

EZENTiS

**PRESENTATION OF ANNUAL
RESULTS 2021**

March 2022



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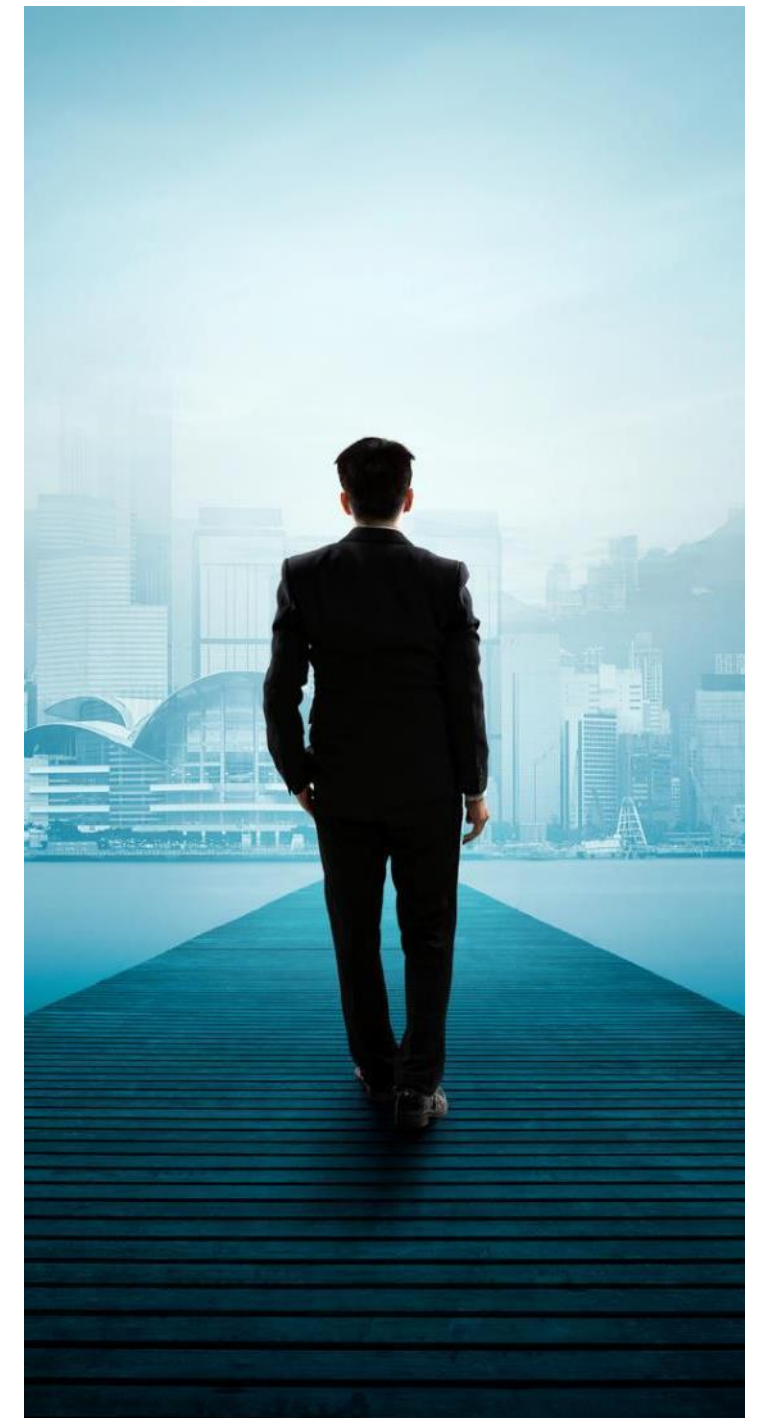




**KEYS TO THE
PERIOD**

HIGHLIGHTS OF THE PERIOD

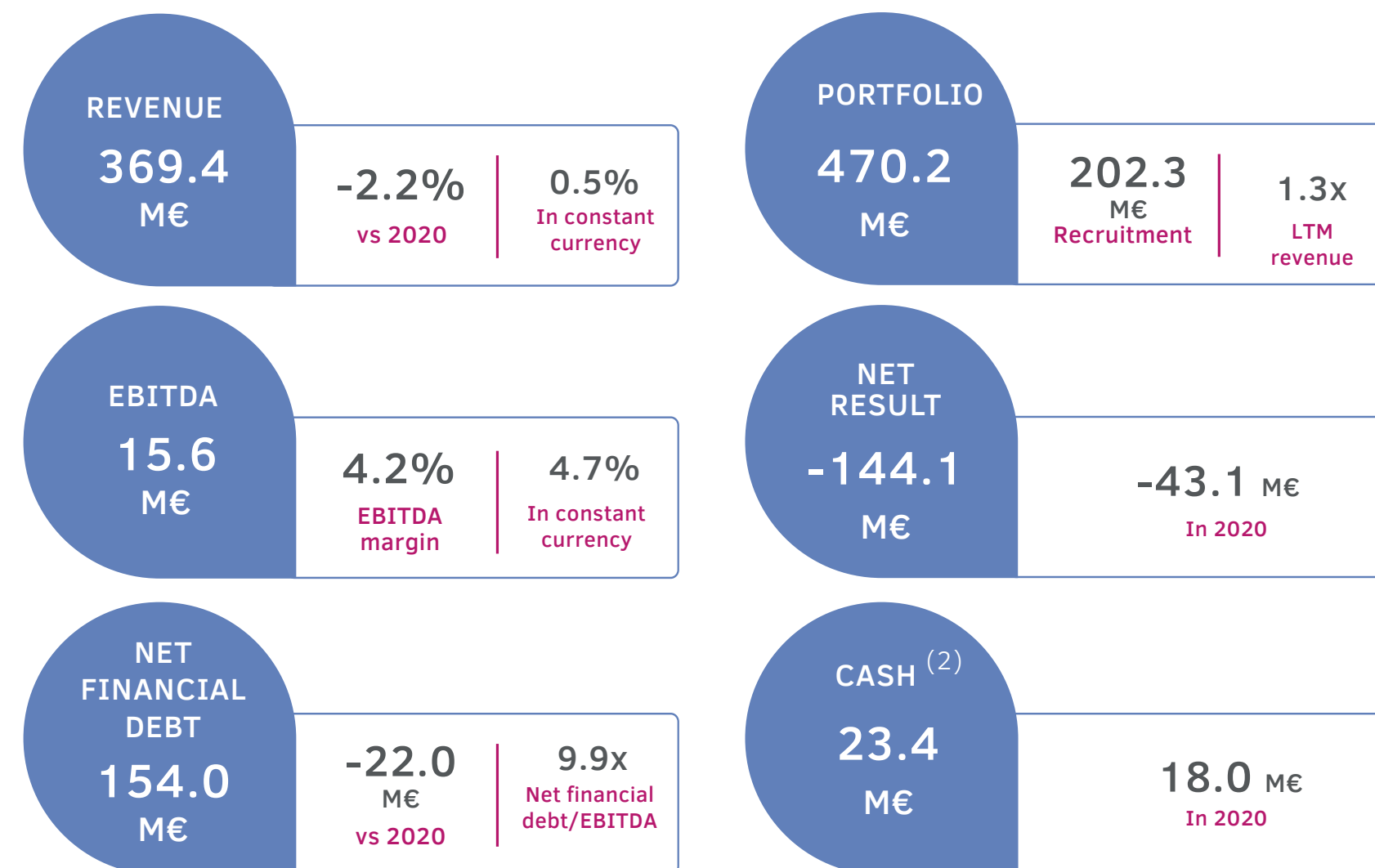
- **Main business activities:**
 - Strategy based on diversification and focus on the European and Brazilian markets.
 - Entry into the German market for the deployment of fibre optics.
 - Renewal and extension of contracts with major customers. Commitment to contracts for higher volume and density. Closure of projects without the desired profitability.
 - Restructuring of personnel costs to make the fixed cost structure more flexible.
- **Main corporate actions:**
 - Addition of a major industrial shareholder.
 - Announcement of divestment in the Pacific region (Chile, Peru, Colombia and Mexico). There have been no the circumstances for the implementation of its sale. Subsequently, it has been decided to cease the businesses in Chile, Peru and Mexico.
 - Announcement of the merger project aimed at growth, diversification and deleveraging.
The CNMV considers that the requirements for the possible concession, to Rocío's sole shareholder, of the waiver of the obligation to formulate a takeover bid would not be met. The Board of Directors agreed to withdraw and not to go ahead with the project.
- **Commitment to sustainability** through the development of the Master Plan.



