GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

Abbreviated Consolidated Interim Financial Statements for the six month period Ending on 30 June, 2020

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

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ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30 JUNE, 2020
(EUR thousands)

ASSETS	Note	30.06.2020	31.12.2019
NON CURRENT ASSETS			
Property, plant and equipment	2.6/5	106,365	105,461
Goodwill	6	301,280	302,868
Other intangible assets	6	40,830	46,189
Non-current financial assets	7	7,230	6,711
Investment in associates	7	17,974	18,069
Deferred tax assets		45,942	46,552
Other non-current assets		12,100	13,437
		531,721	**539,287**
CURRENT ASSETS			
Inventories		56,254	53,002
Trade and other receivables		254,466	250,821
Contract assets		83,168	79,706
Other current assets	2.6	11,259	8,397
Current tax assets		22,047	17,466
Other current financial assets	7/10	66,223	59,933
Cash and cash equivalents	8	262,233	141,545
		755,650	**610,870**
TOTAL ASSETS		**1,287,371**	**1,150,157**

ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30 JUNE, 2020
(EUR thousands)

NET WORTH AND LIABILITIES	Note	30.06.2020	31.12.2019
NET WORTH			
Net Worth attributable to parent company's shareholders			
Share capital	9	21,187	21,187
Own shares	9	(6,641)	(1,021)
Share premium	9	214,640	289,065
Retained earnings		120,767	56,884
Cumulative exchange differences		(32,295)	(23,866)
Non-controlling interests		**11,811**	**11,434**
		329,469	**353,683**
NON-CURRENT LIABILITIES			
Deferred income		264	292
Non-current provisions	12/13	29,281	29,451
Long-term borrowed capital	10	198,376	70,343
Deferred tax liabilities		7,263	7,421
Other non-current liabilities	2.6/11	57,987	61,292
		293,171	**168,799**
CURRENT LIABILITIES			
Current provisions	13	5,219	4,418
Short-term borrowed capital	10	22,418	14,335
Trade and other payables		532,288	510,639
Liabilities per contract		16,982	14,606
Current tax liabilities		22,441	30,557
Current financial liabilities	10/18	5,631	3,390
Other current liabilities	2.6/11	59,752	49,730
		664,731	**627,675**
TOTAL NET WORTH AND LIABILITIES		**1,287,371**	**1,150,157**

ABBREVIATED CONSOLIDATED INTERIM PROFIT & LOSS ACCOUNT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2020
(Stated in EUR thousands)

	Note	6 month period ending 30 June 2020	2019
CONTINUING OPERATIONS			
OPERATING INCOME		**467,376**	**526,697**
Net turnover		463,964	525,500
Other operating income		3,412	1,197
OPERATING EXPENSES		**(459,597)**	**(505,375)**
Consumption of raw materials and secondary materials		(260,528)	(275,777)
Employee benefit expenses		(130,307)	(154,861)
Amortisations	2.6/5/6	(22,246)	(24,341)
Other operating expenses		(53,962)	(50,278)
Profit/(loss) on sale/impairment of assets		(145)	(106)
Other income and expenses		7,591	(12)
OPERATING PROFIT		**7,779**	**21,322**
Financial income		592	457
Financial expenses		(5,717)	(4,794)
Net exchange differences		(1,050)	(468)
Variation in the fair value of assets and liabilities attributed to profit and loss		(70)	384
Share in results obtained by associates	7	78	3,180
PROFIT BEFORE TAX		**1,612**	**20,081**
Income tax	14	(195)	(4,344)
PROFIT ON CONTINUING OPERATIONS AFTER TAXES		**1,417**	**15,737**
PROFIT (LOSS) ON DISCONTINUED OPERATIONS AFTER TAX	20	**(14)**	**(367)**
PROFIT FOR THE YEAR		**1,403**	**15,370**
(PROFIT)/ LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(520)**	**(824)**
PROFIT ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**883**	**14,546**
Basic and diluted earnings from continuing and discontinued operations attributable to parent company shareholders (expressed in euros per share)			
- Basic and diluted earnings from continuing operations	15	0.005	0.088
- Basic and diluted earnings from discontinuing operations	15	0.000	0.000

ABBREVIATED CONSOLIDATED INTERIM COMPREHENSIVE INCOME STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2020 (EUR thousand)

	Note	6 month period ending 30 June 2020	6 month period ending 30 June 2019
PROFIT FOR THE YEAR		**1,403**	**15,370**
OTHER COMPREHENSIVE PROFIT/(LOSS)			
Entries that may not be subsequently classified to profit/(loss):			
- Actuarial gains	12/13	81	294
- Tax rate		(24)	(71)
		57	223
Entries that may be subsequently classified to profit/(loss):			
- Cash flow hedges for consolidated companies via global integration		43	(43)
- Cash flow hedges for equity-consolidated companies (net fiscal effect)	7	93	(1,497)
- Translation differences		(8,503)	2,297
		(8,367)	757
Total other comprehensive profit/(loss)		**(8,310)**	**980**
TOTAL COMPREHENSIVE PROFIT/(LOSS) OF THE PERIOD NET OF TAXES		**(6,907)**	**16,350**
Attributable to:			
- Parent company shareholders		(7,353)	15,464
- Non-controlling interests		446	886
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		(7,353)	15,464
Attributable to:			
- Continuing operations		(7,339)	15,831
- Discontinued operations		(14)	(367)

ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN NET WORTH FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2020
(EUR thousand)

	Share capital (Note 9)	Treasury shares (Note 9)	Share Premium (Note 9)	Retained earnings	Cumulative exchange differences	Non-controlling interests	Total Net Worth
Balance at 31 December 2019	**21,187**	**(1,021)**	**289,065**	**56,884**	**(23,866)**	**11,434**	**353,683**
Balance at 01 January 2020	**21,187**	**(1,021)**	**289,065**	**56,884**	**(23,866)**	**11,434**	**353,683**
Profit (Loss) of the financial year	-	-	-	883	-	520	1,403
Other comprehensive income for the year	-	-	-	193	(8,429)	(74)	(8,310)
Total comprehensive income for 30 June 2020	**-**	**-**	**-**	**1,076**	**(8,429)**	**446**	**(6,907)**
Dividends	-	-	-	(10,844)	-	(796)	(11,640)
Treasury share transactions	-	(5,620)	-	-	-	-	(5,620)
Transfers	-	-	(74,425)	74,425	-	-	-
Change in scope and other movements	-	-	-	(774)	-	727	(47)
Balance at 30 June 2020	**21,187**	**(6,641)**	**214,640**	**120,767**	**(32,295)**	**11,811**	**329,469**

	Share capital (Note 9)	Treasury shares (Note 9)	Share Premium (Note 9)	Retained earnings	Cumulative exchange differences	Non-controlling interests	Total Net Worth
Balance at 31 December 2018	**21,187**	**(1,041)**	**289,065**	**27,835**	**(26,953)**	**7,720**	**317,813**
Balance at 01 January 2019	**21,187**	**(1,041)**	**289,065**	**27,835**	**(26,953)**	**7,720**	**317,813**
Profit (Loss) of the financial year	-	-	-	14,546	-	824	15,370
Other comprehensive income for the year	-	-	-	(1,317)	2,235	62	980
Total comprehensive income for 30 June 2019	**-**	**-**	**-**	**13,229**	**2,235**	**886**	**16,350**
Dividends	-	-	-	-	-	(506)	(506)
Treasury share transactions	-	179	-	17	-	-	196
Change in scope and other movements	-	-	-	10	-	651	661
Balance at 30 June 2019	**21,187**	**(862)**	**289,065**	**41,091**	**(24,718)**	**8,751**	**334,514**

ABBREVIATED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2020
(EUR thousand)

	Note	Financial year ended 30 June 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from continuing and discontinued operations	16	18,658	12,620
Interest paid		(5,871)	(4,250)
Interest received		592	419
Taxes paid		(4,670)	(1,975)
		8,709	**6,814**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition/ Withdrawal from subsidiaries, net of cash acquired		5,893	(10,065)
Acquisition of property, plant and equipment and intangible assets	5 and 6	(9,726)	(9,249)
Income from sale of tangible fixed assets and intangible assets	16	458	2,431
Acquisition of financial assets	7	(7,364)	(20,880)
Withdrawals of financial assets		5,779	10,887
Acquisition/ Withdrawal of other assets		1,337	632
		(3,623)	**(26,244)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition/Withdrawal of treasury shares	9	(5,620)	196
Income from borrowed capital	10	136,263	25,000
Amortization of loans	10	(71)	(37,092)
Concession of other debts		-	(3,982)
Payments for financial leases	5	(10,540)	(11,078)
Dividends paid		(796)	(506)
		119,236	**(27,462)**
EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(3,634)**	**831**
NET (DECREASE)/INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS		**120,688**	**(46,061)**
Cash, cash equivalents and bank overdrafts at the beginning of the year	8	141,545	205,574
Cash, cash equivalents and bank overdrafts at the end of the year	8	262,233	159,513

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES FOR THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2020
(Stated in EUR thousands)

1. GENERAL INFORMATION

1.1. ACTIVITY

Global Dominion Access, S.A. (hereinafter the Company or Parent Company) was incorporated on 1 June, 1999 and its registered domicile for Mercantile and tax purposes and its corporate seat are located in Bilbao (Spain), at calle Ibañez de Bilbao, number 28, floor 8, door 1-B.

In accordance with Article 2 of its articles of association, Global Dominion Access, S.A. engages in the preparation of studies regarding the creation, structure and viability of companies and markets both in Spain and abroad, developing, promoting, directing and managing business activities grouped by production sectors by organizing human and material resources for the group of companies, acquiring those that are already in operation and creating new companies, merging, taking over, spinning off or liquidating them in order to directly carry out the activities as is most appropriate in each case for the most efficient management of the business.

The Group defines itself as a global Services and Projects company with the objective of providing comprehensive solutions that maximise business process efficiency by means of a different approach and innovative technology application.

The Group's Management presented the 2020-2023 Strategic Plan during the 2019 financial year, which sets out the strategy for the coming years and the way in which business performance will be assessed. The information broken down into segments has accordingly been modified with respect to previous years to adapt it to the different businesses included in this strategy and to make it easier to understand.

In this regard, we can make a distinction between two operation segments until financial year 2019: Specialised Engineering and Solutions Segment and Multi-technology Services Segment. From financial year 2020 onwards, we have distinguished three different segments of activity:

- B2B 360º Projects
- B2B Services
- B2C

To understand these three segments, we must first distinguish between two worlds:

- On the one hand, the classic Dominion Group world, B2B ("Business to Business"), where the Group's value proposal is to be a Tier 1 supplier and digital expert who is capable of delivering an end-to-end solution: from the design, management and implementation of the project to the subsequent operation and maintenance (O&M). Two segments can be distinguished in this B2B world:

    - B2B 360º Projects, which refers to projects in which a new production process or a new infrastructure is created, in which the subsequent design, implementation and maintenance is carried out. They are comprehensive projects (usually multi-year), with long-term commercial development processes. This segment comprises a business where the visibility is the project portfolio on each date and it typically has a margin profile of over 15%.

    - B2B Services, which refers to the framework contracts for operation and maintenance outsourcing and process improvement projects. These contracts typically involve recurring revenues with adjusted margins that should come close to a contribution margin of approximately 10%.

- On the other hand, the B2C ("Business to Customer") world, which comprises all end-customer oriented activities: the marketing of electricity and gas supplies, telecommunications services, insurance and other services in the household. In this segment, the Group's value proposal is to serve as a multiple service provider offering all personal and household services in a single, all-encompassing platform. This segment strives to obtain recurring revenue. The most important factors to measure business are the number of customers (or services) and their mean "lifetime value".

Just as was stated the year before, but now only focusing on the B2B world, the Group offers its solutions in three main fields of activity or expertise:

- T&T (Technology and Telecommunications), in which it offers solutions in sectors such as Health, Education, Telecommunications, Transport, Logistics or Public Administration.

- Industry, with solutions for the metal, petrochemical, glass or cement sectors, among others.

- Energy, primarily in the renewables area: photovoltaic, biomass and wind power, and power transmission lines.

Further details regarding this segmentation of the Group's activities are provided in Note 4.

The Group’s facilities are located in Europe (Spain, Germany, France, Italy, the United Kingdom, Poland, Denmark and Slovakia), Latin America (Mexico, Peru, Argentina, Chile, Ecuador, the Dominican Republic, Colombia, Guatemala and Panama), the United States and Canada, and also in Asia (Saudi Arabia, India, Oman, Qatar, UAE, Israel, Vietnam, Indonesia and the Philippines), Africa (South Africa and Angola) and Oceania (Australia and Papua).

The Parent Company has been listed on the stock exchange since 27 April 2016.

1.2. GROUP STRUCTURE

The Company is the Parent of a Group of companies (hereafter, the Group or Dominion Group) in accordance with current legislation. The reporting of consolidated Annual Financial Statements is necessary in accordance with accounting principles generally accepted in Spain in order to present a true and fair view of the Group's financial situation and the results of its operations.

Appendix I hereto sets out the identification details of the Subsidiaries included in consolidation under the full consolidation method, proportional method and equity method.

Appendix II hereto sets out the identification details of the joint ventures (UTEs) and joint operations included in consolidation under the proportional method.

The following companies are included in the consolidation with the application of the equity method of accounting:

	% effective participation	
	30.06.2020	**31.12.2019**
Advanced Flight Systems, S.L.	30%	30%
Sociedad Concesionaria Chile Salud Siglo XXI, S.A.	15%	15%
Bas Project Corporation, S.L.	35%	35%
Cobra Carbon Grinding B.V.	50%	50%
Medbuying Group Technologies, S.L.	45%	45%
Miniso Lifestyle Spain, S.L.	49.7%	49.7%

1.3. SIGNIFICANT EVENTS IN THE CURRENT REPORTING FINANCIAL YEAR

With the Covid-19 Coronavirus outbreak in China in December 2019 and its global spread to many countries over the course of the first months of FY 2020, the World Health Organisation declared the outbreak an international pandemic on 11 March 2020.

The Governments of most of the affected countries have implemented restrictive measures to contain and reduce the spread of this virus, which will have major repercussions on the global economy and which is casting considerable uncertainties over the future progress of many businesses.

In Spain, on 14 March 2020, the Council of Ministers declared a state of alarm, passing Royal Decree 463/2020. The state of alert in Spain was initially expected to last 15 days, but was extended six different times, ending on 21 June 2020. The lockdown measures implemented since the state of alarm was declared by the Spanish Government were continued until the end of the initial state of alarm, with the suspension of all non-essential activities and the gradual unequal resumption of activities in each of the Autonomous Communities, depending on the health situation in each one.

This situation gave rise to significant uncertainties and repercussions, not only economically and financially for companies, but also in other areas such as commerce, labour and taxation. Accordingly, with a view towards minimising the possible impact of this crisis and its effect on economic activity, Royal Decree-Law 8/2020 of 17 March was published in Spain on 18 March 2020 regulating extraordinary emergency measures to address the economic and social impact of Covid-19. In this regard, the Group took the measures it deemed appropriate to protect the Group' s social interest, including measures to guarantee workplace safety and to protect its employees' health.

One of the most noteworthy initial measures taken was the implementation of the contingency plans established to address these circumstances, which have meant that the business could remain in operation whilst attempting to restore it to normal insofar as possible. To this end, we have implemented organisational crisis management measures, both individually (the management of situations of contagion or isolation) and collectively. These measures have shown to be perfectly compatible with business continuity, and we are now in a position to continue these measures for as long as this health situation calls for them, without jeopardising the Group's activities.

The Group does not foresee the inability to meet any contractual obligations and therefore does not expect any consequences to arise as a result of failure to fulfil contracts due to the epidemic.

To provide consistent, comparable, relevant and reliable financial information and sufficient disclosure and transparency for whoever reads these Abbreviated Consolidated Interim Financial Statements, an explanation has been included below regarding the impact the pandemic has had on the Group's figures, risks and strategy.

The effects of Covid-19 began to have an impact from early March 2020 onwards, at which time swift actions were taken that curtailed drops in margins and profit/loss on all fronts: EBITDA, EBITA and Net Profit/Loss.

As part of the general measures implemented to manage and lessen the adverse effects of the pandemic, daily Management Committee Meetings have been held since the outbreak of the pandemic to assess the progress of the published data and to determine the appropriate measures to be taken in the different areas of the Group:

- Shared Services: slowing down purchases and other business combinations, as well as the CAPEX of each business, reviewing all structural costs (third party services, leases, etc.), agreeing on voluntary salary reductions for structural personnel and General Management and Area Managers.

- Treasury: the optimisation of existing credit lines, comprehensive control of outstanding payments and negotiating deferrals, reviewing the customer backlog, negotiating new loans from the EIB and various loans related to the guarantees approved in Royal Decree Law 8/2020 of 17 March (loans guaranteed by the OCI) (Notes 10 and 21). All measures were taken in line with financial discipline that forms a part of the Group's management model and taking account of the Group's sound solvency position.

- Human Resources: two main lines of action; firstly, protecting people (constant information, provision of prevention resources and monitoring of cases that have occurred) and, secondly, HR management (the preparation of ERTE (Record of Temporary Employment Regulation) files in Spain, sick leave management, suspensions, working hour changes, etc., all the while ensuring timely wage payment).

As for the effect on business, Covid-19 has affected each three segments in very different ways. The main effects are outlined below, by segment:

- **B2C** business has been most affected. This segment is only present in Spain and the physical channel has been closed entirely since March 14, 2020. It will gradually be reopened in June this year, in line with the de-escalation stages in each Autonomous Community.

Notwithstanding, the Net Turnover has been positive in this segment, which reflects the distinction that must be made between income from active supplies and income from the acquisition of new services. Income from active supplies remained constant from month to month over the first half of financial year 2020, so when compared to the supplies presented by the Group on the same date the year before, taking account of the fact that the company Alterna Operador Integral, S.L. (an energy supply management company) was incorporated in March 2019, these figures have increased by more than 50% with respect to the Adjusted Net Revenue parameter (without taking device sales into account, as explained in Note 4 a). However, regarding new service acquisition, the aforementioned closure of the physical channel and the temporary suspension of telecommunication transfer processes have had a profound impact on this segment's growth rate which has curbed registrations in this channel over the course of the two and a half months that the physical stores remained closed.

The main costs incurred in this segment relate to personnel expenses and renting premises. Accordingly, the available measures were implemented since the pandemic broke out, with ERTEs being applied for approximately 90% of the workforce (over 1,450 people) and rent renegotiated. Its effect on the liabilities currently recorded is now being calculated and is estimated to be approximately 1 million euros. This will be included in the income statement once all negotiations have been concluded.

Once physical stores started reopening, recovery was very gradual, with a much smaller influx of customers than before the pandemic, although the conversion was better in terms of profitability, and this will improve as capacity limitation measures are reduced and commercial actions resumed.

The **B2B Services** segment was affected very differently, closely tied to the restrictions on the various types of activity performed in each country. Accordingly, the effect was subject to the different labour regulations in place in each country, as well as to the different measures adopted by the respective governments.

The effects on this segment are related to the temporary shutdown of various industrial plants and a downturn in network activity, both in the electricity and telecommunications sectors, where activity has been limited to basic network maintenance, bringing deployments and improvements to a standstill. The activity drops in this segment and during the first half of the year were can be quantified at between 40% and 70% when most affected, whilst at the end of the first half of the year they were already below 40%, at approximately 20%.

The effects started with the lockdown measures implemented in Spain, followed by Peru, Chile and Mexico, with these countries most affected in the Group, before this effect extended across the rest of Europe. The effect was less pronounced in Persian Gulf countries and Australia.

