



Annual General Shareholders' Meeting

28 June 2022

Speeches by the Chairwoman and CEO



Mrs. Rosa Isabel Aza Conejo, Chairwoman of the Board of Directors

Good morning everyone.

Thank you very much for joining us at this Annual General Meeting, where we are going to submit for examination and approval the Annual Accounts, the Management of the Board of Directors and the Statement of Non-Financial Information for 2021, a year that was fundamental in the continuity and future of Duro Felguera.

In 2021, the Covid-19 crisis had a deeply significant impact on economic activity, especially in the first half of the year, until the generalization of vaccination.

The crisis caused by the pandemic led to a historic paralysis in international markets in 2020, which severely affected our business. As a result, the company requested public aid from the Solvency Support Fund for Strategic Companies managed by the State Industrial Ownership Corporation (SEPI). This was approved by the Cabinet Meeting in March 2021, as Duro Felguera met the conditions required as a strategic company and on the basis of its weight in the economy of Asturias and in the generation of employment. Another factor was its great effort in R&D&I, which has allowed the company to implement major industrial projects, making it a reference for the regional economic fabric thanks to its potential in innovation.

The aid, 120 million Euros, was materialized in two tranches, the first 40 million Euros in March and the second in November, once the financial restructuring with the banking syndicate was completed and the commitment to a loan of 6 million Euros was reached by the Principality of Asturias through the Regional Promotion Company.

This refinancing process is a milestone which was achieved thanks to the work and effort of the entire Duro Felguera team.

We have gained the necessary time to put the company back on track and regain the confidence of the market. So thank you very much to everyone and, above all, I wish you all lots of energy to face the tough challenges that still lie ahead.

I would also like to take this opportunity to express my thanks for the support of the central government and the Principality of Asturias, the financial institutions and, of course, the SEPI team, with whom we worked exhaustively to reach the agreement.

All of them have allowed our company to consolidate a base from which it can move forward in overcoming its difficulties. And I can assure you that the responsibility and commitment shown by both the board of Duro Felguera



and the management team is absolute in order to steer the ship to a successful conclusion.

The International Monetary Fund, in the document “World Economic Outlook” for April 2021, forecast a recovery of the world economy of 6% in 2021 and 4.4% in 2022, higher than the figures predicted in January of the same year. However, it added, “the outlook presents daunting challenges related to divergences in the speed of recovery across and within countries, and the possibility of lingering economic damage from the crisis”.

In this environment of growth, Duro Felguera opened a new phase with solid business prospects, strengthening our traditional lines and boosting activity in the renewable and technology sectors, in line with the needs posed by the energy transition and digitization.

We focused on our return to the markets and saw a good recovery in activity, with major contracts such as the one for €100 million signed with an industrial customer in the Netherlands for the renovation and decarbonization of one of their plants.

2022 began with optimism in the international markets, convinced that the hardest moments of the pandemic were behind us and that this would be the year of economic recovery, with a strong rebound in global GDP.

But the complexity of the international situation has increased in recent months. The pandemic, rising commodity, energy and food prices, inflation, and the war in Ukraine and its terrible consequences in human and economic terms, have worsened the global economic outlook.

The situation is well summed up by the same International Monetary Fund publication cited above, in this case for this spring, subtitled “War slows global recovery”, forecasting a slowdown in global growth from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023; 0.8 and 0.2 percentage points less in 2022 and 2023 than the estimates made by the same body in January 2022.

Moreover, the new confinements in China due to new Covid infections have, once again, generated imbalance in the logistics chain, unbalancing supply and demand and putting pressure on prices.

We are, therefore, in a scenario of high uncertainty, which has the effect of slowing down investment decisions.

The war in Ukraine, the first on European soil since the Balkan conflict, has aggravated and prolonged some of the aforementioned factors that had been slowing down the recovery for some months. Supply chain problems and volatile commodity and energy prices have pushed inflation to levels not seen for decades and further complicated an already uncertain environment. Moreover, inflation is expected to remain high for longer than previously



expected, at 5.7% in advanced economies; at 8.7% in emerging and developing markets; 1.8 and 2.8 percentage points above the January forecast in expectation of a gradual unwinding of supply-demand imbalances and thus of inflation.