MAIN FIGURES ⁽¹⁾

COMMENTS

- **Stable revenues** in constant currency with operations in eight countries.
- **Commercial portfolio** of 470.2 M€, 1.3x LTM revenues, with 202.3 M€ booked. Europe accounts for 46.5% of the portfolio.
- **EBITDA margin affected** by demobilisation of contracts, impact of unprofitable contracts, regularisations and currency effect. The year 2020 has been restated, following the comparability criterion of the Autonomous Regions.
- **Net result** of -144.1 M€ **affected** by provisions due to impairment of assets in LATAM countries (-60.4 M€), non-recurring results (-18.3 M€) and impairment of deferred tax assets. (-37.8 M€). The Group's net equity stood at -163.2 M€, and that of the Individual company at +95.8 M€.
- **Net financial debt:** debt reduction vs 2020, although the decrease in EBITDA means an increase in the debt/EBITDA ratio to 9.6x. Short-term debt classification.



(1) Amounts subject to IFRS16 (leases). Amounts for the year 2020 restated.

(2) Cash in accordance with contracts relating to structural financial debt.



MAIN FIGURES 2021 ⁽¹⁾

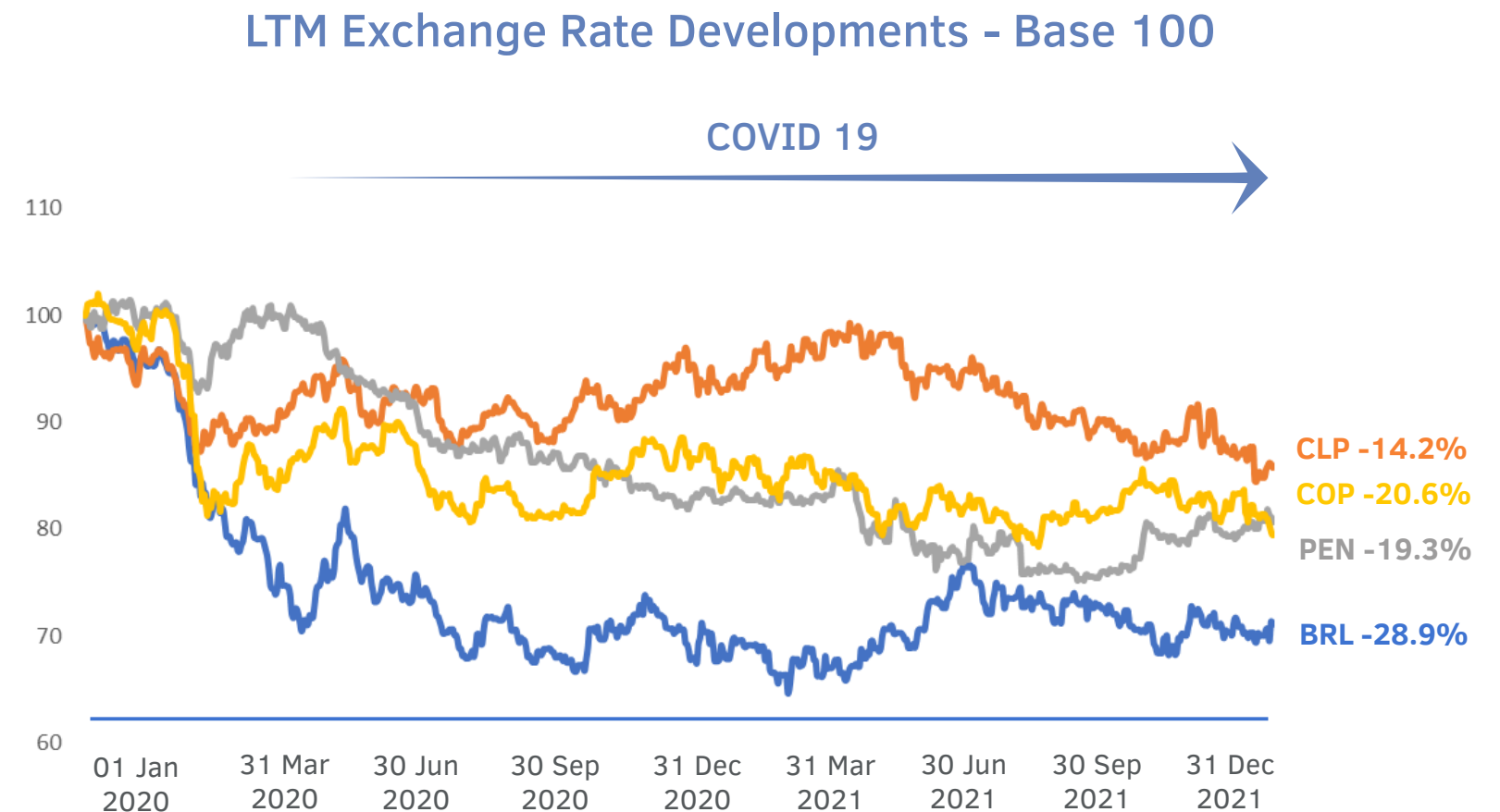
REVENUE	-2.2% vs 2020 <hr/> +0.5% In constant currency	PORTFOLIO	202.3 M€ Recruitment <hr/> 1.3x LTM revenue
369.4 M€		470.2 M€	
EBITDA	-60.3% vs 2020 <hr/> -54.9% In constant currency	NET FINANCIAL DEBT	9.9x DFN/EBITDA
15.6 M€		154.0 M€	
EBITDA MARGIN	4.7 % In constant currency	NET RESULT	-43.1 M€ In 2020
4.2 %		-144.1 M€	

