DOMINION

H1 2025 Results analysis

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1. Introduction

1.1. Context

The tariff war initiated by Donald Trump's US administration and its effect on global trade continues, with ups and downs and increasing uncertainty with each news item, as each country or economic bloc negotiates and reaches a final agreement with the United States.

As we indicated in the previous report, although the tariff war does not directly affect DOMINION as it is a service provider (not importing or exporting products) with a local presence in the United States, the implications of this new war may indirectly affect it through movements in other macroeconomic variables and/or to the extent that it affects its customers. The uncertainty generated may cause different economic agents (governments and companies) to temporarily halt certain investments, delaying some of the projects DOMINION has in its portfolio, although this possibility is also quite limited.

With regard to the global geopolitical situation, in addition to the above, the wars in Ukraine and Israel continue and there is no end in sight in the short term, despite the attempts and requests of major countries and world leaders. In the case of the war in Israel, there has even been an increase in tension in the area. All in all, these conflicts continue to cause global financial instability, with no end in sight.

In terms of monetary policy, the European Central Bank has continued to lower interest rates in the second quarter, with two cuts of 25 basis points to reach 2%. However, the ECB considers that it has achieved its price stability objective and that future moves will depend on the evolution of the trade war. For its part, the Federal Reserve has not made any changes this quarter and rates remain at 4.5%, which has only served to increase the divergence between the two monetary policies.

As a result of this divergence and the global economy's mistrust of US economic policies, which do not foresee an improvement in the country's delicate financial situation and deficit, the perception of the US dollar as a safe haven has been severely damaged, leading to a significant devaluation of the greenback in recent months. This has resulted in significant exchange and conversion differences for many companies, including DOMINION, in their dollar-denominated positions, which are therefore reflected in the figures presented.

Despite all of the above, DOMINION's results for the first six months of 2025 are developing positively in line with the 2023-2026 Strategic Plan, which continues to reap the benefits of the simplification process and, consequently, the increase in the recurrence and profitability of the various activities and businesses. In addition to this, there is the significant divestment of photovoltaic parks in the Dominican Republic, which highlights part of the company's hidden value and crystallises the strategy that the company has been pursuing in recent years.

1.2. Inorganic and non-recurrent effects

Inorganic effect on turnover:

The inorganic effect on turnover for the quarter was -€77.3 million (-€40.5 million in Q2), due to changes in the scope of consolidation compared to H1 2024. The effect on EBITDA was €4.0 million (€2.2 million in Q2) and €2.7 million (€1.5 million in Q2) on net profit.

This figure includes the figures for the activities that have been divested, mainly the industrial maintenance activity sold to Serveo (November 2024) and other minor divestments. No investments with an effect on this first half of the year have been made.

These strategic divestments are part of the simplification process outlined in the company's 2023-2026 Strategic Plan, with the aim of focusing on sustainable core activities.

Effect of the divestment of the industrial maintenance activity on the income statement:

Given that the divestments carried out accounted for a significant percentage of the figures for H1 2024, a 'comparable H1 2024' is presented in order to properly compare both periods.

Hereinafter, the original amounts (1H 2024) will be shown in the first column and a second column (comparable 1H 2024) will be added, where the figures corresponding to the divested activities are eliminated, and these 'comparable' figures will be used to make comparisons with the results for the first half of 2025.

Effect of the divestment of the six photovoltaic parks in the Dominican Republic:

On 21 July 2025, the sale of the six photovoltaic parks built in the Dominican Republic to Dominican investment funds managed by Pioneer Funds and JMMB Funds Sociedades Administradoras de Fondos de Inversión (SAFI's) was announced.

The transaction involves the sale of 80% of DOMINION's ownership at the time of signing, while the remaining 20% will be retained by DOMINION for three years with the aim of strengthening its relationship with the new partner and consolidating its position for the development of future projects in the country.

The valuation of 100% of the six photovoltaic parks (Enterprise Value) amounts to approximately 375 million US dollars. The sale of 80% represents a cash inflow (Equity Value) for the company of 102 million US dollars, of which 82 million US dollars will be paid during the 2025 financial year, with the remainder being deferred.

The divestment of these assets, which has no significant impact on the group's results, represents a key step in the company's simplification strategy, as well as a significant strengthening of its financial position.

Both the debt associated with the projects (Project finance) and the operating results of the farms are treated in DOMINION's annual accounts by 'equity method'.

Disbursements for corporate operations and other payment commitments:

During the first six months of the year, there were no disbursements for earn-outs or other extraordinary reasons.

