



TALGO, S.A. (“**Talگو**” or the “**Company**”), in accordance with the provisions of Article 227 of the Revised Text of the Securities Market Law approved by Royal Legislative Decree 4/2015, dated 23 October, communicates the following:

OTHER RELEVANT INFORMATION

The spread of COVID-19, the viral outbreak classified as a pandemic by the World Health Organisation on 11 March, has led the main national and international authorities and administrations to take extraordinary measures in order to mitigate the spread of the outbreak.

In this context, Talگو has monitored and generated protocols of action adapted to the recommendations issued by the Ministry of Health and other competent authorities in Spain and in each market of operation, to ensure the health and safety of all of its workers as an absolute priority.

Amongst other measures, Talگو has implemented a system of remote working on a gradual basis and with proven success to date. It currently includes more than 730 employees in Spain (83% of employees capable of adapting to remote working) and close to 90 in international subsidiaries (50% of the workforce), allowing the Company to continue to undertake its activity in areas such as engineering, projects and other essential central services.

In addition, Talگو’s business is continuing to adapt its level of activity to the current situation and to the requests of its clients. In this regard, the Company is carrying out actions in relation to its industrial activity:

1. Manufacturing activity: continuing at the Group’s two main plants, Rivabellosa (Álava) and Las Matas II (Madrid). Nevertheless, it is possible that they may have to be closed temporarily in the event that Spain enters a state of exceptional emergency or if a lack of supplies or provision of services hinders the progress of the projects.
2. Maintenance activity: currently being adapted to client situations and requests. In this sense, the Company’s largest maintenance fleet, which is located in Spain with Renfe as the client, has been reduced by more than 60%. In addition, operations in other markets such as Saudi Arabia, Kazakhstan and Uzbekistan have been suspended temporarily, whilst in the United States of America and Russia, the suspension has been partial. Meanwhile, in Germany, the existing maintenance services are still being provided with absolute normality.

As a result of the above, Talgo will file an ERTE due to force majeure for approximately 280 people in the Maintenance team in Spain, a figure that may vary depending on how the suppression of services by its clients evolves.

In this context, and given the exceptional nature of this unprecedented situation, the President and CEO have notified Talgo's Board of Directors of a proposal whereby, on an exceptional basis, both of their salaries will be reduced by 50% for the period March-December 2020.

In addition, the management team has reassured the workforce with the utmost calm and certainty that all of the employees subject to the ERTE programs will be reinstated as soon as the situation returns to normal.

Finally, Talgo has made available to the health authorities in Spain all of the material and human resources necessary to overcome this situation, together.

Assessment of the economic impact for the Company

The Company has the financial capacity to ensure the correct performance of the business and to maintain its commitments with clients over the long-term. In this sense, at the end of 2019, the Company held cash amounting to 320 million euros (Net Financial Debt stood at -59 €m) and had undrawn credit lines worth an additional 70 million euros. In addition to the above, the Company is analysing other measures for enhancing its financial flexibility in order to protect liquidity in the short and medium term.

Nevertheless, the variations resulting from this situation may have an impact on the financial forecasts for 2020 provided by the Company in the results published on 27 February 2020 (Privileged Information with registration number 61). For that reason, we have decided to withdraw the predictions established; they will be updated and published again once the current context allows the Company to have good visibility over the year 2020.

For further clarification, please do not hesitate to contact the Company through the usual channels facilitated for investors: telephone: +34 91 602 2051 email: investors@talgo.com

Madrid, 24 March 2020

Talgo, S.A.

Jose María Oriol Fabra

CEO