(1) Amounts subject to IFRS16 (leases). Amounts for the year 2020 restated.

DIVISE EFFECT

DEPRECIATION OF LATIN AMERICAN CURRENCIES

- ✓ **Depreciation of Latin American currencies** against the euro during the period.
- ✓ **Impact on revenues** of -10 M€ in 2021 and -52 M€ in 2020, and **on EBITDA** of -2 M€ in 2021 and -11 M€ in 2020.
- ✓ Our management model:
 - **Natural hedging** of receipts and payments in local currencies.
 - Increased **revenue** generation **in euro** (Europe = 51%).
 - Upward trend in **inflation and interest rates** in Brazil and the Pacific.
 - Most **contracts** in LATAM are **indexed to inflation**.

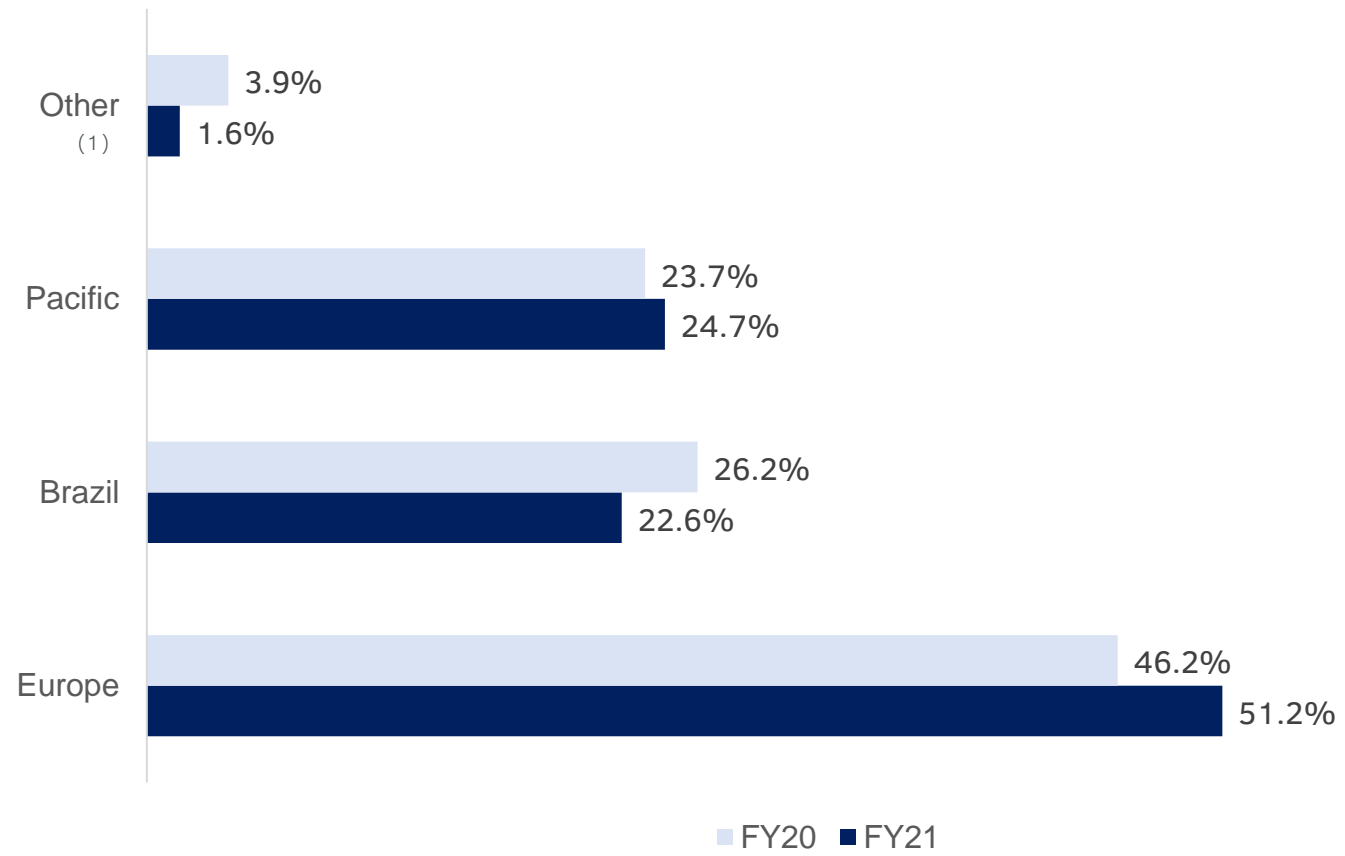


KEYS TO THE BUSINESS MODEL

REVENUE GENERATION BY GEOGRAPHY AND SECTOR

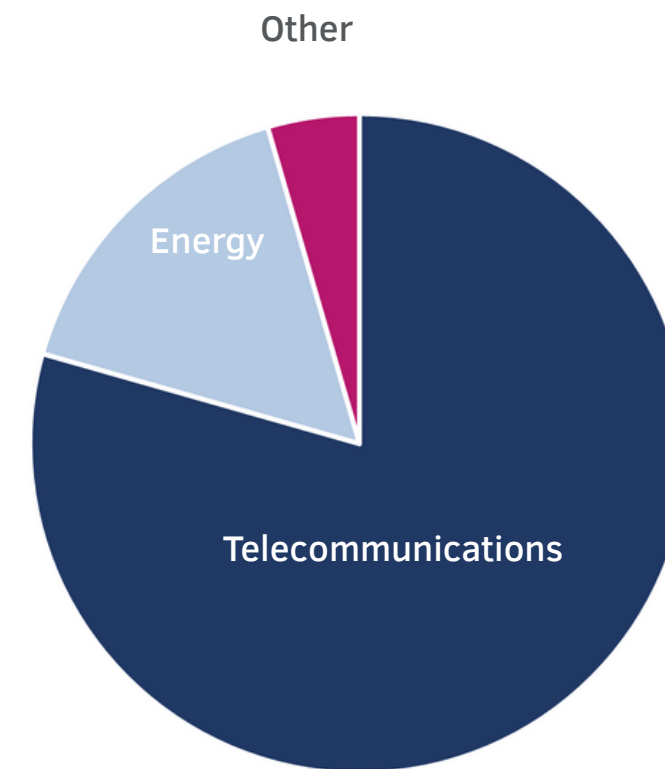


Increased presence in Europe



(1) Includes Argentina

Revenue Generation by Sector 2021



Working for the Future

TELCO AND ENERGY BUSINESS KPI'S

TELECOMMUNICATIONS AND ENERGY ACTIVITIES

Activity indicators 2021:

