



Comisión Nacional del Mercado de Valores (Spanish Securities and Exchange Commission)

C/Edison, 4

28006 - Madrid

Duro Felguera, S.A. (the "**Company**" or "**Duro Felguera**"), in compliance with the provisions of article 226 of the Consolidated Text of the Securities Market Act, hereby informs the Spanish Securities and Exchange Commission of the following communication regarding

INSIDER INFORMATION

Duro Felguera communicates the following information in connection with the execution of a binding memorandum of understanding (the "**MOU**") dated 21 February 2023 between Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V. ("**Grupo Prodi**"), Mota-Engil México, S.A.P.I. de C.V. ("**Mota-Engil México**") and Duro Felguera.

The ultimate objective of the MOU is the provision of funds to Duro Felguera and the incorporation of Grupo Prodi and, in the scenario described in point 9 below, Mota-Engil Mexico as industrial partners of Duro Felguera, with the specific purpose of ensuring the long-term viability and sustainable growth of Duro Felguera.

With the approval of the MOU, as soon as the legal and contractual conditions to which the operation is subject are met, a key milestone in the roadmap initiated three years ago by the new Board of Directors for the implementation of a definitive solution for Duro Felguera is successfully advanced. In this plan, to counteract a previous complex situation and the effects of the COVID-19 pandemic, which had a strong impact on the Company's business and liquidity, public aid was obtained from the Spanish Government (FASEE) and the Principality of Asturias (SRP), as levers for the necessary economic viability. The Company continues to satisfactorily implement its Viability Plan and, with this MOU, the following objectives and commitments of the Board of Directors, ratified by the General Meeting, have been successfully achieved:

- Incorporate two industrial partners who will not only provide the necessary resources to develop Duro Felguera's activity normally and permanently overcome the extraordinary circumstances of the current crisis, but will also provide the necessary resources to ensure the continuity of Duro Felguera's activity.

The company will not only be involved in the shareholding structure in recent years, but will also be involved in a stable manner in the composition of the shareholding structure in its capacity as industrial partners. This will make it possible to generate opportunities with new industrial projects, contribute synergies for business expansion and growth in international spheres. In this way, the company will have a strong and solid position in the market and will become one of the leading operators in the sector.

The search for an industrial partner is part of the contract signed with the Solvency Support Fund for Strategic Enterprises ("**FASEE**"), which was approved on 9 March 2021 and ratified on 23 November 2021, and which, after a thorough and rigorous process driven by the Board of Directors of Duro Felguera, has crystallised in the binding MOU.

- To protect the current shareholders, who have remained in the Company despite the adverse circumstances it has gone through and which will be overcome thanks to this operation, while at the same time giving value to their shares by generating solid and solvent expectations for the future. The proposed structure of the transaction respects the shareholders' pre-emptive subscription rights, which will give them the possibility to participate in the Company's recovery and growth through the exercise of these rights.

The Board hopes that the shareholders will value the transaction positively and decide to remain as shareholders in this new phase of Duro Felguera.

The Board of Directors considers that the entry into the share capital of the aforementioned industrial partners will be of clear benefit to the Company and, consequently, to its shareholders as a whole.

After a long process, it has crystallised into the understanding described below, which validates the above:

1. Grupo Prodi is a Mexican industrial company whose main activity is the design and construction of public infrastructure, public transport, *oil and gas*, energy and tourism projects, among others. Grupo Prodi has a 49% stake in the other investor, Mota-Engil Mexico. Grupo Prodi is controlled by José Miguel Bejos.
2. Mota-Engil Mexico is a Mexican industrial company, head of a business group whose ordinary activity focuses on civil works, infrastructure, concessions and engineering, energy, industry and tourism, owned by the Portuguese business group of Mota-Engil, SGPS, S.A. (EGL.LS), holder of 51% of its capital, with the remaining 49% held by the other investor, namely Grupo Promotor de Desarrollo e Infraestructura, S.A. DE C.V. of Mexican nationality. Mota-Engil SGPS, S.A. (EGL.LS) is a company listed on Euronext Lisbon (with a turnover of EUR 3.45 billion), which is part of the main index

of the Portuguese stock exchange (PSI 20), with a share capital of 306 million Euros and a market capitalisation of close to 500 million Euros.

