

Information on the Elecnor Group's first quarter of 2020

Leading domestic and international authorities and administrations have taken extraordinary measures in an attempt to check the spread of the COVID-19 virus, which the World Health Organization classified as a pandemic on 11 March, and which is having a significant impact on the world economy.

Since the outbreak of the pandemic, the Elecnor Group has monitored and designed action protocols following the recommendations issued by the Spanish Ministry of Health and the competent authorities in Spain and each market where we operate, always putting the protection of our workers' health and safety first and foremost.

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

The co-ordinated response of the European Union, Member States and the Government of Spain will be key in mitigating the impacts on economic activity, employment, production, and the liquidity of businesses and individuals, and in accelerating the subsequent phase of reactivation. The European Commission has announced its intention to use all the means at its disposal to support businesses and citizens by increasing the availability of cohesion funds and the flexibility of fiscal policies and deficit monitoring criteria, thereby intimating the adoption of aggressive fiscal policies by Member States. Meanwhile, the Spanish government is rolling out a variety of measures in both the social and economic spheres through programmes that have substantial funding. Other countries, such as the United States, have also announced significant fiscal and monetary support measures. The response of governments and central banks will be critical to avoid a more negative scenario affecting growth forecasts.

In this complex environment, the Group has decided to implement a series of measures to ensure our future. This plan will facilitate our staff's return to work as soon as normal economic activity is restored. This developing situation is currently too unpredictable to accurately assess its impact on our businesses.

In any case, the Group, which operates globally, is evaluating its operating expenses to reduce those costs that are discretionary, and is considering delaying those investments that are considered of lesser importance, with the aim of safeguarding liquidity in this period of uncertainty.

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

Consolidated results

Key consolidated figures for the business' activity

In thousands of Euro

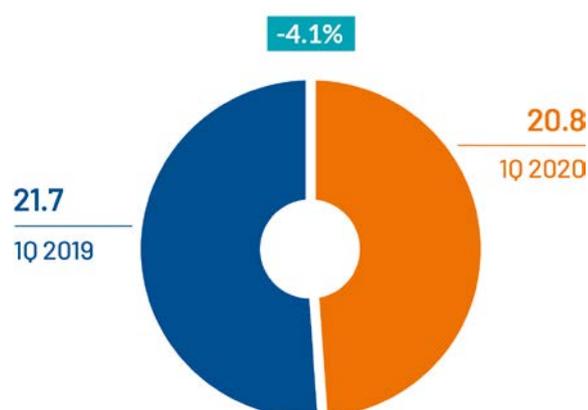
	Q1 2020	Q1 2019 ⁽¹⁾
Net revenues	486,119	498,676
Pre-tax profit	30,638	32,299
Income tax	(8,601)	(9,180)
Profit attributable to non-controlling interests	(1,218)	(1,400)
Profit attributable to shareholders of the parent company	20,819	21,719

The Elecnor Group posted a net profit of EUR 20.8 million in the first quarter of 2020. The change in results versus the same period of the previous year (-4.1%) reflects the impact that the COVID-19 crisis has had on operations in the last two weeks of March, which is being mitigated by the Group's diversity both geographically and in terms of business.

The effects of this crisis will be felt unevenly by the two businesses that make up the Group. The Company trusts that the impact on the Concessions business line will be limited since the bulk of its assets are in operation. Assets under construction could suffer delays that are not forecast to significantly affect expected profitability. The Infrastructure business line on the other hand carries out a wide range of activities that will be affected differently. Many of these activities are considered essential and are expected to be affected to a lesser extent.

Consolidated Profit

In EUR million



¹ As in the Annual Financial Statements as at and for the year ended 31/12/2019, the figures for the first quarter of 2019 have been restated in order to reflect retroactively the effects that would have occurred in the event that the assets and liabilities of the Celeo Redes subgroup had been consolidated using the equity method since the first agreement with APG (see note 2.e comparing the information in the Notes to the Annual Financial Statements of Elecnor, S.A. and Subsidiaries as at and for the year ended 31/12/19)

The Infrastructure business line has been affected in the last part of March by the health crisis. In the domestic market, where revenues have continued to grow over this period, the health and safety measures that had to be adopted in this period following government recommendations, have impacted the margins on Maintenance and Telecommunications services (activities that have continued to be carried out during the health crisis). In addition, during this first quarter, construction work has been carried out at the wind farms in Galicia developed by Greenalia and in Zaragoza by Forestalia. Until the state of emergency was declared, all activities were showing clear signs of growth.

