DOMINION

Q1 2025 Results analysis

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1. Introduction

1.1. Context

In macroeconomic terms, the first quarter of the year was marked by the tariff war initiated by Donald Trump's US government and its effect on global trade, which has led to a significant increase in uncertainty.

In addition to the above, the wars in Ukraine and Israel continue to generate instability, resulting in an environment of high uncertainty for financial markets, which are very sensitive to any news related to the aforementioned events.

As for monetary policy, the European Central Bank continues to hold firm in its de-escalation of interest rates with several 25 basis point cuts in the first quarter of the year while the Federal Reserve keeps the handbrake on until it is clear what the effects of the tariff war will be on the US economy, with inflation being the main indicator to be monitored. As a result, the divergence between the two monetary policies continues to widen, with rates in Europe at the end of the quarter at 2.5% compared to 4.5% in the US.

Faced with this general economic slowdown, DOMINION is well positioned and has a strategy of geographic and business diversification that minimises its impact in these environments.

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

In spite of everything, DOMINION presents in these first 3 months of 2025 results that evolve positively as established in the Strategic Plan 2023-2026, where the fruits of the simplification process and therefore the increase in recurrence and profitability of the different activities and businesses continue to be reaped.

On the other hand, the first effects on the financial result of the interest rate cuts implemented in the second half of 2024 are beginning to be seen. The movement in foreign currencies was significant during the quarter compared to the previous year and was reflected in the figures presented.

Finally, it is worth highlighting the new structure announced by DOMINION at the beginning of the year, which aims to organise the different activities in a more simplified way. This structure, which is directly reflected in the presentation of data (reporting), will also allow DOMINION to visualise more directly its commitment to two distinct business areas: the industrial world around the circular economy and decarbonisation; and services and projects for the energy transition and the digital transition.

1.2. Inorganic and non-recurrent effects

Inorganic effect on turnover:

The inorganic effect on turnover in the quarter was € -36.8m, due to changes in the scope of consolidation compared to Q1 2024. The effect on EBITDA was €1.8m and €1.2m in net profit.

This figure includes the magnitudes of the activities that have been divested, mainly the industrial maintenance activity sold to Serveo (November 2024) and other minor divestments. No investments were made in the first quarter of the year.

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

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

As the divestments carried out accounted for a significant percentage of the Q1 2024 figures, a 'comparable Q1 2024' is presented in order to properly compare the quarters of both years.

Henceforth, the original amounts (Q1 2024) will be shown in the first column and a second column (Q1 2024 comparable) 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 of Q1 2025.

Disbursements for corporate operations and other payment commitments:

No disbursements for earn outs or other extraordinary reasons were made during the first three months of the year.

2. Economic financial information

2.1. Turnover

(Millions of €)	3M 2024	3M 2024 Comparable	%	3M 2025
Consolidated Turnover	283.1	246.3	**7.2%**	264.1

DOMINION closed the first quarter of the year with a turnover of 264.1 million euros.

This figure represents a growth of +7.2% compared to the comparable scope of consolidation of the previous year (€246.3M in Q1 comp.).

The breakdown of this growth over the total sales figure for the first quarter of 2024 (283.1M€), represents a positive organic growth of +7.0%, a FOREX effect of -0.7% and an inorganic effect that has subtracted 13.0%, as a result of the divestments mentioned in the previous point.

Organic growth was above the guidance set in the Strategic Plan and underscores the strength of the growth in activity at the same time as the company implements its simplification plan.

2.2. Operative Margins

(Millions of €)	3M 2024	3M 2024 Comparable	%	3M 2025
Consolidated Turnover	283.1	246.3	**7.2%**	264.1
Contribution Margin	41.5	39.6	**6.9%**	42.3
% CM on turnover	14.6%	16.0%		16.0%

Operating margins reached €42.3m and continued to show a strong growth trend, exceeding both the comparable figure of the previous year (€39.6m) and the original figure (€41.5m). The growth compared to the comparable figure amounts to +6.9%, after deducting the margin attributed to the divested activities.

