DOMINION

FY 2024 Results analysis

DOMINION

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1. Introduction

1.1. Context

A year of continuity with respect to 2023 in terms of both political and geopolitical instability, as well as important movements in terms of monetary policies.

On the one hand, blockages in the governments of the main euro economies, France and Germany, as well as the continuation of the war between Ukraine and Russia, to which must be added the war in Gaza between Israel and Hamas. On the other hand, during 2024 an unusually strong divergence between the monetary policies of the two major central banks has been increasing, with the ECB following a much more accommodative policy stance. Finally, 2024 has ended with the election of Trump as the new president of the United States, which has kick-started new alliances and trade balances between the different economic blocs.

Interest rates remain at high levels, which continues to hinder the transfer from RF to RV, especially affecting the liquidity of small and medium-sized companies. In addition, the overvaluation of the American stock market over the European stock market, the result of the concentration of technology stocks in the former, strongly driven by the explosion in 2024 of artificial intelligence and the chips needed for its future operation. All this continues to drain the liquidity of European companies' shares, favouring a disparity between companies and sectors.

DOMINION continues to be well positioned to face these scenarios thanks to its geographic diversification, as well as the recurrence and resilience of most of its business. However, there are certain phenomena that continue to impact operations and results, such as currency movements, especially during the second half of the year, and the variation in interest rates, which began to fall in mid-2024 and are expected to continue to do so during the first quarters of 2025. DOMINION expects these decreases to begin to be reflected in the company's accounts from 2025 onwards.

With the close of the 2024 financial year, DOMINION reached the halfway point of the 2023-26 Strategic Plan, presenting results in line with expectations and having made progress in the transformation of the business as set out in the plan. During 2024, the weight of recurring business (>70% of turnover) has been exceeded and the company has further simplified its activity, divesting activities with lower margins or which are not aligned with its sustainability strategy, as well as changing the business model of the B2B2C area. These changes are aimed at increasing activity in businesses related to improving the environmental sustainability of its customers and society in general. These businesses offer significant opportunities for growth and profitability that the company is already taking advantage of and which are reflected in the positive evolution of its Sustainable Services segment. To materialise and accelerate this positioning, the company has already set up a new structure that brings together all the businesses in this area under a new legal entity, which aims to achieve a turnover of c.500M€ and more than 50M€ EBTDA by 2025.

1.2. Inorganic and non-recurrent effects

Inorganic effect on turnover:

The inorganic effect of FY2024 was -€36.8m (-€14.0m in Q4).

On the one hand, the additional turnover from the acquisition of Gesthidro at the end of February 2023 (2 months), as well as the annual turnover of the Steelcon business following its reincorporation into continuing operations (after having been available for sale in 2022 and 2023). In this analysis, these sales have been considered as inorganic to show the evolution on a like-for-like basis, while in the consolidated financial statements 2023 has been restated to reflect the same fact.

On the other hand, during the third quarter of 2023, the B2B2C business was restructured in order to maintain or improve its profitability levels and to change the business model in this area. The decision to divest physical points of sale entails a reduction in the sale of devices and therefore an inorganic decrease in turnover.

Additionally, the sale of the multi-technical maintenance services in Spain to Serveo, effective 5 December, entails a reduction in turnover equivalent to one month. On 22 October 2024, DOMINION signed an agreement with Serveo Servicios, S.A.U. to divest this business unit, whose turnover and recurring EBITDA amounted to €100m and €4.8m respectively and which had 1,500 employees. The value of the transaction amounted to €28.8m after obtaining authorisation from the Spanish antitrust authorities (CNMC), with a capital gain, net of tax, of approximately €11.6m. This transaction has enabled DOMINION not only to dispose of activities with margins below average profitability in the Services segment and to reduce its workforce by more than 1,000 people, but also to advance DOMINION's positioning in sustainable activities with high added value for its industrial customers.

Non-recurring effects:

These results include extraordinary costs that almost entirely offset the capital gain mentioned in the previous point, making EBITDA a recurring figure that is representative of the business.

These negative extraordinary items include one-offs corresponding to different businesses and activities of the company, such as the expenses for the start-up of the Cerritos wind farm, the restructuring of activities in France or the application of efficiency measures, among others.

Payments for Corporate operations:

During the year 2024, the payment commitments acquired in the form of earn outs were met:

- In January, the €67m corresponding to the purchase of INCUS's shareholding position in the renewable energy business, agreed at the end of 2022, was paid out.