The liquidity contract represents an additional cash outflow of €0.06 million for the half-year.

2. Economic financial information

2.1. Highlights

Sales

Organic sales growth +10% at constant currency vs H1 2024, well **above the strategic commitment.**

Divestments accounted for -13% and the FOREX effect -2%.

Margins

Profitability continues to **improve**, in line with the strategic plan and the simplification of activities, reaching a **historical EBITDA of 13.7%** of sales, thanks to **growing margins** and **operating leverage** (MC + 8%, EBITDA +10%).

Net Income

Recurring net profit on a like-for-like basis **grew by c.€ 5.5m**, up 40%, in line with what we saw in the first quarter of the year.

- Total organic sales growth of +10% at constant currency compared to the first half of 2024, significantly exceeding the guidance set by the company.

- EBITDA continues to improve progressively, reaching 13.7% of sales thanks to the divestment of lower-margin activities and a focus on more profitable activities.

- Recurring net profit on a comparable basis grew to €19 million, compared to €13.6 million in the first half of 2024. However, the income statement reflects a one-off valuation adjustment with no effect on cash flow of €14 million, as a result of valuing the photovoltaic asset portfolio in the Dominican Republic following the sharp devaluation of the US dollar.

2.2. Turnover

(Millions of €)	H1 2024	H1 2024 Comparable	%	H1 2025
Consolidated Turnover	571.4	494.1	**8.8%**	537.6

DOMINION closes the first half of the year with a turnover of €537.6 million.

This figure represents an increase of +8.8% compared to the same period last year.

The breakdown of this growth over the total sales figure for the first half of 2024 (€571.4 million) represents positive organic growth of +9.6%, a FOREX effect of -2.0% and an inorganic effect that has subtracted 13.5%, as a result of the divestments mentioned in the previous point.

Organic growth is well above, almost double, the guidance set out in the Strategic Plan and highlights the strength of the business's growth as the company executes its simplification plan.

2.3. Operative Margins

(Millions of €)	H1 2024	H1 2024 Comparable	%	H1 2025
Consolidated Turnover	571.4	494.1	**8.8%**	537.6
Contribution Margin	85.1	80.9	**7.9%**	87.3
% CM on turnover	14.9%	16.4%		16.2%

Operating margins reached €87.3 million and continue to show a strong growth trend, exceeding both the comparable figure for the previous year (€80.9 million) and the original figure (€85.1 million). Growth compared to the comparable figure amounts to +7.9%, after deducting the margin attributed to divested activities.

The percentage of turnover is also positively affected by the divestment of activities with lower contribution margins, such as multi-technical industrial activities, which account for the bulk of the inorganic movement in terms of both revenue and margin. As a result, the contribution margin reached 16.2% of sales, exceeding the 16.0% reported in the first quarter of 2025, confirming the trend and progressive expansion of margins.

2.4. EBITDA

(Millions of €)	H1 2024	H1 2024 Comparable	%	H1 2025
Consolidated Turnover	571.4	494.1	**8.8%**	537.6
Contribution Margin	85.1	80.9	**7.9%**	87.3
% CM on turnover	14.9%	16.4%		16.2%
EBITDA	71.3	67.3	**9.6%**	73.8
% EBITDA on turnover	12.5%	13.6%		13.7%

EBITDA reached €73.8 million, up 9.6% on the comparable first half of 2024, with EBITDA margin continuing to grow to 13.7%, a historic high for the company and up on the 13.6% reported in the previous quarter.

On the one hand, this improvement in the overall profitability of the business, which is also reflected in the contribution margin, is the result of the simplification process with the divestment of less profitable activities and the focus and growth in more profitable activities.

The central structure stood at 2.5% of sales at the end of the half-year, which continues to show operational leverage as it remains largely unchanged over the quarters despite growth in turnover and EBITDA.

2.5. Depreciation & Amortization

(Millions of €)	H1 2024	H1 2024 Comparable	%	H1 2025
Consolidated Turnover	571.4	494.1	**8.8%**	537.6
Contribution Margin	85.1	80.9	**7.9%**	87.3
% CM on turnover	14.9%	16.4%		16.2%
EBITDA	71.3	67.3	**9.6%**	73.8
% EBITDA on turnover	12.5%	13.6%		13.7%
Depreciation & Amortization	-30.7	-30.2		-35.2
EBIT	40.6	37.1	**4.0%**	38.6
% EBIT on turnover	7.1%	7.5%		7.2%

Depreciation and amortisation expenses increased due to CAPEX from previous years, growth and development of the mobile device leasing business, and amortisation related to usage rights under IFRS 16, with a higher number of leasing contracts in the circular economy.