The measures taken in this case essentially consisted in doing away with outsourcing, implementing ERTEs in Spain (affecting over 1,000 people) and terminating contracts in other countries (around 460 people as a result of contract termination) and, also, implementing a reorganisation plan to adapt to the new workloads. Approximately 40% of this segment's workforce is included in one of the aforementioned measures. Vehicle, premises and machinery rental contracts have also been renegotiated. In this respect, the Group is assessing (just as stated in the B2C segment), the impact that rental contract re-negotiations could have on the company's profit (loss), but it is not expected to exceed around 0.5 million euros.

Regardless of the above, the business outlook is positive for this segment as we are referring to recurrent contracts which, in many cases, are being recovered as activities are gradually resumed.

Finally, the effect has been relatively limited in the **B2B 360º Projects** segment. Although it was the first of the Group's segments that was directly affected as a result of project in Thailand being shut-down for 15 days, subsequent stoppages were sporadic, as was the case for projects being executed in India during their "lock-down" or projects being executed in the USA. Similarly, with regards to renewable projects in Mexico and Argentina, some of the projects have also experienced temporary interruptions.

These have all been temporary interruptions and none of the projects in our backlog have been cancelled. Despite the current circumstances, there have been new contracts in all locations (Europe, Asia, America). The hospital tendering processes in Chile are making reasonable progress within the scheduled tendering deadlines with the first bid to be submitted in July 2020.

Note 3 to these Abbreviated Interim Financial Statements includes the assessment impact of the various financial risks that have been analysed and monitored on an ongoing basis by the daily management committees, which has prompted a swift and effective response to the problems.

To this end, the Group's management model, which offers the best guarantee for overcoming this situation, is based on:

- Financial discipline, which has put the Group in an optimum cash position to endure the decline in activity and to meet the commitments of the financial debt that is due in 2020 (EUR 3.5 million from the EIB) and payment of the dividend scheduled for 2020 (EUR 11 million were paid in July 2020). The Group also has low payment commitments in 2020 relating to earnouts from previous acquisitions (EUR 7 million scheduled for 2020 of which EUR 2.6 million have already been paid in the first half of the year).

- Diversification whereby profits (loss) do not depend on the decisions of a single country, customer or sector.

- Decentralisation, which has enabled the Group companies to adapt to the different local circumstances, with an adjusted central structure and a flexible cost structure.

- Digitalisation, which has solved employee mobility restrictions in a record time as the Group was already familiar with digital platforms.

Consequently, although there are still many uncertainties and the full impact of this pandemic is not completely clear, the Group's strategy for the next few years remains unchanged, with 2020 regarded as a "hiatus" in this Plan. Accordingly, it will take another year to achieve this goal. We therefore believe that the assumptions and estimates used in the non-financial assets recovery analyses using a broad recovery horizon where the conclusions will not be affected are applicable.

1.4. CHANGES IN THE SCOPE OF CONSOLIDATION

Six month period ending on 30 June, 2020

a) B2B 360º Projects

On 25 February 2020, the Directors of the Group companies included in the merger balance sheet to include the following in the common plan for absorption merger: Global Dominion Access, S.A., as the absorbing company, and Dominion Smart Solutions, S.A., Beroa Thermal Energy, S.L., Visual Line, S.L.U., Eci Telecom Ibérica, S.A.U., Dominion West Africa, S.L.U. and Wind Recycling, S.L.U., as the absorbed companies, considering the merger balance for all of these to be the balance sheet for the year ended 31 December 2019. This process was approved by the General Shareholders' Assembly of the absorbing company on 6 May 2020 but it has not yet been signed and notarised. Accordingly, at 30 June 2020, the accounting records of the concerned companies had not yet been filed. This merger process will not affect the Group's consolidated financial statements.

b) B2B Services

At the beginning of financial year 2020, 22.5% of the shares of the subsidiary company Visual Line, S.L. were purchased for EUR 169 thousand. Accordingly, on 30 June 2020, the Group held 100% of this subsidiary.

On 30 April 2020 a trade agreement was signed under which the production unit that provides Redhat technology-based IT services was sold to a third party. This unit consists of a series of contracts with 6 customers, 15 persons and an annual activity of EUR 2.5 million (according to data for the last full year). The total operation price amounted to EUR 500 thousand, recorded as capital gains in the income statement for the first half of 2020.

On 29 June 2020, the minority shareholder of the subsidiary Interbox Technology, S.L. exercised its purchase option for 15% of the shares of this subsidiary for EUR 800 thousand and, accordingly, as from that date the Group holds a 60% stake in it.

On 30 June 2020, the sale of all the shares of the subsidiary Dominion Networks, S.L., which provides last-mile telecommunications maintenance services in Spain, was published as a relevant event. The purchase price, which includes all aspects, amounts to EUR 13.5 million, which entails an accounting gain of approximately EUR 7 million, recorded in the "Other income and expenses" heading in the consolidated income statement. With this sale, from the second quarter of 2020 the Group will no longer include around 25 million euros of annual turnover in its consolidated turnover which is associated with this activity, as well as approximately 250 people.

Doing this, the Group is divesting in low value-added contracts, with extremely limited efficiency improvements, and focusing on more profitable types of contracts. This activity formed part of the B2B T&T Services (formerly T&T Services) group of CGUs and does not lead to any changes in assessing the recoverability of the net assets of the aforementioned group.

c) B2C

On 11 December 2019, the subsidiary company The Phone House Spain, S.L. recorded in a notarial instrument the contract for its acquisition of 90% of the equity interests of the Spanish company Netsgo Market, S.L., whose activity comprises recommendation marketing, cashback and promotional discounts through the device application known in the market as "Fulltip" (the application) and the online platform available on the fulltip.com website, also known in the market as "Fulltip" (the platform) which it offers end consumers (B2B) and companies (B2C). The purchase agreement involves the acquisition of 90% of members for a sale price of 1 euro and the assumption of credit rights by these shareholders for an amount of EUR 570 thousand. Given that the take-over of this company was made after the commencement of financial year 2020, it has been included in the scope of consolidation in the first half of 2020.

Six month period ending on 30 June, 2019

a) B2B 360º Projects

On 1 February 2019, Dominion implemented the first stage of the purchase of Bygging India Limited ("BIL") in which it has acquired 51% of the share capital for the amount of INR 416 million (EUR 5.1 million at the transaction exchange rate). During the second stage, the shareholders holding 49% of the share capital have a put option for the remaining 49%, which can be exercised in the fourth and fifth year following acquisition. Likewise, the Group is the holder of a purchase option which can be exercised in the fifth year following acquisition. For this second tranche, the price remains linked to the effective performance of BIL during the periods, depending on the case, which will be directly appraised by the generation of discretionary cash flow provided by BIL. The maximum price to be paid by the Group for the entire operation will not exceed 5 times the average EBITDA and, in any case, will not be less than the carrying amount value of BIL at the end of the valuation period. This option was valued at INR 697 million (EUR 8 million on the acquisition date).

b) B2B Services

On 11 January 2019, through the company Abside Smart Financial Technologies, S.L., Dominion acquired a share in Smart Analytics, S.A., a company whose corporate purpose comprises: market research; technology consultancy; training, sale of HW and SW; marketing of IT packages; SW development; presentation of IT services; HW rental, import and export of IT equipment; e-commerce; advertising agency; events, retail sale of fashionwear; gardening and landscaping and acting as intermediary in legal and consultancy services in matters relating to new technologies; market analysis and research, the conducting of all types of studies and analyses on consumer and user behaviour in relation to traditional and digital media; professional services for Big Data and Data Science, as well as the design, development and marketing of technologies applied to information on market consumers.

Abside purchased 50% of the shares of Smart Analytics, 90,563 shares at a price of EUR 430 thousand, and subsequently made a capital increase of EUR 570 thousand. EUR 121 thousand through the creation of 121 thousand new shares at a par value of 1 euro each and an issue premium of EUR 449 thousand. Therefore, Abside's shareholding increased to 70%, holding 211,337 shares. Likewise, a sales option was signed for 20%, which can be exercised in three windows in 2022, 2024 or 2026 and, additionally, there is an agreement for a crossed purchase-sale option on the remaining 10%, that can be exercised in 2029, subject to the exercise of the first sales option. The price of the options is indexed at the average EBITDA obtained in the 3 financial years prior to the option and the net financial Debt on the said date, which has been calculated at EUR 1.3 million. It should be pointed out that the Group has a 51% holding in Abside and, therefore, the effective acquisition percentage via this subsidiary is, likewise, 51%.

on 28 June 2019, an investment agreement was signed for the acquisition of 70% of the shares of the Australian company SGM Fabrication & Construction PTY Ltd., dedicated to the provision of industrial solutions and services for the heavy steel materials sector. The transaction amounted to AUD 1 million, EUR 617 thousand at the exchange rate on the date of the transaction, through a capital increase and 1 July 2019 was set as the date from which the ownership of the shares would be understood to be transferred.

c) B2C

On 11 March 2019, Global Dominion Access, S.A. entered into a contract for the acquisition of 60% of the share capital plus an option to purchase an additional 20% of the shares of the Spanish company Alterna Operador Integral, S.L. (formerly Flip Energía, S.L.), an energy consumption manager operating under the Alterna trademark.

The operation was structured in two tranches. In an initial stage, 60% of the share capital of the said company was acquired, for the price of EUR 5.9 million, payable on the signing date. In a second stage, Dominion is the holder of a call option for the purchase of an additional 20% of the shares, exercisable in 2020 for a price that is three times the EBITDA generated by the company in 2020, valued, at that time, at an amount of EUR 3.5 million.

The changes in the scope of consolidation as regards companies accounted for using the equity method are explained in Note 7.

1.5. PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

These Abbreviated Consolidated Interim Financial Statements were drawn up by the Board of Directors of the Parent Company on 22 July, 2020.

2. SUMMARY OF THE MAIN ACCOUNTING POLICIES

With the exception of that laid down in Notes 2.1 and 2.6 below, the accounting policies applied for the preparation of these Abbreviated Consolidated Interim Financial Statements for the six-month period ending on 30 June, 2020, are consistent with those used to prepare the consolidated Annual Financial Statements for financial year 2019 of Global Dominion Access, S.A. and subsidiaries. The Abbreviated Consolidated Interim Financial Statements for the six-month period ending 30 June, 2020, were prepared pursuant to International Accounting Standard (IAS) 34, "Interim Financial Information" and must be read together with the consolidated Annual Financial Statements at 31 December, 2019, prepared pursuant to IFRS-EU of Global Dominion Access, S.A. and subsidiaries.

2.1. BASIS OF REPORTING

The Abbreviated Consolidated Interim Financial Statements for the six-month period ending 30 June, 2020 have been drawn up in accordance with the International Financial Reporting Standards adopted for application in the European Union (IFRS-EU) and approved under European Commission Regulations in force at 30 June 2020, specifically according to IAS 34 Interim Financial Reporting.

The Abbreviated Consolidated Interim Financial Statements have been prepared on a historical cost basis, with the exception of financial assets and liabilities at fair value through profit or loss, the derivatives that qualify as hedge accounting and the defined pension plans.

The Abbreviated Consolidated Interim Financial Statements do not include all the notes that are usually included in the annual financial information. As a result, these Abbreviated Consolidated Interim Financial Statements must be read together with the consolidated financial statements for the year ended 31 December 2019 and any public disclosures made by the Dominion Group during the interim reporting period.

The preparation of the Abbreviated Consolidated Interim Financial Statements as well as the consolidated Annual Financial Statements in accordance with IFRS-EU requires the application of certain significant accounting estimates. It also requires that Management exercise judgement in the process of applying the Group's accounting policies. The judgements and estimates made by the Management when preparing the Abbreviated Consolidated Interim Financial Statements at 30 June, 2020, are consistent with those used to prepare the consolidated Annual Financial Statements at 31 December, 2019 of Global Dominion Access, S.A. and subsidiaries.

The profit and loss account for the first half of 2020 and 2019 does not include any extraordinary items that may require a breakdown and comparison of figures, except as indicated in Note 1.3 to these Abbreviated Consolidated Interim Financial Statements regarding the impact of the extraordinary circumstances caused by the coronavirus health crisis (Covid-19).

It should also be pointed out that, given the industrial maintenance services it performs in the Summer and the delivery of projects and EPCs for States and major corporations in the last quarter, the Group has a statistically a record of higher income weight for the second half of the year.

2.2. CONSOLIDATION PRINCIPLES

Appendix I hereto breaks down the identification details of the subsidiaries included in the scope of consolidation.

The criteria employed in the consolidation process, except for that indicated in Notes 1 and 2.6, have not changed with respect to those employed in the financial year ended 31 December, 2019 of Global Dominion Access, S.A. and subsidiaries.

The consolidation methods used are described in Note 1.2. The financial statements used in the consolidation process are, in all cases, those relating to the six-month period as of 30 June, 2020 and 2019.

2.3. SEGMENT FINANCIAL REPORTING

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-makers (Note 4). The highest decision-making body is responsible for allocating resources to and assessing the performance of the operating segments. The Board of Directors have been established as the highest decision-making body to manage resources in new acquisitions.

As described in Note 1 to the Abbreviated Consolidated Interim Financial Statements, the information broken down into segments has accordingly been modified with respect to previous years to adapt it to the different businesses included in the new strategy of the Group and to make it easier to understand.

Note 4 to the Abbreviated Consolidated Interim Financial Statements describes the new segmentation and the figures for the six months ended 30 June 2019, which are included for comparison purposes.

2.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. The resulting accounting estimates, by definition, will rarely match the corresponding actual results.

In preparing these Abbreviated Consolidated Interim Financial Statements, the important decisions made by the Management when applying the accounting policies of the Group and the major sources of uncertainty in the estimation were the same as those applied to the consolidated Annual Financial Statements for the financial year ending 31 December, 2019.

As stated in Note 1.3 to these Abbreviated Consolidated Interim Financial Statements, as a result of the extraordinary circumstances caused by the coronavirus health crisis (Covid-19), the estimates and assumptions used for accounting purposes have also been reviewed and adapted, as required. A relevant mention of the effect of Covid-19 in each case is included in each of the following subjects.

a) <u>Estimated impairment of goodwill</u>

The Group tests annually whether goodwill has suffered any impairment. Pursuant to the extraordinary circumstances caused by the coronavirus health crisis (Covid-19), when these Abbreviated Consolidated Interim Financial Statements were prepared, the Group revalued the estimated goodwill impairment loss.

Note 1 to the Abbreviated Consolidated Interim Financial Statements explains why the Group segmentation was changed. This led to additional reassessment of the current CGUs. In this regard, based on the definition of a CGU or group of CGUs as the smallest group of assets that generate cash inflows irrespective of inflows from other assets or groups of assets, there were no changes to the CGUs as such, but they were reorganised to conform to the defined segments. Consequently, the CGU groups from 2020 onwards are as follows:

CGU groups to 2019	**CGU groups from 2020 onwards**
Solutions and specialized engineering	B2B 360º Projects
T&T services	B2B T&T Services
Industrial Services	B2B Industrial Services
Commercial services	B2B Commercial Services
	B2C

As shown in the table above, the variations taken into account when reassessing the composition of the CGU groups are twofold:

- Solutions that do not relate to 360º Projects. These are smaller solutions that support recurrent services, or they are digital and are included from 2020, in the B2B T&T Services CGU group. From now onwards, the B2B 360º Projects CGU will work in the segment of the same name and includes all the major EPC renewable energy projects, tall structure projects and major 360º solutions.

- B2C services. These services are separated from the Commercial Services CGU group and a separate CGU is created to coincide with the Segment of the same name. Until 2019, Commercial Services encompassed all service-related activities in the mobile phone sector. As a result of the new modifications, as of this year (2020), the following services will be distinguished: services oriented towards households, with a broader range of services than just telephony (energy, insurance, etc.) where the customer is the end consumer; commercial agency and comprehensive marketing services for operators and OEMs in the telecommunications sector.

The goodwill at 31 December 2019 was, in turn, reallocated to the new CGUs on the basis of the above:

Groups of Cash Generating Units taking account of previous groups up to 31.12.2019	**2019**
Solutions and specialized engineering	156,597
T&T services	26,803
Industrial Services	41,737
Commercial services	77,731
	302,868

Groups of Cash Generating Units taking account of new groups as of 2020	**2019**
B2B 360º Projects	136,451
B2B T&T Services	46,949
B2B Industrial Services	41,737
B2B Commercial Services	22,118
B2C	55,613
	302,868

As stated in Notes 6 and 1.3 to these Abbreviated Consolidated Interim Financial Statements, it was considered that, given the economic and social implications of the Covid-19 pandemic and the continuing uncertainty, there is evidence to suggest impairment, whereby the impairment test will need to be recalculated at the end of the first half of 2020.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. We must use the estimates we reassessed for 2020 for these calculations in order to take account of any implications caused by the Covid-19 pandemic. Note 6 provides details of the estimates made in the calculation.

With respect to the assumptions made to project the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization, essential for calculating free cash flow) of the CGU groups and their future growth, and the evolution of the profitability of the various CGU groups, as mentioned in Note 1.3, our strategy for the next few years stays the same and we see 2020 as a parenthesis in this strategy therefore requiring an extra year for full completion. Accordingly, we do not detect any impairment risks that could affect the conclusions of the analyses and estimates made as of December 31, 2019, including sensitivity analyses. Note 6 provides further information on the goodwill recoverability tests.

The use values for each group of CGUs at 30 June 2020 exceed the net asset value to be recovered for each of them in all circumstances. It should be noted that in some of the CGU groups, such as the B2B Commercial Services CGU (previously part of the Commercial Services CGU), the net assets to be recovered are negative as they normally operate with negative net working capital. Considering these cases apart, this excess above the net assets to be recovered does not fall below 20% in any of the cases, considering the strictest hypotheses and circumstances.

b) Estimate of the fair value of assets, liabilities and contingent liabilities associated with a business combination and effective takeover date

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date in order to subsequently measure the identifiable assets acquired and liabilities assumed, including contingent liabilities, at their acquisition date fair values. It may also be necessary to use estimates in these transactions in order to value the contingent amounts (Note 18). Note 3.2 indicates the estimates made regarding the fair value of the contingent payments currently on the balance sheet and the changes to these estimates as a result of Covid-19.

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to the annual report, broken down by nature in the relevant explanatory notes of the Abbreviated Consolidated Interim Financial Statements. In the case of the fair value of property, plant and equipment, fundamentally consisting of buildings used in operations, the Group uses appraisals prepared by independent experts.

The Parent Company's practices to modify the governing body at the companies and businesses acquired at the time the acquisition is formally concluded and obtains a majority of the members and Chairs of those bodies. From that time on it has the authority to take key decisions regarding the acquired business and the main policies to be followed, regardless of the time at which the payments agreed under the transactions are effectively made. (Notes 1 and 18).

c) Degree of progress or completion of the service agreements.

The accounting of the contracts of construction according to the percentage of completion or ending of the same ones is based on estimations of the total of costs incurred on the total ones estimated for the completion. Changes in these estimations have impact in the recognized results of the works in accomplishment. The estimates are constantly monitored, assessing the possible effects of interruptions caused by Covid-19 and any applicable adjustments are made if necessary.

d) Income tax

The Group is subject to income taxes in numerous jurisdictions. A high degree of judgement is required in determining the worldwide provision for income taxes. The Group recognises deferred taxes which, in accordance with prevailing legislation in different tax jurisdictions, result from multiple temporary differences in respect of assets and liabilities. Nonetheless, there are certain transactions and calculations with respect to which the ultimate calculation of the tax is uncertain in the ordinary course of business.

The calculation of income tax expense did not necessitate significant estimates except with respect to the amount of tax credits recognised in the year. It is estimated that various Group companies will end 2020 having incurred losses as a result of the Covid-19 situation. Accordingly, the feasibility of activating them based on the existing future business plans will be assessed. Also, the merging of most of the companies in the Basque Autonomous Community tax group in 2020 (see Note 1.4) simplifies the analysis of the recoverability of the tax credits capitalised in this tax jurisdiction, which is the most significant amount.

