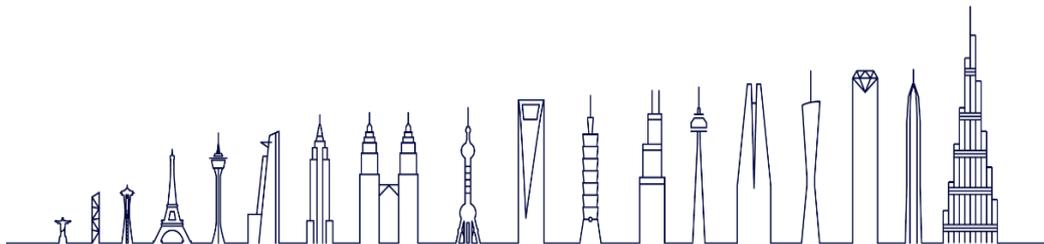




ZARDOYA OTIS, S.A

QUARTERLY REPORT FOR THIRD QUARTER 2021

FISCAL YEAR: DECEMBER 1, 2020 – NOVEMBER 30, 2021



1. ENVIRONMENT AND PROSPECTS

In its latest update in July, the International Monetary Fund said that economic prospects have diverged even further across countries during the last quarter. Vaccine access has emerged as the principle fault line along which the global recovery splits into two blocs: the more advanced economies that can look forward to normalization of activity at the end of the year and those that will still face resurgent infections.

In our environment, the IMF estimates for 2021 and 2022 show an upward revision backed by the funds from the EU Recovery and Resilience Facility, which will presumably result in a strong upturn in private spending and an increase in public investment.

Details of the latest FMI forecasts for the 3 countries in which the Zardoya Otis Group operates are shown below:

GDP	2019	2020	Forecasts		Outlook			
			2021	2022	2023	2024	2025	2026
SPAIN	2.0%	-11.0%	6.4%	4.7%	2.8%	2.4%	1.4%	1.4%
PORTUGAL	2.5%	-7.6%	3.9%	4.8%	2.5%	2.3%	1.8%	1.7%
MOROCCO	2.5%	-7.0%	4.5%	3.9%	3.7%	3.6%	3.6%	3.5%

CPI	2019	2020	Forecasts		Outlook			
			2021	2022	2023	2024	2025	2026
SPAIN	0.7%	-0.3%	1.0%	1.3%	1.5%	1.6%	1.7%	1.7%
PORTUGAL	0.3%	-0.1%	0.9%	1.2%	1.3%	1.4%	1.5%	1.6%
MOROCCO	0.2%	0.6%	0.8%	1.2%	1.6%	1.8%	2.0%	2.0%

UNEMPLOYMENT	2019	2020	Forecasts		Outlook			
			2021	2022	2023	2024	2025	2026
SPAIN	14.1%	15.5%	16.8%	15.8%	15.0%	14.5%	14.4%	14.5%
PORTUGAL	6.5%	6.8%	7.7%	7.3%	6.9%	6.7%	6.6%	6.5%
MOROCCO	9.2%	11.9%	10.5%	9.7%	9.1%	8.7%	8.5%	8.3%

The FMI projections for 2021 indicate a recovery in the interannual GDP of around 4% - 6.5% in the three countries in which the Group operates, although unemployment will not improve until 2022 (except in Morocco, where it is forecast that the unemployment rate will continue to decrease). The IMF estimates an inflation rate of around 1% for these countries in 2021. However, more recent data from reliable sources (Funcas, OECD) indicate an increase of up to 2.5-3% in Spain in 2021, as a consequence of, among other things, the rise in the price of energy products.

In the real estate sector, according to the latest Euroconstruct report, in the second half of 2020, new residential construction in Spain recovered as the restrictions were relaxed, although not enough to avoid a decline of 11.1%, contrasting with the 3.4% increase in Portugal. Said report expects this indicator to recover by 7.0% in 2020 and 6% in 2022.