The percentage of revenues is also positively affected by the divestment of activities with lower contribution margins, as is the case of the multi-technical industrial activities, which represent the bulk of the inorganic movement in terms of both revenues and margin. As a result, the contribution margin was 16.0% of sales.

2.3. EBITDA

(Millions of €)	9M 2023	%	9M 2024
Consolidated Turnover	850.9	**1%**	856.3
Contribution Margin	121.0	**6%**	128.2
EBITDA	100.4	**7%**	107.5
% EBITDA on turnover	11.8%		12.5%

EBITDA reached €35.9m, +8.8% higher than in the first comparable quarter of 2024, with EBITDA over sales surpassing the 13% barrier and standing at 13.6%.

On the one hand, as in the contribution margin, this improvement in the overall profitability of the business is the result of the divestment of less profitable activities.

On the other hand, as in previous quarters, the business continued to gain operating leverage, with a core structure of 2.4% of sales.

2.4. Depreciation & Amortization

(Millions of €)	3M 2024	3M 2024 Comparable	%	3M 2025
Consolidated Turnover	283.1	246.3	**7.2%**	264.1
Contribution Margin	41.5	39.6	**6.9%**	42.3
% CM on turnover	14.6%	16.0%		16.0%
EBITDA	34.8	33.0	**8.8%**	35.9
% EBITDA on turnover	12.3%	13.4%		13.6%
Depreciation & Amortization	-15.4	-15.1		-16.5

Depreciation and amortisation increased due to the growth and evolution of the mobile device leasing business.

Despite this growth, EBIT continues to increase both in absolute and relative terms.

2.5. Financial expenses

(Millions of €)	3M 2024	3M 2024 Comparable	%	3M 2025
Consolidated Turnover	283.1	246.3	**7.2%**	264.1
Contribution Margin	41.5	39.6	**6.9%**	42.3
% CM on turnover	14.6%	16.0%		16.0%
EBITDA	34.8	33.0	**8.8%**	35.9
% EBITDA on turnover	12.3%	13.4%		13.6%
Depreciation & Amortization	-15.4	-15.1		-16.5
EBIT	19.5	17.9	**10.6%**	19.8
% EBIT on turnover	6.9%	7.3%		7.5%
Financial Expenses	-10.2	-9.9		-11.6

The financial result for the first quarter was € -11.6m.

Although there has been a decrease in financial expenses compared to the same period of the previous year, due to the successive decreases in current interest rates that started in the middle of the financial year 2024, this decrease is not reflected in the total financial result as there is also a significant increase in exchange differences, which are 3.2 M€ higher in 2025, being the United States the main geography of this currency variation.

It is foreseeable that this downward trend in financial expenses will continue in the coming quarters, which, together with exchange differences and income by the equity method, make up the total financial result.

2.6. Net profit

(Millions of €)	3M 2024	3M 2024 Comparable	%	3M 2025
Consolidated Turnover	283.1	246.3	**7.2%**	264.1
Contribution Margin	41.5	39.6	**6.9%**	42.3
% CM on turnover	14.6%	16.0%		16.0%
EBITDA	34.8	33.0	**8.8%**	35.9
% EBITDA on turnover	12.3%	13.4%		13.6%
Depreciation & Amortization	-15.4	-15.1		-16.5
EBIT	19.5	17.9	**10.6%**	19.8
% EBIT on turnover	6.9%	7.3%		7.5%
Financial Expenses	-10.2	-9.9		-11.6
EBT	9.2	8.0		8.2
Taxes	0.2	0.2		1.5
Minority Shareholders	-0.1	-0.1		0.2
Net Comparable Profit	**9.3**	**8.2**	**22%**	**9.9**
% Result on turnover	**3.3%**	**3.3%**		**3.8%**
Discontinued Operations	-2.1	-2.1		-0.9
Net Attributable Profit	**7.3**	**6.1**	**49%**	**9.1**

"Comparable Net Result": it refers to the Net Result attributable before discontinued operations.

