



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

INSIDE INFORMATION

Now that the annual accounts for FY 2019 have been drawn up, the Group is reporting the main amendments made to the six-monthly financial report dated 29 February 2020:

1. Accounting adjustment with no impact on the cash flow, related to the value of the liabilities of DF Australia (DFA) in the consolidated accounts, which will be reverted as a positive result in the first quarter of 2020.

The Group has registered the financial liability for the face value of an unfavourable sentence received in the consolidated annual accounts as of 31 December 2019. Regarding the provisions, the estimates have been updated in accordance with external and internal legal opinions; this generated an additional negative effect of 12.8 million Euros in the consolidated results of what would have resulted if the liabilities of DFA had been booked retrospectively at their fair value, which was the criteria followed in the six-monthly financial report dated 29 February 2020.

This additional negative impact on the end-of-year accounts is merely temporary, because on 28 February 2020 a voluntary receiver was appointed and DFA left the control and perimeter of consolidation. From that date DFA's liabilities will be settled for the amount of the assets of the subsidiary (fair value) and then the Group will revert the above-mentioned sum of 12.8 million Euros in the results of the first quarter of 2020, generating an additional positive result in the consolidated accounts of the quarter.

This has no impact on the individual annual accounts for FY 2019.

2. Epicom is no longer an asset classified as held for sale, in accordance with the final decision reached by the company's Board of Directors. This is a reclassification of items on the balance sheet with no impact on the results.
3. Evaluation of Class B Bonds

The Company has reviewed the criteria and assumptions to estimate the volatility as used in the calculation of the value of Class B Bonds, and in accordance with the opinion issued by an independent expert the value of said bonds is 0 Euros (8 million Euros as of 31 December 2018), and so the Company has recorded a positive financial result of 8 million Euros. To reach this value a binomial tree was drawn up and the face value of the shares, the volatility of the spot price obtained from historical data and a risk-free interest rate curve based on the EONIA were all taken into account on the day of the evaluation.



The accounting effects deriving from the review of the assumptions considered led to a positive result of 3.5 million Euros in comparison to the result reported in the six-monthly financial report dated 29 February 2020.

4. The resolution of litigations for projects after the close of the year led to a negative result of 3 million Euros in comparison to the result reported in the six-monthly financial report dated 29 February 2020.