Whilst considering the fact that some of the legal companies that make up the consolidated Group will make losses in 2020 and, in some cases, also in the subsequent year, the estimated recoverability of tax credits capitalised at 30 June 2020 does not represent a problem in the ten-year period considered acceptable by accounting legislation.

As a general rule, at those companies that still record a negative tax base, the corresponding tax credits are not recognised until the company is making profit. For those that have generated a positive tax base, the tax credit generated in previous financial years has been recorded. No significant impact on the total capitalized tax credits at 30 June, 2020 and 31 December, 2019 were detected by the sensitivity analysis that was performed.

e) Fair value of derivatives or other financial instruments

The fair value of financial instruments that are not quoted in an active market (e.g. OTC derivatives) is determined by using valuation techniques. The Group exercises judgement in selecting a range of methods and making assumptions which are based primarily on prevailing market conditions at the consolidated reporting date.

Note 10 provides details of the conditions, notional amounts and evaluations on the date of the balance sheet for these instruments.

f) Pension benefits

The present value of the Group's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for employee benefits are based in part on current market conditions. Note 21 of the consolidated Annual Financial Statements at 31 December, 2019 for Global Dominion Access, S.A. and subsidiaries contains further information and a sensitivity analysis for changes to the most significant estimates.

It must be noted that the employee benefit plans that the Group is bound to are post-employment benefit plans in Germany and France, mostly relating to staff who have already retired or about to retire, involving approximately 310 people in Germany and 57 in France, whereby the liability falls over time. As of 30 June 2020, the appraisal of the relevant liabilities has been updated. The results of this are provided in Note 12 to these Abbreviated Consolidated Interim Financial Statements.

g) Product warranty

Warranty product risks are recognised when there is a firm claim not covered by the relevant insurance policy.

There is no history of claims that would determine any need to establish a provision for warranties.

The Senior Management estimates the related provision for future warranty claims based on historical warranty claim information, by considering the specific conditions of each claim as a function of technical reviews and estimations based on the experience with each of the rendered services, as well as recent trends that might suggest that past cost information may differ from future claims.

2.5. SIGNIFICANT JUDGEMENTS WHEN APPLYING ACCOUNTING POLICIES

The most significant judgements and estimates that have been taken into account when applying the accounting policies described in Note 2 of the Annual Financial Statements relating to the financial year ending 31 December 2019, relate to:

- Premises and calculations required in the analysis of the impairment of goodwill, as described in Note 6.
- Estimate of the recognition and application of tax credits.
- Estimate of the useful lives of tangible fixed assets.
- Degree of progress or completion of the service agreements.
- Impairment losses of financial assets based on the indications of the IFRS 9 (Note 3.1)

2.6. NEW IFRS STANDARDS AND IFRIC INTERPRETATIONS

a) Mandatory standards, amendments and interpretations for all years starting on 1 January, 2020.

IAS 1 (Amendment) and IAS 8 (Amendment) "Definition of material (or relative importance)"

These amendments clarify the definition of "material", introducing, as well as items that are omitted or inaccurate that may influence the decisions of users, the concept of "obscure" information. These amendments ensure that the IFRS are more consistent, although they are not expected to have a significant impact on the preparation of the financial statements.

They will apply to the financial years beginning on or after 1 January 2020, although earlier application is permitted.

The Group has considered these amendments for the preparation of its Abbreviated Consolidated Interim Financial Statements, although it does not significantly change the Group's previous practice, given that it considers that it is already taking the said clarifications into account in its estimates.

IFRS 9 (Amendment), IFRS 7 (Amendment) and IAS 39 (Amendment) "Interest rate benchmark reform"

These amendments provide certain exemptions in relation to the interest rate benchmark reform (IBOR). These exemptions are related to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

These amendments will apply to the financial years beginning on or after 1 January 2020, although earlier application is permitted.

The Group has considered this modification for the preparation of the Abbreviated Consolidated Interim Financial Statements, although it does not significantly change the Group's previous practice.

IFRS 3 (Amendment) "Business combinations"

These amendments will help to determine whether the operation concerns the acquisition of a business or of a group of assets. The amended definition emphasises the fact that the output of a business is to provide goods and services to customers, while the former definition focussed on offering profitability in the form of dividends, lower costs or other financial benefits to investors or others. In addition to altering the wording of the definition, additional guidance has been provided. To be considered a business, an acquisition must include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to assess when both elements are present (even for companies at an early stage that have not generated outputs). To constitute a business without outputs, it will now be necessary to count on organised labour.

These amendments effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Early adoption is permitted.

The Group has considered this modification for the preparation of the Abbreviated Consolidated Interim Financial Statements, although it does not significantly change the Group's previous practice.

b) Standards, interpretations and amendments of existing standards that cannot be early adopted or have not been adopted by the European Union

At the date of these Abbreviated Consolidated Interim Financial Statements were prepared, the IASB and IFRS Interpretations Committee had published the following standards, amendments and interpretations that have not yet been adopted by the European Union.

IFRS 10 (amendment) and IAS 28 (amendment) "Sale or contribution of assets between an investor and its associate or joint venture"

These amendments clarify the accounting treatment of the sale or contribution of assets between an investor and its associates and joint ventures. This will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a business. The investor will recognise the total gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the definition of a business, the investor should recognise the profit or loss to the extent of other investors' interests. The amendments will only be applicable when an investor sales or contributes assets to its associate or joint venture.

Originally, these amendments to IFRS 10 and IAS 28 were forward-looking and effective for the financial years commencing from 1 January 2016 onwards. However, at the end of 2015, the IASB took the decision to postpone the effective date of these amendments (without setting a new specific date), given the fact that it is planning a more extended review that could simplify the accounting of these transactions and other aspects regarding the accounting of associates and joint ventures.

The Group is studying these amendments, however it does not consider that their future application will have a significant effect on it.

IFRS 17 "Insurance Contracts"

In May 2017 the IASB completed its long-term project to develop an accounting standard on insurance contracts and published the IFRS 17 "Insurance Contracts". IFRS 17 replaces IFRS 4 "Insurance Contracts" which currently enables a wide variety of accountancy practices. IFRS 17 will require fundamental accounting changes for all companies issuing insurance and investment contracts with discretionary participation features.

The standard will be applicable for the financial years from 1 January 2021 onwards, permitting an earlier application if IFRS 15 "Ordinary revenue from contracts with customers" and IFRS 9 "Financial instruments" are also applied. IFRS 17 is pending adoption by the EU.

The Group is studying this new standard, however it does not consider that its future application will have a significant effect on it.

IAS 1 (Amendment) "The classification of liabilities as current or non-current"

These amendments specify whether liabilities are classified as current or non-current liabilities, depending on the existing rights at the end of the reporting year. This classification is not affected by the company's prospects or by events beyond the end of the financial year (for example, receipt of a waiver or breach of agreement). The amendment also specifies the meaning of the 'settlement' of a liability in IAS 1. These amendments will take effect on 1 January 2022, although they may be adopted earlier.

The Group is studying this amendment, however it does not consider that its future application will have a significant effect on it.

IAS 16 (Amendment) "Property, plant and equipment - Income earned before intended use"

No income made from the sale of goods produced while the company is preparing the asset for its intended use may be deducted from the cost of any property, plant and equipment. Income from the sale of such items, together with production costs, is now allocated to profit (loss). The amendment also specifies how a company is assessing whether the asset is performing correctly when it measures the technical and physical performance of the asset in question. The financial performance of the asset is not relevant to this assessment. Accordingly, an asset could perform as envisaged by the management and be subject to depreciation before it has reached the operating performance level the management expects. These amendments will take effect on 1 January 2022.

The Group is studying this amendment, however it does not consider that its future application will have a significant effect on it.

IAS 37 (Amendment) "Onerous contracts - Cost of fulfilling a contract"

The amendment explains that the direct cost of fulfilling a contract consists of the incremental costs of fulfilling the contract and the allocation of other costs that are directly related to fulfilling contracts. It also specifies that before establishing a separate provision for an onerous contract, the company shall recognise any impairment loss on assets that have been used to fulfil the contract, rather than on the assets dedicated to the contract. These amendments will take effect on 1 January 2022.

The Group is studying this amendment, however it does not consider that its future application will have a significant effect on it.

IFRS 3 (Amendment) "Reference to the Conceptual Framework"

IFRS 3 has been updated to reflect the 2018 Conceptual Framework to establish what constitutes an asset or liability in a business combination (the 2001 CF was referred to previously). A new exception has also been included in IFRS 3 for liabilities and contingent liabilities. These amendments will take effect on 1 January 2022.

The Group is studying this amendment, however it does not consider that its future application will have a significant effect on it.

Annual improvements to IFRS. 2018 – 2020 cycle:

The amendments affect IFRS 1, IFRS 9, IFRS 16 and IAS 41 and are applicable to financial years beginning on or after 01 January 2022. The main amendments relate to:

- IFRS 1 "First-time Adoption of IFRS": IFRS 1 permits exemption should a subsidiary adopt IFRS later than its parent. This amendment allows companies that have adopted this exemption to also measure cumulative exchange differences using the amounts recorded by the parent company, based on the date that the parent company adopted the IFRS.

- IFRS 9 "Financial instruments": The amendment specifies which costs should be included in the 10% test for write-off in financial liability accounts. Costs or fees can be paid to third parties or to the lending party. According to the amendment, costs or fees paid to third parties will not be included in the 10% test.

- IFRS 16 "Leases": Illustrative Example 13 that accompanies IFRS 16 has been amended to remove the depiction of lessor payments for lease improvements, thereby removing any possible confusion concerning leasing incentives.

- IAS 41 "Agriculture": This amendment does away with the requirement to exclude tax cash flows when measuring fair value as per IAS 41.

The Group is studying these improvements, however it does not consider that their future application will have a significant effect on it.

IFRS 16 (Amendment) "Covid-19 related lease concessions"

The IASB has published an amendment to IFRS 16 "Leases" that contains an optional practical exemption for lessees in assessing whether or not a COVID-19 related lease concession is a lease modification. Lessees may choose to recognise these lease concessions in the same way that they would if they were not lease modifications. In many instances, this will result in the concession being recognised as a variable lease payment in the period(s) in which the event or condition that causes the reduced payment occurs. This amendment does not provide the same benefit to lessors, who must apply the current requirements of IFRS 16 and consider whether or not there has been a modification of the lease in question.

This amendment comes into effect for annual financial years beginning from 1 June 2020, although it can be implemented earlier, including in interim financial statements or Annual Financial Statements not yet authorised for issue at 28 May 2020, subject to the approval of the European Union.

The Group is currently analysing all of the concessions arising as a result of Covid-19 up until 30 June 2020 to determine their accounting implications. Most of the concessions obtained have been in businesses involving physical stores with leased premises for their activity. Pursuant to the practical simplification envisaged in the amendment for contracts with similar characteristics and under similar circumstances, in our initial estimate we believe that there have been no amendments to contracts and that the effect of applying this amendment could amount to a maximum of approximately EUR 1.5 million in the income statement.

3. FINANCIAL RISK MANAGEMENT:

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial market risk management has been adapted to take account of the uncertainty caused by the general situation as a result of Covid-19 in financial year 2020.

3.1. WORKING CAPITAL AND LIQUIDITY MANAGEMENT

The prudent management of the liquidity risk entails maintaining sufficient cash and available financing through sufficient credit facilities. In this respect, the Group's strategy is to maintain the necessary financing flexibility through committed credit lines. Additionally, and on the basis of its liquidity needs, Dominion Group uses liquidity financial instruments (factoring without recourse and the sale of financial assets representing receivables, through which the risks and rewards on accounts receivable are transferred) that, in accordance with Group policy, do not exceed approximately one-thirds of overdue trade and other receivable balances in order to maintain liquidity levels and the structure of working capital required under its business plans.

The Management constantly monitors the Group's liquidity reserve forecasts, and the Net Financial Debt progress, which has become an ongoing daily monitoring activity since just prior to the Covid-19 health crisis. To this regard, the Group's Financial Management has implemented a wide range of actions to maximise liquidity possibilities. It should be noted that the pandemic occurred at a time when solvency and liquidity were in strong positions. However, certain measures have been deemed necessary to further increase "comfort" at a time of declining activity and when there is considerable uncertainty regarding the time and amount involved. Note 1.3 above specifies further information regarding these measures.

These actions include loans granted which are guaranteed by the OCI for a total of EUR 100 million, the issue of new promissory notes in the MARF between April and June 2020, for a total of approximately EUR 33.2 million, and, needless to say, a detailed analysis of customer receivables and obligatory payments as part of the normal working capital management. Also, as stated in Note 21 "Subsequent events", financing for EUR 50 million was signed in July 2020 by the European Investment Bank (EIB) and the Official Credit Institute (OCI) to implement their R&D&I strategy.

What follows is the calculation of the Group's liquidity reserve and Net Financial Debt at 30 June 2020 and 31 December 2019:

	30.06.2020	**31.12.2019**
Cash and cash equivalents (Note 8)	262,233	141,545
Other current financial assets (Note 7)	66,223	59,933
Undrawn credit lines (Note 10)	113,122	143,552
Liquidity reserve	**441,578**	**345,030**
Liabilities with credit institutions (Note 10)	220,794	84,678
Current financial liabilities (Note 10).	5,631	3,390
Cash and cash equivalents (Note 8)	(262,233)	(141,545)
Other current financial assets (Note 7)	(66,223)	(59,933)
Net financial debt	**(102,031)**	**(113,410)**

For the purposes of this calculation, the Group does not consider the heading of "Other current and non-current liabilities” to be financial debt (Note 11).

The Financial Department of the Group monitors the provisions of the Group’s liquidity requirements with a view towards guaranteeing sufficient cash to meet the operating requirements whilst maintaining sufficient undrawn credit availability at all times to manage liquidity requirements.

There are no restrictions regarding the use of cash/cash equivalents.

As shown in the table above, the Group's ample positive cash position at 31 December 2019 and 30 June 2020, following the most difficult months of the Covid-19 health crisis, is the best indication that there is no risk to the Group's liquidity.

Below is a table setting out a breakdown of the working capital reported in the Group's consolidated balance sheet at 30 June 2020, on a comparative basis with the figures at 31 December 2019:

	30.06.2020	**31.12.2019**
Inventories	56,254	53,002
Trade and other receivables	254,466	250,821
Contract assets	83,168	79,706
Other current assets	11,259	8,397
Current tax assets	22,047	17,466
Operating current assets	**427,194**	**409,392**
Other current financial assets	66,223	59,933
Cash and other cash equivalents	262,233	141,545
CURRENT ASSETS	**755,650**	**610,870**
Trade and other payables	532,288	510,639
Liabilities per contract	16,982	14,606
Current tax liabilities	22,441	30,557
Current Allowances (Note 13)	5,219	4,418
Other current liabilities (*)	30,021	27,136
Operating current liabilities	**606,951**	**587,356**
Other current liabilities (*)	29,731	22,594
Short-term bank debts (Note 10)	22,418	14,335
Other current financial liabilities (Note 10)	5,631	3,390
CURRENT LIABILITIES	**664,731**	**627,675**
OPERATING WORKING CAPITAL	**(179,757)**	**(177,964)**
TOTAL WORKING CAPITAL	**90,919**	**(16,805)**

(*) Accrued wages and salaries and accruals and prepayments are included in other operating current liabilities. The other items analysed in Note 11 are carried as non-operating current liabilities.

Although the magnitude of working capital taken into consideration in an isolated manner is not a key parameter for understanding the Group's financial statements, it actively manages working capital through net operating capital and net current and non-current financial debt, based on the solidity, quality and stability of relationships with its customers and suppliers, as well as the exhaustive monitoring of its situation with financial institutions, which in many cases automatically renew loans. It should also be noted that the business covered by the Commercial Services CGU (both that in 2020 and in 2019) normally operates with negative goodwill and sales that are paid or recovered in cash, and expenses for purchases or services that have normal payment maturity dates.

One of the Group's strategic lines is to ensure the optimisation and maximum saturation of the resources devoted to the business. The Group therefore pays special attention to the net working capital invested in the business. In keeping with this and as in previous years, major efforts have been made to control and reduce the collection periods for trade and other receivables and to minimise services rendered pending invoicing. Similarly, the Company constantly optimises supplier payment terms, standardising policies and conditions throughout the Group.

As a result of the above it may be confirmed that there are no liquidity risks at the Group.

3.2. CREDIT RISK

Credit risk management has not undergone any changes over the course of the first half of financial year 2020 with respect to the information stated in the Consolidated Financial Statements for financial year 2019.

As set out in these financial statements, the Group has four types of assets that are subject to the projected credit loss model: trade accounts receivable for the sale of services, contract assets related to solutions for which income recognition is applied on the basis of work progress, loans and receivables accounted for at amortised cost and cash and cash equivalents.

The estimated loss is considered as an additional risk to that calculated in financial year 2019, as a result of the effects that Covid-19 has on credit risk (payment default risk), the amount at risk if the debtor fails to pay (default exposure) and the estimated loss as a result of the default (loss in the case of payment default).

The effect on the correction of value due to losses for trade accounts receivable and assets by contract that has resulted from the additional risk arising as a result of Covid-19 has been calculated at an additional 0.5 million euros. This has been included in the income statement and is basically applicable to the B2B and B2C services segments.

3.3. FAIR VALUE ESTIMATION

IFRS 13, 'Fair value measurements' explains how to estimate fair value when other international accounting standards so require. This standard stipulates the fair value disclosure requirements applicable to non-financial assets and liabilities.

IFRS 13 defines fair value as the value that would be received or paid, in an orderly transaction on the measurement date, for an asset or liability, regardless of whether this value is directly observable or has been estimated using valuation techniques. To this end the data used must be consistent with the assumptions that market participants would use in considering such a transaction.

Although IFRS 13 leaves the principles set down in other standards intact, it does establish the overall framework for measuring assets and liabilities at fair value when doing so is mandatory under other standards and stipulates additional fair value disclosure requirements.

The Group complies with IFRS 13 requirements in measuring its assets and liabilities at fair value when such fair value measurement is required under other international financial reporting standards.

On the basis of the contents of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports on how it estimates fair value by level using the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Tier 1)
- Inputs other than Tier 1 quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices) (Tier 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Tier 3).

The following table presents the assets and liabilities of the Group that are valued at fair value as of 30 June, 2020 and 31 December, 2019 (Notes 7, 10 and 11):

	Available-for-sale financial assets (Note 7)	
ASSETS AT FAIR VALUE	**30.06.2020**	**31.12.2019**
Derivatives		
Level 3 (Notes 7 and 10)	-	346
	-	**346**

	Liabilities valued at fair value	
LIABILITIES AT FAIR VALUE	**30.06.2020**	**31.12.2019**
Derivatives		
Level 2 (Note 10)	(5,631)	(3,390)
Other liabilities valued at fair value		
Level 3 (Note 11)	(19,050)	(23,311)
	(24,681)	**(26,701)**

There were no transfers between Tier 1 and 2 during 2020 and 2019.

a) Tier 1 financial instruments

The fair value of the financial instruments that are marked on active markets is based on market prices at the balance sheet date. The listed market price used for financial assets is the ordinary buy price. A market is considered to be active when the listed prices are easily and regularly available through a stock market, financial brokers, industry institution, a pricing service or a regulatory entity and those prices reflect current market transactions that take place on a regular basis between parties that operate under conditions of mutual independence. The listed market price used for the financial assets held by the Group is the current buy price. These instruments are included in Tier 1. The Group has no financial instruments of this type.

b) Tier 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions based on existing market conditions at each balance sheet date. If the significant inputs that are required to calculate the fair value of an instrument are observable, the instrument is included in Tier 2.