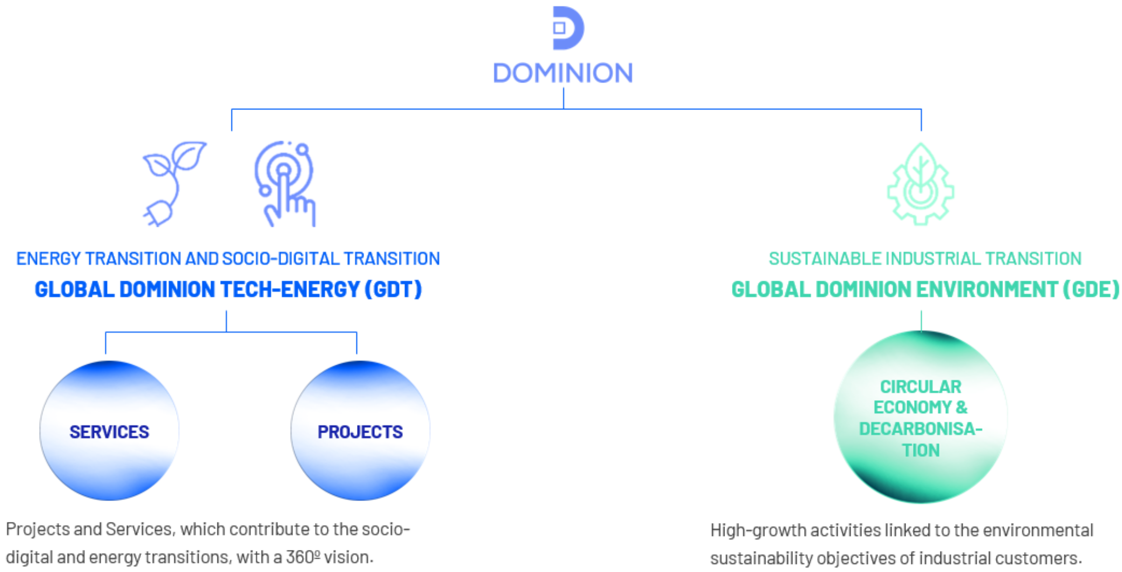
DOMINION achieved an attributable net profit of EUR 9.1 million, +49% higher than the comparable result for the first three months of 2024. This result includes:

- A reduction in financial expense of around 25% due to the improved interest rate environment in the second part of 2024.
- An increase in exchange rate differences, mostly caused by the depreciation of the US dollar.
- Positive corporate income tax due to the capitalisation of tax losses.
- A reduction in the amount of discontinued operations (from -2.1M€ to -0.9M€), related to the Cerritos wind farm in Mexico, as the financial expenses of this wind farm decreased.

Growth in terms of comparable net income, i.e. excluding discontinued operations, was +22%.

3. Highlights by business segment

The reporting has been modified in line with the objective of simplification established in the Strategic Plan. To this end, taking into account the three transitions that the company strategically covers, the new breakdown has been structured in two main areas:



This new structure favors taking advantage of market opportunities in a more efficient way. In addition, through reporting, it allows a clearer differentiation of DOMINION's activities in each of the three transitions, thus conveying a simplified view of the company. Similarly, each of the three transitions, and therefore each segment, have different drivers, trends, capital requirements and margins that should be differentiated in order to properly assess the activities included in each of them, and DOMINION considers relevant to make a sum of parts valuation of the company, trying to make visible the hidden value that today the quotation is not reflecting.

On the one hand, Global Dominion Environment (GDE) is committed to sustainability and the environmental objectives of our industrial clients, leading the sustainable industrial transition through innovative solutions in circular economy (cleaning and waste treatment) and decarbonization (emissions reduction and energy efficiency). Organic growth in this segment is expected to be complemented by inorganic acquisitions that will broaden and complement the portfolio of activities that DOMINION provides today.

On the other hand, Global Dominion Tech-Energy (GDT) will allow DOMINION to continue to develop its services and projects around the energy transition, taking advantage of the dynamics of an electrified economy through renewable generation; and around the socio-digital transition, with solutions for connectivity, technological integration and digitization of businesses.

