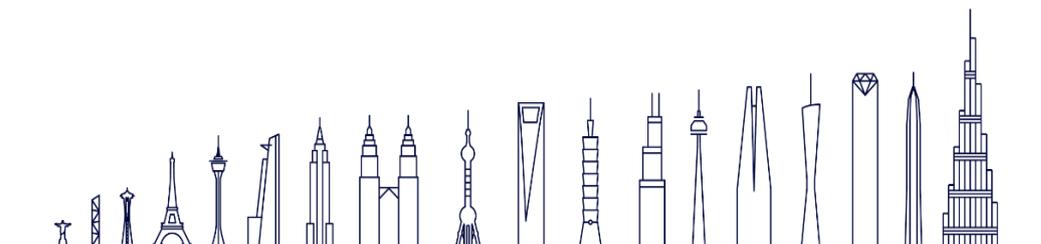




ZARDOYA OTIS, S.A

QUARTERLY REPORT FOR FIRST QUARTER 2021

FISCAL YEAR: DECEMBER 1, 2020 – NOVEMBER 30, 2021



1. ENVIRONMENT AND PROSPECTS

According to the January 2021 report of the International Monetary Fund (IMF) updating the outlook for the world economy, the general forecast is for vaccines and policy support to lift economic activity.

The 2021 forecast is revised upwards by 0.3 percentage point in comparison to the previous forecast, in the light of expectations of a strengthening of activity later in the year and additional policy support in a few large economies.

According to the data of the **IMF Executive Board in its consultation with Spain**, our country has been one of the hardest hit by the Covid-19 pandemic, which has severely affected Spanish society and the economy after five years of heavy growth in employment.

The recovery will be based on a strong rebound in private consumption and a substantial increase in public investment financed mainly by the funds of the **EU Recovery and Resilience Facility**.

The outlook is uncertain and will heavily depend on the containment of the different waves of infections and the preparation of the health system; size, timing and composition of EU-funded additional spending; as well as the success of policy measures to mitigate the consequences of the pandemic.

Details of the latest **IMF forecasts in the three countries in which the Zardoya Otis Group operates** are shown below, although the IMF itself recognizes that it is difficult to make forecasts in a context like the current one:

GDP	2019	2020	Forecasts		Outlook		
			2021	2022	2023	2024	2025
SPAIN	2.0%	-12.8%	7.2%	4.5%	3.4%	2.8%	1.5%
PORTUGAL	2.2%	-10.0%	6.5%	4.8%	2.9%	2.0%	1.7%
MOROCCO	2.2%	-7.0%	4.9%	3.5%	3.7%	3.7%	3.7%

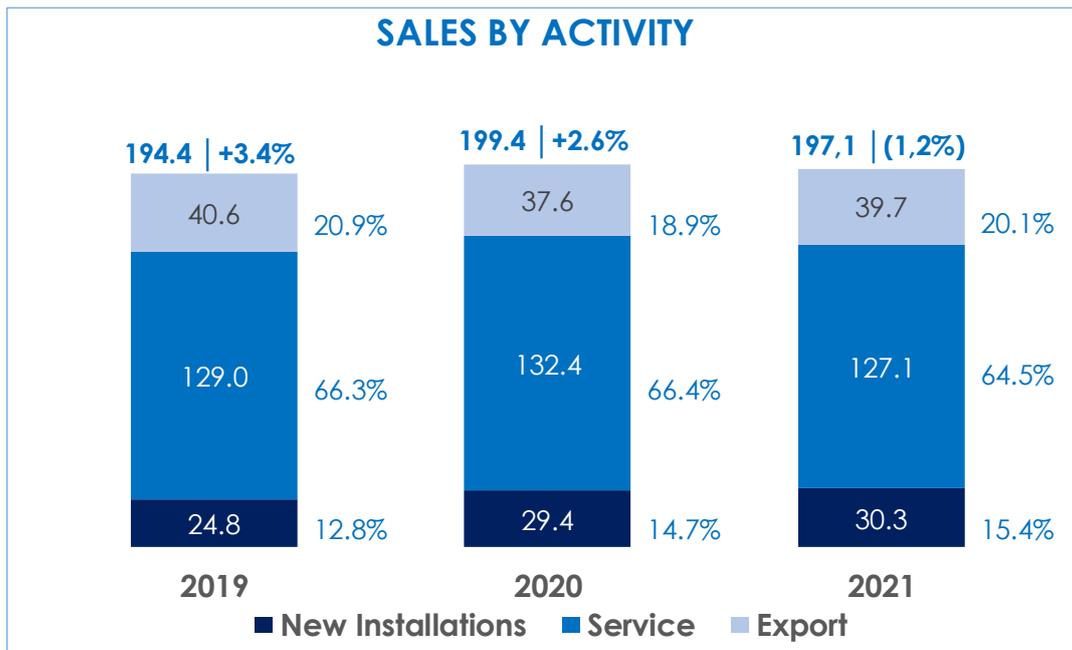
CPI	2019	2020	Forecasts		Outlook		
			2021	2022	2023	2024	2025
SPAIN	0.7%	-0.2%	0.8%	1.4%	1.6%	1.6%	1.7%
PORTUGAL	0.3%	0.0%	1.1%	1.2%	1.2%	1.4%	1.5%
MOROCCO	0.2%	0.2%	0.8%	1.2%	1.6%	1.8%	2.0%