Furthermore, the invasion of Ukraine has contributed to economic fragmentation as a significant number of countries sever trade ties with Russia, jeopardising the rules-based frameworks that have facilitated greater economic integration and helped lift millions out of poverty, and exacerbating the economic strains caused by the pandemic.

In Latin America, one of our strategic markets, a situation of uncertainty also prevails, although the war in Ukraine is obviously more distant and local economies are not being influenced with the same intensity.

Growth in Latin America has been higher than the world average, with a 6.3% increase in GDP for Latin America and the Caribbean in 2021 and an expected growth of 3% in 2022. Strong growth can be highlighted in Chile (11.2%), Colombia (10.6%) and Peru (13.3%).

The strength of some Latin American economies is an opportunity that we perceive with optimism because, undoubtedly, the reactivation of these markets so well known to Duro Felguera will be good for the company.

Our country, Spain, is no stranger to this dramatic situation, and is suffering the consequences in the form of increased energy costs, disruption of the supply chain and the high cost and increase in the price of raw materials. The war has also brought many investment projects to a sudden halt, and their implementation has been postponed until the international situation becomes more favourable.

In Spain, the CPI gives us no respite and closed May at 8.4%. In the United States, inflation reached 8.3%, while in the European Union the rise in prices reached 6%. No market has been spared from this situation.

Against this backdrop, central banks are already preparing interest rate hikes to contain the price rises that are damaging the purchasing power of households. The US Federal Reserve has started with a rate hike of 75 basis points, much higher than expected, and four more have been announced until 2023.

The European Central Bank has announced that in July it will end asset purchases and begin to raise interest rates with a 0.25 increase, which will drain liquidity from the system. Both movements will constrict liquidity and tighten financial conditions for families and companies.

At the same time, in recent months we have been immersed in a diplomatic conflict between Spain and Algeria, a relevant market for this company, a



situation which, although totally unrelated to Duro Felguera, may affect our present and future projects in the country. So far, our teams have been operating relatively normally, although we are suffering delays in payments and delays in progress, so it is to be feared that the difficulties will increase. Our hope is that relations between the two countries will return to normal.

In short, the convulsive international environment is conditioning the order intake process, despite which Duro Felguera still has a very clear road map, because on the other side of the problems described there are great opportunities.

The energy crisis in Europe has opened a window of opportunity for our company, whose DNA is to provide energy alternatives for market demands. Throughout its history, Duro Felguera has been at the forefront in providing engineering solutions for energy technologies and it will continue to do so, whether in the field of conventional energy, renewable energies or green hydrogen, where we are positioning ourselves as a key player in the sector and taking part in the development of new technologies.

However, as I said, at Duro Felguera we believe that the current situation also opens up new opportunities that our company can take advantage of if we prove capable of doing things right.

The rise in energy raw materials and the problems faced by Russian gas imports, which are causing so much suffering for companies and families, can be an advantage for Duro Felguera, a company with decades of solid experience in the construction and maintenance of liquefied natural gas plants.

We are also well positioned to be one of the leading companies in the energy transition. Spain is a leader in Europe in this field, as it boasts approximately one third of the storage capacity and one quarter of the total regasification capacity of liquefied natural gas on the continent.

Furthermore, at Duro Felguera we also want to play a leading role in the technological change required by the decarbonization process. DF has always been a driving force and an ally of the energy tradition in Asturias, and now we want to consolidate our commitment to the new energy vectors that will play a leading role in the ecological transition in the future.

Our green hydrogen projects have led the European Commission to select Duro Felguera to take part in the main hydrogen roundtables organized by the institution.

We believe in new energy technologies, which are producing and will produce a paradigm shift in the coming years, without abandoning those that have given us stability in the past. A balanced energy mix requires the participation



of all energies, current and new, and Duro Felguera has something to say in each and every one of them.

This company has contributed to innovation in energy technology over three centuries and is still committed to energy technology and innovation. We were leaders and we will continue to be so.

I should also refer to the search for an industrial partner. At the moment we have several very interesting alternatives for the company after a careful selection process.

The whole board is involved in the two priorities: Contracts and a new industrial investor. We expect significant progress before the end of the year.

Regarding corporate governance, in 2021 we had a change in the Board of Directors. Miguel Angel Santiago Mesa, who was an external board member, was replaced by María Jesús Álvarez, both changes proposed by the SEPI. I would like to take this opportunity to thank Miguel Angel for his efforts in such an important year for this company.