In order to be able to read the evolution of the different segments, a pro forma exercise has been carried out to express the first quarter of the 2024 financial year under the new reporting segment structure.

3.1. Global Dominion Environment (GDE)

	Q1 2024 (*)		Q1 2025
Turnover_	107.8 M€	+6%	**113.7 M€**
CM [4] _	12.6 M€	+6%	**13.3 M€**

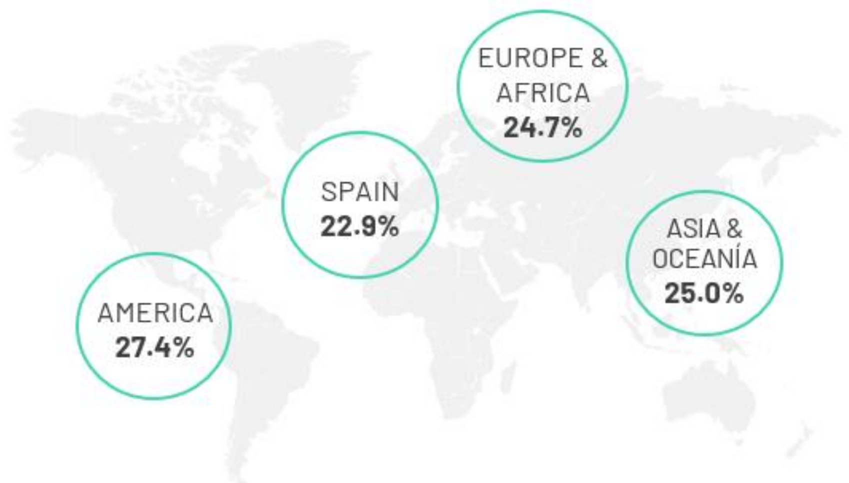
Global Dominion Environment encompasses circular economy activities, i.e. waste management, from collection to reincorporation into the production process (industrial cleaning, degassing, water treatment, waste treatment, etc.) and decarbonization activities, which provide energy efficiency and emission reduction solutions. Both activities have environmental regulations and requirements as their main driver, and are very broadly diversified in terms of sectors, geographies and customers.

This segment closed the first quarter with revenues of €113.7 million, representing a +6% increase in revenues compared to the same period last year.

Global Dominion Environment are mostly recurring businesses with a defensive nature that have a growth above the average indicated in the guidance, standing in this quarter at +6% both in terms of revenue and contribution margin. The contribution margin on sales was 11.7%.

At an aggregate level, Global Dominion Environment represents 43% of total sales and 32% of the company's contribution margin in the first quarter of 2025.

By geography, the business is highly diversified, with almost half of revenues (48%) coming from Europe, while the Americas account for 27% and Asia-Oceania for the remaining 25%.



During the first quarter of 2025, several relevant contracts have been signed in this segment:

- New contract for the dredging, centrifuging and dewatering of sludge from the biological ponds in a plant in northern Spain, it is a good example of circular economy and decontamination.

- First contract in Greece, for the cleaning of pumps by water recirculation at the Elefsina refinery shutdown.

- New key energy efficiency contract, Yatala, including the construction of new main furnaces at the VISY Glass plant in Brisbane, QLD (Australia).

- New contract in Germany for the execution of civil works for two liquefied natural gas (LNG) tanks at the German LNG Terminal GmbH terminal. This contract consolidates DOMINION's experience in LNG storage infrastructure and its ability to implement large-scale projects.

3.2. Global Dominion Tech-Energy (GDT)

The good performance of services stands out, with very strong growth, well above the average growth of guidance; while projects continue to show a flatter performance, due to macroeconomic uncertainty and pending the materialization in the short term of the divestments of renewable assets.

3.2.1. GDT Services

		Q1 2024 (*)		Q1 2025
Servicios	**Turnover**	102.6 M€	+12%	**115.1 M€**
	CM [(4)]	18.0 M€	+13%	**20.3 M€**

GDT Services, which encompasses the electrification, telecommunications and logistics-commercial activities, closed the first quarter with a turnover of €115.1M, representing a +12% increase in turnover compared to the same period of the previous year.

