



Duro Felguera, S.A. ("Duro Felguera"), in compliance with what is set forth in clause 227 of the Amended Securities Market Law, hereby publishes the following

FURTHER SIGNIFICANT INFORMATION

In relation to the project "Construction of a 430 MW combined cycle located in Iernut (Romania)", which Duro Felguera is carrying out in consortium with S.C. Romelectro S.A. (Duro Felguera 70% and Romelectro 30%, hereinafter the "Consortium"), the Company hereby reports that:

- On 2 April 2021, the client S.N.G.N. ROMGAZ S.A. sent a "notice of termination" of the project, as well as its intention to call on the bonds pending collection for the Consortium, deposited with the Romanian Treasury as a guarantee of faithful performance, for the amount of 24.8 million Euros, alleging, in its opinion, non-compliance with the contract delivery deadline.
- On 6 April, the Consortium filed a lawsuit against the termination of the contract, as well as injunctive relief against the calling on the bonds, at Civil Court of Sibiu in Romania, considering such measures to be unjustified.
- On 8 April, ROMGAZ and the Consortium formalized an agreement whereby the effects of the termination notified and the respective legal proceedings were suspended, with the purpose of reaching an amicable solution that would allow for the continuation of the project. This suspensive agreement was successively extended until 16 June, while negotiations between the parties were being carried out to this end.
- On 18 June, ROMGAZ S.A. terminated the agreement under which the effects of the notice of termination of the contract were suspended, and the termination of the contract received on 2 April became final.

In relation to this contract:

- The Consortium has reached to date a progress of 94%, and Duro Felguera 98%.
- The Consortium has requested the economic rebalancing of the contract and the extension of the contractual term due to the concurrence of unforeseeable causes not attributable to the contractor, among others, the consequences due to legislative changes occurring after the signing of the Contract, extensions of the contractual scope and instructions issued by the Client, and the effects of the Covid-19 pandemic, which caused a profound impact on the delivery of the contract.
- During the life of the contract, the Consortium obtained two extensions, the first until 26 May 2020, and a second until 26 December 2020. Subsequently, the Consortium requested a further extension of the deadline, motivated, to a greater extent, by force majeure due to the Covid-19 pandemic. The Chambers of Commerce of Mures and Vrancea (Romania), competent in this matter, certified an impact of 9 months on the delivery of the project for this cause. However, the client did not agree to the regularization of the project delivery deadline.

- The Consortium maintains its desire to complete the full delivery of the works given that the eventual early termination of the contract by the client is not in accordance with the contractual terms and conditions, reserving the legal actions it is entitled to take for the protection of its interests, including the reactivation of the precautionary measures for the protection of the interests of the Consortium.

The Consortium, in its firm desire to reach a satisfactory agreement for both parties, regrets that it has not been possible to materialize this agreement for the earliest possible completion of the work and commissioning of the facility. However, it reiterates its total willingness and flexibility to reach an agreement that will allow the work to be completed.

In this new scenario, based on the information available to date and the advanced stage of the project towards completion, the company does not expect, in principle, that the final outcome of this contingency will have any kind of material impact on its assets.

Gijón, 20 June 2021