• Optical fibre deployment (km)	5,248	(+28% o/2020)
• Real estate units covered with fibre optic network	322,707	(-7% o/2020)
• Customer Facilities ⁽¹⁾	1,225,778	(+6% o/2020)
• Equivalent Lines Held	3,480,161	(-4% o/2020)
• Line maintenance actions	1,872,263	(-4% o/2020)
• Mobile sites maintained	67,580	(+4% o/2020)

(1) Includes alarm installations.

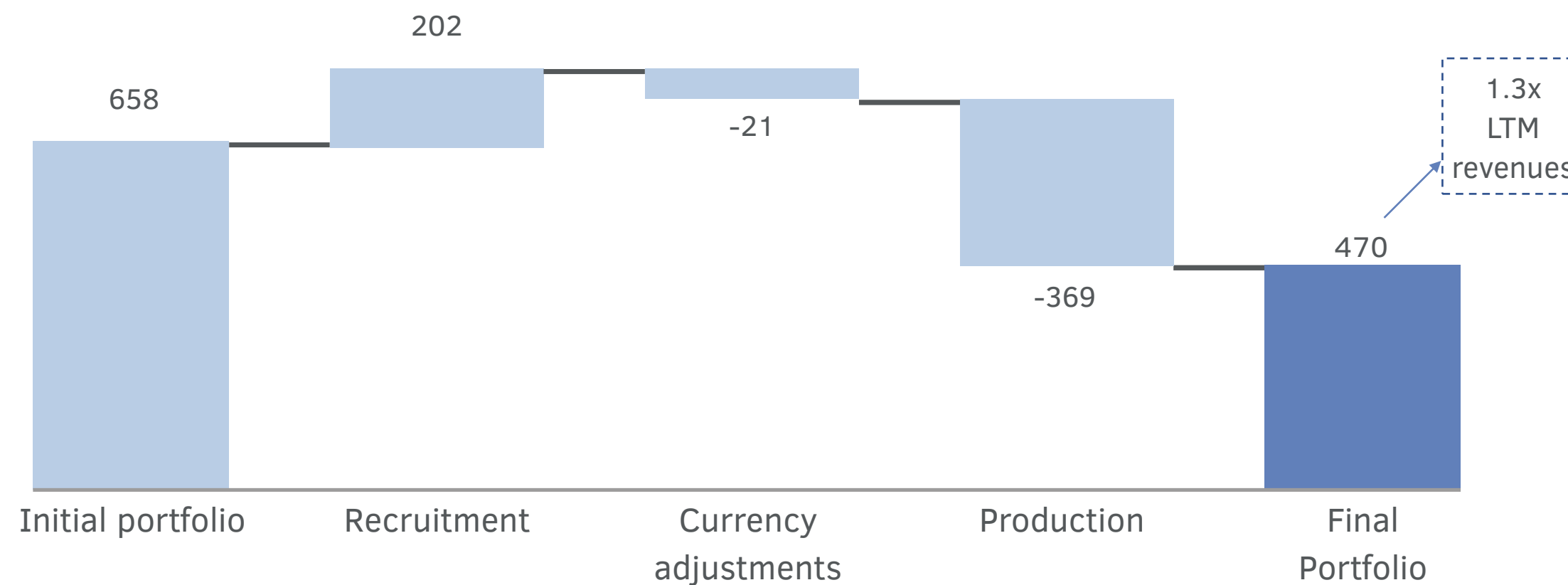




RESULTS

STRONG COMMERCIAL PORTFOLIO

PORTFOLIO JAN-DEC/21 (M€)