Despite this growth, EBIT continued to increase in absolute terms compared to the same period in 2024, reaching €38.6 million.

2.6. Financial expenses and other balance sheet expenses

(Millions of €)	H1 2024	H1 2024 Comparable	%	H1 2025
Consolidated Turnover	571.4	494.1	**8.8%**	537.6
Contribution Margin	85.1	80.9	**7.9%**	87.3
% CM on turnover	14.9%	16.4%		16.2%
EBITDA	71.3	67.3	**9.6%**	73.8
% EBITDA on turnover	12.5%	13.6%		13.7%
Depreciation & Amortization	-30.7	-30.2		-35.2
EBIT	40.6	37.1	**4.0%**	38.6
% EBIT on turnover	7.1%	7.5%		7.2%
Financial Expenses		-20.0		-15.2
Results of the equity method		-0.1		0.0
Exchange rate differences		0.2		-0.7
Valuation adj. Dominican Rep.		0.0		-14.0

There has been a decrease of around 25% in financial expenses compared to the same period last year due to successive interest rate cuts that began in the middle of the 2024 financial year, in line with what was already seen in the first quarter of the year and what is expected for the coming quarters.

In the net result, which also includes fair value adjustments, equity accounting and exchange rate differences, there is a valuation adjustment of €14 million on photovoltaic assets in the Dominican Republic, mainly due to the sharp devaluation of the US dollar at the end of the half-year. This is an extraordinary adjustment resulting from the fair value adjustment of the assets and liabilities of the parks in the Dominican Republic, which has no effect on the company's cash flow.

2.7. Net profit

(Millions of €)	H1 2024	H1 2024 Comparable	%	H1 2025
Consolidated Turnover	571.4	494.1	**8.8%**	537.6
Contribution Margin	85.1	80.9	**7.9%**	87.3
% CM on turnover	14.9%	16.4%		16.2%
EBITDA	71.3	67.3	**9.6%**	73.8
% EBITDA on turnover	12.5%	13.6%		13.7%
Depreciation & Amortization	-30.7	-30.2		-35.2
EBIT	40.6	37.1	**4.0%**	38.6
% EBIT on turnover	7.1%	7.5%		7.2%
Financial Expenses	-20.5	-19.9		-30.0
EBT	20.1	17.2		8.7
Taxes	1.4	1.6		-0.4
Minority Shareholders	-1.0	-1.0		-1.5
Discontinued Operations	-4.2	-4.2		-1.7
Net Attributable Profit	**16.3**	**13.6**		**5.0**
Net Income without ONE-OFF Dominican Rep.		**13.6**	**40%**	**19.0**

DOMINION achieved an attributable net profit of €5 million which, excluding the effect of the extraordinary valuation adjustment in the Dominican Republic, would represent a recurring net profit of €19 million, 40% higher than that reported in the first half of 2024, in line with the growth observed in the first quarter of the year.

Of particular note is the corporate income tax expense compared to the positive amount in the comparable first half of 2024 due to the activation of tax loss carryforwards and the reduction in the amount of discontinued operations (from €4.2 million to €1.7 million) relating to the Cerritos wind farm in Mexico, as a result of the reduction in its financial expenses.

2.8. Main movements in balance sheet items

(Millions of €)	Dec 2024	Jun 2025
Fixed Assets	493.2	491.1
Infraestructure Assets	141.9	147.7
IFRS16	55.7	56.8
Net Working Capital	(183.0)	(179.7)
Total Net Assets	507.7	516.0
Net Equity	312.8	267.9
Net Financial Debt Ex-Infras	56.4	80.5
Net Financial Debt Infrastructure	126.5	126.7
IFRS16 Debt	50.7	51.2
Others	(38.6)	(10.3)
Total Net Equity and Liabilities	507.7	516.0

NFD
207 M€

The half-yearly balance sheet is significantly affected by the valuation at the current exchange rate of positions in currencies other than the euro, especially in USD, across all items.