GDT Services is made up of long-term service contracts with a very high recurrence and, therefore, it is also a defensive division. As can be seen, the growth of both revenue and contribution margin is very high, as a result of the growth that this business continues to experience, where important contracts continue to be awarded, especially in Latin America, and which we will detail below.

The contribution margin reached 17.6% in the first quarter of 2025, an above-average margin, which reflects the high operating profitability of businesses such as logistics (agent role) and commercial.

At the aggregate level, GDT Services represents 44% of total sales and 48% of the company's contribution margin in the first quarter of 2025.

During the first quarter of 2025, several contracts were signed in this segment:

- New contract with CGE (Compañía General de Electricidad), one of the main electricity distributors in Chile, to provide essential services in medium and low voltage networks.

- New contract with Transports de Barcelona S.A. for the maintenance of the electric recharging infrastructure for buses in the Triangle and Zona Franca depots. This contract is in addition to the one it already manages since 2022, which includes opportunity recharging points totaling more than 5 MW of installed power.

- The outstanding performance in the telecommunications network projects carried out in the northern region of Colombia for Claro has led the client to expand our activities to a new area in the city of Medellín. For the first time, we will be present in the "Northwestern Medellin" area.

- Claro-VTR in Chile: Selected by Claro-VTR to reinforce the FTTH fiber optic network in the Metropolitan Region and the Fifth Region of Chile. Activities include the installation of equipment, technical visits for diagnosis and troubleshooting, as well as preventive and corrective maintenance.

- New telecommunications contract in OnNet processes for the Construction, Operation and Maintenance Service of external plant in Chile. This will allow us to expand our coverage in the Metropolitan Region, Valparaíso, Bíobío and Ñuble, thus reaffirming our commitment to the development of telecommunications.

3.2.2. GDT Projects

		Q1 2024 (*)		Q1 2025
Projects	Turnover_	36.0 M€	-2%	**35.3 M€**
	CM [4] _	9.0 M€	-4%	**8.7 M€**

GDT Proyectos includes projects with 360º vision (end-to-end), which include hospital technology integration projects, data centers and renewable projects, and which do not take into account industrial projects (included in GDE).

GDT Proyectos closed the first quarter with a turnover of 35.3M€, which represents a 2% drop in turnover compared to the same period of the previous year, while the contribution margin fell by 4% to 8.7M€. As mentioned above, this almost flat performance is a consequence of the macroeconomic context that is slowing down some large projects and, in the case of renewable projects, of the containment in their execution until the divestments of renewable assets in progress have been completed. In terms of percentage of sales, the margin reached a very healthy 24.6%.

With respect to renewable infrastructures, progress continues to be made in their divestment, especially in the Dominican Republic, whose divestment is at an advanced stage. The Cerritos wind farm continues to be commissioned and is expected to be generating energy in the next few months. Once this happens, it will be divested.

At an aggregate level, GDT Proyectos represents 13% of total sales and 20% of the company's contribution margin in the first quarter of 2025.

During the first quarter of 2025, the following developments in this segment are noteworthy:

- The portfolio of energy and socio-digital projects amounts to €440m.

- There is a pipeline in addition to the projects already contracted and included in the portfolio. In the case of renewable projects, this pipeline is around 2 GW.

- All of the photovoltaic parks in the Dominican Republic are in their final commissioning phase, and most of them are already generating energy while they are being divested.

4. Other Information

4.1. Shareholder structure

Significant shareholders at the end of the first quarter of 2025 are as follows:

Shareholder	Percentage
ACEK Desarrollo y Gestión Industrial S.L.	15.2%
Mikel Barandiarán Landin (CEO)	5.8%
Antonio María Pradera Jauregui (Presidente)	5.7%
Indumenta Pueri S.L.	5.6%
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 end of February 2025, during the presentation of 2024 results, DOMINION announced that it will propose to the General Meeting of Shareholders on May 6, 2025, the distribution of €15 million in dividends, equivalent to 38% of the "comparable" net profit for 2024.