- Earn-out payments of approximately €10m were also addressed for Bygging India (2019 acquisition) and smaller environmental services companies, including Gesthidro and Tankiac.

Other payment commitments:

On 26 March, the company acquired 2.6 million of its own shares for the purpose of being purchased by the management team, within the framework of a plan designed by the company for the participation of its main executives in DOMINION's share capital (purchase of shares executed by the management team in June 2024). This purchase involved the payment of €11.7 million.

On 9 July, DOMINION paid a dividend of €14.7m to its shareholders, representing a distribution of 33% of the profit for 2023, in addition to the €1.4m paid to minority shareholders as a dividend.

2. Economic financial information

2.1. Highlights

Sales

Organic sales growth +2% at constant currency vs. FY 2023 **(+7% Services, -9% Projects)**.

Inorganic growth subtracts -3% and the FOREX effect is negative -2%.

Margins

Improved profitability and **operating margins.**

Growing sales margins and **operating leverage** (contribution margin +3% vs. EBITDA +4% vs. EBIT +7%).

Income

The net result continues to be impacted by higher **financial expenses.**

- Total organic revenue growth of +2% over 2023, with Sustainable Services growing at +7% and Projects at -9%.

- EBITDA increases to 13.1% of sales thanks to simplification and focus on more profitable activities.

- Net profit declined to €40m due to a significant increase in financial expenses, driven by higher interest rates, and an increase in tax expense.

- Operating cash generation of €76m, up 7% vs. 2023.

- Transitional increase in debt to meet the objectives of the strategic plan, with a leverage of 1.2x EBITDA.

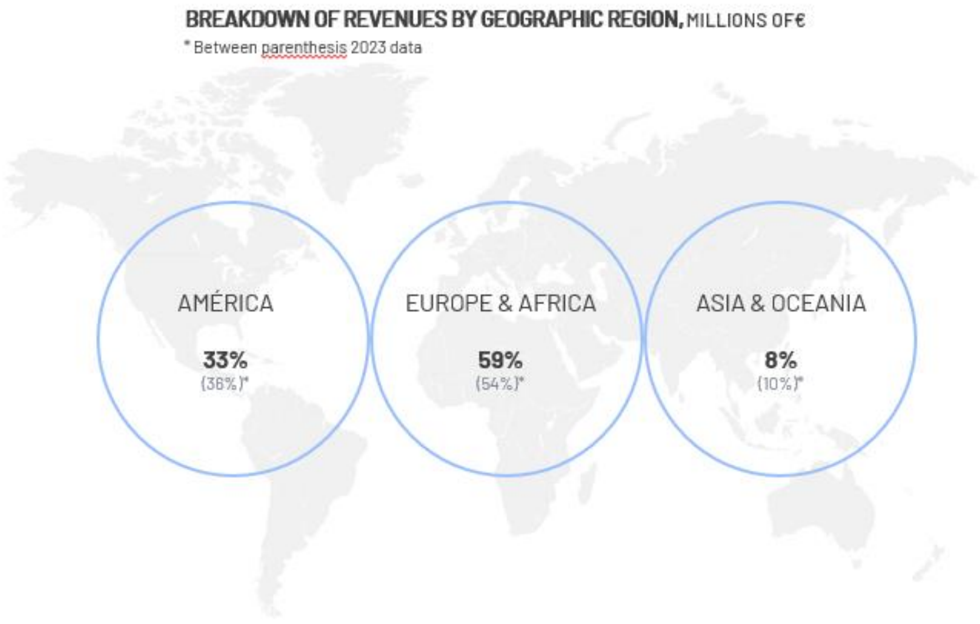
2.2. Turnover

(Millions of €)	FY 2023	%	FY 2024
Consolidated turnover	1,192.6	-3%	1,153.0

DOMINION closed the financial year 2024 with a turnover of 1,153.0 million euros, which is 3.0% down on the previous year's figure.

The lower turnover compared to 2023 is mainly due to the inorganic effect mentioned in 1.2. above and the unfavourable currency movements (FOREX), which represent -3% and -2% respectively, while organic growth remains positive at +2%.

Geographical breakdown of turnover:



The shift of weight from the American region to Europe is due to the lower activity in the execution of renewable projects due to geopolitical situations in the Dominican Republic (elections in May 2024), while Europe continues to gain weight thanks to the strength of several activities, notably telecommunications services in Germany and environmental services.