- Fixed assets: slightly down (-€2.1 million) compared to the same period in 2024. This variation includes CAPEX additions, depreciation and exchange rate variations.
- Infrastructure Assets: increased (+€5.9 million) as a result of the development of the pipeline during this half-year without any divestments. The divestment in the Dominican Republic, announced after the end of the first half-year, will not be reflected in this heading in subsequent quarters as it is accounted for using the equity method.
- Net operating cash flow (NOCF): there has been a positive variation of €3.3 million in cash flow (investment). This amount is the result of exchange rate effects derived from the depreciation of various currencies, as well as the investments necessary to carry out the strategic transformation contemplated in the 2023-26 Plan, which includes the simplification of the company.
- Net equity: this includes the profit for the half-year (+€5.0 million), the recording of the dividend (-€15.0 million), paid on 9 July (after the half-year close) and a reduction due to conversion differences (-€33 million).
- Net Financial Debt: DOMINION closes the first half of 2025 with a €24 million increase in net financial debt, which reflects CAPEX and investment in working capital during the period, as well as the effect of conversion differences.

3. Highlights by business segment

As indicated in the previous quarter, reporting has been modified with the aim of simplification set out in the Strategic Plan, taking into account the two strategic areas covered by the company.

3.1. Global Dominion Environment (GDE)

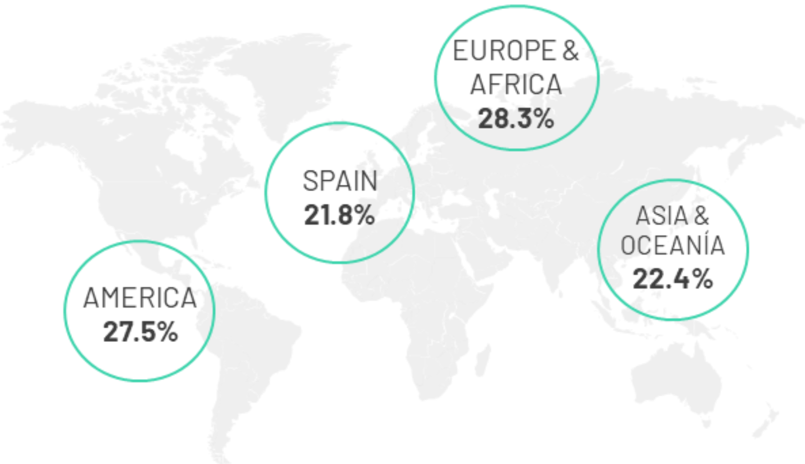
	H1 2024 (*)		H1 2025
Turnover	210.3 M€	+5%	220.8 M€
CM [4]	24.8 M€	+6%	26.3 M€

Global Dominion Environment encompasses circular economy activities, i.e. waste management, from collection to reincorporation into the production process (industrial cleaning, degassing, water treatment, waste treatment, etc.) and decarbonisation activities, which provide energy efficiency and emission reduction solutions.

This segment closed the first half of the year with a turnover of €220.8 million, representing a +5% increase in turnover compared to the same period last year, in line with the guidance set out in the Strategic Plan. The contribution margin on sales stood at 11.9%, slightly higher than in the previous quarter, with absolute growth of 6% over the first half of 2024.

At an aggregate level, Global Dominion Environment accounts for 41% of total sales and 30% of the company's contribution margin in the first half of 2025.

By geography, it is a highly diversified activity, with half of revenues (50%) generated in Europe, while the Americas account for 27.5% and Asia-Oceania for the remaining 22.5%.



During the second quarter of 2025, numerous advances were made in this strategic area, and several important contracts were signed in this segment:

- Positioning of GDE as a comprehensive environmental manager for industrial clients at the European level. It is believed that there is a large potential market, which is quite fragmented. There is a good opportunity to build up these activities and become a European leader in reducing the environmental impact of industry, guided by regulation as the main driver.

- First automatic tank cleaning project in Latin America, in partnership with Repsol at the La Pampilla refinery in Peru, confirming the proposal to internalise certain services not only through inorganic growth, but also in partnership with our clients, with whom we have a long history of collaboration. Similarly, several industrial cleaning and sludge recovery and revaluation projects have been carried out in the United Kingdom.

- Project for the supply, manufacture and installation of thermal insulation on pipes and equipment at the Seraing combined cycle plant in the province of Liège, Belgium, increasing the energy efficiency of the processes carried out there.

3.2. Global Dominion Tech-Energy (GDT)

Both Services and Projects performed well, with very strong growth well above the average growth forecast. In the case of Projects, there has been a certain revival after several quarters of lower activity.

3.2.1. GDT Services

		H1 2024 (*)		H1 2025
Servicios	Turnover	211.5 M€	+9%	230.0 M€
	CM (4)	37.5 M€	+10%	41.3 M€

GDT Services, which encompasses electrification, telecommunications and logistics-commercial activities, closed the first half of the year with a turnover of €230.0 million, representing a +9% increase in turnover compared to the same period last year.