In addition, and in compliance with the company's bylaws, José Julián Massa Gutiérrez, who was already an independent board member of the company, has been appointed Vice-Chairman.

We have strengthened the internal audit and compliance function with the incorporation of a new director in the department, and a new risk manager will join us in a few days.

The internal audit and compliance department, which reports directly to the board, carries out its work with the firm intention of consolidating a culture based on ethics and commitment to sustainable development.

As proof of this firm commitment, the Board has set up a Sustainability Committee and has authorized work to obtain UNE 19601 certification for the criminal compliance management system and ISO 37001 certification for the anti-bribery management system.

Have no doubt that we will continue our efforts to ensure that Duro Felguera once again becomes a model company in terms of its ethical standards, its commitment to the culture of hard work and the exemplary behaviour of both individuals and groups.

At the beginning of the year, our CEO, Jaime Argüelles, announced a complete change in the organization of the company's management committee. I would like to congratulate them for their dedication and professionalism.

We are making a great effort in terms of governance, with the setting up of the Sustainability Committee, chaired by Jordi Sevilla, the reinforcement of the Internal Audit area and the position of Risk Management.



Finally, I would like to thank the shareholders of Duro Felguera for their support throughout this time, and for their interest in a company that has gone through difficult times in recent years.

You are the real driving force of Duro Felguera, and one of our main challenges is to meet your demands better and better. We are working very hard on this. We want to be closer to you, for which we are preparing an open communication channel, which was presented in the video shown at the beginning of this Meeting. We have also filled the position of Head of Investor Relations. We hope that in 2022 we will be able to meet your expectations.

As I said before, if the shareholders are the driving force of the company, its employees are the soul. Without them we would not have reached this point. Therefore, once again, I would like to reiterate my gratitude and that of the entire board to all of them, for their professionalism and dedication in difficult times.

I will never tire of repeating wherever I go that we have highly qualified employees, with whom the company hopes to once again reach the highest levels of excellence and innovation, as has happened on so many occasions in the history of Duro Felguera.

We are aware of the difficulty of the road that lies ahead, but we have a clear goal – the creation of value, and even if the tide forces us to sail more slowly, even if we need more time to reach our destination, once we have set our course, we will continue with a firm hand on the helm until we reach our goal.

Thank you very much.



Mr. Jaime Argüelles Álvarez, Chief Executive Officer

Good morning, ladies and gentlemen, shareholders.

Good morning, officers, board members, representatives of related companies, guests, media and collaborators,

Good morning to all of you.

Good morning, shareholders.

Ladies and gentlemen, shareholders of the company, board members, officers, guests, media, thank you very much for joining us at this Annual General Meeting in which we are submitting for approval the annual accounts and the management of the Board of Directors and the financial information statement for 2021, a year which, as our Chairwoman has already pointed out, was fundamental for the future of our company.

After just over a year at the helm of this historic and strategic company, not only for the industrial sector in Asturias and Spain but also at an international level, we have arrived here with the first – and most important – part of the road successfully travelled, but with major challenges still to be resolved.

As I told you last year, when I joined the company I knew that I was embarking on a great professional challenge, a project with which I could personally contribute to leading the solution to relaunch Duro Felguera. **This solution involves looking optimistically at the present with the same strengths as always, and promoting new opportunities for the future.**

Today I can confirm that we have progressed “quite well”, with good progress despite the global situation and the existing challenge.

Transformation Process

We have solutions, a bright future that we are taking on, overcoming a difficult situation. We are on the right track. We have reorganized the company and its management committee, and now the company is moving steadily towards regaining the trust of our customers, suppliers, banks and financial institutions and investors.

Regaining trust is not an option, but an obligation, in order to win new contracts, partnerships, financial support for projects and talent retention.

2021 was an intense time, in which, together with my team, I have focused on establishing the foundations and carrying out the actions so that Duro Felguera can once again be the leading company in its sectors and the profitable and benchmark company that it always has been.



Our focus is still on order intake and internal transformation to focus working methods and collective dynamics towards greater efficiency in the ongoing search for excellence through the ongoing improvement of all processes and activities.

Solvency Support Fund for Strategic Companies

2021 was a decisive year, in which the company attained a stronger financial position after obtaining public aid from the Solvency Support Fund for Strategic Companies and the Principality of Asturias, and reaching the refinancing agreement with the banking syndicate.