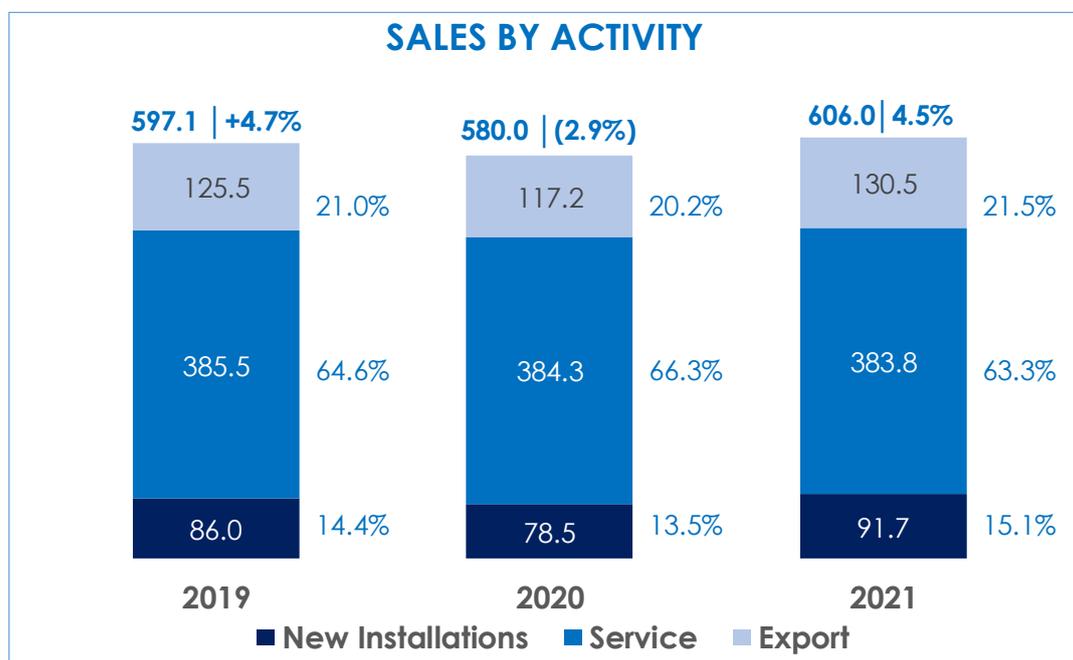
Regarding residential renovation, we trust that the upward trend will continue with the support of the European Recovery Funds, which the Federación Española de Ascensores (FEEDA) (Spanish Elevator Federation) estimates at 6,800 million euros and which will be used to allow owners' associations to enhance the elevator systems in buildings in terms of accessibility, energy saving and digitalization. Zardoya Otis can fully meet these needs as a result of its extensive and innovative product and service portfolio.

For 2021, a 7.5% growth rate in residential renovation is expected, rising to 9% in 2022. In 2023, growth will be 4.5%, which is one of the highest rates in the countries analyzed by Euroconstruct.

2. BUSINESS EVOLUTION

SALES:

Total cumulative consolidated sales at the end of the third quarter of 2021 were 606.0 million euros, in comparison with the 580.0 million euros at the end of the third quarter of 2020, representing an increase of 4.5%. When comparing the cumulative figures at the end of the third quarters of 2021 and 2020, we must remember that, at the end of the first quarter of 2020, the state of emergency due to the pandemic had not yet been declared. The 4.5% increase in the sales figure is mainly reflected in the figures of the New Sales and Export activities



(Millions of euros – cumulative figures at the end of the third quarter of each year)

New Installations

The value of new sales at the end of the third quarter of 2021 was 91.7 million euros, 16.9% up on the figure for the same period of 2020. This increase took place on top of the increases in the preceding years, meaning that the cumulative growth between the third quarter of 2016 and the third quarter of 2021 was 72.8% (46.8% since the third quarter of 2017).

At the end of the third quarter, new installations sales accounted for 15.1% of total sales (13.5% at the end of the third quarter of 2020).

Service

Consolidated service sales totalled 383.8 million euros, in line with the 384.3 million euros at the end of the third quarter 2020, representing a slight interannual decrease of 0.1%. Although the relaxation of the restriction measures began in the second half of May, the **Service activity figures were very similar to those of 2020** at the end of the third quarter. The reactivation of tourism, which is taking place very gradually, is enabling hotels to increase their capacity to some extent and to bring into service apparatus and equipment whose activity had been temporarily suspended. Moreover, meetings of Home Owners Associations, where decisions to purchase or improve elevators are made, have not yet recovered pre-pandemic levels.