The specific measurement techniques applied to financial instruments are:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- Fair value of forward foreign exchange contracts is determined using forward exchange rates quoted at the balance sheet date.
- It is assumed that the book value of credits and debits for commercial operations is close to their fair value.
- Fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Tier 2 instruments relate to the derivative financial instruments.

c) Financial instruments at fair value in Tier 3

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Tier 3.

Instruments included in Tier 3 correspond to the contingent compensation of the business combinations performed during recent financial years. Those liabilities have been valued according to the stipulations specified in the contract of purchase where involved financial parameters (EBITDA and net financial debt) that must be considered in the future (Note 11).

The key assumption to measure these liabilities is based on future expected returns to be generated by each company (Notes 1 and 11). The assumptions used for these estimates match with the detailed in the impairment test of funds of trade (Note 6). The evolution of these businesses in the first half of financial year 2020 is in line with the business plans used to calculated these liabilities, whereby we maintained the same hypotheses and conclusion as on 31 December, 2019.

Liabilities measured at fair value are based on the best estimate at the time of the contingent considerations for business combinations performed in previous years based on anticipated future returns generated by the acquired companies. At 30 June 2020, the fair value was calculated on that date using an updated version of the main valuation assumptions, such as the forecast EBITDA and, in some cases, future cash flow generation, resulting in a change in the updated valuation of approximately EUR 3 million less than the amount recognised at 31 December 2019. This difference has been allocated to the income statement for the period.

Although, on the one hand, the estimates of the main hypotheses used to measure these liabilities include decreases in the specific years that affect the calculation of these liabilities, on the other hand, there are no significant drops in the forecast profits over 5 years that could give rise to the impairment of any of the net assets acquired, as explained in Notes 2.4 a) and 6.

At 30 June, 2020 and 31 December, 2019, the Group does not record any agreements to offset financial assets and liabilities.

4. SEGMENT FINANCIAL REPORTING

The Group's Management Committee, comprised of the Chief Executive Officer and the seven members of the Group's Executive Management, has been identified as the ultimate decision-making body in the Group. The Management Committee reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to segments.

Management has determined operating segments based on the structure of the information examined by the Board of Directors. For these purposes, the Group's business is analysed from the point of view of products and services offered, and the information is also classified geographically merely for informational purposes.

As we indicated in Note 1, the Group defines itself as a global Services and Projects company with the objective of providing comprehensive solutions that maximise business process efficiency by means of a different approach and innovative technology application.

In financial year 2019, the Group's Management presented its strategy plan to follow in the next few years and the way in which business performance will be assessed. The information broken down into segments has accordingly been modified with respect to previous years to adapt it to the different businesses included in this strategy and to make it easier to understand.

In this regard, we differentiated between two operating segments, Specialist Engineering and Solutions and Multi-technology Services, up until 2019. From financial year 2020 onwards, we will distinguish three different segments of activity:

- B2B 360º Projects
- B2B Services
- B2C

To understand these three segments, we must first distinguish between two worlds:

- On the one hand, the classic Dominion Group world, B2B ("Business to Business"), where the Group's value proposal is to be a Tier 1 supplier and digital expert who is capable of delivering an end-to-end solution: from the design and management of the project to the subsequent operation and maintenance (O&M). Two segments can be distinguished in this B2B world:

  - B2B 360º Projects, which refers to projects in which a new production process or a new infrastructure is created, in which the subsequent design, implementation and maintenance is carried out. They are comprehensive projects (usually multi-year), with long-term commercial development processes. This segment is a business with the key element being the project backlog at any given date and with a margin profile that exceeds that of services, typically more than 15%.

  - B2B Services, which refers to the framework contracts for operation and maintenance outsourcing and process improvement projects, which are normally closely linked to a maintenance contract. These contracts typically involve recurring revenues with adjusted margins that should come close to a contribution margin of approximately 10%.

- On the other hand, the B2C ("Business to Customers") world, which comprises all end-customer oriented activities: the marketing of electricity and gas supplies, telecommunications services, insurance and other services in the household. In this segment, the Group's value proposal is to serve as a multiple service provider offering all personal and household services in a single, all-encompassing platform. The purpose of this segment is to generate recurring income, going from being a "retailer" that sells third party services to becoming a supplier with its own customers. The most important factors to measure business are the number of customers (or services) and their mean "lifetime value".

Just as was stated the year before, but now only focusing on the B2B world, the Group offers its solutions in three main fields of activity or expertise:

- T&T (Technology and Telecommunications), in which it offers solutions in sectors such as Health, Education, Telecommunications, Transport, Logistics or Public Administration.

- Industry, with solutions for the metal, petrochemical, glass or cement sectors, among others.

- Energy, primarily in the renewables area: photovoltaic, biomass and wind power, and power transmission lines.

The Board of Directors manages the aforementioned operating segments relating to continued activities based, mainly, on the evolution of the most relevant figures that are defined as turnover (sales) and the contribution margin (calculated as operating profits excluding depreciation or possible impairment and general structural expenses not directly attributed to the activities of the business segments).

The information received by the Board of Directors also includes all other income and expenses that make up the income statement, as well as investments in assets and the evolution of non-current assets, although all of these items and amounts are analysed and managed jointly and globally at the Group level.

The most significant non-current investment item focuses on goodwill that is distributed among segments as follows:

Segment	**30.06.2020**	**31.12.2019 (*)**
B2B 360º Projects	135,973	136,451
B2B Services	108,929	110,804
B2C	56,378	55,613
	301,280	**302,868**

(*) The segment figures for December 31, 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

a) Segment information

Segment information submitted to the Board of Directors relates to the contribution margin and this is the indicator that is used to manage the Group's segments.

	B2B 360º Projects	B2B Services	B2C	Total
30 June 2020				
Consolidated turnover	127,061	202,269	134,634	463,964
Other direct operating income and expenses in the segments	(106,278)	(180,716)	(133,886)	(420,880)
Contribution margin	**20,783**	**21,553**	**748**	**43,084**
30 June 2019 (*)				
Consolidated turnover (*)	126,680	251,201	147,619	525,500
Other direct operating income and expenses in the segments (*)	(103,893)	(228,193)	(134,763)	(466,849)
Contribution margin	**22,787**	**23,008**	**12,856**	**58,651**

(*) The segment figures for 30 June, 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

The Group's Management Committee uses the adjusted Net Turnover value to assess the performance of the B2C segment. This value is calculated by removing device sales in the B2C Services business from the consolidated Net Turnover. The adjusted consolidated turnover for the first half of 2020 amounted to EUR 402,782 thousand (in the first half of 2019 it amounted to EUR 425,021 thousand).

Below is a reconciliation between the contribution margin provided by the segments and consolidated profits at 30 June 2020 and 30 June 2019:

	30.06.2020	30.06.2019
Contribution margin:	43,084	58,651
- Overall unattributed structural income and expenses (1)	(13,059)	(12,988)
- Amortisations/impairment (Notes 5 and 6)	(22,246)	(24,341)
- Financial profit (loss) (2)	(6,245)	(4,421)
- Share in profits obtained by associates (Note 7)	78	3,180
- Corporate income tax (Note 14)	(195)	(4,344)
- Profit (loss) after the tax on discontinued operations (Note 20)	(14)	(367)
Consolidated results	**1,403**	**15,370**

(1) These amounts fundamentally relate to fixed and general structural expenses (indirect personnel costs and other overheads) that are not directly attributable to business segments.

(2) Includes the headings: Financial income, financial expenses, Net exchange differences, Variation in the fair value of financial assets and liabilities attributed to profit and loss.

Segment assets and liabilities and investments in the year are as follows:

	B2B 360º Projects	B2B Services	B2C	Total
30.06.2020				
Property, plant and equipment	14,797	50,878	40,690	106,365
Intangible assets and goodwill	149,232	118,198	74,680	342,110
Associate investments	17,724	-	250	17,974
Remaining Assets	430,039	293,209	97,674	820,922
Total assets	**611,792**	**462,285**	**213,294**	**1,287,371**
Total liabilities	**406,652**	**418,275**	**132,975**	**957,902**
Fixed asset additions (Notes 5 y 6)	2,495	10,949	11,656	25,100
Withdrawal of fixed assets net of depreciation (Notes 5 and 6)	(22)	(1,250)	(4,133)	(5,405)
Net investments during the six month period (Notes 5 and 6) (1)	**2,473**	**9,699**	**7,523**	**19,695**

	B2B 360º Projects	B2B Services	B2C	Total
30.06.2019 (*)				
Property, plant and equipment	13,840	47,100	49,064	110,004
Intangible assets and goodwill	160,149	118,692	76,139	354,980
Associate investments	13,001	-	250	13,251
Remaining Assets	343,219	278,130	84,775	706,124
Total assets	**530,209**	**443,922**	**210,228**	**1,184,359**
Total liabilities	**310,924**	**370,166**	**168,755**	**849,845**
Fixed asset additions (Notes 5 y 6)	3,811	8,546	8,237	20,594
Withdrawal of fixed assets net of depreciation (Notes 5 and 6)	-	(42)	(925)	(967)
Net investments during the six month period (Notes 5 and 6) (1)	**3,811**	**8,504**	**7,312**	**19,627**

(1) Excludes movements in goodwill.
(*) The segment figures for 30 June 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

Inter-segment sales are performed under market conditions and excluded from consolidation. The amounts presented to the Management Committee for segment assets and ordinary turnover are measured using an approach which is consistent with that used for the financial statements. Segment assets are allocated based on the segment's activities and the physical location of the asset.

b) Information regarding geographical areas

Information relating to the net revenues and non-current assets by geographic area is as follows:

	30.06.2020	30.06.2019 (*)
Turnover (according to final market)		
B2B 360º Solutions		
Spain	17,252	16,871
The rest of Europe	23,461	17,316
America	48,823	51,829
Asia, Oceania and others	37,525	40,664
	127,061	126,680
B2B Services		
Spain	92,927	120,221
The rest of Europe	33,182	45,406
America	53,983	63,551
Asia, Oceania and others	22,177	22,023
	202,269	251,201
B2C		
Spain	134,634	147,619
	134,634	147,619
Total	**463,964**	**525,500**

(*) The segment figures for 30 June 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

Those countries where the Group obtains a significant turnover in large geographical areas shown in the previous table are: Germany with total sales to the tune of EUR 29,887 thousand (30 June 2019: EUR 32,397 thousand), Mexico with total sales of EUR 44,692 thousand (30 June 2019: EUR 26,748 thousand), USA with total sales of EUR 12,995 thousand (30 June 2019: EUR 31,724 thousand); Middle East countries (Saudi Arabia and the Arabic Gulf countries) with total sales of EUR 11,406 thousand (30 June 2019: EUR 13,883 thousand), Chile with total sales of EUR 19,494 thousand (30 June 2019): EUR 16,656 thousand) and Peru with total sales of EUR 12,311 thousand (30 June 2019: EUR 7,819 thousand).

	30.06.2020	31.12.2019
Non-current assets (fixed tangible assets and intangible assets, by geographical location of the activity)		
Spain	259,902	256,131
Europe	132,302	140,535
America	40,505	41,335
Asia, Oceania and Others	15,766	16,517
Total	**448,475**	**454,518**

Excluding goodwill, those countries where a significant portion of the amount of the remaining non-current assets are concentrated would be Spain with a total of EUR 61,132 thousand (31 December 2019: EUR 69,280 thousand) and Germany with a total amount of EUR 15,563 thousand (31 December 2019: EUR 19,151 thousand).

c) Information on clients

During the first half of 2020 and in 2019, no sales were made in excess of 10% of the consolidated turnover and the turnover for each segment, for any customer individually.

5. PROPERTY, PLANT AND EQUIPMENT

Set out below is an itemisation of tangible fixed assets showing movements:

Period 2020

	Balance 31.12.2019	Inclusions/ (variations) in the scope (Note 18)	Additions	Withdrawals	(*) Transfers and other movements	Balance 30.06.2020
Cost	236,429	17	22,036	(6,219)	(5,363)	246,900
Amortisations	(130,968)	(5)	(14,300)	1,166	3,572	(140,535)
Net value	**105,461**					**106,365**

Period 2019

	Balance 31.12.2018	Initial effect IFRS 16 (Note 2.6)	Inclusions/ (variations) in the scope (Note 18)	Additions	Withdrawals	(*) Transfers and other movements	Balance 30.06.2019
Cost	156,077	51,109	5,511	16,223	(1,849)	1,164	228,235
Amortisations	(99,815)	-	(2,339)	(16,814)	1,052	(315)	(118,231)
Net value	**56,262**						**110,004**

(*) It includes the effect of exchange fluctuations affecting tangible fixed assets in the currency of foreign subsidiaries and other movements and certain transfers between items.

a) Property, plant and equipment by geographical area

Set out below is a breakdown of tangible fixed assets by geographical location as of 30 June, 2020 and 31 December, 2019:

	EUR million					
	30.06.2020			31.12.2019		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
Spain	116	(63)	53	90	(47)	43
The rest of Europe	59	(35)	24	65	(40)	25
America	51	(30)	21	63	(32)	31
Asia and Oceania	21	(13)	8	18	(12)	6
	247	**(141)**	**106**	**236**	**(131)**	**105**

b) Tangible fixed assets not earmarked for operations

At 30 June 2020 and 31 December 2019 there were no significant non-operating property, plant and equipment items.

c) Insurance

The Group has taken out a number of insurance policies to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered sufficient.

d) Right-of-use assets and lease liabilities

The movement during the term for right-of-use assets and lease liabilities is as follows:

	Cost	Accumulated Am.	TOTAL ASSETS	TOTAL LIABILITIES
31 December, 2019	61,432	(19,134)	**42,298**	**42,570**
Additions	16,347	-	16,347	16,347
Write-offs	(4,802)	-	(4,802)	(4,915)
Amort. expense / Payments	-	(10,193)	(10,193)	(10,540)
Debt update expenses	-	-	-	529
30 June 2020	72,977	(29,327)	**43,650**	**43,991**

e) Financial Leases

The headings include the following amounts for finance leases under which the Group is the lessee:

	30.06.2020	31.12.2019
Cost-capitalised finance lease	1,631	1,631
Accumulated depreciation	(1,601)	(1,503)
Carrying amount	**30**	**128**

The amounts payable under finance leases are carried under Other liabilities (Note 11).

f) Capitalisation of borrowing costs

The Group did not capitalise any borrowing costs in 2020 and 2019.

6. GOODWILL AND INTANGIBLE FIXED ASSETS

Set out below is an analysis of the main intangible asset classes showing movements in assets generated internally and other intangible assets:

Period 2020	**Balance at 31.12.2019**	**Entry in the scope (Note 18)**	**Additions**	**Withdrawals**	**Transfers and other movements (*)**	**Balance at 30.06.2020**
Cost						
Goodwill	302,868	763	-	-	(2,351)	301,280
Other intangible assets	114,575	333	3,064	(351)	(1,695)	115,926
	417,443	1,096	3,064	(351)	(4,046)	417,206
Accumulated amortisation	(68,386)	(165)	(7,946)	-	1,401	(75,096)
Net book value	**349,057**					**342,110**

(*) It basically includes the effect of exchange fluctuations on the currency and other movements.

Period 2019	**Balance at 31.12.2018**	**Entry in the scope (Note 18)**	**Additions**	**Withdrawals**	**Transfers and other movements (*)**	**Balance at 30.06.2019**
Cost						
Goodwill	286,859	24,462	-	(1,570)	345	310,096
Other intangible assets	101,197	15	4,371	(1,943)	477	104,117
	388,056	24,477	4,371	(3,513)	822	414,213
Accumulated amortisation	(52,964)	(5)	(7,527)	1,773	(510)	(59,233)
Net book value	**335,092**					**354,980**

(*) It basically includes the effect of exchange fluctuations on the currency and other movements.

Inclusions as a result of a change in scope of the goodwill (Note 18) between the various Cash Generating Unit groups, as explained below, relate to:

	30.06.2020	30.06.2019 (*)
B2B 360º Projects	-	14,922
B2B T&T Services	-	2,006
B2C	763	7,534
	763	**24,462**

(*) The segment figures for 30 June, 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

<u>Testing for impairment losses on goodwill</u>

The effect of the 2020 change in the segmentation definition also results in changes to the identified cash generating unit (CGU) groups that are not significant, although they are described below:

- B2B 360º Projects: this includes a significant portion of the business included in the previous CGU Specialist Engineering and Solutions, such as the major EPC 360 and renewable energy projects and high structure projects. That said, it does not include solutions for improvement projects, which are now included in the B2B Services CGU.

- B2B T&T Services: This includes the business previously considered part of the T&T Services CGU and also includes the less significant solutions that were previously included in the Solutions CGU but which, under the new definition provided by the Group, are included in this CGU since they address similar risks and management.

- B2B Industrial Services: this includes the same CGU groups that were previously included in the Industrial Services CGU.

- B2B Commercial Services: this includes the CGU groups that were previously included in the aforementioned Commercial Services CGU, after removing those which relate to B2C services, as explained below.

- B2C: This includes the services targeted towards the end consumer and households which are related to energy marketing services, Telco, insurance and other household services.

Note 2.4.a) above provides a detailed explanation of the reasonability and traceability of CGU group changes in 2020.

With this consideration, the distribution at the CGU group level is set out below:

	Goodwill	
Groups of Cash-Generating Units	**30.06.2020**	**31.12.2019 (*)**
B2B 360º Projects	135,973	136,451
B2B T&T Services	45,260	46,949
B2B Industrial Services	41,551	41,737
B2B Commercial Services	22,118	22,118
B2C Services	56,378	55,613
	301,280	**302,868**

(*) The segment figures for December 31, 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

The recoverable amount of a CGU or group of CGUs is determined based on value-in-use calculations. These calculations use cash flow projections based on five-year financial budgets approved by management. Cash flows for periods over five years are extrapolated on the basis of a prudent assumption concerning the estimated growth rates that are always lower than the average long-term growth rate for the business in which each of the CGUs operates.

The recovery analysis carried out at 31 December 2019 has been performed again, taking account of the CGU changes as described in Note 2.4 a), using the same hypotheses adapted to the business allocation according to the new CGUs, obtaining results which are very similar to those reported in the 2019 Consolidated Financial Statements.

For IAS 36, the goodwill and intangible assets with an indefinite life must be tested for impairment at least once a year and, in the same way as for other non-financial assets, there must also be an indicator of the impairment of these assets. The circumstances caused by the Covid-19 pandemic, such as the temporary suspension of operations or the immediate fall in demand and profitability, are clear signs of impairment. Note 1.3 provides a detailed explanation of the effects on each business and, accordingly, it was deemed appropriate to perform an impairment test on goodwill at 30 June 2020, with the appropriate modifications made to the main hypotheses used and the existing uncertainty factor was included, as far as was possible, by using possible scenarios and occurrence probabilities.

a) <u>Key assumptions used in the calculation of value-in-use</u>

Given the uncertainties, when estimating the future financial projections included in the calculations, calculating a weighted average of the various possible situations was deemed appropriate.

The situations prepared to quantify the impact of Covid-19 on the financial forecasts can be broken down into three:

- Situation 1: This is the most optimistic and considers that all lockdowns will be lifted in the summer of 2020 with no resurgence in the autumn. This considers that effective treatment will be available in the third quarter of 2020, significantly reducing hospitalisation cases. The graph showing the activity and profitability improvements would be "u-shaped".

- Situation 2: This situation implies that there is no effective treatment, but in contrast, that Covid-19 will have mostly disappeared. In this situation, short-term immunisation against the virus is assumed, with lockdown being lifted with certain restrictions and in an uneven fashion across different areas. A second wave of the virus hits in autumn/winter, which, although the government are better prepared, may lead to local rather than national lockdowns. The activity and profitability parameter improvement graph is still u-shaped, but the upwards curve is more gradual and with fluctuations.