This support from FASEE amounts to 120 million Euros. It was carried out in two different phases. The first was the disbursement of a participation loan for 20 million Euros and an ordinary loan of 20 million Euros, both received in May 2021, while the second phase, completed on 29 November 2021, involved the disbursement of an additional 80 million Euros through a participation loan.

It was approved by the Solvency Support Fund for Strategic Companies (FASEE) within the framework of European aid after meeting the eligibility requirements in force to provide temporary public aid in order to strengthen the solvency of non-financial companies affected by the COVID-19 pandemic and considered to be strategic for the national or regional productive fabric.

One year after the FASEE aid was granted, we can report on how these funds are being used, with a public notification as established in the regulations. The funds are being used to prioritize the continuity of the company's activity by boosting the growth plan in terms of contracting and project delivery, aligning it with the energy transition and digital transformation.

In addition, we have enjoyed support from the Principality of Asturias, through a participation loan from the Regional Promotion Company (SRP in Spanish) for 6 million Euros.

Refinancing agreement

On 29 November the company closed the refinancing agreement with the banking syndicate, which was essential for the FASEE support to become effective. This agreement regulates the main terms and conditions for the restructuring of its financial indebtedness, as well as the granting of a new line of bonds, under the following terms:

- Restructuring of the liabilities affected (85 million Euros), as follows:
 - o Amortization of 7.5 million Euros to the agreement (15 million Euros already repaid under the refinancing agreement).
 - o Conversion of 25.5 million Euros into a participation loan.



o Conversion of 52 million Euros in convertible bonds into newly created ordinary shares of DF S.A., which will entitle holders to obtain a number of shares accounting for 13% of the existing share capital of the Company after the conversion for a total cumulative conversion of 19%.

- Granting of new financing through the establishment of a line of revolving bonds and counter-guarantees for a total amount of 80 million Euros with 70% coverage by CESCE.

Gratitude

This process of obtaining aid and financial restructuring has enabled the company to strengthen its position and return to the markets.

With this strengthened position, we will move forward decisively to increase order intake and internal transformation, based on the most important thing the company has, which is its team of people.

I am personally grateful for the support that this opportunity allows us and that we have received and continue to receive from our shareholders, the Spanish State, the Government of Asturias, the City Councils of Gijón, Oviedo and La Felguera, the social partners, financial institutions and our suppliers.

Thank you all very much for allowing Duro Felguera to have a future. This support largely returns to our company, returns the contribution it has made to society in the form of social and economic development for so many years.

Duro Felguera now has a future to continue creating employment and wealth; to promote innovation; to incorporate and retain our young talent. In short, to continue to be an industrial, economic and social driving force for Asturias and Spain.

Results 2021

The effects of Covid-19, the rise in raw material prices and inflation have already had a significant impact in 2021, with a slowdown in investment decisions by potential customers and delays in projects due to the pandemic. Added to this is the absence of bond availability until December 2021.

In 2021, Duro Felguera obtained an extraordinary net profit of 37 million Euros, which meant a Profit after Tax figure of 22.6 million Euros.

The Group's activity in 2021 was affected by the delay in the closing and signing of the restructuring operation with FASEE and financial institutions, which impeded the availability of all the funds and the bonds until practically the end of the year. As a result, sales for the year amounted to 84.5 million Euros, a fall of 37% compared to 2020.



On the other hand, the EBITDA amounted to -9.1 million Euros, compared to -138.9 million in 2020, a significant change.

Of particular relevance is that we met our order intake forecasts, winning several contracts, including a major decarbonization project in the Netherlands for 100 million Euros. The total order intake was 175.1 million, 123% higher than in 2020.

The backlog at the end of the period amounted to 335.6 million Euros, 92% of which was in international projects.

I would like to make special mention, within the 2021 results, of the favourable opinion of the external auditors (Deloitte), who issued a report in which they deleted the paragraph referring to a possible material uncertainty about continuity in operations.

It should also be noted that we implemented a demanding cost and overhead reduction plan that is still in force.

Current situation

We are currently working on three management pillars, as I pointed out last year:

- o Managing the agreement with the FASEE and the financial institutions together with the search for a private investor.
- o Monitoring the present with the complex effects of the past in terms of legacy and litigation.
- o Defining and mobilizing the future in our strategic plan, with the clear short-term mission of contracting, contracting and contracting.