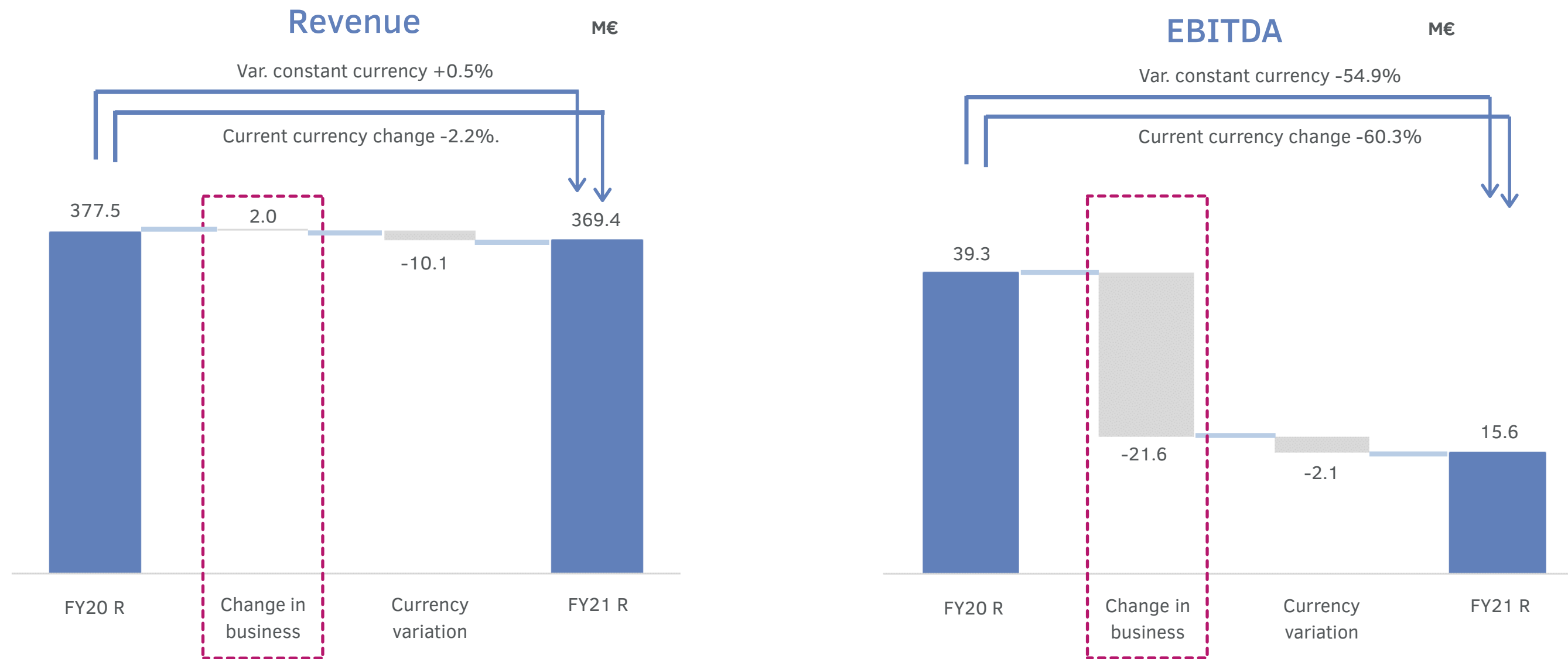


- The final portfolio does not include renewals of certain customer contracts amounting to € 78.6 million.

NOTE: The portfolio is based on the estimate of contracts in force up to the maturity date and does not include expected renewals, even if there is reasonable certainty that they will be renewed.



REVENUE AND EBITDA EVOLUTION⁽¹⁾



- ✓ The **increase in revenues** excluding currency effect was **0.5%**.
- ✓ The **EBITDA margin** on revenues excluding currency effect was **4.7%**.

(1) Amounts subject to IFRS16 (leases). Amounts for the year 2020 restated.

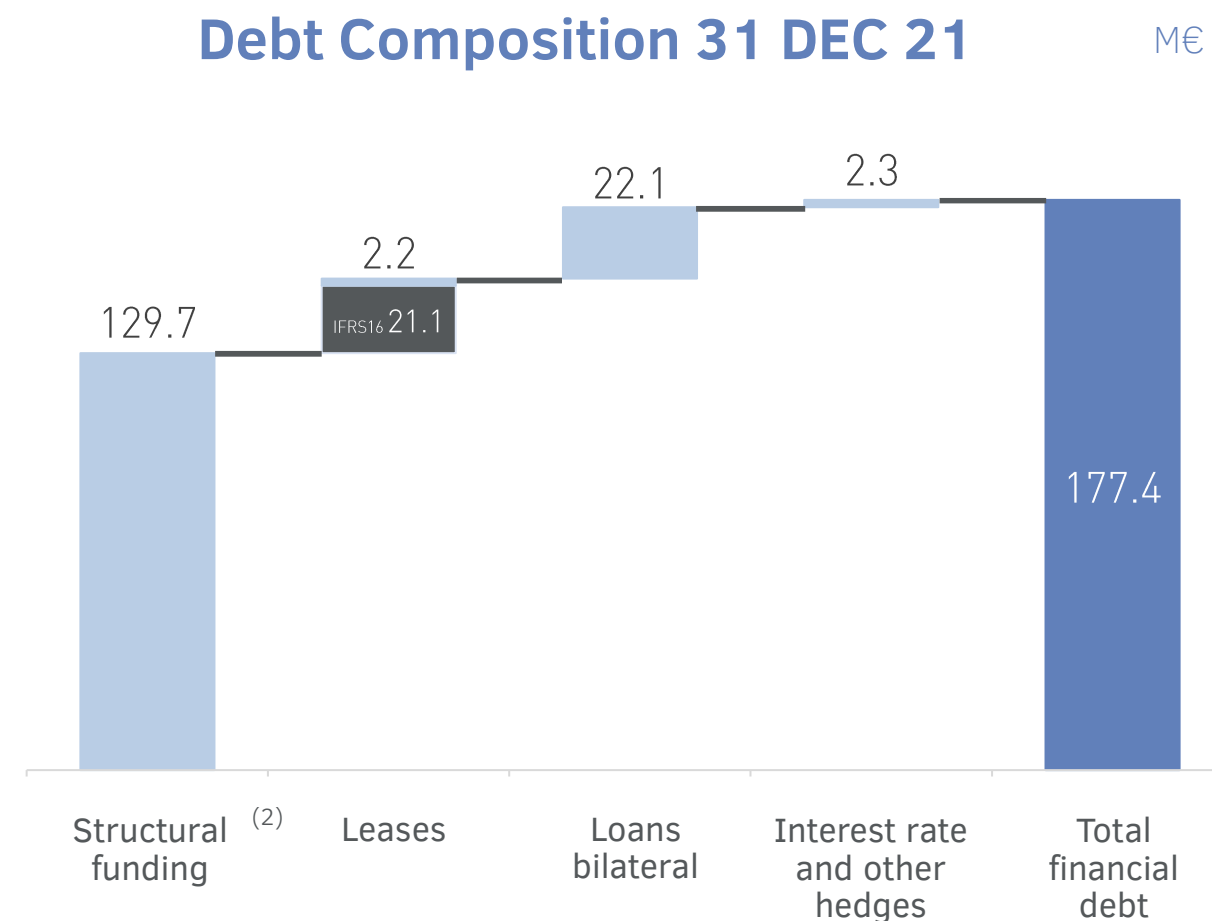
PROFIT AND LOSS ANALYSIS ⁽¹⁾

M€	<u>2021</u>	<u>2020</u>	<u>Variation</u>	<u>Comments</u>
REVENUE	369.4	377.5	(8.1)	- Lower EBITDA margin mainly due to losses generated by demobilised contracts, impact of unprofitable contracts and currency effect.
EBITDA	15.6	39.3	(23.7)	
EBITDA margin	4.2%	10.4%	(6.2 p.p.)	- Losses in 2021 due to impairment of assets associated with the businesses in Chile, Peru and Mexico following the decision to cease these businesses (-€60.4m). - In addition, effect of impairment of work in progress, inventories and other assets. Derecognition of the contract with Parera.
Amortisation and depreciation	(23.0)	(25.5)	2.5	
Losses, impairments and provisions	(60.4)	(25.0)	(35.4)	
EBIT	(67.8)	(11.3)	(56.5)	- Higher financial expenses, mainly due to increased factoring and tax deferrals.
Financial income / Expenses	(20.3)	(14.0)	(6.3)	
Non-recurring results	(18.3)	(25.6)	7.3	- Non-recurring results in 2021 due to settlements and labour contingencies (€8.6m), contract closure costs (€4.4m) and fines (€3.0m).
Taxes	(37.8)	7.8	(45.6)	
Net result	(144.1)	(43.1)	(101.0)	- Cancellation of deferred tax assets in 2021 due to decision to cease business in LATAM.

