of 223 thousand euros in finance costs, derived from application of "IFRS 16. Leases".

5. DIVIDENDS

The Board of Directors, at its meetings held in December 2019 and March 2020, respectively, approved the third interim dividend charged to the 2019 profit and the first interim dividend charged to the 2020 profit, which were paid out on January 10 and April 9, 2020, as follows:

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
January 10	0.080 euros	3rd interim 2019	470,464,311	37,637,144.88 €
April 09	0.080 euros	1st interim 2020	470,464,311	37,637,144.88 €
Treasury shares			(385,869)	(61,739.04) €
Total			**470,078,442**	**75,212,550,72 €**

Subsequently:

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
July 10	0.060 euros	Reserves	470,464,311	28,227,858.66 €

This maximum amount was reduced by the sum resulting from multiplying the aforementioned amount of 0.60 euros by the number of treasury shares held.

6. TREASURY SHARES

The Ordinary General Shareholders' Meeting of Zardoya Otis, S.A. held on May 23, 2018 authorized the Board of Directors to acquire, directly or indirectly, treasury shares of Zardoya Otis, S.A., observing the limits and requirements set out in article 146 and related articles of the Capital Companies Law.

At its meeting of December 11, 2018, the Board of Directors agreed to acquire treasury shares so that they could be used in company acquisition transactions.

At the end of the first semester of 2020, Zardoya Otis, S.A. held 385,869 treasury shares (zero at the end of the same period of 2019) for a value of ETHs 2,572.

7. FINANCIAL RISK MANAGEMENT FIRST SEMESTER 2020

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management program is focused on the uncertainty of the financial markets and trying to minimize any potential adverse effects on the Group's financial profitability.

Risk management is controlled by Group Management in accordance with the supplementary information to the annual corporate governance report as of November 30, 2019. Management assesses and hedges financial risks in close collaboration with the Group's operating units, in order to:

- Ensure that the most important risks are identified, assessed and managed,
- Ensure an appropriate operating segregation of the risk management functions,
- Ensure that the risk exposure level accepted by the Group in its operations is in line with its risk profile.

8. SIGNIFICANT EVENTS IN THE FIRST SEMESTER OF 2020 AND AFTER THE REPORTING DATE

2020 ORDINARY GENERAL SHAREHOLDERS' MEETING

On June 16, 2020, Zardoya Otis, S.A. held its Ordinary General Shareholders' Meeting on the second call. At the meeting, a series of resolutions were passed and were notified to the National Securities Market Commission (CNMV), including the approval of the second of the four dividends planned for 2020 (charged to reserves). The gross amount of this dividend was 0.60 euros per share, the withholdings and taxes established by law being payable by the recipient. After it had been approved, it was paid on July 10, 2020, as set out in point 5 above.

MEASURES TO COMBAT THE HAZARDOUS SITUATION CAUSED BY COVID-19

This crisis and the scope of its consequences were unexpected and have put the Group's capacity of reaction and adaptation to the test.

Our priority has been to look after the health and safety of our customers and employees. We have made a special effort to keep all the elevators and automatic doors whose maintenance is our responsibility in service in optimal conditions, particularly in those buildings that our customers consider critical.

Numerous measures have been applied to contain our costs and maintain our business activity. The measures taken by the Zardoya Otis Group in this situation started with the creation of a crisis committee at the beginning of March. A specific Risk Assessment and a Preventive Plan were prepared and have been being updated in accordance with the rules issued by the health authorities to control the pandemic.

Action plans were put in place to ensure the continuity of operations, within the limitations imposed by the regulations in force in each phase of the process.

Some figures that illustrate the impact on our activity are as follows:

- The number of employees with a confirmed diagnosis of COVID-19 in the three countries up to May 31, 2020 was 14, eleven of whom have now recovered. At that date, we had a workforce of 5,600 employees.

- Calls notifying failures dropped by up to 75% in comparison with the same dates in previous years, due to the closure of numerous buildings, such as hotels and shopping malls, and also to the mobility restrictions applied to the entire population.

- Managing the plants has been especially complicated, with difficulties in the supply chains and in the shipping logistics for finished products. Even so, the plants have remained in operation, except during the first fortnight of April, partially coinciding with the Easter vacation.

- Obtaining PPE (personal protection equipment) has been complex and we have spent almost 1 million euros on protecting our workers.

- We have been present in hazardous facilities, such as the IFEMA and a number of hospitals and medicalized hotels.

- We have had almost 100% of our office personnel working from home. During the period, we imparted 54 on-line training courses with a total of over 12,000 hours of training.

- Assembly activities had to be suspended for two weeks in new buildings while, in inhabited buildings, the suspension lasted for eight weeks.

- The Zardoya Otis Group has implemented a cost reduction plan in the three countries in which it operates, the goal of which for 2020 is to save 7 million euros.

To comply with and support the measures adopted by the government in Royal Decree-Law 10/2020 of March 29, the Zardoya Otis Group has kept its technical assistance service in operation throughout Spain. The Group's target has been to keep all the elevators and automatic doors whose maintenance is its responsibility in working order. Attention to calls and emergencies is of vital importance to ensure the mobility of people and objects and ensure the continuity of both service and industrial activities deemed essential during the State of Alarm.

In addition to technical assistance, Zardoya Otis is currently remotely monitoring the operation of more than 80,000 elevators on a permanent basis using predictive analysis, thus avoiding incidents before they occur and also solving failures through remote intervention.

9. EXHIBIT – KEY DATA:

At the end of the first semester of fiscal year 2020 (December 1, 2019 – May 31, 2020), the total consolidated figures and the comparison thereof with those for the same period of 2019 were as follows:

Key Data, 1st Semester 2020			
Consolidated figures in millions of euros			
Results	***2020***	***2019***	***% variance 20/19***
EBITDA (*)	102.3	98.5	3.8
EBITDA (w/o IFRS-16 impact)	97.4	98.5	(1.1)
Profit before tax	87.1	88.6	(1.7)
Profit after tax	65.4	67.5	(3.1)

Sales	***2020***	***2019***	***% variance 20/19***
New Installations	54.6	56.8	(3.9)
Service	257.1	258.6	(0.6)
Exports	76.1	79.4	(4.2)
Total	387.7	394.9	(1.8)

Orders received (**) and Backlog of unfilled orders (**)	***2020***	***2019***	***% variance 20/19***
Orders received	179.3	169.3	5.9
Backlog of unfilled orders	197.4	177.7	11.1

Units under maintenance	***2020***	***2019***	***% variance 20/19***
Units under maintenance	293.446	290.802	0.9

(*)Shows the impact of higher depreciation of 4.6 million euros and an increase of 223 thousand euros in finance costs, derived from application of "IFRS 16. Leases".

(**) Includes the New Installations, Modernizations and Exports figures.