UNEMPLOYMENT	2019	2020	Forecasts		Outlook		
			2021	2022	2023	2024	2025
SPAIN	14.1%	16.8%	16.8%	15.7%	14.9%	14.4%	14.2%
PORTUGAL	6.5%	8.1%	7.7%	6.9%	6.5%	6.2%	6.0%
MOROCCO	9.2%	12.5%	10.5%	9.7%	9.1%	8.7%	8.5%

2. BUSINESS EVOLUTION

SALES:

Total consolidated sales at the end of the first quarter of 2021 were 197.1 million euros, in comparison with the 199.4 million euros of the first quarter of 2020. This represented a decrease of 1.2%, mainly due to the effects of COVID-19. When comparing the figures for the first quarters of 2021 and 2020, we must remember that, at the end of the first quarter of 2020, the state of emergency due to the pandemic had not yet been declared. The moderate drop of 1.2% in the sales figure reflects this situation and is mainly shown in the figures of the Service activity.



(Millions of euros – cumulative figures at the end of the first quarter of each year)

New Installations

The value of new sales at the end of the first quarter of 2021 was 30.3 million euros, 3.3% up on the figure for the same period of 2020. This increase took place on top of the increases in the preceding years, 2019 (+22.2%) and 2018 (+26.8%), meaning that the cumulative growth between the first quarter of 2016 and the first quarter of 2021 was 92.1% (50.8% since the first quarter of 2017).

In this first quarter, new installations sales accounted for 15.4% of total sales (14.7% in the first quarter of 2020).

Service

Consolidated service sales totalled 127.1 million euros (132.4 million euros in the first quarter of 2020), representing an annual decrease of 4.0%, partly due to the delay in decision-making by Owners' Associations as a result of the restrictions on meetings imposed in some parts of Spain, and partly due to the slow recovery of the tourist industry, which is keeping many hotels below their capacity.

The service activity represented 64.5% of the Group's total billing in this period (66.4% in the first quarter of 2020). The increase in the New Installations and Exports figures in comparison with the preceding year contributed to the drop.