2.3. Operative Margins

(Millions of €)	FY 2023	%	FY 2024
Consolidated turnover	1,192.6	-3%	1,153.0
Contribution margin	171.5	3%	177.5

Operating margins continued to grow, as in previous quarters, despite the divestments and lower consolidated sales.

The contribution margin was 3.5% higher than a year earlier.

The continuous improvements in the contribution margin over the quarters confirm the company's transition towards activities with higher margin profiles, which are being complemented by divestments in non-strategic activities with lower margins and by restructuring.

2.4. EBITDA

(Millions of €)	FY 2023	%	FY 2024
Consolidated turnover	1,192.6	-3%	1,153.0
Contribution margin	171.5	3%	177.5
EBITDA	144.9	4%	150.7
% EBITDA on turnover	12.2%		13.1%

EBITDA reached €150.7m, 4% higher than in 2023, reaching an EBITDA over sales of 13.1%, which shows that the simplification process that the company is carrying out has as a counterpart an improvement in the overall profitability of the business, by replacing sales with below-average margins with sales with higher profitability levels.

In addition to the improvements in margins mentioned in the previous point, the company continues its operating leverage, with an efficient central structure that remains stable in absolute terms, keeping its weight on sales well below the target 3% (2.3% of sales).

2.5. Depreciation & Amortization

(Millions of €)	FY 2023	%	FY 2024
Consolidated turnover	1,192.6	-3%	1,153.0
Contribution margin	171.5	3%	177.5
EBITDA	144.9	4%	150.7
% EBITDA on turnover	12.2%		13.1%
Amortization	66.1		66.4

Depreciation and amortisation remained virtually stable (+€0.3m), resulting in positive operating leverage for EBIT.

2.6. Financial expenses

(Millions of €)	FY 2023	%	FY 2024
Consolidated turnover	1,192.6	-3%	1,153.0
Contribution margin	171.5	3%	177.5
EBITDA	144.9	4%	150.7
% EBITDA on turnover	12.2%		13.1%
Amortization	66.1		66.4
EBIT	78.8	7%	84.3
% EBIT on turnover	6.6%		7.3%
Financial Expenses	-31.6		-34.7

The net financial result for 2024 was -34.7 M€, slightly higher than in 2023.

This small increase is due to the higher level of transitional debt incurred by the company to undertake and facilitate the simplification and achievement of the objectives of the Strategic Plan.

The company expects that both the refinancing of the syndicated loan during the first half of the year and the interest rate cuts initiated by the European Central Bank since June (from 4% to the current 2.75%) will begin to be gradually reflected during 2025.

2.7. Net profit

(Millions of €)	FY 2023	%	FY 2024
Consolidated turnover	1,192.6	-3%	1,153.0
Contribution margin	171.5	3%	177.5
EBITDA	144.9	4%	150.7
% EBITDA on turnover	12.2%		13.1%
Amortization	66.1		66.4
EBIT	78.8	7%	84.3
% EBIT on turnover	6.6%		7.3%
Financial Expenses	-31.6		-34.7
EBT	47.2		49.5
Taxes	-0.8		-7.0
Minority shareholders	-1.0		-2.3
Net Comparable Profit	**45.4**	-12%	**40.1**
% Result on turnover	**3.8%**		**3.5%**
Discontinued operations	1.1		-8.9
Net Attributable Result	**44.3**	-30%	**31.2**

'Comparable net result": refers to the attributable net result before discontinued operations

DOMINION achieves a comparable net result of EUR 40.1 million. In the comparison with 2023, the main differences include:

- A higher financial expense due to the interest rate environment and payment commitments in the first part of the year (€34.7M)
- Higher corporate tax expense (€7.0m)
- Minority interests (€2.3m)

The net attributable profit differs from the comparable result due to discontinued operations, which includes the mainly financial expenses related to the Cerritos wind farm in Mexico.

2.8. Main movements of balance sheet items

(Millions of €)	2023	Variation	2024
Fixed Assets	516.1	(22.9)	493.2
Infraestructure Assets	138.4	3.5	141.9
IFRS16	38.3	17.4	55.7
Net Working Capital	(205.0)	21.9	(183.0)
Total Net Assets	487.8	19.9	507.8
Net Equity	316.0	(3.2)	312.8
Net Financial Debt Ex-Infras	(45.4)	101.8	56.4
Net Financial Debt Infrastructure	120.3	6.1	126.5
IFRS16 Debt	33.4	17.2	50.7
Others	63.5	(102.0)	(38.6)
Total Net Equity and Liabilities	487.8	19.9	507.8