- Situation 3: This is the most pessimistic situation. There is no effective treatment, the virus proves to be more persistent than expected resulting in further restrictions in the second half of 2020 which could continue through to the first quarter of 2021. In this situation, it will be more complicated to address a potential second wave in the autumn/winter and to prepare an efficient containment strategy given the complicated economic climate and social opposition to lockdown. In this case, the levels are not completely achieved in the medium-term in the activity and profitability parameter improvement graph.

The considerations the Management has provided for each of the described situations are based on a conservative estimate of each one of these situations occurring and are summarised below:

	Considerations
Situation 1	20 %
Situation 2	70 %
Situation 3	10 %

As in prior years, the pre-tax discount rate was determined on the basis of the weighted average cost of capital (WACC) plus a premium to reflect the tax effect. The WACC was determined using the capital asset pricing model (CAPM), which is widely used for discount rate calculation purposes. In certain instances, the discount rate calculation additionally factors in a specific risk premium to reflect the characteristics of each CGU group and the risk profile intrinsic to the cash flow projections of each CGU.

Covid-19 has also resulted in the main items used to calculate the discount rate being affected. In this regard, the effects on the discount rate are mainly due to the current macroeconomic uncertainty in each country, together with the effect of the public deficit increase, the volatility of certain sectors (this is not the case in most of the sectors which the Group operates in, but there are always collateral effects to be taken into account) and, in general, a greater risk aversion among investors.

The discount rate applied (WACC) to the cash flow projections in the three situations considered is as follows:

Groups of Cash-Generating Units 2020	**30.06.2020**	**31.12.2019 (*)**
B2B 360º Projects	10.5%	10.2%
B2B T&T Services	11.0%	9.8%
B2B Industrial Services	7.6%	6.6%
B2B Commercial Services	6.0%	4.7%
B2C Services	6.0%	4.7%

(*) The segment figures for December 31, 2019 have been restated to take account of the segmentation change in 2020 and to provide comparative figures.

Groups of Cash-Generating Units 2019 and previous financial years

	31.12.2019
Solutions and specialized engineering	10.2 %
T&T services	9.8 %
Industrial Services	6.6 %
Commercial services	4.7 %

The WACCs applicable to each group of CGUs will determine the weight of the cash flows generated in different countries with different country risk characteristics that give rise to higher WACCs in Latin America and Asia (between 12% and 16%), for example, than in Spain, the rest of Europe and the USA (between 6% and 8%).

The discount rate is after tax and reflects the specific risk related to relevant CGUs.

EBITDA (earnings before income taxes and depreciation/amortization) considering the impairment test at the closing of financial year 2019, was determined by the Group Management in the strategic plans, taking into account the overall situation in the markets in which the Group operates, their expected evolution, Group operations with a similar structure to the current structure and based on prior year experience. These EBITDAs (operating result plus amortizations) vary by type of business as follows:

EBITDA on sales	**31.12.2019**
Solutions and specialized engineering	9.9% -11.4%
T&T services	9.5% -9.8%
Industrial Services	7.5% -8.8%
Commercial services	10.5% -12.0%

The uncertainty caused by Covid-19 has also been taken into account in the EBITDA projections in the impairment test performed at the end of the period ending on 30 June 2020. In some cases, the EBITDA considered in this test is negative for financial year 2020 and in the most pessimistic situation it is negative even in 2021 for some of the CGU groups. However, subsequently, gradual recovery is considered with a view to achieving the Group's Strategy Plan, involving a one or two-year offset, depending on the situation in question, obtaining the EBIDTA percentages for sales that were indicated in the previous financial year.

The approved business plan sales projections indicated a compound annual growth rate (CAGR) of 5% in accordance with the expected organic growth demanded by the Group businesses that continue to be met in the last financial years of the projections used.

Other net movements forecast in cash and flows related to taxes are added to these EBITDAs until free cash levels after tax generated in each year are reached.

The result of using cash flows before tax and a discount rate before tax does not differ significantly from the result of using cash flows after tax and a discount rate after tax.

Cash flows beyond five years, which is the period covered by the Group's projections, are calculated using a normalized and sustainable flow over time based on the fifth year estimate, with prudent assumptions with respect to the expected future growth rate (growth rate of 0.5%), eliminating all those extraordinary or non-recurring items and based on estimates of GDP growth and the inflation rate in the various markets, as well as evaluating the necessary level of investment for these growth rates. These flows are updated to calculate residual value, taking into account the discount rate applied in the projections, less the growth rate taken into consideration. We have maintained this envisaged growth rate for the impairment test performed on 30 June 2020 as we believe it is appropriately restrictive even under the current uncertainty scenario.

b) Results of the analysis

The Group has verified that in financial year 2019 goodwill did not suffer any impairment and there is sufficient estimated value-in-use in accordance with the assumptions indicated in the preceding paragraphs regarding the CGU's net assets, and the estimate is higher than 30% - 50% at all CGUs.

Also, conducting the same impairment test in 2019 for the new CGU group used in 2020 does not result in any goodwill impairment problems in 2020.

The Group also found that there was no goodwill impairment in the first half of 2020, with a sufficient value in use estimate based on the hypotheses indicated in the various situations relating to the net assets of each CGU group in order to confirm that there will be no impairment losses in any case.

The remaining headings under Intangible Assets, including Customer backlog and orders and Trademarks, acquired in business combinations in previous years, are amortised over their designated service lives; however, as stated with respect to goodwill, no impairment problems have been detected under any of these headings.

7. ANALYSIS OF FINANCIAL ASSET INSTRUMENTS

Period 2020	Loans and receivables (assets at amortised cost)	Investment in associates	Assets derivatives (Note 10)	Total
At 31 December 2019	**66,298**	**18,069**	**346**	**84,713**
Additions	12,342	-	-	12,342
Write-offs	(5,779)	-	-	(5,779)
Movement in associates:				
- on result (*)	592	78	(346)	324
- on equity – cumulative differences on exchange rate	-	(266)	-	(266)
- on equity – Cash-flow hedges	-	93	-	93
At 30 June 2020	**73,453**	**17,974**	**-**	**91,427**
Non-current	7,230	-	-	7,230
Current	66,223	-	-	66,223
Investment in associates	-	17,974	-	17,974

Period 2019	Loans and receivables (assets at amortised cost)	Investment in associates	Assets derivatives (Note 10)	Total
At 31 December 2018	**37,174**	**16,570**	**-**	**53,744**
Entry into the scope of consolidation (Note 18)	151	-	-	151
Additions	15,853	4,750	-	20,603
Write-offs	(2,854)	(6,166)	-	(9,020)
Movement in associates:				
- on result (*)	419	(82)	38	375
- on equity – cumulative differences on exchange rate	-	(324)	-	(324)
- on equity – Cash-flow hedges	-	(1,497)	-	(1,497)
At 30 June 2019	**50,743**	**13,251**	**38**	**64,032**
Non-current	6,896	-	-	6,896
Current	43,847	-	38	43,885
Investment in associates	-	13,251	-	13,251

(*) The results of equity accounted companies amount to EUR 3.2 million, given that it includes the capital gain from the sale of 15% of the company Sociedad Concesionaria Salud Siglo XXI, S.A. (Note 1).

All financial assets maintained by the Group at 30 June, 2020 and 31 December, 2019 that have not fallen due or suffered impairment during the year are considered to be of high quality and do not present any indication of impairment.

a) Assets at Amortised Cost

	30.06.2020	31.12.2019
Non-current term deposits and guarantees	4,796	5,038
Long-term loans	2,434	1,673
Current term deposits and guarantees	10,750	3,416
Short-term loans	55,473	56,517
	73,453	**66,644**

Both term deposits and loans accrue a market interest rate in the country in which the financial asset is held.

The average returns were between 0.1% and 6.5% (based on the country) in 2020 (31 December 2019: 0.1 % and 6.5%).

No held-to-maturity financial asset has been reclassified.

Maximum credit risk exposure at the reporting date is the carrying value of assets.

b) Investment in associates

The information relating to investment on associates, equity method companies are:

			Value of interest		Equity interest in results	
	30.06.2020	**31.12.2019**	**30.06.2020**	**31.12.2019**	**30.06.2020**	**31.12.2019**
Advanced Flight Systems, S.L.	30%	30%	13	134	(121)	(135)
Sociedad Concesionaria Chile Salud Siglo XXI, S.A.	15%	15%	2,453	2,427	199	2,551 (*)
Bas Project Corporation, S.L.	35%	35%	10,758	10,758	-	3,001
Cobra Carbon Grinding, B.V.	50%	50%	-	-	-	-
Medbuying Group Technologies, S.L.	45%	45%	4,500	4,500	-	-
Miniso Lifestyle Spain, S.L.	49.7%	49.7%	250	250	-	-
			17,974	**18,069**	**78**	**5,417**

(*) The amount that includes both the profit (loss) attributable to the Group and the capital gains on the sale of shares in 2019.

In March 2019, Global Dominion Access, S.A. implemented the agreement for the incorporation of a newly formed joint venture named Medbuying Group Technologies, S.L. together with Xfera Móviles, S.A.U. and Euskaltel, S.A., for the purpose of centralising the purchasing by these companies of mobile terminals, routers and other accessories related to the area of telecommunications. This makes it possible to obtain synergies for the simplification of the purchasing processes, making them more efficient.

Each partner in this joint venture retains full independence and decision-making capacity with regard to its policy and strategy for mobile terminals and other devices included in the agreement.

Both Xfera Móviles, S.A.U. and Dominion Global Access, S.A. have 45% holdings each in Medbuying Group Technologies, S.L., while Euskaltel, S.A. has 10%. It has a share capital of EUR 10 million.

On 21 March 2019, The Phone House Spain, S.L.U. acquired 49.7% of the equity interests in Miniso Lifestyle Spain, S.L. a company based in Madrid and whose corporate purpose is the retail sale of a range of products and utensils for the home and for consumption, including cosmetics, electronic products, clothing and accessories, stationery, toys and kitchenware, for a total amount of EUR 250 thousand.

In the first half of financial year 2019, the agreement was implemented for the sale of 15% of the shares of the Chilean associate company, Sociedad Concesionaria Siglo XXI, S.A. Specifically, in June 2019, following the distribution of a dividend of EUR 3.9 million gross of taxes (EUR 2.5 million net of taxes) and the return of a shareholder loan of EUR 2.8 million, the agreement for the sale of 15% of the shares in the Chilean associate company, signed on 25 April 2019 with a third party, was put into effect. The share sale price, net of required taxes, amounted to EUR 5.1 million, generating a profit of EUR 3 million in the consolidated account.

8. CASH AND OTHER CASH EQUIVALENTS

	30.06.2020	31.12.2019
Cash	**262,233**	**141,545**

There are no restrictions on the availability of the cash.

The carrying amount of cash at Group companies is denominated in the following currencies:

	30.06.2020	31.12.2019
Euro	212,016	83,152
US dollar	21,183	31,570
Mexican peso	2,475	258
Pound sterling	517	522
Saudi riyal	2,434	2,998
Chilean peso	4,253	4,735
Argentine peso	204	382
Polish zloty	4,694	3,585
Peruvian sol	2,967	3,504
Vietnamese dong	1,414	1,050
Canadian dollar	2,014	3,890
Australian dollar	3,430	1,716
Columbian peso	712	764
Indonesian rupee	2,886	1,842
Indian rupee	319	497
Other	715	1,080
	262,233	**141,545**

9. CAPITAL AND SHARE PREMIUM

	No. of shares	Subscribed capital	Share premium	Own shares
At 31 December 2018	**169,496,963**	**21,187**	**289,065**	**(1,041)**
Operations with treasury shares	-	-	-	179
At 30 June 2019	**169,496,963**	**21,187**	**289,065**	**(862)**
Operations with treasury shares	-	-	-	(159)
At 31 December 2019	**169,496,963**	**21,187**	**289,065**	**(1,021)**
Operations with treasury shares	-	-	-	(5,620)
Transfer of share premium to voluntary reserves	-	-	(74,425)	-
At 30 June 2020	**169,496,963**	**21,187**	**214,640**	**(6,641)**

a) Share capital

The composition of the share capital and the share premium remains stable and with no changes since the controlling company was listed on the stock market during financial year 2016.

There are no restrictions on the free transfer of the shares.

At 30 June, 2020 and 31 December, 2019, the following company had a 10% or more in the share capital:

	30.06.2020		31.12.2019	
	Number of shares	Interest percentage	Number of shares	Interest percentage
Acek Desarrollo y Gestión Industrial, S.L.	22,255,790	13.13%	22,119,353	13.05%

b) Share premium

Prior to the allocation of a dividend recorded as unrestricted reserves, the transfer of EUR 74,425 thousand from the unrestricted reserve "Share Premium" to "Losses in Previous Years" in the Parent's balance sheet was approved at the Annual Shareholders' Meeting held on 6 May 2020.

c) Treasury shares

The parent company held a total number of 2,152,571 shares at 30 June 2020, representing 1.27% of the share capital at that date (31.12.2019: 320,186 shares representing 0.18%), whose accounting value on the said date amounted to EUR 6,641 thousand (31.12.2019: EUR 1,021 thousand).

Pursuant to the mandate conferred by the General Shareholders' Meeting held on 06 May 2020, whereby the parent company's Board of Directors is empowered to acquire, at any time and as many times as is deemed appropriate, shares in Global Dominion Access, S.A., through any legal means, including a charge to profits for the year and/or to unrestricted reserves, and to subsequently sell or redeem such shares, in accordance with Article 146 and 509 and concordant articles of the Spanish Companies Act. This mandate is valid up to 06 May 2025.

Pursuant to this authorisation, on 26 February 2020 the Board of Directors announced its agreement to implement a scheme to buy its own shares back to reduce the Parent's share capital through the cancellation of its own shares, thereby contributing to the shareholder remuneration policy by increasing the profit per share. The maximum limit of the scheme is 5% of the share capital, which corresponds to a maximum of 8,475,000 shares for a maximum cash amount of EUR 35 million. The scheme will run for one year from the publication date of the agreement; however, the Company reserves the right to terminate the buyback scheme if, before the end of the scheme, it has acquired shares for a purchase price that amounts to the maximum cash amount or the maximum number of shares that is permitted, or if any other situation arises whereby it is advisable to do so.

d) Dividends

At the Annual Shareholders' Meeting held on 6 May 2020, the shareholders of the Parent resolved to allocate a final gross dividend of EUR 0.0648 per share in the Company with entitlement to receive it, and this is recorded under unrestricted reserves. The maximum gross amount to be allocated is EUR 10,983,403.2024, if all the Company's ordinary shares are allocated.

The allocations were made on 6 July 2020, for an amount of EUR 10,844 thousand which, at 30 June 2020, was pending payment under the heading "Other Current Liabilities" (Note 11).

10. BORROWINGS

a) Bank loans and credit facilities

	30.06.2020	31.12.2019
Non-current		
Bank loans and credit facilities	198,376	70,343
	198,376	70,343
Current		
Bank loans and credit facilities	6,318	4,335
Commercial paper programme	16,100	10,000
	22,418	14,335
	220,794	**84,678**

The Group has the policy of diversifying its financial markets and, accordingly, there is no loan/credit risk concentration with respect to balances with banks since it works with various institutions.

On 11 November 2016, the parent company entered into a syndicated loan agreement with four financial institutions, divided into two tranches (tranche A - loan - and tranche B - "revolving" credit line). This contract was renewed three times: The first was on 4 December 2017, when the repayment terms and the financing price were amended and an additional A2 tranche was added to the loan section, in US dollars; subsequently, on 4 December 2018, the second renewal was implemented, modifying the maturity date of tranche B; and finally, on 12 July 2019, the third renewal was implemented, modifying the revolving amount (tranche B) whilst also reducing the euro portion of the loan (tranche A1) by the same amount as the tranche B extension, and similarly modifying the financing prices and repayment terms of all the tranches. The effect from calculating the current value of discounted cash flows using the new conditions of each renewal with respect to using the original interest rate was insignificant and, therefore, no amount was recorded in the income statement for 2019 and previous financial years.

Accordingly, after the series of renewals, the tranches included in the syndicated loan contract are as follows:

Tranche A1 consists of a loan of EUR 20 million to restructure the Group's non-current financial liabilities. Tranche A2 consists of a loan, in US dollars, for a total of USD 35.6 million and tranche B is a "revolving" credit line for EUR 50 million.

For tranches A1 and A2, there is no change to the amortization profile, establishing six-monthly amortizations with the first instalment in January 2021 and which entails the amortization of 5% in 2021, 7.5% in 2022, 12.5% in 2023 and 75% in 2024. On the other hand, the due date of tranche B is set at 19 July 2022, and can be extended for a further two years.

At 30 June 2020, the Group had drawn down EUR 20 million of tranche A1 and USD 35.6 million of tranche A2, as well as EUR 30 million of tranche B, credit revolving, (at 31 December 2019, EUR 20 million of tranche A1 and USD 35.6 million of tranche A2, with no sum having been drawn from the revolving credit of tranche B).

This financing bears a Euribor interest rate plus a market spread. Tranche A1 has three hedging derivative financial instruments, as indicated in the following section of this same note.

Additionally, on 18 November 2016, the Group entered into a loan agreement with the European Investment Bank (EIB) for a maximum of EUR 25 million for development funding under the "Smart Innovation" programme. At 30 June 2020 and 31 December 2019, this had been completely drawn down, with the outstanding amount on both dates being EUR 21.4 million. This loan matures in December 2025, with an amortization of EUR 3.57 million per annum during the period 2019 to 2025. As stated in Note 21 regarding "Subsequent events", financing for EUR 50 million was signed in July 2020 by the European Investment Bank (EIB) and the Official Credit Institute (OCI) to implement their R&D&I strategy.

Both the syndicated loan and the loan granted by the EIB are secured by guarantees furnished by the following Group companies: Dominion E&C Iberia, S.A.U., Beroa Thermal Energy, S.L.U., Bilcan Global Services, S.L., Dominion Centro de Control, S.L.U., Dominion Instalaciones y Montajes, S.A.U., Dominion Investigación y Desarrollo, S.L.U., E.C.I. Telecom Ibérica, S.A., Eurologística Directa Móvil 21, S.L., Interbox Technology, S.L., Sur Conexión, S.L.U., Tiendas Conexión, S.L., Dominion Deutschland GmbH, Beroa Novocos, GmbH, Beroa Technology Group GmbH, F&S Feuerfestbau GmbH & Co KG, Ampliffica Mexico, S.A. de C.V., Dominion Industry México S.A. de C.V., Mexicana de Electrónica Industrial S.A. de C.V., Dominion Polska Sp. Z.o.o., Dominion Steelcon A/S, Dominion Smart Innovation, S.A. de C.V. (merging with DM Informática, S.A. de C.V. in 2019), Dominion Perú Soluciones y Servicios, SAC, Dominion Energy, S.L.U., Dominion Industry & Infrastructures, S.L., The Phone House Spain, S.L.U., Dominion Spa, Dominion Global Pty Limited, Instalaciones Eléctricas Scorpio, S.A., ICC Commonwealth Corporation, Dominion Servicios Medioambientales, S.L., Smart House Spain, S.A.U. and Alterna Operador Integral, S.L. In both cases the Group has undertaken, as appropriate, to incorporate additional guarantors representing at least 75% of the Group's EBITDA, assets and revenues on an annual basis.

Finally, both credit facilities include the commitment to comply with certain habitual market ratios which, at 31 December, 2019 and 30 June, 2020, had been satisfactorily met.

On 4 May 2020, the Parent incorporated a promissory note issuance programme called the "Dominion 2020 Promissory Note Programme" in the Alternative Fixed Income Securities Market (MARF) with a maximum limit of EUR 75 million and with maturity dates of up to 24 months. The "2019 Dominion Promissory Note Program" was issued on May 6, 2019 under the same terms as the current scheme. At 30 June 2020, the outstanding balance amounted to EUR 16.1 million (at 31 December 2019, the outstanding balance amounted to EUR 10 million). The programme serves as a way to diversify the financing of the working capital requirements of the Group and as an alternative to bank financing for this purpose.