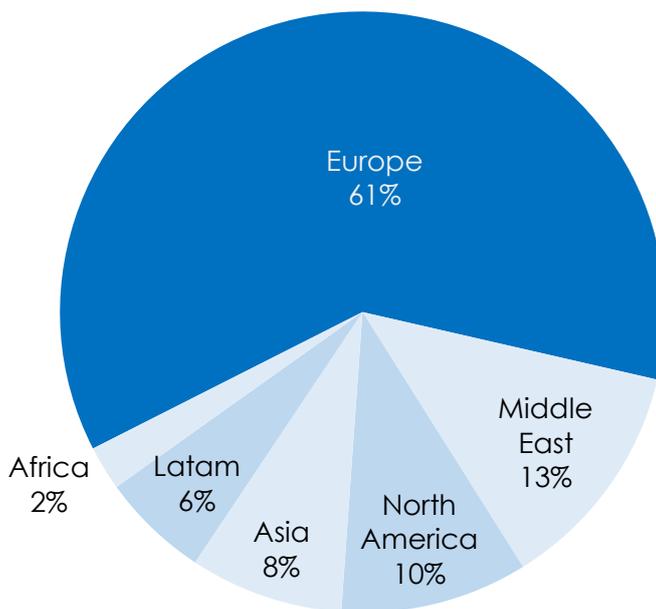
Exports

At the end of the first quarter of 2021, net accumulated Export Sales, after elimination of the sales to our subsidiaries in Portugal, Morocco, Gibraltar and Andorra in the consolidation process, were 39.7 million euros, 5.4% up on the 37.6 million euros obtained in the first quarter of 2020, a year in which the behaviour of export figures followed an upward trend during the whole year.

Exports to European countries rose by 6.0% in comparison with the same period of the preceding year and those sent to African countries more than doubled, as a result of the specific effort to introduce our products into these countries, as well as those of central and northern Europe, in order to offset the fall in other markets, such as Turkey and the Middle East.

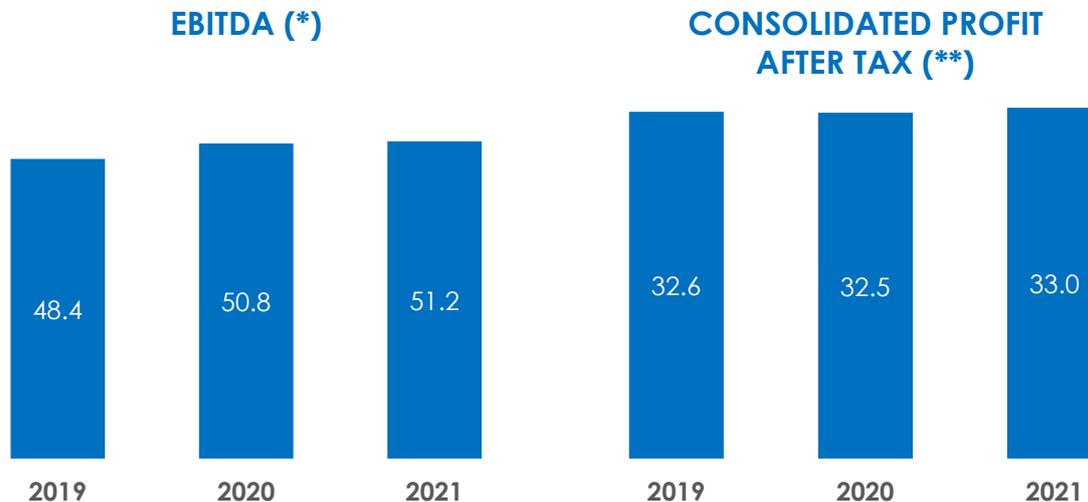
In the first quarter of 2021, exports accounted for 20.1% of Group consolidated sales (18.9% in the same period of 2020).

EXPORTS BY REGION



The graph shows the geographical destinations of the exports of 39.7 million euros in the first quarter of 2021.

RESULTS:



(*) EBITDA in millions of euros – cumulative figures at the end of each first quarter.

(**) Consolidated profit after tax on continuing operations attributable to the Company's shareholders for each fiscal period – expressed in millions of euros.

EBITDA (operating profit plus amortization and depreciation) at the end of the first quarter of 2021 was 51.2 million euros, 0.7% higher than the first quarter figure in 2020.