NFD
183 M€
1,2x EBITDA

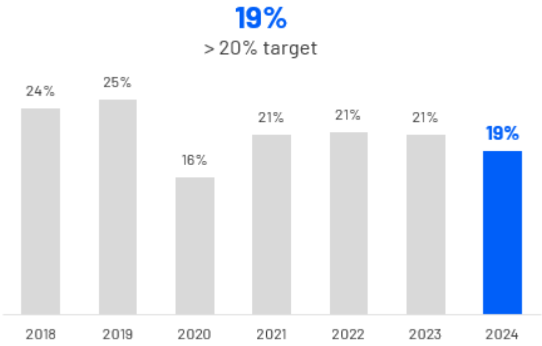
- Fixed Assets: The decrease of €22.9m compared to the same period in 2023 is mainly related to changes in the scope of consolidation due to divestments and higher depreciation and amortisation than the recurrent CAPEX for the year.

- Operating Net Working Capital (WC): During the year there has been a net change of €21.9m in working capital (investment). This figure includes both the €40m structural investment caused by the transformation of the B2B2C business, and the movement in working capital due to the divestment of the multi-technical maintenance services, the natural movement of the different businesses and the variation due to exchange rate differences.

- Net Financial Debt: this amounts to €182.9m, an increase of €107m compared to December 2023, which corresponds to the inorganic payment flows of the year, and a reduction of €15m compared to the figure at the end of the first half of 2024. The detail of this evolution is shown in point 2.9:
  - Position of the Ex-Infrastructures business: Ends the year with a net financial debt of €56.4m.
  - Position of the Infrastructure business: €126.5m, with no major variations compared to 2023 due to lower activity in renewable projects during the year.

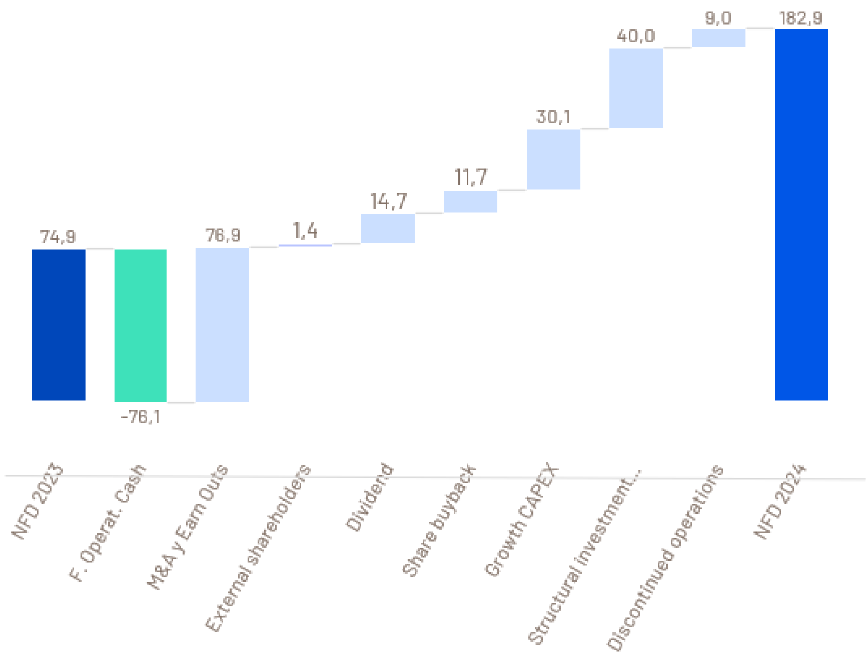
- Other: The heading includes as main variations the debts held with Incus (€67M), the investment in the share programme for the entry of executives in the company's capital and other outstanding earn outs (€10M).

RONA



At the end of 2024 the RONA was 19%, the calculation used by the company being as follows: EBITA/ (Non-current assets - Deferred tax assets - IFRS16 rights of use - Undisbursed goodwill + WC excluding current year acquisitions.

2.9. Evolution of net financial debt



DOMINION closed 2023 with a Net Financial Debt (NFD) of €74.9m and closed 2024 with a debt of €182.9m. The graph above summarises the 'bridge' of this evolution:

- Operating cash flow generation of €76.1m, up from €70.9m the previous year and in line with the target set for 2024.

- Corporate operations: €76.9m was invested during the year. The main disbursement was for Incus in January for €67M and other earn outs listed in point 1.

- Dividend to external partners for €1.4M in the year.