(1) Amounts subject to IFRS16 (leases). Amounts for the year 2020 restated.

FINANCIAL DEBT ⁽¹⁾

M€	2021	2020 reexp.
Net Financial Debt (NFD)	154.0	176.0
Financial Debt	156.3	166.2
Debt IFRS16	21.1	27.9
Cash and cash equivalents	(23.4)	(18.0)
IFRS16 EBITDA	15.6	39.3
DFN/EBITDA ratio	9.9x	4.5x



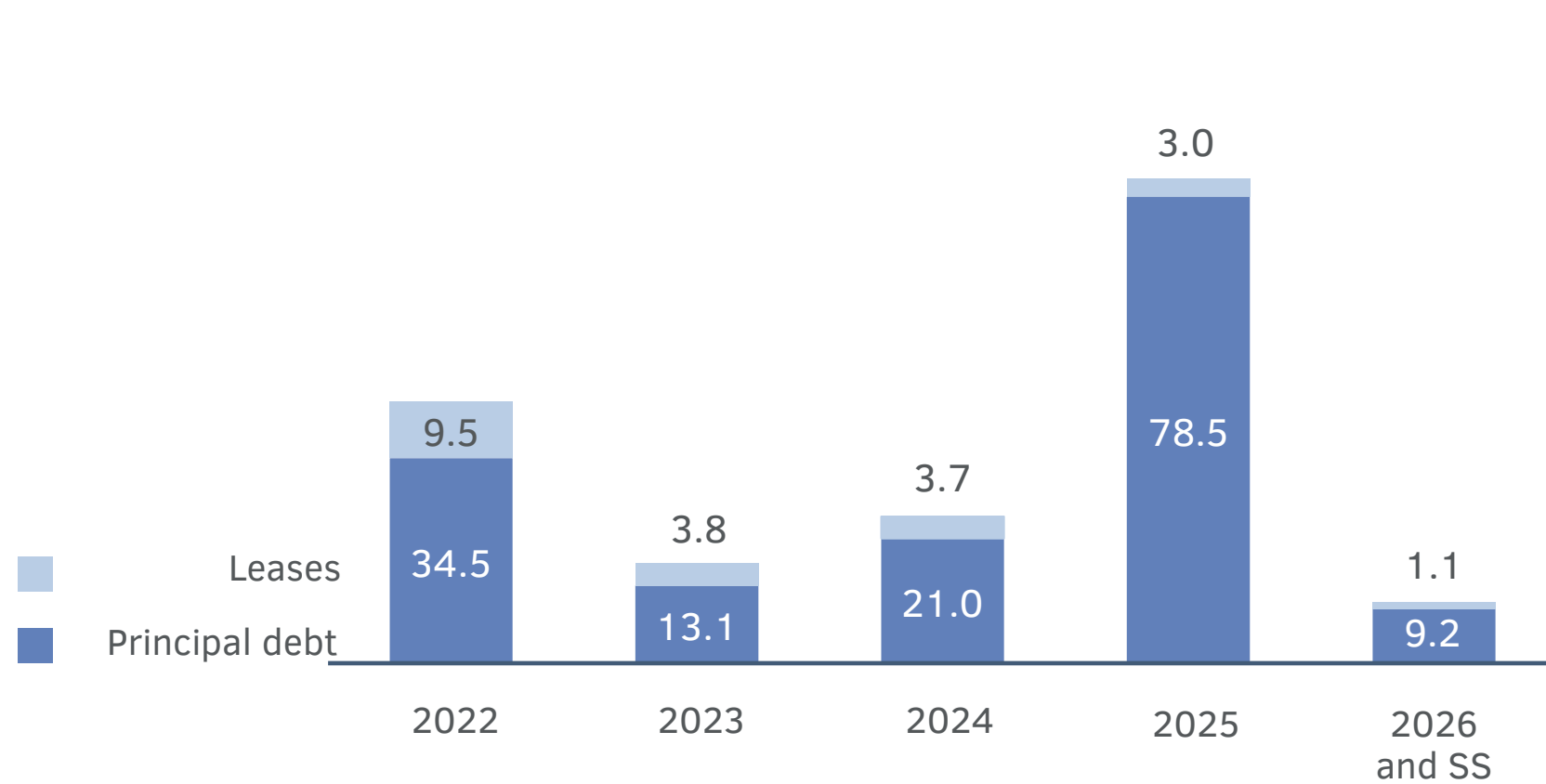
✓ **Reduction of net financial debt** compared to 2020 by €22.0m, although the decrease in EBITDA means an increase in the debt/EBITDA ratio to 9.9x.

(1) Amounts subject to IFRS16 (leases).