Legacy projects

Over the last year, we have unblocked the Djelfa project in Algeria, negotiating solutions with the client Sonelgaz, which allowed us to restart work and establish a negotiating table to resolve disagreements amicably and avoid the calling on bonds.

The aim of all this was to conclude the project satisfactorily for both parties. It was a huge change and great progress in 2021.

Despite the difficulties from the pandemic that continued in 2021 with major restrictions in Algeria and the cost overruns that Duro Felguera has had to bear due to several years of delay that the project has suffered for reasons beyond our control, the project was revitalized with 500 people on site at the end of 2021.



At present, and following the diplomatic conflict between Spain and Algeria, although the client has not notified us of any substantial alterations, there is a slowdown in payments and in the progress of the global negotiation, which has led to delays in the work, aggravated by the blocking of the accounts. We hope that this situation will be resolved as soon as possible, for which we are in constant contact with the client, and that we can move forward smoothly with the Djelfa project. It is extremely important for Duro Felguera, and accounts for a significant part of our expected turnover in 2022.

At Iernut, in Romania, following the early termination of the contract in 2021 which I mentioned at the AGM in 2021, we have been working all year to find a favourable solution for this project and restart work within a new contractual framework for its completion.

The difficulties are now being overcome and if all continues as expected, we are on the verge of resuming the project and moving forward with the work to successfully complete it.

The company is actively working on confirming an agreement as soon as possible. We have made steady progress since the approval of an Ordinance (ad hoc Law) from the Romanian Government enabling the agreement to resume this contract. Our goal is to try and crystallize this in the coming weeks, which we will duly communicate to the market.

This will undoubtedly have very favourable effects. First of all, by resuming the project, which is very important for Romania, especially in the current context of the energy crisis resulting from the conflict in Ukraine. Our capabilities will allow us to complete the outstanding works in the shortest possible time and then commissioning, enabling the generation of energy with the highest standard of market efficiency and environmental respect. This will all mean a major boost in order intake, sales and results for Duro Felguera in 2022 and 2023.

With regard to the Jebel Ali project, progress is limited, although DF's commitment is and remains firm to reach an agreement as soon as possible to complete the project, which has been idle for two years now. DF has made a new proposal to the client, which we are negotiating, and at the same time the litigation claims in Dubai and Spain are ongoing.

Our efforts are always aimed at avoiding conflicts and seeking agreements whenever possible. We are working along these lines and hope that this can be concluded satisfactorily.

Litigation

In 2021, positive settlements were reached for the Group's interests in certain projects, successfully ending lengthy and costly arbitration processes. In particular, the Group reached an agreement with General Electric to close the



arbitration in relation to the CVO project with no impact on results. Similarly, an agreement was reached with Stoneway Capital Corporation and Araucaria Energy S.A. in relation to the Luján and Matheu projects in Argentina, which resulted in the collection of 10 million dollars in 2021 and 6 million in Panama in 2021.

In addition, negotiations are currently continuing in several active litigation cases that are expected to be successfully concluded, such as Empalme in Mexico, Aconcagua in Chile, Recope in Costa Rica and Tuticorin in India.

The search for an investor

I should also point out that the process of bringing in a private industrial investor or investors, which was powerfully promoted in 2021, is still progressing satisfactorily.

Plan for the Future

To define and mobilize the future we are implementing and complementing the company's viability plan, which will become our Strategic Plan, specifying in detail the necessary actions with the participation of a large team of people, in the What? section or BUSINESS STRATEGY, to also go deeper into How? or MANAGEMENT STRATEGY.

The Business Strategy defines which products, markets and clients we are going to attack, together with the management strategy that defines the working method and the team of people in the combination of talent and attitude that are key to success.

In the Management Strategy we have to implement a standardized method of advanced and systematic work for our processes and activities, taking advantage of the strengths of our way of doing things and which are embedded in our DNA; and in the most fundamental aspect, which is the development of the talent of our team of people.

The guidelines of the 2022 management plan are:

- o Significantly increase order intake and sales in all lines of business.
- o Improve profitability and focus on cash generation.
- o Business diversification towards Renewables, Hydrogen, Energy Storage and Smart Systems.
- o Boost traditional businesses by leveraging our strengths.
- o Optimize the management, solution and results of legacy projects.
- o Reduce and improve the management of risks and opportunities.