The Service activity represented **63.3% of total Group sales** in this period (66.3% at the end of the third quarter of 2020). This lower percentage of the total is explained by the **significant increases in the New Sales and Exports figures** in comparison with the same period of last year (+16.9% and +11.3%, respectively).

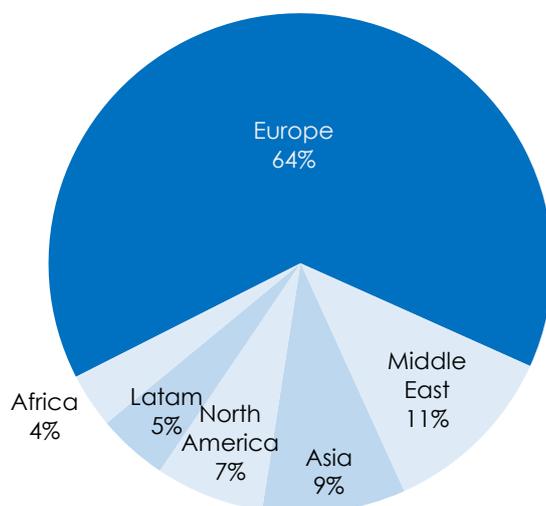
Exports

At the end of the third quarter of 2021, **cumulative net export sales**, after elimination of the sales to our subsidiaries in Portugal, Morocco, Gibraltar and Andorra in the consolidation process, **were 130.5 million euros, 11.3% up** on the 117.2 million euros obtained at the end of the third quarter of 2020, a year in which the behaviour of export figures followed an upward trend throughout the year.

Exports to European countries rose by 18.1% in comparison with the same period of the preceding year and **those sent to African countries more than doubled** as a result of the **development of specific products** for these markets and the initiatives that we have been taking for some time to introduce our products into these countries, as well as those of central and northern Europe, in order to offset the decline in other markets, such as Turkey and the Middle East, which, nevertheless, show figures in line with those of last year.

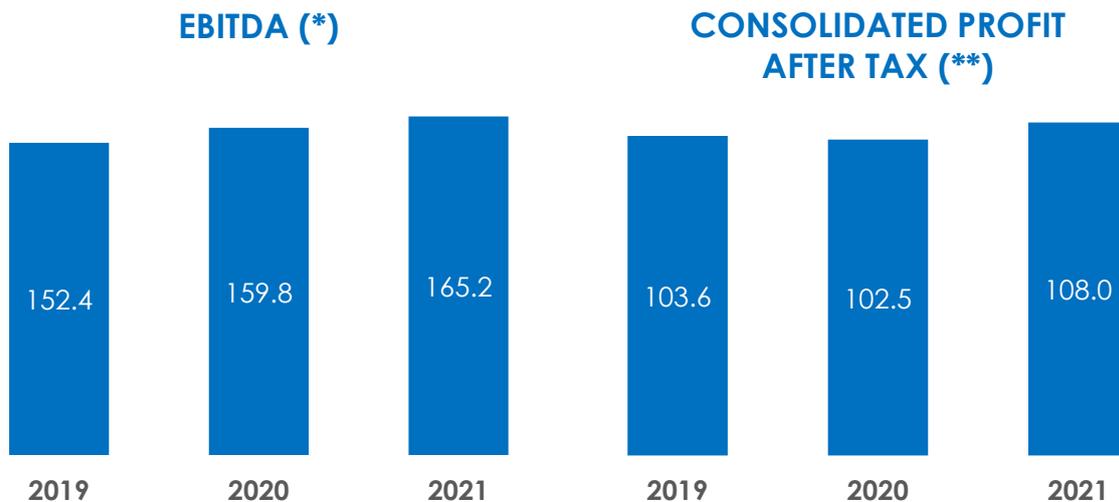
At the end of the third quarter of 2021, **exports accounted for 21.5% of Group consolidated sales** (20.2% in the same period of 2020).

EXPORTS BY REGION



The graph shows the geographical destinations of the exports of 130.5 million euros at the end of the third quarter of 2021.

RESULTS



(*) EBITDA in millions of 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 third quarter – expressed in millions of euros.

The cumulative **EBITDA** (operating profit plus amortization and depreciation) at the end of the third quarter of 2021 was **165.2 million euros**, **3.4% higher** than the **159.8 million euros** obtained at the end of the third quarter of 2020.