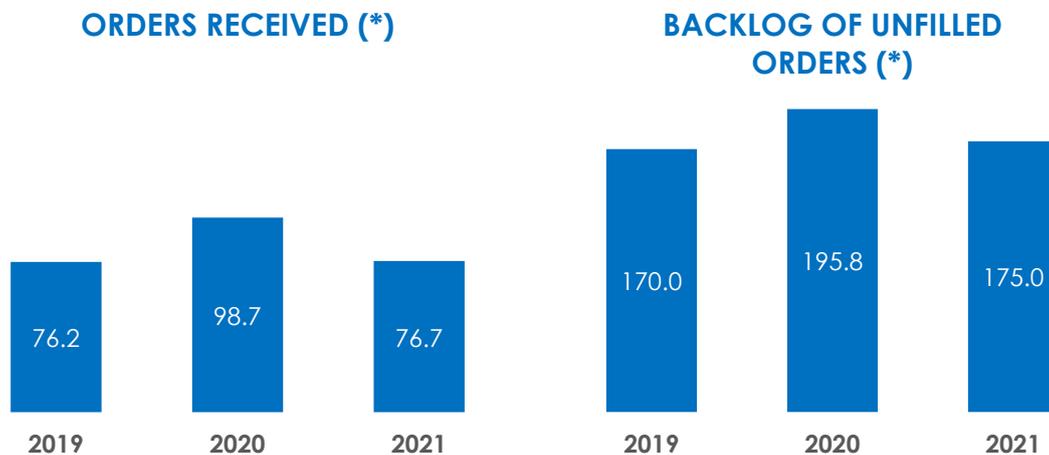
The EBITDA figures at the end of the first quarters of both 2021 and 2020 reflect the impact of application of IFRS-16 *Leases*, which introduced the requirement for companies to show leased assets attached to the activity in their statements of financial position. This Group has been applying this Standard since December 1, 2019, although it has not restated the comparative figures for the fiscal year ended November 30, 2019, as permitted under the specific transitional provisions of the Standard.

In the first quarter of 2021, the positive effects of the plans for growth and improvements initiated over recent years could still be seen, allowing the EBITDA to be maintained and improve slightly in comparison with the same period of 2020.

Consolidated profit before tax was 43.7 million euros in the first quarter of 2021, 1.8% up on the 2020 first quarter figure.

Profit after tax was 33.0 million euros in the first quarter of 2021, 1.4% higher than the 32.5 million euros obtained in the first quarter of 2020.

3. OTHER KEY DATA



(*) Includes cumulative figures at the end of each quarter for New Sales, Modernizations and Exports – expressed in millions of euros.

Orders received and backlog of unfilled orders

In the first quarter of 2021, the amount of the orders received for modernizations, new installations and exports, including new and existing buildings and marine, was 76.7 million euros, representing a decrease of 22.4% on the same period of 2020.

The backlog of unfilled orders at the end of the first quarter of 2021 was 175.0 million euros, a decrease of 10.6% on the same period of 2020.

These decreases were due mainly to the aforementioned effect of the pandemic, which had not yet been officially declared at the end of the first quarter of 2020, and, in general, to the excellent behaviour of orders during the previous period in most activities, including orders from the marine sector. Notwithstanding the drop in the figures of both orders received and backlog of unfilled orders at the end of the first quarter of 2021, they were still higher than the figures obtained in the first quarter of 2019.

Units under maintenance

We ended the first quarter of 2021 with 294,277 units, representing growth of 0.2% on the units at the end of the first quarter of 2020.

4. CONDENSED CONSOLIDATED INCOME STATEMENT

(Cumulative figures at the end of the first quarter expressed in millions of euros)

	2021	2020
SALES	197.1	199.4
OTHER REVENUE	0.3	0.3
RAW MATERIALS AND CONSUMABLES USED	(64.8)	(67.7)
EMPLOYEE BENEFIT EXPENSE	(68.1)	(68.2)
OTHER EXPENSES	(13.2)	(13.0)
EBITDA	51.2	50.8
AMORTIZATION, IMPAIRMENT AND GAINS/(LOSSES) ON DISPOSALS OF FIXED ASSETS	(7.4)	(7.7)
OPERATING PROFIT	43.8	43.2
REVENUE FROM FINANCING ACTIVITIES	0.0	0.0
COST OF FINANCING ACTIVITIES	(0.1)	(0.2)
NET FOREIGN EXCHANGE DIFFERENCES	(0.0)	(0.0)
OTHER GAIN/LOSS	0.0	(0.0)
PROFIT BEFORE TAX	43.7	42.9
INCOME TAX EXPENSE	(10.4)	(10.1)
PROFIT FOR THE YEAR	33.3	32.8
ATTRIBUTABLE TO:		
ATTRIBUTABLE SHAREHOLDERS	33.0	32.5
NCI	0.2	0.2

5. DIVIDENDS

At its meeting held in December 2020, the Board of Directors approved the third interim dividend charged to the profit for 2020, which was paid out on January 11, 2021, as follows:

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
January 11	0.068 euros	3rd interim 2020	470,464,311	€ 31,991,573.15
Treasury shares			(2,049,865)	€ (139,390.82)
Total			468,414,446	€ 31,852,182.33

6. TREASURY SHARES

The Ordinary General Shareholders' Meeting of Zardoya Otis, S.A. held on May 23, 2018 authorized the Board of Directors to acquire, directly or indirectly, treasury shares of Zardoya Otis, S.A., observing the limits and requirements set out in article 146 and related articles of the Capital Companies Law.

