



Duro Felguera, S.A. ("**Duro Felguera**" or the "**Company**"), in compliance with what is set forth in clause 226 of the Amended Text of the Securities Market Law, hereby publishes the following

## **INSIDE INFORMATION**

The Cabinet Meeting held on 9 March 2021 agreed to authorize the temporary public financial aid operation requested by Duro Felguera, S.A. under the Solvency Support Fund for Strategic Companies (hereinafter the "Fund"), the application for which was favourably resolved by the Management Board on 3 March 2021.

The purpose of the Fund is to provide temporary public financial aid to strengthen the solvency of non-financial companies, considered strategic for the national or regional productive fabric, and which are experiencing difficulties as a result of Covid-19.

On 28 August 2020, Duro Felguera, S.A. submitted its application, including the corresponding Feasibility Plan and financial information, as well as the responsible statements and certificates to justify compliance with the eligibility requirements to access the Fund. The aforementioned Plan shows the company's medium and long-term viability, detailing the projected application of the public aid requested under the Fund. Following various contributions of additional information to the application, among others to update the financial assumptions, the Feasibility Plan was updated on 18 February 2021.

After analysing all the documentation submitted, the State Industrial Ownership Corporation (hereinafter "SEPI") concluded that all the eligibility requirements had been met, and that the Feasibility Plan was valid in its lines of action, projections and financing, verifying that the Fund's support is essential for maintaining the company's operations until the recovery of its activity. Likewise, the SEPI made use of external financial and legal advice, which issued favourable reports, ratifying the Feasibility Plan submitted and how it fits in the legal framework of the agreements to be subscribed with Duro Felguera.

The amount of temporary public financial aid approved under the Solvency Support Fund for Strategic Companies is one hundred and twenty million Euros (€120,000,000), which will be materialized by means of the following instruments, all of which are provided for in Ministerial Order PCM/679/2020 dated 23 July, which sets forth the functioning of the Fund:

- a) a participative loan for seventy million Euros (€70,000,000).
- b) an ordinary subsidized loan for twenty million Euros (€20,000,000).
- c) capital contribution and/or a new participative loan for thirty million Euros (€30,000,000).

The financial aid is divided into two phases:

First phase: Disbursement of forty million Euros (€40,000,000), through a participative loan of twenty million Euros (€20,000,000) and an ordinary loan of twenty million Euros (€20,000,000), initially before 31 March 2021.



Second phase: Disbursement of a participative loan of fifty million Euros (€50,000,000) and the disbursement of thirty million Euros (€30,000,000) through a capital contribution and/or a participative loan, initially before 30 June 2021.

In this regard, the Fund will make a contribution to the capital for an amount lower than that made by the private industrial partner that might accompany the Fund in the capital increase. The remainder of the disbursement, up to a total of €30 million, will be made by means of a participative loan. If a private industrial partner has not joined the capital before 30 June 2021, the contribution of 30 million Euros will be made entirely by means of a participative loan.

The Duro Felguera Group companies benefiting from this aid are Duro Felguera, S.A., DF Mompresa, S.A. Unipersonal, DF Operaciones y Montajes, S.A. Unipersonal, DFOM Biomasa Huelva, S.L. Unipersonal, Duro Felguera Calderería Pesada, S.A. Unipersonal and Felguera IHI, S.A. Unipersonal.

Gijón, 22 March 2021