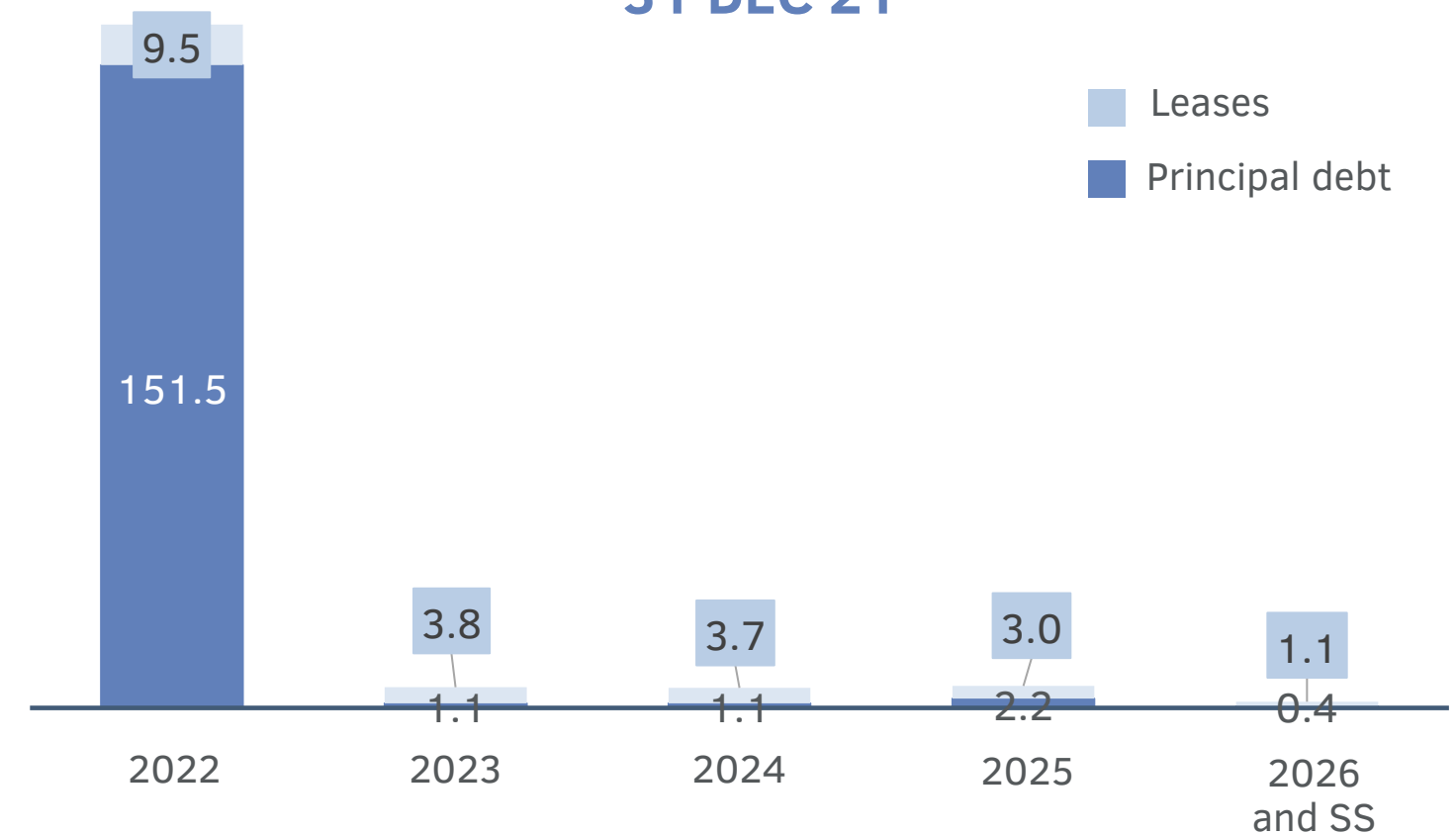
(2) Syndicated loan with Banco Santander, BBVA, Bankia, Banco Pichincha, EBN and the Muzinich and Arcano funds. Includes €18m of financing guaranteed by ICO lines.

FINANCIAL DEBT AND MATURITY SCHEDULE

Contractual calendar from 31 DEC 21 M€



Calendar of accounting maturities in ACs from 31 DEC 21 M€



The financial debt related to the **syndicated financing** and the **ICO-Covid loan**, whose **maturity** according to the financing contract is stipulated in the long term, has been classified under "current financial liabilities" in the consolidated balance sheet in accordance with IAS1 in the amount of € 117.0 million.

ANALYSIS OF CASH GENERATION

M€	2021
Initial box⁽¹⁾	18.0
EBITDA	15.6
+/- Change in working capital	(0.1)
Operating Cash Flow	15.5
Transformation Plan 2020-2021	(22.1)
Operating Cash Flow + Transformation Plan 2020-2021	(6.6)
Cash Flow Investment	9.6
Cash available debt service	3.0
Cash Flow Financing	(43.6)
Capital increase	39.7
Final Box without exchange rate effect	17.2
Exchange rate effect	6.2
Cash and cash equivalents⁽¹⁾	23.4

(1) In line with the contracts relating to structural financial debt.



**SUSTAINABILITY
AND TAXONOMY**

COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY MASTER PLAN 2020-2022



GOVERNANCE

COUNCIL

57% women in
Board and 57% independent

SUSTAINABILITY

Monthly monitoring
of the Appointments and Remuneration
Committee.

POLICIES

Sustainability
Climate Change
Human Rights
Responsible Purchasing



ENVIRONMENT

EMISSIONS

31,944 t CO₂ e
+3.3% o/2020
-7.3% o/2019

ELECTRICITY

-9% electricity consumption
-40% emissions Scope 2

PDC

Rating upgrade in 2021 (C)