If we refer only to the figures for the **third quarter of 2021**, the EBITDA was **59.7 million euros**, which compared favourably with both the **57.5 million euros** obtained in the **third quarter of 2020** and the **54.3 and 51.2 million euros** obtained, respectively, in the **second and first quarters of 2021**.

The EBITDA figures at the end of the third quarters of both 2021 and 2020 reflect the impact of application of "IFRS-16 Leases", which introduced the requirement for companies to show leased assets attached to the activity in their statements of financial position.

Consolidated profit before tax was **144.2 million euros** at the end of the third quarter of 2021, **5.4% up** on the figure for the same period of 2020. This figure includes an impact of EThs 3,305 of the sale of the old San Sebastián plant.

Profit after tax was **108.0 million euros** at the end of the third quarter of 2021, **5.4% higher** than the 102.5 million euros obtained at the end of the third quarter of 2020.

3. OTHER KEY DATA



(*) Includes cumulative figures at the end of each quarter for New Sales, Modernizations and Exports – expressed in millions of euros.

Orders received and backlog of unfilled orders

At the end of the third quarter of 2021, the amount of the orders received for modernizations, new installations and exports, including new and existing buildings and marine, was **278.5 million euros**, representing an **increase of 9.6%** on the same period of 2020 and **well above the orders received in the same period of 2019**. To a large extent, the increase in export orders contributed to these figures.

The backlog of unfilled orders at the end of the third quarter of 2021 was **192.5 million euros**, an **increase of 4.9%** on the same period of 2020, likewise surpassing the 2019 figures.

Units under maintenance

We ended the third quarter of 2021 with **295,301 units**, representing **growth of 0.3%** on the units at the end of the third quarter of 2020. This meant that over 900 new units had joined the portfolio, most of them organically.

4. CONDENSED CONSOLIDATED INCOME STATEMENT

(Cumulative figures at the end of the third quarter expressed in millions of euros)

	2021	2020
SALES	606,0	580,0
OTHER REVENUE	1,5	1,2
RAW MATERIALS AND CONSUMABLES USED	(205,8)	(182,5)
EMPLOYEE BENEFIT EXPENSE	(197,3)	(200,2)
OTHER EXPENSES	(39,2)	(38,8)
EBITDA	165,2	159,8
AMORTIZATION, IMPAIRMENT AND GAINS/(LOSSES) ON DISPOSALS OF FIXED ASSETS (*)	(23,7)	(22,4)
OPERATING PROFIT	141,5	137,3
REVENUE FROM FINANCING ACTIVITIES	0,0	0,1
COST OF FINANCING ACTIVITIES (*)	(0,7)	(0,7)
NET FOREIGN EXCHANGE DIFFERENCES	0,1	(0,1)
OTHER GAIN/LOSS	3,3	0,1
PROFIT BEFORE TAX	144,2	136,8
INCOME TAX EXPENSE	(35,6)	(33,6)
PROFIT FOR THE YEAR	108,7	103,2
ATRIBUTABLE TO:		
ATRIBUTABLE SHAREHOLDERS	108,0	102,5
NCI	0,7	0,7

5. DIVIDENDS

At its meetings held in December 2020 and March 2021, the Board of Directors approved, respectively, the third interim dividend charged to the profit for 2020 and the first interim dividend charged to the 2021 profit, which were paid out on January 22 and April 9, respectively. In addition, the Ordinary General Shareholders' Meeting of Zardoya Otis held on May 19, 2021 passed a resolution to distribute a dividend charged to reserves, which was paid out on July 9, 2021.

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
January 11	0.068 euros	3rd interim 2020	470,464,311	€ 31,991,573.15
	Treasury shares		(2,049,865)	(€ 139,390.82)
Total			468,414,446	€ 31,852,182.33
April 9	0.070 euros	1st interim 2021	470,464,311	€ 32,932,501,77
	Acciones propias en cartera		(163,477)	(€ 11,443.39)
Total			470,300,834	€ 32,921,058.38
July 9	0.072 euros	Reserves	470,464,311	€ 33,873,430.39
	Treasury shares		(534,890)	(€ 38,512.08)
Total			469,929,421	€ 33,834,918.31
Total €				€ 98,608,159.02

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 legal limits and requirements. At its meeting of December 11, 2018, the Board of Directors decided to acquire treasury shares so that they could be used in the company acquisition transactions that the Company carries out habitually.