- o Revitalize the Company by means of new ways of working through teamwork, participation in optimized processes in ongoing improvement.
- o Focus on projects with transversal support in key processes (project management, cost control, contract management): Project Manager leader.
- o Promote the talent, leadership and development of people.
- o Integrate sustainability in DF management.

The macroeconomic situation we are now facing is forcing governments, companies and stakeholders in general to introduce a new dimension into their energy and industrial approaches. The need to ensure the profitability and sustainability of our economic model is now joined by the availability of the energy and minerals that underpin it. The current geopolitical situation implies significant growth opportunities for Duro Felguera.

The necessary investments in gasification, storage, mining, efficiency, renewable generation and hydrogen will require companies such as Duro Felguera to be able to design and undertake the technological solutions that maximize the results of the investment.

The Duro Felguera Group has deep-rooted skills in Assembly and Maintenance, Mining & Handling, Pressure Vessels and Tanks and Spheres, as well as relevant references in Energy and Industrial Processes, which fit in with what will be required by the market in the short and medium term.

All these market segments are attractive, as they tend to grow and are profitable, so our approach is to seek our competitive advantage in those opportunities for which our fit is clearer.

Business divisions

In January we restructured the company and its management committee into 5 business divisions with the aim of increasing customer focus and results. They are as follows:

Conventional energy

26 GW in thermal plants installed around the world – with a strong focus on Iberia, Europe and Latin America, but really all over the world. We have ample experience in thermal power plants of different characteristics, especially in combined cycle plants.

We also deliver turnkey projects for energy generation with biomass, cogeneration and energy recovery plants (waste to energy), as well as promoting environmental improvement projects based on current trends such as decarbonization and current plant improvements, denitrification projects, emission reduction and CO₂ capture, desulphurization, etc.



Another of our business divisions is **Industrial Plants**, where we have concentrated a large part of the company's know-how regarding the different orientations that Duro Felguera has had over the years. This includes the Mining & Handling area, the Oil & Gas area and the Pressure Vessel plant. In addition, this section also includes our activity as an integrator, or EPC operator, for complex industrial plants: iron and steel, cellulose, etc.

Furthermore, as you may know, Duro Felguera has its own pressure vessel manufacturing workshop (spheres and tanks), one of the best in the world in terms of technical capacity and product profile.

This plant possesses a great symbiosis, obviously, with Oil and Gas and now we also offer that synergy for the hydrogen world. Hydrogen and methanol need this type of storage and Duro Felguera can contribute a great deal and has a great opportunity there.

I would like to take this opportunity to point out that we have designed a **COMPETITIVENESS IMPROVEMENT PLAN for the Felguera Pressure Vessel plant**: an investment plan, modernization, generational transition, training, etc. With this, and together with wage moderation, we are going to achieve greater productivity at Duro Felguera Calderería Pesada, based on efficiency. Improving productivity is an essential aspect for the future of the workshop.

At Duro Felguera we are emerging from a tunnel of difficulties and uncertainty and we need to consolidate a solution that does not involve increasing costs but rather improving competitiveness and productivity. Only in this way will we be able to guarantee a future, and with it, wage improvements.

Continuing with the detail of our new organization in business divisions, the third one is **Services**.

We have always been a company characterized by great professionals in assembly, through Mompresa, and in operation and maintenance, with DFOM. Wherever a customer had a problem, and a difficult one at that, they called Duro Felguera.

Because our main characteristic in this field is to have people with great experience in areas where not everyone can reach. This is what gives the edge.

Duro Felguera is not a company that started from engineering and ended up doing EPC projects. It is a company that started from a knowledge of the field, of how things work in the industrial world.

In fourth place is **DF Green Tech**, the most innovative business unit in Duro Felguera. It includes the development of renewables, hydrogen, ammonia and other kinds of energy storage; we are also studying the manufacture of



wind structures. With this division we have fully entered into alternative energy solutions rather than conventional ones, which is what the market is now demanding.

This means structuring a suitable system that combines traditional energies – which will have to continue to form part of the mix for some time to come – with new renewable forms of energy generation, where mature technologies such as photovoltaic and wind power, and other new ones such as green hydrogen, stand out.

In order to respond to this urgency, DF Green Tech brings together high capacities for the engineering, construction, assembly, operation and maintenance of photovoltaic plants, solar thermal plants, wind farms, and among other renewable sectors of interest, green hydrogen.