- Dividend distributed to shareholders: In 2024, €14.7m was distributed against 2023 results, equivalent to one third of net attributable profit, in line with those specified in the Strategic Plan. In this case, as in the previous year, shareholder remuneration was not reduced by the extraordinary and one-off effects of minority interests and discontinued operations, which did reduce attributable net profit.

- Treasury stock: During 2024, the company acquired 2.6 million shares of treasury stock for the purpose of being purchased by the management team, within the framework of a plan designed by the company for the participation of its main executives in DOMINION's share capital (purchase of shares executed by the management team in June 2024). This purchase involved the disbursement of €11.7 million.

- Expansion or growth investments: In addition to the maintenance or recurrent CAPEX, the company allocated €30.1M to the expansion of different activities, such as the mobile device leasing business and renewable infrastructure developments.

- Structural investment in WC: As mentioned in the evolution of net financial debt, the transformation of the B2B2C business has led to €40M of investment in working capital.

- As a final point, the result of discontinued operations, mainly attributable to the financial expenses of the Cerritos wind farm, represents a cash outflow of €9M.

2.10. Operating cash flow generation

During the 2024 financial year, DOMINION generated an operating cash flow of €76.1M. From the EBITDA result of €150.7M, the following are deducted:

- Rental payments, which amounted to €22.2M in the year.
- Recurrent CAPEX payments: The company invested €20.1M in recurrent and organic CAPEX during the year, which is necessary to maintain the different businesses, and which is slightly below the figure invested in 2023.
- Organic WC variation: of the variation in net operating working capital, €8.5M corresponds to the organic variation, excluding the inorganic variation and the translation differences that affect the WC and do not correspond to a cash flow.
- Receipts and payments for financial interest, which amounted to €35.0M.
- Payments for taxes corresponding to fiscal year 2024, amounting to €5.8M.

3. Business segment highlights

3.1. Sustainable Services

	FY 2023		FY 2024
Turnover	824.1M€	+1%	831.2M€
CM (4)	93.8M€	+18%	110.9M€

Sustainable Services closed the year with a turnover of €831.2M. Although, at a global level, this represents a 1% growth in turnover, in organic terms it achieved a growth of +7%, far exceeding the targets set in the guidance and reaping the rewards of positioning in a segment with strong growth drivers and future opportunities. Sustainable Services maintains very high recurrence rates, which reinforces the defensive nature of the segment and the company as a whole, offering good visibility and future prospects. It is worth noting the increase in the weight of the segment with respect to the company's total sales, reaching 73% of sales, with a contribution margin weight of 65% (versus 70% and 58% in 2023, respectively).

The total inorganic effect for the year amounted to -4%, with the impact concentrated in the fourth quarter. On the one hand, the acquisition of Geshidro and the reincorporation of Steelcon as a continuing activity are positive. This decision was motivated by the lack of an agreement for the sale of this company, as well as the restructuring of its activity, which has led the subsidiary to a stable and positive financial situation.

On the other hand, in negative terms, there is the divestment of the multi-technical maintenance services in Spain (>1,000 employees, €100M turnover and €5M EBITDA per year) closed in November 2024 after the approval of the National Commission of Markets and Competition (CNMC), as well as the inorganic/one-off effect of lower sales of devices after the restructuring of the B2B2C business (-€26.2). It should be noted that the lower sales in the devices business do not have a significant impact at the margin level. Forex subtracted 2% from total growth.

As for the evolution of its profitability, the segment reached a contribution margin of 13.3%, which represents a strong growth of 18% compared to 2023, thanks to the growth of businesses associated with sustainability and the environment, with higher margins, as well as the divestments and restructuring mentioned in the previous paragraph, which had lower margins.

3.2. 360º Projects

	FY 2023		FY 2024
Turnover	351.2M€	-12%	**307.5M€**
CM [4]	67.9M€	-12%	**59.7 M€**

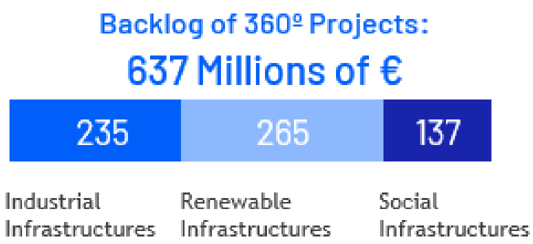
Projects 360º achieved a turnover of €307.5M, which represents a 12.4% reduction in turnover compared to the previous year. The impact of currency movements represents a -3% decline, while growth in organic terms is reduced to -9%.