During April 2020 and pursuant to Royal Decree-Act 8/2020 of 17 March on extraordinary emergency measures to address the economic and social impact of Covid-19, article 29 of which establishes State guarantees provided by the Ministry of Economic Affairs and Digital Transformation managed by the OCI for companies and self-employed workers, which are managed by financial institutions, the Parent Company signed loans with eight financial institutions for a total of EUR 100 million. One of these loans matures in full in the third year, in 2023, whilst the other seven are paid off in monthly or quarterly instalments over the next 5 years, with a one-year grace period, i.e. the last instalment is deferred until 2025. All loans bear a market interest rate - in some cases a fixed rate and in other cases a variable rate linked to Euribor plus a market difference.

During the first half of FY 2020, loans and credits were repaid for the total amount of EUR 71 thousand (first half of 2019: EUR 21,776 thousand).

Non-current borrowings have the following maturities:

	30.06.2020	**31.12.2019**
Between 1 and 2 years	25,013	6,529
Between 3 and 5 years	168,680	59,794
More than 5 years	4,683	4,020
	198,376	**70,343**

The effective interest rates at the balance sheet dates are the usual market rates (basically Euribor and LIBOR plus market reference rates) and there is no significant difference with respect to other companies of a similar size and with similar risks and borrowing levels.

In the first half of 2020, borrowings and credit facilities from credit institutions generate a market interest rate in accordance with the currency concerned plus a spread that ranges between 60 and 487 basic points (in the first half of financial year 2019: between 60 and 448 basis points).

The carrying amounts and fair values of current and non-current borrowings do not differ significantly, as a large part of the debt is recent, and all amounts accrue interest at market rates, considering existing interest rate hedges which are explained in section b) of this Note.

The carrying amount of the Group's borrowings is denominated in the following currencies:

	30.06.2020	31.12.2019
Euro	188,937	52,612
US dollar	31,712	31,840
INR	145	226
	220,794	**84,678**

As of 30 June 2020 the Group has drawn down balances from credit lines with financial entities, including the credit revolving tranche B of the syndicated loan, for the amount of EUR 30,478 thousand (31 December 2019: EUR 516 thousand), as well as an outstanding balance in promissory notes issued in the MARF of EUR 16,100 thousand (31 December: EUR 10,000 thousand). The total limit of these credit lines, together with that of the "Dominion 2020 Commercial Paper Programme", amounted to EUR 159,700 thousand (31 December 2019: EUR 154,068 thousand).

The Group has the following unused credit facilities:

	30.06.2020	31.12.2019
Variable rate:		
- maturing in less than one year	93,122	93,552
- maturing in more than one year	20,000	50,000
	113,122	**143,552**

This loan is not secured by real property.

b) Derivative financial instruments

	30.06.2020		31.12.2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps				
- Cash flow hedges	-	(633)	-	(686)
Currency hedging	-	(902)	346	(518)
Equity Swap	-	(4,096)	-	(2,186)
	-	**(5,631)**	**346**	**(3,390)**

Interest rate swaps

The Group maintains a cash flow hedging derivative which was contracted in prior years posted at a value of EUR -429 thousand at 30 June, 2020 (EUR - 436 thousand at 31 December, 2019). The notional principal amount for this interest rate swap contract (from variable to fixed) outstanding at 30 June 2020 amounted to EUR 1.3 million (31 December 2019: EUR 1.3 thousand), which is classified as a hedging instrument. The fixed interest rate applied totals 4.87% and the main variable interest rate of reference is the DKK-CIBOR-DKNA13.

Additionally, in 2016, in connection with the new syndicated financing agreement described above, the parent company entered into three interest rate swap contracts with financial institutions under which the Group will pay a fixed rate on the Tranche-A1 financing. The notional amounts of the derivatives decrease proportionately as Tranche A1 is repaid. At 30 June 2020 the valuation of these derivative financial instruments was a loss of EUR 204 thousand (31 December 2019: A loss of EUE 250 thousand).

	2020 and 2019		
	Notional Principal	**Interest Rate**	**Maturity**
Hedging derivative 1	6,667	0.452%	2024
Hedging derivative 2	6,667	0.452%	2024
Hedging derivative 3	6,666	0.452%	2024
	20,000		

Currency hedging

During financial year 2020, currency hedging operations were undertaken for certain transactions made in a currency other than that of the company in question. Transactions open at 30 June 2020 that have not been classified as hedging transactions - whereby their valuation changes have been recorded in the income statement - correspond to trade transactions in US dollars against euros, for an overall notional amount of EUR 136,942 thousand with maturity dates between 20 July 2020 and 30 September 2020 and an aggregate negative valuation of EUR 902 thousand (at 31 December 2019 for an aggregate notional amount of EUR 50,564 thousand with maturity dates between 3 January 2020 and 15 September 2020 and an aggregate negative valuation of EUR 172 thousand).

Equity Swap

In financial year 2017, the controlling company entered into a derivative instrument associated with the quoted market price of the shares of Global Dominion Access, S.A. and settled in cash. The underlying asset of the transaction amounted to 2.6 million shares and the instrument maturity is planned for 31 March 2022. At 30 June 2020 the negative valuation of this derivative financial instrument was EUR 4,096 thousand (31 December 2019: negative valuation of EUR 2,186 thousand).

11. OTHER LIABILITIES

	30.06.2020	31.12.2019
Non-current		
Suppliers of fixed assets	811	837
Deferred taxes and social security	2,340	2,340
Non-current debts from company acquisitions	19,149	22,931
Other non-current debts	35,687	35,184
	57,987	**61,292**
Current		
Suppliers of fixed assets	1,508	2,455
Salaries, wages and commissions payable	27,331	26,291
Time period adjustments	2,690	845
Current debts from company acquisitions	4,035	7,132
Dividends pending payment (Note 9d)	10,844	-
Other current debts	13,344	13,007
	59,752	**49,730**

The fair value of these assets does not differ significantly from the carrying value.

Debts from company acquisitions:

During the first half of 2020, the payments envisaged for 2020 were made for the various acquisitions made in previous financial years, for a total of EUR 3,120 thousand.

During the first half of 2019, the payments envisaged for 2019 were made for the various acquisitions made in previous financial years, for a total of EUR 2,980 thousand.

Most debts for the purchase of companies are based on the best estimate at the time of the contingent considerations for business combinations performed in previous years based on anticipated future returns generated by the acquired companies. As explained in Note 3.3, on 30 June 2020, changes were made to these estimates which resulted in changes to the values recorded at the end of financial year 2019, therefore resulting in a positive effect of EUR 3 million on the income statement.

Other debts

The heading "Other current and non-current debts" basically includes, on the one hand, the outstanding amount for loans received from public bodies with a subsidised interest rate, for an approximate amount of EUR 3,955 thousand (31 December 2019: EUR 4,679 thousand); and debt relating to right-of-use capitalised pursuant to IFRS 16 "Leases", totalling EUR 44 million (Note 5), of which EUR 31.4 million relate to non-current liabilities and EUR 12.6 million to current liabilities (31 December 2019: EUR 42.6 million, of which EUR 30.3 million relate to non-current liabilities and EUR 13.3 million to current liabilities).

12. OBLIGATIONS TO EMPLOYEES

The itemisation of provisions for employee benefits by country is as follows:

	30.06.2020	31.12.2019
Itemisation by country		
Germany (1)	11,193	11,588
France (2)	721	701
Total (Note 13)	**11,914**	**12,289**

The commitments of post-employment plans and other long-term benefits to the personnel that the Group guarantee to certain collectives are disclosed by country, the following ones:

1. Post-employment benefit plans and other non-current employee benefits in Germany that are fully covered by an internal fund.

   - Non-current employee benefits:

     - Length of service awards
     - Supplements deriving from partial retirement agreements

- Post-employment benefits:

  - Lifetime retirement pensions
  - Benefit plans guaranteed by the Group for its employees are defined retirement benefit commitments. The Group guarantees lifetime income starting at retirement for those employees that started working for the Company before 1 January 2001 and that have worked at the Company for 10 years at the time of retirement.

2. Post-employment benefit plans in France that are covered by an internal fund.

   - The benefit plans guaranteed by the Group for its employees.

   - The retirement benefit depends on the number of years worked at the Company.

Movements in the provisions by type of plan and by country are as follows:

Post-employment Benefits Plans:

Period 2020	**Germany**	**France**	**Total**
At 31 December 2019	**11,588**	**701**	**12,289**
Additions	-	20	20
Cost for current services and interests	76	-	76
(Gains) / losses due to changes in actuarial assumptions	(105)	-	(105)
Payment of benefits	(366)	-	(366)
At 30 June 2020	**11,193**	**721**	**11,914**
Period 2019			
At 31 December 2018	**11,285**	**719**	**12,004**
Cost for current services and interests	114	-	114
(Gains) / losses due to changes in actuarial assumptions	(294)	-	(294)
Payment of benefits	(367)	(28)	(395)
At 30 June 2019	**10,738**	**691**	**11,429**

There have been not financial-actuarial hypotheses variations in relation to those indicated in Note 21 of the consolidated Annual Financial Statements of the Group at the end of financial year 2019.

13. PROVISIONS

Movements in the Group's provisions in 2020 and 2019 are as follows:

Period 2020	Other provisions	Obligations to personnel (Note 12)	Total
At 31 December 2019	**21,580**	**12,289**	**33,869**
Costs for current services	-	8	8
Interest expenses/income	-	68	68
Gains/(losses) due to changes in actuarial assumptions	-	(105)	(105)
Appropriations	4,290	20	4,310
Applications	(3,210)	(366)	(3,576)
Transfers and other movements (*)	(74)	-	(74)
At 30 June 2020	**22,586**	**11,914**	**34,500**
Non-current provisions			**29,281**
Current provisions			**5,219**

Period 2019	Other provisions	Obligations to personnel (Note 12)	Total
At 31 December 2018	**19,866**	**12,004**	**31,870**
Costs for current services	-	13	13
Interest expenses/income	-	101	101
Gains/(losses) due to changes in actuarial assumptions	-	(294)	(294)
Addition to the scope of consolidation	2,454	-	2,454
Appropriations	819	-	819
Reversal	(570)	-	(570)
Applications	(3,035)	(395)	(3,430)
Transfers and other movements (*)	(3,366)	-	(3,366)
At 30 June 2019	**16,168**	**11,429**	**27,597**
Non-current provisions			**21,112**
Current provisions			**6,485**

(*) Mainly relates to the exchange rate effect.

The other provisions can basically be itemised as follows:

- Provision for EUR 2,682 thousand (31 December 2019: EUR 3,766 thousand) corresponding to the total coverage of likely risks existing in legal proceedings underway, basically, in Europe.

- Provision for EUR 5,356 thousand (31 December 2019: 5,970 thousand euros) related to liabilities for obligations with employees, excluding post-employment benefit plan (Note 12), basically for the commitments required in the current legislation in each country (basically Spain, Italy and Arabia).

- Provision for EUR 14,548 thousand (31 December 2019: EUR 11,844 thousand) corresponding to the hedging of business operating risks which EUR 11,361 thousand are considered to be payable in the long term (2019: EUR 9,517 thousand) and EUR 3,187 thousand in the short term (2019: EUR 2,327 thousand).

14. TAX SITUATION

The Group's current tax balance relates to current amounts generated with respect to public entities for Value Added Tax (VAT), Personal Income tax Withholdings, Social Security and other similar taxes.

The breakdown of corporate income tax is as follows:

	30.06.2020	**30.06.2019**
Current Tax	(424)	(3,855)
Net changes in deferred taxes	229	(489)
	(195)	**(4,344)**

The theoretical tax rates vary in accordance with the various locations, and the most important are as follows:

	2020	**2019**
Basque Country	24%	24%
Rest of Spain	25%	25%
Mexico	30%	30%
United States of America	21% -25%	21% -25%
Rest of America	21% -34%	21% - 35%
Rest of Europe (Average rate)	15% -35%	15% - 35%
Saudi Arabia	20%	20%
Australia	28.5% -30%	28.5% -30%

The tax group was set up on 1 January, 2015 with Global Dominion Access, S.A. being the controlling party. The rest of the companies are as follows:

- ECI Telecom Ibérica, S.A.
- Dominion Smart Solutions, S.A.U. (formerly Dominion Instalaciones y Montajes, S.A.U. – beneficiary of the branch of activity from Dominion Digital, S.L.U.)
- Dominion Investigación y Desarrollo, S.L.U.
- Beroa Thermal Energy, S.L.
- Dominion E&C Iberia, S.A. (formerly Beroa Iberia, S.A.)
- Dominion West Africa, S.L.
- Dominion Energy, S.L.U.
- Visual Line, S.L.
- Instalaciones Eléctricas Scorpio, S.A.
- Instalaciones Eléctricas Scorpio Rioja, S.A.
- Energy Renewables 8, S.L.
- Dominion Servicios Medioambientales, S.L.U.
- Desarrollos Green BPD 1, S.L.
- Desarrollos Green BPD 2, S.L.
- Desarrollos Green BPD 3, S.L.
- Dominion Renewable 1, S.L.
- Dominion Renewable 2, S.L.
- Dominion Renewable 3, S.L.
- Dominion Renewable 4, S.L.
- Dominion Renewable 5, S.L.
- Dominion Renewable 6, S.L.
- Dominion Renewable 7, S.L.
- Dominion Renewable 9, S.L.
- Linderito Solar, S.L.
- Pamaco Solar, S.L.
- Pico Magina Solar, S.L.
- Proyecto Solar Monte Bonales, S.L.
- Proyecto Solar Pico del Terril, S.L.
- Rio Alberite Solar, S.L.
- Rio Guadalteba Solar, S.L.
- Villaciervitos Solar, S.L.
- Wind Recycling, S.L. (incorporated in 2020)

Also, the Spanish tax group was set up on 1 January, 2015 with the controlling party being: Bilcan Global Services, S.L. The rest of the companies are as follows:

- Dominion Centro de Control, S.L.U.
- Sur Conexión, S.L.
- Tiendas Conexión, S.L.
- Eurologística Directa Móvil 21, S.L.U.
- Dominion Industry & Infrastructures, S.L.
- The Phone House Spain, S.L.U.
- Connected World Services Europe, S.L.U.
- Labopharma Healthcare, S.L.
- Smart House Spain, S.A.U.
- Alterna Operador Integral, S.L. (incorporated in 2020)
- Smart Analytics, S.A. (incorporated in 2020)

Outside Spain, the following tax groups exist:

- In Germany: headed by the subsidiary company Beroa Technology Group GmbH and in which the following have a holding: Dominion Deutschland GmbH (antes Beroa Deutschland GmbH), Burwitz Montage-Service GmbH and Karrena Betonanlagen und Fahrmischer GmbH (dormant).

- In the USA: headed by the subsidiary company Global Dominion Access USA and in which the following have a holding: Karrena LLC, Commonwealth Dynamics Inc., Commonwealth Constructors Inc, ICC Commonwealth Corporation and Capital International Steel Works Inc.

The other Dominion Group companies file their tax individually.

The applicable legislation for Corporate Income Tax settlements for financial year 2020 for the Controlling Company corresponds to Regional Regulation 11/2013 of 5 December for Corporate Income Tax and the amendments introduced by Provincial Law 2/2018 of 21 March.

In general terms, the years not statute-barred by the various bodies of tax legislation applicable to each Group companies are open to inspection, ranging between 4 and 6 years as from the time the tax obligation falls due and the deadline for filing tax returns.

The Parent Company's Directors have calculated the amounts associated with this tax for 2020 and 2019 and those years open to inspection in accordance with legislation in force at each year end with the understanding that the final outcome of several legal procedures and appeals that have been filed in this respect will not have a significant impact on the Annual Financial Statements taken as a whole.

15. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Parent Company's shareholders by the weighted average number of outstanding ordinary shares for the year, excluding treasury shares acquired by the Product Company (Note 9).

	30.06.2020	30.06.2019
Profit attributable on continuing operations to the Company's shareholders (thousand euros)	897	14,913
Weighted average number of outstanding ordinary shares (thousand)	168,544	169,230
Basic earnings per share for continuing operations (euros per share)	**0.0053**	**0.088**

	30.06.2020	30.06.2019
Profit/ Loss on discontinued operations to the Company's shareholders (thousand euros)	(14)	(367)
Weighted average number of outstanding ordinary shares (thousand)	168,544	169,230
Basic earnings per share for discontinuing operations (euros per share)	**0.000**	**0.000**

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding ordinary shares to reflect the conversion of all potentially dilutive ordinary shares. The Parent has no potentially dilutive ordinary shares.

16. CASH GENERATED FROM OPERATIONS

	30.06.2020	30.06.2019
Profit (loss) for the year	**1,403**	**15,370**
Adjustments for:		
- Taxes (Note 14)	195	4,344
- Depreciation of property, plant and equipment (Note 5)	14,300	16,814
- Amortisation of intangible assets (Note 6)	7,946	7,527
- Other revenue and expense	3,519	-
- (Profit)/ loss on the sale of Property, plant and equipment	145	106
- Net movements in provisions (Note 13)	744	249
- Interest income	(592)	(457)
- Interest expenses	5,717	4,794
- Exchange rate differences	1,050	468
- Variation in the fair value of assets and liabilities recognised in profit and loss	70	(384)
- Share in losses /(gains) of associates (Note 7)	(78)	(3,180)
Changes in working capital (excluding the effects of the acquisition and differences in the consolidation exchange rate):		
- Inventories	(4,353)	(14,780)
- Trade and other receivables	(21,878)	(18,641)
- Other assets	(8,433)	(782)
- Other current liabilities	(13,792)	(3,663)
- Trade and other payables	32,695	4,835
Cash generated from operations	**18,658**	**12,620**

In the cash flow statement, proceeds from the sale of property, plant and equipment and intangible assets include:

	30.06.2020	30.06.2019
Carrying amount (Notes 5 and 6)	603	967
Gain /(loss) on the sale of fixed assets	(145)	(106)
Amount received for the sale of fixed assets	**458**	**861**

17. COMMITMENTS, GUARANTEES AND OTHER INFORMATION

a) Commitments for the purchase of assets

The Group has no commitments to buy or sell assets either at the close of the period ended on 30 June 2020, or at the end of FY 2019.

b) Other information (guarantees)

The Group has granted guarantees for works and services rendered to customers and commercial guarantees totalling approximately EUR 163.6 million (31 December 2019: EUR 171 million).

These guarantees issued by financial institutions are presented to customers primarily as a commitment for the correct performance of contracts, advance payments received from customers, coverage of warranty periods and support for proposal or tenders. The failure of these commitments entail the implementation of these guarantees with cash out flow, the probability of occurrence of which is considered remote.

18. BUSINESS COMBINATIONS

Changes in consolidated scope have been described in Note 1.

Six-month period ending on 30 June, 2020

a) B2C

On 11 December 2019, the subsidiary company The Phone House Spain, S.L. recorded in a notarial instrument the contract for its acquisition of 90% of the equity interests of the Spanish company **Netsgo Market, S.L.**, whose activity comprises recommendation marketing, cashback and promotional discounts through the device application known in the market as **"Fulltip"** (the application) and the online platform available on the fulltip.com website, also known in the market as "Fulltip" (the platform) which it offers end consumers (B2B) and companies (B2C). The purchase agreement involves the acquisition of the equity interests of 90% of members for a sale price of 1 euro and the assumption of credit rights by these shareholders for an amount of EUR 570 thousand. Given that the take-over of this company was made after the commencement of financial year 2020, it has been included in the scope of consolidation in the first half of 2020.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	-
Cash and cash equivalents acquired	(4)
	(4)

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Purchase price	570
Fair value of the net assets acquired	(193)
Goodwill (Note 6)	**763**

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Fixed assets	180
Trade accounts receivable and other accounts receivable	32
Cash and cash equivalents	(4)
Acquired assets	**208**
Minority	(85)
Borrowings	3
Trade payables and Other liabilities	483
Liabilities and minority interests acquired	**401**
Total Net Assets Acquired	**193**

The process for the recognition and fair value valuation of the assets acquired and liabilities assumed as the purchase price to the net assets acquired has not yet been fully completed.