At its meeting of December 11, 2018, the Board of Directors decided to acquire treasury shares so that they could be used in company acquisition transactions.

At November 30, 2020, Zardoya Otis, S.A. held 1,420,016 treasury shares with a value of EThs 8,807. At the end of the first quarter of 2021, Zardoya Otis, S.A. held 2,706,646 treasury shares with a value of EThs 15,450.

In the first quarter of 2021, Zardoya Otis acquired a non-controlling interest of 20% in Ascensores Eleva, S.L. (December 22, 2020) by handing over 309,713 shares valued at EThs 1,762.

7. FINANCIAL RISK MANAGEMENT FIRST QUARTER 2021

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management program is focused on the uncertainty of the financial markets and trying to minimize any potential adverse effects on the Group's financial profitability.

Risk management is controlled by Group Management in accordance with the supplementary information to the annual corporate governance report as of November 30, 2020. Management assesses and hedges financial risks in close collaboration with the Group's operating units, in order to:

- Ensure that the most important risks are identified, assessed and managed,
- Ensure an appropriate operating segregation of the risk management functions,
- Ensure that the risk exposure level accepted by the Group in its operations is in line with its risk profile.

8. SIGNIFICANT EVENTS IN THE FIRST QUARTER 2021 AND AFTER THE REPORTING DATE

On February 12, 2021, a company belonging to the CGU Zardoya Otis Group (Spain) acquired 100% of the shares of the company Puertas Automáticas Karpy, S.L.U.

At its March 2021 meeting, the Board of Directors approved the first interim dividend charged to the 2021 profit, which was paid out on April 9, 2021, as follows:

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
April 9	0.070 euros	1st interim 2021	470,464,311	€ 32,932,501.77

The amount resulting from multiplying the aforementioned sum of 0.070 euros by the number of treasury shares held at the time shareholders become entitled to receive payment of the dividend will be deducted from the maximum amount mentioned above.

On March 4, 2021, Zardoya Otis, S.A. acquired a non-controlling interest of 48% in Montes Tallón, S.A. through a share exchange, handing over 2,369,170 treasury shares. Subsequently, on March 11, it acquired 100% of Ascensores Fit, S.L. by handing over a further 333,056 shares.

MEASURES IN RELATION TO THE HAZARDOUS SITUATION CAUSED BY COVID-19

The various communications published previously concerning regular public information for the period 2020 describe the measures that, in the light of the situation caused by the pandemic, the Zardoya Otis Group has adopted to ensure the health and safety of its customers and employees, as well as the continuity of its operations and the service levels, within the limitations imposed by the regulations in force during each phase of the process.

In addition to technical assistance, Zardoya Otis is, at present, remotely monitoring the performance of over 100,000 elevators in order to, through predictive analysis, prevent incidents before they occur and also solve failures by remote intervention.

9. EXHIBIT – KEY FIGURES:

At the end of the first quarter of 2021 (December 1, 2020 to February 28, 2021), the total consolidated figures and the comparison thereof with those of the same period of the preceding year were as follows:

Key Data, 1st Quarter 2021			
<i>Consolidated figures in millions of euros</i>			
Results	2021	2020	% variance 21/20
EBITDA	51.2	50.8	0.7
Profit before tax	43.7	42.9	1.8
Profit after tax	33.0	32.5	1.4

Sales	2021	2020	% variance 21/20
New Installations	30.3	29.4	3.3
Service	127.1	132.4	(4.0)
Exports	39.7	37.6	5.4
Total	<u>197.1</u>	<u>199.4</u>	<u>(1.2)</u>

Orders received (**)	2021	2020	% variance 21/20
Orders received	76.7	98.7	(22.4)
Backlog	175.0	195.8	(10.6)

Units under maintenance	2021	2020	% variance 21/20
Units under maintenance	294,277	293,636	0.2

(**) Includes the New Installations, Modernizations and Exports figures.