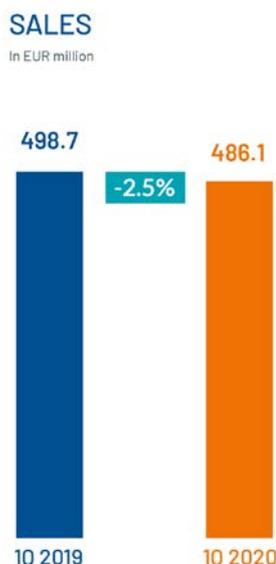
In the international market, states of emergency have gradually been declared in the countries in which the Group operates. Worth highlighting though are the progress made over the period constructing power transmission lines in Brazil and Chile, and also those of US subsidiaries. Australia's large solar projects to be carried out during the financial year were not started in the first quarter, and therefore their contribution will be come in the later months of the financial year. Similarly, the project to efficiently transport and supply water in Oman that was awarded last year by the Public Authority for Water (Diam) has not started. All this will be conditional on the measures taken by governments to manage the crisis in these regions.

The result for **the Concessions business line** is on a par with that achieved in the same period of the previous year, despite the devaluations of the currencies of the countries in which the Group operates its assets (especially Brazil and Chile). The Group already operates 5,740 kilometres of power transmission lines in Chile and Brazil, and plays its part in the 1,483 MW of renewable energy in operation or under construction in Spain, Brazil and Canada.

As mentioned above, the Group is evaluating its operating expenses to reduce those costs that are discretionary, thus strengthening its cost control and containment policies that all the Group's companies are implementing on an on-going basis and especially in the current situation.

Revenues

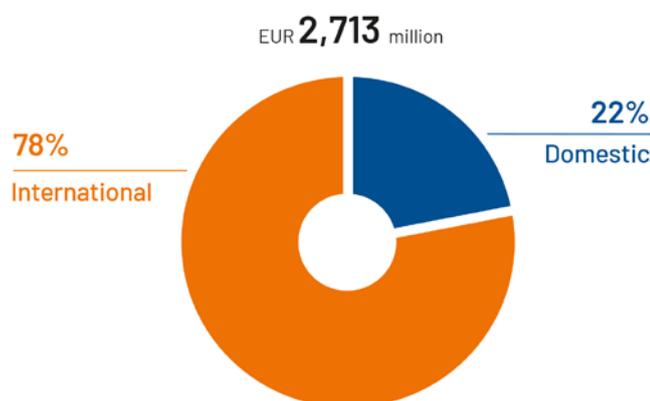
As of 31 March, Elecnor's consolidated sales stood at **EUR 486.1 million** (EUR 498.7 million for the same period in the previous year). Of this, the domestic market accounts for 55% (49% in the same period last year), and the international market for 45% (51% in the same period last year), because the start-up of the main projects to be undertaken abroad will take place in the next few months of the financial year.



Ninety-three percent of these revenues are from the **Infrastructure business line**, and the remaining 7% from the **Concessions business line**. This breakdown is similar to that for the same period in the previous year (92% for Infrastructure and 8% for Concessions).

The **portfolio of signed contracts** pending execution at 31/03/2020, which is expected to occur within the next 12 months **amounted to EUR 2.713 billion** (EUR 2.223 billion at the close of 2019). Of this figure, 78% relates to the international market, totalling EUR 2.128 billion, and 22% to the domestic market (EUR 585 million). The domestic order intake has increased thanks to the solar farms developed by Tramperase (Repsol Group), while the international order intake is up because of the contracts signed in Brazil, Angola and the United States.

Backlog



Forecast for 2020

The Group is assessing the impact of the health crisis on the 2020 figures. In this regard, it is monitoring all risks that may have an effect in this context and has taken all necessary measures to continue productive activity while protecting the health and safety of workers.

Elecnor has financing lines available for amounts projected to be sufficient to mitigate liquidity risk in the current situation. It is also tracking all accounts receivable from customers and current ongoing production values with the aim of controlling credit risk. Finally, it is considered that capital recovery will not be compromised by the effects of the pandemic situation.

In addition to all this, and despite the uncertainty due to this global crisis, the Company is confident that the core components of the business will not be particularly affected. Firstly, in the Concessions business line, the bulk of assets are in operation and the crisis is not expected to affect the profitability of those being built; secondly, more than half of the business in Spain is considered essential activity; and thirdly, in the international market where activity continues, although with difficulty, many of the projects being carried out are of a strategic nature for the countries in which they are being developed.

The Group trusts that the situation will stabilise in the coming months and that the company's strength will enable it to return to a path of growth as soon as possible.

Change in the companies that make up the Group

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

Basis of presentation and valuation principles

In this information, the individual companies have applied the accounting principles and criteria set out in the New Spanish General Accounting Plan, which entered into force on 1 January 2008. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).