SOCIAL

ABSENTISM

-33.6% hours
of absenteeism

HEALTH AND SAFETY

-7.9%
net frequency
-47.8%
accident severity

SUPPLY CHAIN

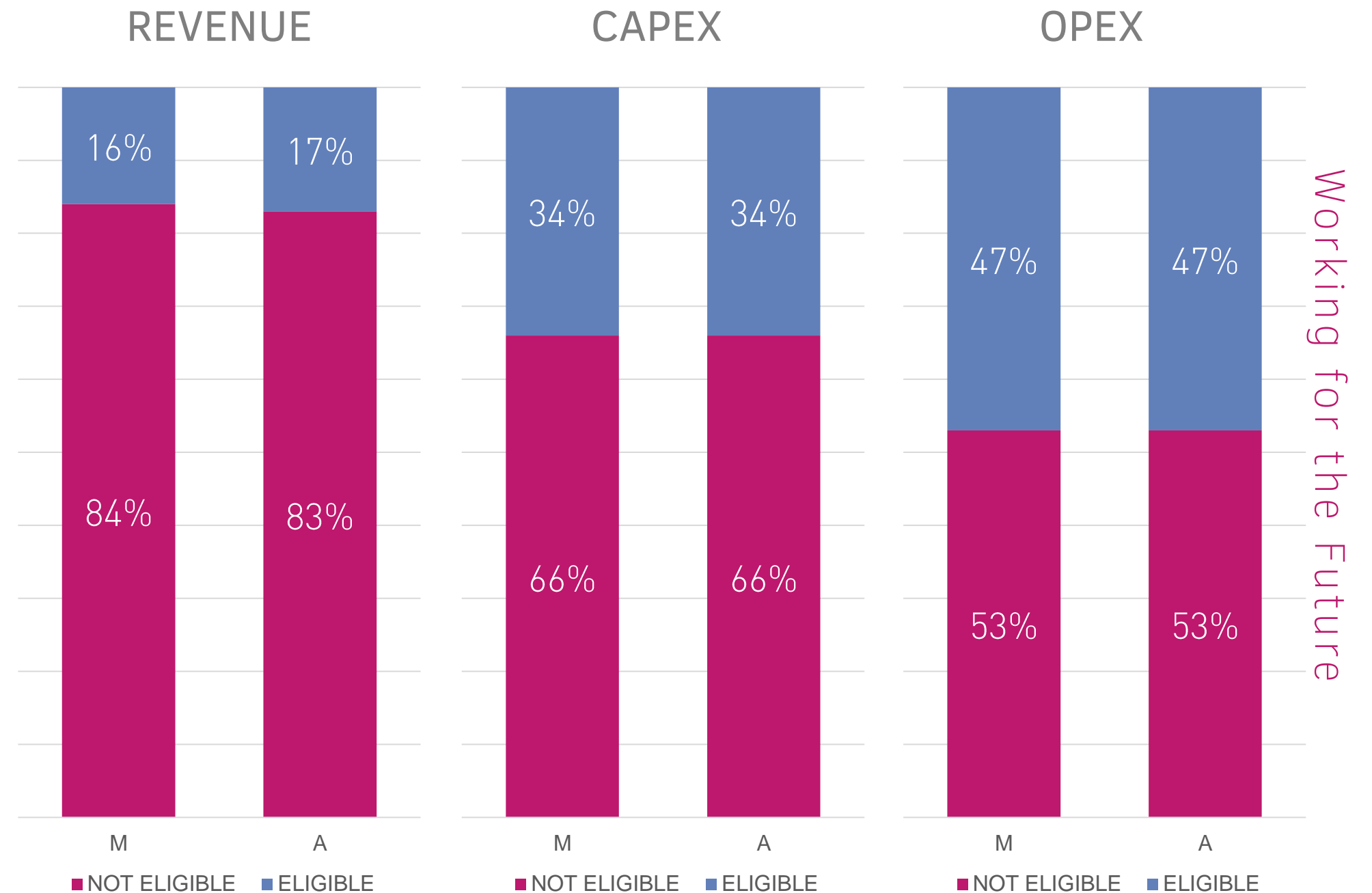
98.9% local suppliers

COMMITMENT TO SUSTAINABILITY

TAXONOMY REGULATION (EU) 2020/852

- The adoption of the Taxonomy Regulation establishes the obligation to disclose the extent to which the company's activities are eligible and aligned with EU environmental objectives.
- **INCOME:**
 - From the point of view of climate change mitigation, eligibility is determined by the Group's activities in the field of third party energy infrastructure management, specifically in O&M, and in the construction of distribution networks and substations.
 - In relation to climate change adaptation, in addition to energy activities, selected projects in the field of technology that are closely related to the telecommunications and energy sector are considered eligible.
- **CAPEX AND OPEX:**
 - In order to carry out its activity, the company has an active fleet of vehicles with which its operators provide telecommunications and energy services. In this sense, the additions related to the fleet and its maintenance costs represent the main items to be considered in the calculation of the indicators.

Eligibility of Ezentis Group activities



(M) Mitigation (A) Adaptation

COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY MASTER PLAN 2020-2022

OUTLOOK 2022

- 
- | | |
|--|--|
| ✓ Intensifying contact with ESG analysts and obtaining sustainability rating | ✓ Advance supplier certification with sustainability criteria. |
| ✓ Progressively improve CDP rating | ✓ Safety audits to contractors and subcontractors |
| ✓ Development of a non-financial ICFR (Non-financial ICFRS) | ✓ Zero Accident Commitment |
| ✓ Advancing Reporting: Integrated Annual Report | ✓ GHG emission reduction plan and target setting |

A woman in a dark suit is shown from the chest up, looking upwards with her eyes closed. Her right hand is raised to her forehead, with fingers spread. The background is a bright blue sky with wispy white clouds. The overall mood is one of contemplation or stress.

EXPECTATIONS

EXPECTATIONS

- ✓ The decision to **close loss-making businesses and contracts** will have a **positive impact** on cash flow in the coming years.
- ✓ **Growth forecasts** for fibre optic deployment in **Germany** are maintained, which will result in a higher volume of activity in the coming years.
- ✓ The **commercial backlog** at December 2021 is **1.3x** revenues for the year, which is an indicator of the future development of the Group's business.
- ✓ The entry in 2021 of Eléctrica Nuriel S.L.U. as a **relevant investor** strengthens the Group's options to develop business opportunities in the renewable energy sector and to take advantage of the synergies that could arise.
- ✓ Ezentis is in constant **talks** with its **financial creditors** with a view to reaching agreements to match the commitments and conditions of its debt instruments. In addition, it has begun the process of seeking new sources of financing.
- ✓ Ezentis is formalising **agreements with its main clients** to ensure future project contracting volumes.
- ✓ **Consolidation of the positive impacts** associated with the measures being implemented under the company's **Transformation Plan**.



ANNEXES

BALANCE SHEET CONSOLIDATED ANNUAL ACCOUNTS

<i>Miles de euros</i>	31-12-2021	31-12-2020 reexpresado		31-12-2021	31-12-2020 reexpresado
<i>Activo</i>			<i>Patrimonio neto y pasivo</i>		
			Patrimonio neto	(163.286)	(51.153)
Activo no corriente	92.447	192.209	Pasivo no corriente	34.006	182.424
Inmovilizado material e intangible ⁽¹⁾	75.430	122.656	Deuda financiera ⁽²⁾	16.366	151.916
Inversiones financieras a largo plazo	8.220	17.791	Otros pasivos no corrientes	17.640	30.508
Activos por impuesto diferido	8.797	51.762			
Activo corriente	104.560	134.378	Pasivo corriente	326.288	195.316
Existencias	10.783	22.019	Deuda financiera ⁽³⁾	161.025	42.158
Deudores comerciales y otros activos corrientes	83.693	95.612	Otros pasivos corrientes	165.263	153.158
Caja y otros activos equivalentes	10.085	16.747			
TOTAL	197.008	326.587	TOTAL	197.008	326.587

- The equity of the individual company Grupo Ezentis S.A. in 2021 amounts to **€95,754 thousand**.

(1) Intangible assets include rights of use of €22.3m at 31 December 2021 (€31.7m at year-end 2020).

(2) Non-current financial debt includes IFRS16 lease liabilities of €11.5m at 31 December 2021 (€18.2m at year-end 2020).

(3) Current financial debt includes IFRS16 lease liabilities of €9.5m at 31 December 2021 (€9.7m at year-end 2020). The non-current financial debt related to the syndicated financing and the ICO-Covid loan has been reclassified to current financial debt in accordance with IAS1 for an amount of €117.0m.

(4) In line with the consolidated annual accounts.

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News



Notifications



Financial information



Events



Communication channel

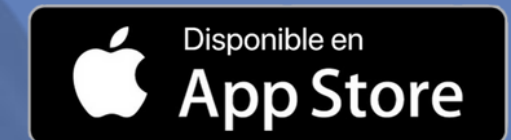


Documents of interest

EZENTIS APP Investor Relations

Discover the app for Ezentis shareholders and investors.

With the Ezentis IR app, you will receive all the latest company information in real time, in the palm of your hand, so you won't miss a single detail!



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