Six-month period ending on 30 June, 2019

a) B2B 360º Projects

On 10 December 2018, the signing of a contract for the acquisition of 51% of the share capital of the Indian company **Bygging India Limited** ("BIL"), extendable up to 100%, was made public.

The operation was structured in two tranches. During a first phase, the Group acquired 51% of the share capital of BIL for the amount of 416 million INR (5.1 million euros). During a second stage, the shareholders holding 49% of the share capital have a put option for the remaining 49%, which can be exercised in the fourth and fifth year following acquisition. Likewise, the Group is the holder of a purchase option which can be exercised in the fifth year. For this second tranche, the price remains linked to the effective performance of BIL during the periods, depending on the case, which will be directly appraised by the generation of discretionary cash flow provided by BIL. The maximum price to be paid by the Group for the entire operation will not exceed 5 times the average EBITDA and, in any case, will not be less than the carrying amount value of BIL at the end of the valuation period. This option was valued on the date of acquisition at Rs 697 million (EUR 8 million). Note 3.3. provides an analysis of how the fair value of this option has developed.

The scope of the business acquired with BIL represents recurring revenue of between EUR 20 and 25 million annually. Its last audited accounting financial year (31 March 2018) closed with an EBITDA of approximately EUR 2.3 million.

The execution of the operation was concluded on 1 February 2019 once the usual conditions precedent for these types of transactions were met.

The acquisition of BIL enabled the Group to enter the market in India to grow in an industrial field of activity. Likewise, it will contribute to the start of a platform for international projects, thereby optimising operating and manufacturing costs.

The acquisition came within the framework of Dominion's diversification, digitization and growth model, on its road towards compliance with its Strategic Plan.

The movement in cash funds on the operation was as follows:

	Amount (*)
Consideration paid during the year	5,135
Cash and cash equivalents acquired	(131)
	5,004

(*) Original amount stated in INR converted to EUR using the acquisition date exchange rate.

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount (*)
Purchase price	13,846
Fair value of the net assets acquired	5,427
Goodwill (Note 6)	**8,419**

(*) Original amount stated in INR converted to EUR using the acquisition date exchange rate.

This goodwill was assigned to the future economic benefits and synergies of the acquired businesses within the Group, although the process to assign the Fair Price paid for the net assets acquired has not yet been completed.

100% of the net assets acquired at fair value as part of this acquisition are broken down below:

Fair Value	**Fair value (*)**
Fixed assets	3,252
Financial assets	1,789
Inventories	2,235
Trade accounts receivable and other accounts receivable	9,702
Cash and cash equivalents	131
Acquired assets	**17,109**
Non-current provisions	1,021
Borrowings	3,671
Deferred tax from liabilities	1,344
Trade accounts payable	5,646
Liabilities acquired	**11,682**
Total Net Assets Acquired	**5,427**

(*) Original amount stated in INR converted to EUR using the acquisition date exchange rate.

In the process to identify and value the assets acquired and liabilities assumed, the Group's Management has recorded impairment in certain trade credits existing, for an amount of EUR 2.4 million and provisions for an amount of EUR 1 million associated with certain operating contingencies existing on the date of the business combination.

b) B2B Services

On 11 January 2019, through the subsidiary Abside Smart Financial Technologies, S.L., the Group acquired a share in **Smart Analytics, S.A.**, a company whose corporate purpose comprises: market research; technology consultancy; training, sale of HW and SW; marketing of IT packages; SW development; presentation of IT services; HW rental, import and export of IT equipment; e-commerce; advertising agency; events, retail sale of fashionwear; gardening and landscaping and acting as intermediary in legal and consultancy services in matters relating to new technologies; market analysis and research, the conducting of all types of studies and analyses on consumer and user behaviour in relation to traditional and digital media; professional services for Big Data and Data Science, as well as the design, development and marketing of technologies applied to information on market consumers.

Abside purchased 50% of the shares of Smart Analytics and, with the subsequent capital increase of EUR 570 thousand, its shareholding increased to 70%. Likewise, cross trade options were signed on 20% and 10%, the remaining 30%, the latter being subject to the exercise of the former, that can be exercised in three windows in 2022, 2024 or 2026. The price of the options is indexed at the average EBITDA obtained in the 3 financial years prior to the option and the net financial Debt on the said date, and has been calculated at EUR 1.3 million. It should be pointed out that the Group has a 51% holding in Abside and, therefore, the effective acquisition percentage is, likewise, 51%. Over the first half of 2020, renegotiation of this transaction was approved, cancelling the two aforementioned options and thereby cancelling the contingent liability for this acquisition.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	1,000
Cash and cash equivalents acquired	(570)
	430

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Purchase price	2,300
Fair value of the net assets acquired	144
Goodwill (Note 6)	**2,156**

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Fixed assets	13
Trade accounts receivable and other accounts receivable	54
Cash and cash equivalents	570
Acquired assets	**637**
Minority	144
Borrowings	137
Trade payables and Other liabilities	212
Liabilities and minority interests acquired	**493**
Total Net Assets Acquired	**144**

c) B2C

On 11 March 2019, the Group entered into a contract for the acquisition of 60% of the share capital plus an option to purchase an additional 20% of the shares of the Spanish company **Alterna Operador Integral, S.L.** (formerly **Flip Energía, S.L.**), an energy consumption manager operating under the **Alterna** trademark.

The operation was structured in two tranches. In an initial stage, 60% of the share capital of Alterna was acquired, for the price of EUR 5.9 million, payable on the signing date. In a second stage, Dominion is the holder of a call option for the purchase of an additional 20% of the shares, exercisable in 2020 for a price that is three times the EBITDA generated by Alterna in 2020, valued at an amount of EUR 3.5 million.

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid during the year	5,900
Cash and cash equivalents acquired	(1,206)
	4,694

Below is a summary of the net assets acquired and the goodwill resulting from this transaction:

	Amount
Purchase price	9,400
Fair value of the net assets acquired	3,188
Consolidation adjustment, elimination of the capital gains in associate company (*)	1,540
Goodwill (Note 6)	**4,672**

(*) Adjustment relating to the part of the capital gain obtained by the associate company BAS Project Corporation on the said sale applicable to 35% Group ownership.

This goodwill embodied the future economic benefits and synergies the acquired businesses are expected to generate within the Group.

The fair values of the net assets acquired as part of this business combination are broken down below:

	Fair value
Fixed assets	2,242
Other financial assets	724
Trade accounts receivable and other accounts receivable	9,577
Cash and cash equivalents	1,206
Acquired assets	**13,749**
Minority	797
Deferred tax liabilities	550
Trade payables and Other liabilities	9,214
Liabilities and minority interests acquired	**10,561**
Total Net Assets Acquired	**3,188**

In the process for the recognition and fair value valuation of the assets acquired and liabilities assumed, an amount of EUR 2.2 million was assigned to the portfolio of existing clients by the energy operator at the time of acquisition, an amount recognised under the heading "Other intangible assets" of the non-current assets of the consolidated balance sheet at 31 December 2019, which will be amortised with an estimated useful life of 4/5 years. This valuation was made using the "MPEE" method, based on excess earnings over the supporting assets required for the exploitation of the intangible asset. The calculation considered the number of current clients up to the acquisition date, considering the estimated Lifetime Value for such customers (coinciding with the useful life for the amortisation of the intangible asset), depending on whether the clients are for electricity or gas, multiplied by the historically-applied average revenue per client and considering the corresponding proportion of costs and expected working capital consumption in order to determine the corresponding cash flows for the next 4 years. A 25% tax rate was applied to these flows, and they were discounted at an after-tax rate of 11.3%, which includes a risk premium due to the type of intangible asset under valuation. Additionally, the value includes the current value of the hypothetical tax saving that a third party would obtain when acquiring this asset.

The turnover for the only business combination performed in the 6-month period ending on 30 June, 2020, amounted to EUR 17 thousand; the same amount as if it had been performed on 1 January, 2020.

The turnover for the business combinations performed in the 6-month period ending on 30 June, 2019, amounted to EUR 28,825 thousand. If the business combinations had been performed on 1 January 2019, this amount would have amounted to EUR 40,217 thousand.

19. TRANSACTIONS WITH RELATED PARTIES

Related parties are understood to be the direct shareholders of the Dominion Group, as well as the Directors and principal management personnel and close relatives of the aforementioned and those investees consolidated under the equity method (Appendix I).

a) Senior management remuneration and loans

The total remuneration paid in 2020 to senior management personnel, excluding that included in Compensation paid to the members of the Board of Directors amounted to EUR 1,186 thousand (30 June 2019: EUR 1,231 thousand).

In the course of 2020 and 2019, no payments have been made to defined contribution pension funds or plans for the senior management members.

The Group has life and health insurance policies taken out that gave rise to a payment of EUR 8 thousand during the 6-month period of years 2020 (30 June, 2019: EUR 9 thousand).

At 30 June, 2020 and 31 December, 2019 there was no balance whatsoever deriving from transactions with these related parties.

In relation to the complementary incentive approved by the General Shareholders Meeting in 2017 (section e) of this Note), at the close of the six month period ended 30 June 2020, no contract at all has been concluded with the Senior Management members and, for this reason, there are no resulting balances or transactions.

b) Balances and transactions during the year with group companies

The detail of balances is as follow:

Debtors / (Creditors)	**30.06.2020**	**31.12.2019**
Trade and other receivables (*)	49,241	20,435
Current credits (**)	43,782	26,500
Suppliers and other payables (*)	(40,428)	(31,567)

The details of transactions are as follows:

(Charges) / Income	**30.06.2020**	**30.06.2019**
Net turnover	25,391	26,501
Consumptions	(45,220)	-
Other operating expenses	-	(183)
Financial income	103	101

(*) These essentially relate to transactions with Bas Project Corporation, S.L. and its subsidiaries and Medbuying Group Technologies, S.L.

(**) This essentially includes loans to the associate companies Bas Project Corporation, S.L., Medbuying Group Technologies, S.L. and Miniso Lifestyle Spain, S.L.

There are no guarantees provided in relation to these pending amounts.

c) Remuneration of the controlling Company's directors

The remuneration policy for directors for 2020-2022 was approved at the General Shareholders' Meeting on 6 May 2020, replacing the policy approved by the General Shareholders' Meeting on 7 May 2019.

In the first half of 2020 and 2019, the amount accrued by the members of the Board of Directors was as follows:

	30.06.2020	30.06.2019
Fixed remuneration	445	295
Variable remuneration	175	175
Other remuneration	7	6
	627	**476**

Furthermore, the contract with the CEO contains a clause under which a severance payment doubling his annual compensation is payable if the employment relationship is terminated.

Contributions totalling EUR 4 thousand were made in the first half of financial year 2020 to pension plans or funds established for former or current members of the parent company's Board of Directors (30 June 2019: EUR 4 thousand).

As regards life insurance premiums, the Group has taken out insurance policies for the CEO covering death and permanent disability, for which premiums totalled EUR 3 thousand in 2020 (30 June 2019: EUR 2 thousand).

d) Loans to shareholders of the parent company

	30.06.2020	31.12.2019
Loans to shareholders and Directors	732	732
	732	**732**

In year 2014, a credit of EUR 1,500 thousand was granted to a member of the Board & Directors in connection with a capital increase. In financial year 2017, the amount of EUR 768 thousand was cancelled. Since then the credit has remained invariable.

e) Remunerations based on the controlling Company’s share performance

On 6 May 2020, the Shareholders' Meeting approved a long-term additional incentive based on the increase in the value of the shares of Global Dominion Access, S.A. for the Chief Executive. The maximum number of rights attached to shares allocated to the holder is 1,300,000 rights and the holder will be entitled the aforementioned incentive on 31 March 2022.

Previously, on 5 May 2017, the Shareholders' Meeting approved the right of the Chief Executive and certain board members of the Group to receive a long-term additional incentive based on the increase in the market value of the Controlling company's shares. Pursuant to this agreement, the maximum number of share rights that are assignable to beneficiaries shall be 2,600,000. With the exception of the Chief Executive Officer, the other holders may obtain the incentive at the end of financial year 2021.

During 2018, an agreement was concluded for the Chief Executive Officer to get a financial incentive linked to the market performance of the shares of Global Dominion Access, S.A., by which the Chief Executive Officer is assigned 1,300,000 rights for the increase in the value of the market price of Global Dominion Access, S.A.'s shares, divided by its base market price, 3 euros per share and the closing value of the average market price at the end of the generation period; this plan can be settled in cash. The incentive generation period spans from 1 January 2017 and 31 December 2019 or 2021, as decided by the Board of Directors. The amount accrued up to the close of this financial statement, is recorded in the provisions existing in the Consolidated Balance Sheet liabilities. The Chief Executive Officer has requested settlement of the aforementioned incentive in March 2020 and an amount of EUR 845 thousand has been paid.

On the date on which these Abbreviated Consolidated Interim Financial Statements were prepared, no plan had been drawn up to implement the existing rights for the Chief Executive or other board members.

20. DISCONTINUED OPERATIONS

In September 2018, Global Dominion Access, S.A.'s Board of Directors decided to start an active programme to find a buyer for its Brazilian subsidiary, Dominion Instalaçoes e Montagens do Brasil Ltda, and to discontinue operations in that country. The Group's activity in Brazil, which is performed through this one legal entity and represents the total business in that country, is a CGU within the B2B T&T Services CGUs (formerly T&T Services CGU).

Following this decision, the Group proceeded to classify the assets and liabilities to that business as a group of assets and liabilities held for sale in the balance sheet.

On 30 July 2019, the subsidiary Dominion Instalaçoes e Montanges do Brasil Ltd was declared bankrupt by the Brazilian courts. From that date onwards, a trustee / liquidator took charge of the management of the subsidiary and, given that the Group lost control over it, this subsidiary was no longer consolidated. With the loss of control over this company, for accounting purposes, the translation differences relating to this company and accumulated in the Group's Net Worth during the control period, were transferred to profit and loss for the financial year.

The detail of the net assets classified as a group of assets and liabilities held for sale at 30 June 2019 was as follows:

	30.06.2020	**31.12.2019**
Property, Plant and Equipment	-	144
Non-current financial assets	-	90
Inventories	-	567
Trade and other receivables	-	2,586
Cash	-	203
Held-for-sale assets	**-**	**3,590**

	30.06.2020	**31.12.2019**
Trade and other payables	-	1,040
Current tax liabilities	-	93
Other current liabilities	-	7,273
Held-for-sale liabilities	**-**	**8,406**

Also, income and expenses relating to this activity were included in the profit and loss of discontinued operations for the six-month period ended 30 June 2019.

	30.06.2019
Turnover	1,956
Operating expenses	(2,304)
Financial result	(6)
Exchange rate differences (positive / (negative))	(13)
Profit / (Loss) for discontinued operations	**(367)**

The cash flows for this activity in both periods are as follows:

	30.06.2019
Cash generated from operating activities for discontinued operations	(850)
Cash generated from investment activities for discontinued operations	(44)
Cash generated from financing activities for discontinued operations	741
Net decrease in cash and cash equivalents	**(153)**

The Group also records discontinued operations, deriving from the Beroa subgroup, relating to the companies Karrena Betonanlagen und Fahrmischer GmbH and HIT-Industrietechnik GmbH, which are being liquidated or sold. These operations do not relate to the Group's core business. In view of the lack of materiality of these companies in relation to the Group's consolidated financial information, the parent company's directors took their results to the item "Profit on discontinued operations after taxes" in the consolidated income statement for financial year 2020 and for 2019.

The amount of main magnitudes of those companies is as follow:

	30.06.2020	30.06.2019
Profit/ (Loss) from Discontinued Operations	(14)	(10)
Turnover	-	-
	30.06.2020	**31.12.2019**
Total assets	1,618	1,677
Total liabilities	(2,406)	(2,694)

This company's cash flows are immaterial, given the current business volume.

21. SUBSEQUENT EVENTS

In July 2020, the Group secured financing for EUR 50 million from the European Investment Bank (EIB) and the Official Credit Institute (OCI) to implement their R&D&I strategy.

On 10 July 2020, the EUR 25 million financing from EIB was secured and will be repaid annually over ten years from the date on which it becomes available. Also, on 22 July 2020, a further EUR 25 million of financing was secured from the OCI to be repaid annually over a period of 10 years, with the first repayment due in July 2024.

The funds will contribute to developing new engineering solutions for the health, industry and smart homes sectors, among others. This joint agreement will contribute to meeting the objectives of the European Digital Agency by means of digitalisation investment in Spain, Germany and Denmark.

Dominion's strategy will focus on promoting the digitalisation of industrial processes to improve efficiency (Industry 4.0), and on the development of new technological solutions to manage household services (smart homes), e-commerce, safety at work, amongst others. It will also facilitate health sector innovation by means of developments aimed towards improving hospital management processes. This type of technology is vital to ensure that health infrastructures can be quickly adapted in the event of emergencies such as those caused by Covid-19.

The agreement is accompanied by an Investment Plan for Europe which allows for the EIB to finance projects which, by their structure or nature, have a particular added value. The project, which will be implemented over a four-year period, will help consolidate the company's position in a number of highly competitive sectors, expanding the range of services and solutions available to its customers, and creating employment.