Our extensive experience enables us to propose high added value solutions in the field of environmentally friendly energies, which includes this commitment to **green hydrogen**, one of the strategic growth vectors.

In this field, Duro Felguera provides engineering and construction solutions for production and storage facilities. We also meet the requirements derived from renewable hydrogen applications in industry, including the decarbonization process, involving the replacement of grey hydrogen with green hydrogen and CO2 capture.

Finally, another new line is **Smart Systems**, with digital security and logistics systems.

In digital security, Epicom, a company with great potential, stands out. It is developing communications encryption for the Spanish army and other public entities. We are now extending this activity into the civilian sphere.

In terms of logistics systems, we provide global vertical storage solutions.

These are different lines of business, but all with great opportunities.

With the implementation of this strategic plan, we are going to transform this company back to what it was, a benchmark in Asturias and in Spain. We will then increase our revenue from 84.5 million Euros in 2021 to around 500 million in 3 years and up to 700 million in 2025.

To do so, we will boost order intake from 175 million Euros in 2021 to around 400 million Euros in three years and 600 million Euros in 2025.

With this strategic plan we will reach an EBITDA of 48 million Euros in 2025 with a margin of close to 8%.



The Team

All the business divisions have one thing in common: the knowledge of Duro Felguera and the **great talent of the company**. We are a company of people; people are our asset.

The real capital of this company is its team of people, its great professional and human potential. Our greatest value is the talent and attitude of our people, as a competitive advantage.

Our team of people is not only key, it is ESSENTIAL for our EVOLUTION, our ONGOING IMPROVEMENT, our search for EXCELLENCE, based on our strengths and on learning from the past to continuously improve and build a brilliant future, starting today by activating the present.

This knowledge and experience gives us the edge, allowing us to generate a high level of competitiveness. This competitiveness also requires matching the company's volume to the size of its projects.

A company prepared to develop its full potential, the key to success

In short, **the company is ready** to take on its full potential, to invest in innovation and young talent, and to take advantage of the benefits offered by the energy transition and digital transformation.

We are once again becoming a key player and agent in all our sectors of activity, although it is true that the initial good prospects for the post-Covid economy have been reduced due to the prolongation of the Covid effects in recent months and the outbreak of the war in Ukraine.

The uncertainty caused by the pandemic, the energy crisis, inflation, tensions in the supply chain, the rise in raw material prices and geopolitical tensions are affecting the markets, slowing down decision-making on projects.

In a few months we expect to close order agreements in excess of 200 million Euros, with various projects in several countries, many of them related to the circular economy. We still believe we can overcome the 300 million Euro order intake target set for 2022. We are even aiming for 500 million Euros, depending, of course, on the evolution of the market.

We will also continue to seek technological alliances on which to consolidate the plan we are building, including the incorporation of reference shareholders to strengthen our growth levers.

And we are convinced that this crisis also holds good opportunities, so we will seize them through teamwork, effort, talent, dedication, innovation and a cultural transformation on the road to business excellence.



In a nutshell,

FOCUS ON ORDER INTAKE, INTERNAL TRANSFORMATION AND INVESTORS

Quite good: Good progress despite the external situation due to the geopolitical uncertainty caused by the war in Ukraine, rising commodity prices, inflation and the diplomatic conflict between Spain and Algeria.

Consequence: We are doing well but we are slowing down, with an impact mainly on sales and order intake, although we expect this to recover in the second half of the year. We need more time to return to our new normal.

Making progress in internal transformation: new business orientation and new businesses, new CD, new reorganization for a greater focus on customers and results. Cultural transformation in the way we work in terms of greater focus on method and in terms of empowering the talent that is our greatest asset. Modernization of the Company in general. We are also planning an operational restructuring.

Investor: Progressing favourably/well. A thorough process has been carried out and results are expected to be good.

Many thanks to everyone: to the employees of the company, to the management team, to the members of the Board of Directors, for their professionalism, ability and resilience.

Many special thanks also to our shareholders for their support and trust; we will not disappoint them with the results of our work.

Duro Felguera is a company undergoing transformation, but it is already in a position to compete successfully in the markets, in a position to be profitable, in a position to succeed.

And no doubt, with everyone's support, we are going to achieve this together.

Thank you very much.