This decline in like-for-like sales is due to the postponement in the execution of projects due to geopolitical situations in the Dominican Republic (elections) and Angola, and to the wait for the incorporation of a partner to invest jointly in renewable infrastructures in Europe, an agreement materialized in December 2024, which reactivates the execution of renewable projects in the run-up to 2025.

On the other hand, industrial infrastructures and social infrastructures performed well during the year. Among others, the high voltage lines project in Angola was completed, and the year was particularly noteworthy in the industrial field.

In terms of contribution margin, project margins remain at very high levels, at 19.4%, well above the strategic guidance of 15%, which demonstrates the added value provided to clients thanks to the 360º vision.

The year 2024 has been a good year for the portfolio, reaching a total volume of €637M, where new additions in the Industrial Infrastructures area stand out, with two important projects in the United States and Canada, for a combined amount of c.€80M.



3.3. Stakes in Infrastructures

Status	Project	Location	Technology	MWp	Ownership
In generation	**Santa Rosa**	**Argentina**	**Biomass**	**18**	**100% (Global C.)**
	Santa Rosa	**Ecuador**	**Photovoltaic**	**4**	**100% (Global C.)**
	Valdorros	**Spain**	**Photovoltaic**	**4**	**100% (Global C.)**
	4 projects*	**Dominican Republic**	**Photovoltaic**	**284**	**50% (Equity Method)**
Held for sale	Cerritos	Mexico	Eolic	66	100% (Global C.)
In construction	LATAM		Photovoltaic	76	Equity Method
	Spain		Photovoltaic	3	Global C.
	Italy –Equita Agreement		Photovoltaic	74	25% Equity Method
In the pipeline	EUROPE y LATAM		Photovoltaic	2,100	Global C.

* Two of the projects contribute to the 2024 billing and the other two have started generating power in January 2025.

Status	Project	Location	Technology	MWp
In operation	**Antofagasta**	**Chile**	**Hospital**	**15% (Equity Method)**
In construction	Buin Paine	Chile	Hospital	10% (Equity Method)

The Participation in Infrastructures segment closes 2024 with a turnover of €14.2 million and contributes €6.9 million of EBITDA to the traditional business, derived from 100% owned infrastructures and generation. The difference with respect to 2023 (€17.3 million in revenue and €9.8 million in EBITDA) is explained by the divestment of the Valdecarretas wind farm at the end of last year, which during 4Q 2023 was generating energy until it was sold to Renewables Japan Co.

In December 2024, one of the 4 projects in the Dominican Republic under construction during the year, with 65Mw, started generating energy, while the remaining two, with 140Mw together, started generating energy in January 2025, so they start contributing to the billing and margin from that moment onwards.

On the other hand, in December 2024, the agreement with Equita Capital for the construction of the first four photovoltaic projects in Italy, two projects in Sicily and two in Basilicata, with a total combined capacity of 74 MW, has been closed. The agreement involves the participation of EQUITA Green Impact Fund (EGIF) as a partner, which will increase its equity in each project to a 75% stake. The agreement is expected to be extended to other projects in DOMINION's Italian development portfolio.

With respect to the Cerritos wind farm, which is included in the Balance Sheet as held for sale, commissioning work is being finalized in order to conclude the sale process.

4. Other Information

4.1. Shareholder structure

The significant shareholders at year-end 2024 are as follows:

Shareholder	Percentage
ACEK Desarrollo y Gestión Industrial S.L.	15.2%
Mikel Barandiarán Landin (CEO)	5.8%
Antonio María Pradera Jauregui (Presidente)	5.7%
Indumenta Pueri S.L.	5.6%
Corporacion Financiera Alba	5.6%
Elidoza Promocion de Empresas	5.6%
Mahindra & Mahindra	4.2%

This represents a free float of 52%.

4.2 Shareholder retribution

- With the net income from continuing operations and the average shares for the year, the EPS for the year 2024 amounts to €0.27/share.

- The General Shareholders' Meeting approved, at the meeting held on April 22, 2024, at first call, the distribution of one third of the company's "comparable" net income against 2023 results, which amounted to €0.0978/share (vs. €0.0986/share of the previous year).

- The company will propose to the 2025 General Shareholders' Meeting the distribution of €15M, equivalent to 38% of the "comparable" net profit for 2024, so that shareholders will not see their remuneration reduced by the extraordinary and one-off effects of discontinued operations that have reduced the attributable net profit for the year.

- Estimated dividend yield (based on listed price 12/31/2024): 0.099/2.80 = 3.54%.