As indicated in the previous report, this area consists of long-term service contracts with a very high recurrence rate and is therefore also a defensive division. As a result, following the award of new contracts in the first few months of the year, the growth in both turnover and contribution margin reflects and carries forward this previous growth.

The contribution margin reached 18.0% in the first six months of 2025, a margin that remains above average and reflects the high operating profitability of most of this division's activities.

At the aggregate level, GDT Services accounted for 43% of total sales and 47% of the company's contribution margin in the first half of 2025.

During the second quarter of 2025, several contracts were signed in Latin America, both in the telecommunications and energy sectors, continuing the strong contracting performance in this region in the first quarter:

- New contract in Colombia for the construction and maintenance of fixed telecommunications infrastructure.

- New contract in Peru for the installation of weather radars and all the infrastructure necessary to reinforce early warning systems.

3.2.2. GDT Projects

		H1 2024 (*)		H1 2025
Projects	Turnover	72.3 M€	+20%	86.8 M€
	CM [4]	18.6 M€	+6%	19.7 M€

GDT Projects includes projects with a 360-degree (end-to-end) vision, which incorporate hospital technology integration projects, data centres and renewable energy projects, and do not take into account industrial projects (included in GDE).

GDT Projects closed the first half of the year with a turnover of €86.8 million, representing a notable 20% increase in turnover compared to the same period last year, while the contribution margin rose by 6% to €19.7 million. In the quarter alone, turnover reached €51.5 million, compared to €35.2 million in the first quarter, showing the recovery of the area after several quarters of flat or even negative turnover. This recovery is mainly due to the execution and construction of renewable energy projects in Italy.

With regard to renewable infrastructure, and as announced after the half-yearly closing, the divestment of the six photovoltaic parks in the Dominican Republic has been signed, four of which are already in COD (Commercial Operation Date). The transaction, which values the 321 MW of photovoltaic assets at more than $375 million (enterprise value), represents a key step in the company's simplification strategy, as well as a significant strengthening of its financial position.

The transaction involves the sale of 80% of the property at the present time, while the remaining 20% will be retained by DOMINION for three years with the aim of strengthening its relationship with the new partner and consolidating its position for the development of the future pipeline in the country.

The divestment will generate cash inflows of US$102 million for the company, of which US$82 million will be received during the 2025 financial year, with the remainder deferred until all six farms are in commercial operation.

For its part, the Cerritos wind farm is already in operation and has been generating energy under the 'test revenues' model for several months, after which it will move into full generation. Once this happens, a competitive sales process similar to that carried out in the Dominican Republic will begin.

At the aggregate level, GDT Projects represents 16% of total sales and 23% of the company's contribution margin in the first half of 2025.

The portfolio of energy and socio-digital projects amounts to €430 million. During the second quarter of 2025, the following advances in this segment are noteworthy, with several technological integration projects in new fields of action:

- Expansion project for the Galician Supercomputing Technology Centre (CESGA): Design and construction of the new CESGA data centre, the largest public supercomputing centre in north-western Spain. The highly efficient building, covering more than 2,400 m^2, will be designed using BIM methodology and is prepared for Tier III certification.

- Project for the installation of a flood warning system in the Antofagasta region of Chile. This system, located in the towns of Antofagasta, Mejillones, Taltal and Tocopilla, aims to apply and integrate technology to safeguard lives through clear, timely messages available 24/7.

4. Other Information

4.1. Shareholder structure

The significant shareholders at the end of the first half of 2025 are as follows:

Shareholder	Percentage
ACEK Desarrollo y Gestión Industrial S.L.	15,2%
Indumenta Pueri S.L.	7,2%
Mikel Barandiarán Landin (CEO)	5,8%
Antonio Maria Pradera Jauregui (Presidente)	5,7%
Corporacion Financiera Alba	5,6%
Elidoza Promocion de Empresas	5,6%
Mahindra & Mahindra	4,2%

Given that the percentage of treasury stock amounts to 1%, this means a free float of 50%.

4.2 Shareholder return

At the General Shareholders' Meeting held on 6 May, DOMINION approved the distribution of €15 million in dividends, equivalent to 38% of the 'comparable' net profit for 2024. This dividend has been paid and, therefore, resulted in a cash outflow on 9 July 2025, after the six-month period covered by the consolidated accounts and this analysis report.