At November 30, 2020, Zardoya Otis, S.A. held 1,420,016 treasury shares with a value of EThs 8,807. At the end of the third quarter of 2021, Zardoya Otis, S.A. held 533,655 treasury shares with a value of EThs 3,053.

During the current fiscal year, 3,013,174 shares have been handed over in the following transactions:

- On December 22, 2020, Zardoya Otis acquired a non-controlling interest of 20% in Ascensores Eleva, S.L. by means of an exchange of shares.
- On March 4, 2021, Zardoya Otis acquired a non-controlling interest of 48% in Montes Tallón, S.A. by means of an exchange of shares.
- On March 11, 2021, it acquired 100% of Ascensores Fit, S.L. by handing over shares.

Between December 1, 2020 and August 31, 2021, 2,126,813 shares were bought for a value of EThs 12,096.

7. FINANCIAL RISK MANAGEMENT AT THE END OF THE THIRD QUARTER OF 2021

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, 2020. 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 UP TO THE END OF THE THIRD QUARTER 2021 AND AFTER THE REPORTING DATE

On February 12, 2021, a company belonging to the CGU Zardoya Otis Group (Spain) acquired 100% of the shares of the company Puertas Automáticas Karpy, S.L.U.

In addition, on June 11, 2021, the same company acquired 100% of the shares in the company Door Matic Industries 2018, S.L.

At its September meeting, the Board of Directors approved the second interim dividend charged to the 2021 profit, paid out on October 11, as follows:

Date	Gross per share	Charged to	Shares entitled to dividend	Total
October 11	0.074 euros	2nd interim 2021	470,464,311	34,814,359.01 €
	Treasury shares		(533,655)	(39,490.47 €)
Total			469,930,656	34,774,868.54 €

The amount resulting from multiplying the sum of 0.074 euros by the number of treasury shares that existed at the time the shareholders became entitled to receive payment of the dividend was deducted from this maximum amount.

This was the **fifth consecutive quarter in which the Company had increased the dividend paid per share.**

TAKEOVER BID ANNOUNCED BY OTIS WORLDWIDE CORPORATION

On September 23, the Company notified the National Securities Market Commission (CNMV) that the Board of Directors had become aware on said date of the announcement sent to the CNMV by OPAL SPANISH HOLDINGS, S.A.U. (the "Offeror"), a company indirectly controlled in full by OTIS WORLDWIDE CORPORATION, holder of 50.01% of the Company's share capital, and the terms and conditions of the public takeover offer that the Offeror had decided to make on the remainder of the Company's share capital up to 100% (the "Offer").

The Company's Board of Directors will analyze the terms and conditions of the Offer, monitor it continuously, and issue a report with its opinion and observations when legally required to do so. Meanwhile, notwithstanding the restriction on the actions that may be taken imposed by the regulations on public takeover offers, the Company will continue with its normal course of business in the best interests of its shareholders, customers and employees.

As it has been doing to date, Zardoya Otis, S.A. will continue to issue the necessary communications, both to the CNMV and in the "Investor Relations" section of its own website.

9. EXHIBIT – KEY DATA

At the end of the third quarter of 2021 (December 1, 2020 to August 31, 2021), the total consolidated figures and the comparison thereof with those of the same period of the preceding year were as follows:

Key Data, 3rd Quarter 2021			
<i>Consolidated figures in millions of euros</i>			
Results	2021	2020	% variance 21/20
EBITDA	165.2	159.8	3.4
Profit before tax	144.2	136.8	5.4
Profit after tax	108.0	102.5	5.4

Sales	2021	2020	% variance 21/20
New Installations	91.7	78.5	16.9
Service	383.8	384.3	(0.1)
Exports	130.5	117.2	11.3
Total	606.0	580.0	4.5

Orders received (**)	2021	2020	% variance 21/20
Backlog of unfilled orders (**)	2021	2020	21/20
Orders received	278.5	254.1	9.6
Backlog	192.5	183.5	4.9

Units under maintenance	2021	2020	% variance 21/20
Units under maintenance	295,301	294,427	0.3

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