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

ANNEX I – Subsidiary Companies within the Scope of Consolidation

Name and address	Address	Equity interest / effective control	Holder company of the equity interest	Method of consolidation	Activity
Global Dominion Access, S.A. (*)	Bilbao	-	-	-	Holding company/Technology Services and Solutions
Sociedad Concesionaria Salud Siglo XXI, S.A.	Chile	15%	Global Dominion Access, S.A.	Equity method	Technology Services and Solutions
Dominion Industry & Infrastructures, S.L. (*)	Barcelona	99.99%	Global Dominion Access, S.A.	Full consolidation	Industrial Services and Solutions
Desolaba, S.A. de C.V.	Mexico	98%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
El Salvador Solar 1, S.A. de C.V.	El Salvador	80%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
El Salvador Solar 2, S.A. de C.V.	El Salvador	80%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Montelux, S.R.L.	The Dominican Republic	100%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Abasol S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Rovello S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Pimentell S.P.A.	Chile	70%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Rosinol S.P.A.	Chile	100%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Dominion I&I Audio Visual Recording Equipment & Accessories LLC (1)	United Arab Emirates	49%	Dominion Industry & Infrastructures, S.L.	Full consolidation	Multi-technology Services and Solutions
Wind Recycling, S.L.	Miñano (Alava)	100%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Dominion Energy, S.L.U. (*)	Bilbao	100%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Dominion Centroamericana, S.A.	Panama	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Ecuador Niec, S.A.	Ecuador	70%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Bas Projects Corporation, S.L.	Loiu (Biscay)	35%	Dominion Energy, S.L.U.	Equity method	Multi-technology Services and Solutions
Global Dominicana Renovables DRDE, S.R.L.	The Dominican Republic	99.9%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 1, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 2, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 3, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 5, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 6, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 7, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Dominion Renovable 8, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Desarrollos Green BPD 1, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Desarrollos Green BPD 2, S.L.	Loiu	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Desarrollos Green BPD 3, S.L.	Loiu	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions

Name and address	Address	Equity interest / effective control	Holder company of the equity interest	Method of consolidation	Activity
rDesarrollos Green BPD 4, S.L.	Loiu	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Desarrollos Green BPD 5, S.L.	Loiu	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Desarrollos Green BPD 6, S.L.	Loiu	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Proyecto Solar Pico del Terril, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Proyecto Solar Monte Solares, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Villaciervitos Solar, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Pamaco Solar, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Linderito Solar, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Rio Alberite Solar, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Rio Guadalteba Solar, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Pico Magina Solar, S.L.	Bilbao	100%	Dominion Energy, S.L.U.	Full consolidation	Multi-technology Services and Solutions
Instalaciones Eléctricas Scorpio, S.A.	Loiu	100%	Global Dominion Access, S.A.	Full consolidation	Multi-Technology Services
Scorpio Energy	Oman	60%	Instalaciones Eléctricas Scorpio, S.A.	Full consolidation	Multi-Technology Services
Instalaciones Eléctricas Scorpio Rioja, S.A.	Salvatierra – La Rioja	100%	Global Dominion Access, S.A.	Full consolidation	Multi-Technology Services
Dominion Colombia, S.A.S	Columbia	100%	Global Dominion Access, S.A.	Full consolidation	Multi-Technology Services
Dominion Servicios Medioambientales, S.L.	Bilbao	100%	Global Dominion Access, S.A.	Full consolidation	Multi-Technology Services
Original Distribución Spain Iberia, S.A.	Madrid	51%	Global Dominion Access, S.A.	Full consolidation	Commercial services
Dominion Guatemala, S.A.	Guatemala	99.99%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Medbuying Group Technologies, S.L.	Bilbao	45%	Global Dominion Access, S.A.	Equity method	Commercial services
Dominion Investigación y Desarrollo S.L.U.	Bilbao	100%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Visual Line, S.L.	Bilbao	100%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Dominion Smart Solutions, S.A (*)	Bilbao	100%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
E.C.I. Telecom Ibérica, S.A.U.	Madrid	100%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Services and Solutions
Interbox Technology S.L	Bilbao	60%	Dominion Smart Solutions, S.A.	Full consolidation	Commercial services
Dominion West Africa, S.L.U.	Bilbao	100%	Dominion Smart Solutions, S.A.	Full consolidation	Holding company
Dominion Honduras SRL	Honduras	98%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Services and Solutions
Global Ampliffica Perú S.A.C.	Peru	99%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Solutions
Advanced Flight Systems S.L.	Bilbao	30%	Dominion Smart Solutions, S.A.	Equity method	Multi-technology Solutions
Smart Nagusi, S.L.	Bilbao	50.01%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Solutions
Ampliffica México, S.A. de C.V.	Mexico	99.99%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Solutions
Abside Smart Financial Technologies, S.L. (*)	Bilbao	50.01%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Solutions
Smart Analytics, S.L.	Bilbao	35%	Abside Smart Financial Technologies, S.L.	Full consolidation	Multi-technology Solutions
Dominion Smart Innovation S.A. de C.V	Mexico	99.84%	Dominion Smart Solutions, S.A.	Full consolidation	Multi-technology Solutions
Mexicana de Electrónica Industrial, S.A. de C.V.	Mexico	99.99%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Dominion Baires, S.A.	Argentina	95%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Dominion SPA (*)	Chile	99.99%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Dominion Servicios Refractarios Industriales SPA (SEREF)	Chile	90%	Dominion SPA	Full consolidation	Multi-technology Services and Solutions

GLOBAL DOMINION ACCESS, S.A. AND SUBSIDIARIES

Name and address	Address	Equity interest / effective control	Holder company of the equity interest	Method of consolidation	Activity
Dominion Perú Soluciones y Servicios S.A.C.	Peru	99%	Global Dominion Access, S.A.	Full consolidation	Multi-technology Services and Solutions
Beroa Thermal Energy, S.L.U. (*)	Bilbao	100%	Global Dominion Access, S.A.	Full consolidation	Holding company
Dominion Global France SAS	France	100%	Beroa Thermal Energy, S.L.	Full consolidation	Industrial Services
Dominion Steelcon A/S (*)	Denmark	100%	Beroa Thermal Energy, S.L.	Full consolidation	Industrial Solutions
Steelcon Slovakia, s.r.o.	Slovakia	100%	Steelcon Chimneys Esbjerg A/S	Full consolidation	Industrial Solutions
Labopharma, S.L.	Madrid	80%	Steelcon Chimneys Esbjerg A/S	Full consolidation	Technology solutions
Dominion Global Pty. Ltd. (*)	Australia	100%	Beroa Thermal Energy, S.L.	Full consolidation	Industrial Services and Solutions
SGM Fabrication & Construction Pty. Ltd.	Australia	70%	Dominion Global Pty. Ltd.	Full consolidation	Industrial Services and Solutions
Global Dominion Access USA (*)	USA	100%	Beroa Thermal Energy, S.L.	Full consolidation	Holding company
Commonwealth Dynamics Inc (*)	USA	100%	Global Dominion Access USA	Full consolidation	Industrial Solutions
Commonwealth Power (India) Private Limited	India	100%	Commonwealth Dynamics Inc	Full consolidation	Industrial Solutions
Commonwealth Constructors Inc	USA	100%	Global Dominion Access USA	Full consolidation	Industrial Solutions
Commonwealth Dynamics Limited	Canada	100%	Global Dominion Access USA	Full consolidation	Industrial Solutions
Commonwealth Power Chile	Chile	100%	Global Dominion Access USA	Full consolidation	Industrial Solutions
ICC Commonwealth Corporation previously (*)	USA	100%	Global Dominion Access USA	Full consolidation	Industrial Solutions
Capital International Steel Works, Inc.	USA	100%	ICC Commonwealth Corporation	Full consolidation	Industrial Solutions
International Chimney Canada Inc	Canada	100%	ICC Commonwealth Corporation	Full consolidation	Industrial Solutions
Karrena LLC	USA	100%	Global Dominion Access USA	Full consolidation	Industrial Solutions
Dominion E&C Iberia, S.A.U. (*)	Bilbao	100%	Beroa Thermal Energy, S.L.	Full consolidation	Industrial Services and Solutions
Dominion Industry México, S.A. de C.V.	Mexico	99.99%	Beroa Ibéria S.A.	Full consolidation	Industrial Services
Dominion Industry de Argentina, S.R.L.	Argentina	100%	Beroa Ibéria S.A.	Full consolidation	Industrial services and Multi-technology services
Altac South Africa Propietary Limited	South Africa	100%	Beroa Ibéria S.A.	Full consolidation	Industrial Solutions
Dominion Global Philippines Inc.	Philippines	100%	Beroa Ibéria S.A.	Full consolidation	Industrial Solutions
Chimneys and Refractories Intern. SRL (*)	Italy	90%	Beroa Thermal Energy, S.L.	Full consolidation	Industrial Solutions
Chimneys and Refractories Intern. SPA (in liquidation)	Chile	90%	Chimneys and Refractories Intern. SRL	Full consolidation	Industrial Solutions (dormant)
Chimneys and Refractories Intern. Vietnam Co. Ltd.	Vietnam	100%	Chimneys and Refractories Intern. SRL	Full consolidation	Industrial Solutions
Dominion Arabia Industry LLC	Saudi Arabia	98.3%	Chimneys and Refractories Intern. SRL	Full consolidation	Industrial Solutions
Dominion-Uniseven Industrial Services Pvt, Ltd.	India	51%	Beroa Thermal Energy, S.L	Full consolidation	Industrial Services
Beroa Technology Group GmbH (*)	Germany	100%	Beroa Thermal Energy, S.L.	Full consolidation	Holding company
Karrena Betonanlagen und Fahrmischer GmbH (*) (in liquidation)	Germany	100%	Beroa Technology Group GmbH	Full consolidation	Construction and marketing of a concrete factory (dormant)
HIT-Industrietechnik GmbH (n liquidation)	Germany	52%	Karrena Betonanlagen und Farmischer GmbH	Full consolidation	Metal welding (dormant)
Dominion Bierrum Ltd	United Kingdom	100%	Beroa Technology Group GmbH	Full consolidation	Industrial Solutions (dormant)
Dominion Novocos GmbH	Germany	100%	Beroa Technology Group GmbH	Full consolidation	Industrial Services
Beroa International Co LLC	Oman	70%	Beroa Technology Group GmbH	Full consolidation	Industrial Services
Beroa Refractory & Insulation LLC	United Arab Emirates	49%	Beroa Technology Group GmbH	Full consolidation	Industrial Services
Beroa Nexus Company LLC	Qatar	49%	Beroa Technology Group GmbH	Full consolidation	Industrial Services
Dominion Deutschland GmbH (*)	Germany	100%	Beroa Technology Group GmbH	Full consolidation	Industrial Services and Solutions
Cobra Carbon Grinding, B.V.	Holland	50%	Dominion Deutschland GmbH	Equity method	Industrial Services
Karrena Construction Thérmique S.A.	France	100%	Dominion Deutschland GmbH	Full consolidation	Industrial Services (dormant)
Dominion Polska Z.o.o.	Poland	100%	Dominion Deutschland GmbH	Full consolidation	Industrial Services and Solutions
Karrena Arabia Co.Ltd	Saudi Arabia	55%	Dominion Deutschland GmbH	Full consolidation	Industrial Services and Solutions
Beroa Chile Limitada (in liquidation)	Chile	99.99%	Dominion Deutschland GmbH	Full consolidation	Industrial Services (dormant)
Burwitz Montageservice GmbH	Germany	100%	Dominion Deutschland GmbH	Full consolidation	Industrial Services and Solutions
F&S Feuerfestbau GmbH & Co KG	Germany	50.96%	Dominion Deutschland GmbH	Full consolidation	Industrial Services and Solutions
F&S Beteiligungs GmbH	Germany	51%	Dominion Deutschland GmbH	Full consolidation	Industrial Services and Solutions
Beroa Abu Obaid Industrial Insulation Company Co. WLL	Bahrain	45%	Dominion Deutschland GmbH	Full consolidation	Industrial Services
Bilcan Global Services S.L. (*)	Cantabria	100%	Global Dominion Access, S.A.	Full consolidation	Holding company

Name and address	Address	Equity interest / effective control	Holder company of the equity interest	Method of consolidation	Activity
Eurologística Directa Móvil 21 S.LU.	Madrid	100%	Bilcan Global Services S.L	Full consolidation	Commercial services
Dominion Centro de Control S.L.U.	Madrid	100%	Bilcan Global Services S.L	Full consolidation	Multi-technology Services
Tiendas Conexión, S.L.U.	Cantabria	100%	Bilcan Global Services S.L	Full consolidation	Multi-technology Services
Sur Conexión, S.L.U.	Cantabria	100%	Bilcan Global Services S.L	Full consolidation	Multi-technology Services
Bygging India Ltd	India	51%	Global Dominion Access, S.A.	Full consolidation	Industrial Services and Solutions
Connected World Services Europe, S.L.U.	Madrid	100%	Global Dominion Access, S.A.	Full consolidation	Commercial services
The Phone House Spain, S.L. (*)	Madrid	100%	Global Dominion Access, S.A.	Full consolidation	Commercial services
Miniso Lifestyle Spain, S.L.	Madrid	49%	The Phone House Spain, S.L.	Equity method	Commercial services
Canvax Agrupación Interés Económico	Madrid	95%	The Phone House Spain, S.L.	Equity method	R&D activities
Alterna Operador Integral, S.L.	Madrid	80%	The Phone House Spain, S.L.	Full consolidation	Commercial services
Netsgo Market, S.L. (1)		90%	The Phone House Spain, S.L.	Full consolidation	Commercial services
Smart House Spain, S.L.U. (*)	Bilbao	100%	The Phone House Spain, S.L.	Full consolidation	Commercial services
The Telecom Boutique, S.L.	Madrid	70%	Smart House Spain, S.L.U.	Full consolidation	Commercial services

(*) Parent company of all investee companies appearing subsequently in the table.
(1) Companies included in the scope of consolidation in 2020 together with their subsidiaries.

ANNEX II – Joint Ventures (UTEs) included in the Scope of Consolidation

Name	Address	% Equity interest	Reason for Consolidation	Activity
Global Dominion Access, S.A.-Adasa Sistemas, S.A.U.-EMTE, S.A., Unión Temporal de Empresas, Law 18/1982, 26 May	Spain	50%	Proportional consolidation	The execution of the Contract "For the modernisation of Environmental and Civil Protection Equipment coordinated by COPECO".
Dominion Industry & Infrastructure, S.L. (formerly Abantia Instalaciones, S.A.) – Construcciones Cots y Claret, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Banco de Haiti)	Haiti	70%	Proportional consolidation	Construction of a new administrative building for Banco de la República de Haiti.
Revenga Ingenieros, S.A. and Abantia Instalaciones, S.A.U. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE RACPA)	Spain	50%	Proportional consolidation	Fire detection and interphone systems at Albacete prison (RACPA)
Abantia Instalaciones, S.A.U. – Revenga Ingenieros, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE CP-Ibiza)	Spain	50%	Proportional consolidation	Fire detection system and comprehensive reform of low voltage system at Ibiza prison
Abantia Mantenimiento, S.A. – Cofely España, S.A.U. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Manteniment Diagonal 662)	Spain	55%	Proportional consolidation	Maintenance service in common areas of Edificio Diagonal 662
Acsa Obras e Infraestructuras, S.A. – Abantia Mantenimiento, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Caps Infraestructures)	Spain	50%	Proportional consolidation	Contract for conservation and maintenance service at 318 infrastructure buildings and contract for conservation and maintenance of logistics facilities
Acsa Obras e Infraestructuras, S.A. – Abantia Mantenimiento, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Instalacions Anella Olimpica)	Spain	50%	Proportional consolidation	Preventive, corrective and conductive maintenance, legal technical and event attendance services in the Olympic Risk facilities (Palau Sant Jordi, Estadi Olimpic Lluis Companys)
Construcciones Rubau, S.A. and Abantia Instalaciones, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Vila Seca)	Spain	50%	Proportional consolidation	Construction work in the Ferrari Land area of Port Aventura
Dominion Industry & Infrastructure, S.L.; Comsa Instalaciones, S.L.; Isolux Ingeniería, S.A.; Intalaciones Inabensa, S.A.; Elecnor, S.A. (Previously Agelectric, S.A; Elecnor, S.A.; Emte S.A.; Instalaciones Inabensa, S.A. and Isolux WAT. S.A.) Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Energía Línea 9)	Spain	20%	Proportional consolidation	Contract for project preparation and construction work on Barcelona Metro's Line 9 telecommunications, energy distribution and receiving substations system
FCC Industrial e Infraestructuras Energéticas, S.A. (formerly FCC Actividades de Construcción Industrial, S.A.; FCC Servicios Industriales S.A.); Abantia Instalaciones, S.A. and Seridom, Servicios Integrados IDOM, S.A. Temporary Business Association, Law 18/1982, of 26 May (UTE Operadora Termosolar Guzmán)	Spain	22.5%	Proportional consolidation	Operation and maintenance of the thermosolar plant Guzman Energía, S.L.
Construcciones Pai, S.A.; Construcciones Cots y Claret, S.L.; Constructora D'Aro, S.A.; Abantia Instalaciones, S.A. Unión Temporal de Empresas Law 18/1982 of 26 May (UTE Nova Bages Santiaria)	Spain	25%	Proportional consolidation	Execution of Phase II construction work to extend San Juan de Dios hospital in Manresa.
Sacyr Construcción, S.A.U.; Vopi 4, S.A.; Abantia Instalaciones, S.A.; Valoriza Facilities, S.A.U. Unión Temporal de Empresas Law 18/1982 of 26 de May (UTE Hospital del Mar)	Spain	30%	Proportional consolidation	Refurbishment and extension of Hospital del Mar, Building I – Phase III in Barcelona
Dominion Industry & Infrastructure, S.L. – Siemens Postal, Parcel & Airport Logistics, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE D.S. Correos 2)	Spain	50%	Proportional consolidation	Contracting of integrated maintenance necessary to configure the automatic processing of correspondence.
Dominion Industry & Infrastructure, S.L.; Serveis Obres I Manteniment, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Modul A Diagonal 662)	Spain	55%	Proportional consolidation	Execution of the mechanical, electrical and special installations of the new IM headquarters in Barcelona
Grifols Movaco, S.A.; Dominion Instalaciones y Montajes, S.A.U. Temporary Business Association, Law 18/1982, of 26 May (UTE Grifols-Dominion)	Spain	32.71%	Proportional consolidation	Integrated service, turnkey, for the promotion and monitoring of the adherence of elderly patients in therapeutic care from the medication-therapeutic unit for outpatients at the Miguel Servat University Hospital in Zaragoza

Name	Address	% Equity interest	Reason for Consolidation	Activity
Dominion Industry & Infrastructure, S.L.; Serveis Obres I Manteniment, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Unitat Semicritics Hospital Santa Caterina)	Spain	50%	Proportional consolidation	Construction work on the new Intensive Care Unit (UCI) – Semi-critical of the Hospital Santa Caterina of the municipality of Salt (Girona) promoted by the Instituto de Asistencia Sanitaria (IAS)
Acsa Obras e Infraestructuras, S.A.U. and Dominion Industry & Infrastructures, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Cortinas Ignífugas Anella Olimpica)	Spain	50%	Proportional consolidation	Execution of work to replace the flame retardant screen, modernisation and adaptation to the regulations of the stage systems at the Palau Sant Jordi in Barcelona.
Acsa Obras e Infraestructuras, S.A.U. and Dominion Industry & Infrastructures, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Eficiencia Energética Anella Olimpica)	Spain	50%	Proportional consolidation	Execution of the work to improve the facilities at the Olympic Ring.
Vopi 4, S.A. and Dominion Industry & Infrastructures, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE REA Hospital del Mar)	Spain	50%	Proportional consolidation	Execution of work and installations for the complete renovation of the area dedicated to the post surgical resuscitation unit at the Hospital del Mar in Barcelona.
New Horizons in Infrastructure NHID I/S	Denmark	56.2%	Proportional consolidation	Execution of turnkey projects in emerging countries.
+Elecnor, S.A. – EHISA Construcciones y Obras, S.A. – Global Dominion Access, S.A. – Certis Obres y Servei, S.A.U. Joint Venture Law 18/1982 of 26 May (UTE Treballs Previs 1 Camp Nou)	Spain	45%	Proportional consolidation	Realisation of maintenance and safety work for future Camp Nou - Tender code UP3_085-CON
ACSA Obras e Infrastructuras, S.A.U – Dominion Industry & Infrastructures, S.L. Temporary Joint Venture Law 18/1982 of 26 May (UTE Manteniment ICUB)	Spain	50%	Proportional consolidation	Execution of Contract No. C17003405 the purpose of which is the integral maintenance service of the museums and buildings of the l' Institut de Cultura de Barcelona – LOT-1 awarded by the City Council of Barcelona
Dominion Industry & Infrastructures, S.L. and Exera Energía, S.L., Temporary Business Association, Law 18/1982, of 26 May (UTE Dominion Exera)	Spain	60%	Proportional consolidation	Execution of the contract entered into with Arenales Solar Ps, S.L. consisting in the execution of the entire group of tasks and activities required for the complete Operation and Maintenance of the facilities pertaining to the Arenales solar thermal plant at Morón de la Frontera, Sevilla (Spain).
Instalaciones Eléctricas Scorpio, S.A. – Sociedad de Ingenieria y Dirección de Obras, S.L. Temporary Business Association, Law 18/1982, of 26 May (UTE Mantenimiento Galindo)	Spain	50%	Proportional consolidation	Rendering of a service to the Water Consortium to modify a series of technical and control facilities, as well as those that are supplementary and ancillary to this work
Afesa Mantenimiento, S.A. - Industry & Infrastructures, S.L.- Investigación y Gestión de Residuos, S.A.U. Temporary Business Association, Law 18/1982, of 26 May (UTE Afesa Dominion IGR CT Velilla) (1)	Spain	20%	Proportional consolidation	Rendering an Iberdrola service for the dismantling and demolition of units 1 and 2 of the Velilla thermal power plant

(1) Temporary Joint Ventures included within the consolidation scope in 2020