3. Mota-Engil Mexico carries out operations focused on the construction and management of infrastructures in the segments of engineering and construction, environment and services, transport concessions and energy. In Mexico, Mota-Engil Mexico has had a permanent investment track record since 2007 and has carried out some of the most important infrastructures in the country. It has been present since 2015 in the energy production sector through Generadora Fénix, the first private operator in this market in Mexico.
4. Grupo Prodi and Mota-Engil Mexico will contribute to the international strengthening of Duro Felguera, taking advantage of its already extensive international experience, in highly attractive markets such as Mexico and its surroundings. In particular, its positioning in the US "*Nearshoring*" programme, as well as other investment projects in this geographical area. Likewise, with the entry of the Prodi Group and Mota-Engil Mexico, the active presence in the markets where the Group is present will be strengthened. All this complements and reinforces the Company's business plan, where Europe is one of its main axes.

The synergies envisaged by this agreement also allow the Company to boost joint business opportunities, with an important focus on energy transition and decarbonisation, clear growth vectors.

5. Duro Felguera needs to reinforce its cash flow to fully implement its business plan agreed with the banking syndicate with the presence of the main financial institutions in Spain and authorised by FASEE, as a key part of the Feasibility Plan.

This situation conditions access to tenders, contracting and expanding its financial structure of guarantees in order to grow its business portfolio, with the consequent restriction in obtaining additional financing.

Therefore, the entry of the resources referred to in this IP is essential for the long-term viability of Duro Felguera and the Company's priority is to clean up its balance sheet and ensure the continuity of its business.

6. Grupo Prodi and Mota-Engil Mexico undertake to provide the financial resources to strengthen the liquidity of Duro Felguera, in an operation designed to ensure the long-term financial recovery and sustainable growth of Duro Felguera. The Prodi Group and Mota-Engil Mexico intend to become the industrial partners of Duro Felguera with a vocation of permanence, acting in a concerted manner to

through a syndication agreement in which, in the event of failure to reach an agreement, decisions will be taken by the Prodi Group, with both expressly undertaking to maintain their shareholding in the Company for a minimum of four years and stating that their current plans are to maintain it for an unlimited period of time.

7. Under the MOU, the Prodi Group and Mota-Engil Mexico undertake a joint commitment to provide the Company with two loans for a total amount of NINETY MILLION EUROS (€90,000,000.00) (the "**Loans**"), broken down as follows: Mota-Engil Mexico shall provide a loan in the amount of FORTY MILLION EUROS (€40,000,000.00) and Prodi Group another loan in the amount of FIFTY MILLION EUROS (€50,000,000.00). The loans are
will be fully disbursed prior to the application for exemption from the takeover bid, as provided for in article 8 d) of Royal Decree 1066/2007, of 27 July, on the rules governing takeover bids, and will be used exclusively for the implementation of Duro Felguera's business plan.
8. The protection of the rights of the existing shareholders of Duro Felguera has always been a priority for both the Board of Directors of Duro Felguera and for Grupo Prodi and Mota-Engil Mexico and, consequently, their preferential subscription rights are recognised in the MOU so that they can participate in the transaction described below.
9. Duro Felguera will repay the Loans by means of a capital increase of NINETY MILLION EUROS (90,000,000.00), which will include the capitalisation of the Loans, which requires approval by the General Meeting.

The capital increase will be divided into two agreements, both with the same issue price for the new shares:

- a. a first agreement, with cash contributions and pre-emptive subscription rights in favour of the current shareholders, for a maximum amount of up to FORTY MILLION EUROS (40,000,000.00) and specifically aimed at the reimbursement of the loan granted by Mota-Engil Mexico, the amount of which will also be FORTY MILLION EUROS (40,000,000.00).

Pre-emptive subscription rights will be granted with a single round exclusively to Duro Felguera shareholders (and to those acquiring subscription rights on the market) and during the period legally established for this purpose.

- b. a second agreement, of up to €90,000,000.00 plus the interest accrued on the Loans and whereby the Loans will be capitalised on maturity (firstly, the capitalisation by the Prodi Group of the loan granted by it for an amount of FIFTY MILLION EUROS (€50,000,000.00) and, secondly, the capitalisation by Mota-Engil Mexico).

The capitalisation of the loan granted by Mota-Engil Mexico will be made in an amount equal to the difference between the amount of the Mota-Engil Mexico loan and the accrued interest less the amount subscribed by the shareholders of Duro Felguera in the first resolution of the capital increase.

0.7661 per share, calculated as indicated below, Grupo Prodi would acquire 31% of the voting rights of Duro Felguera post enlargement and Mota-Engil México could acquire up to a maximum of 24% of the voting rights in Duro Felguera, depending on the subscription of the current shareholders in the first agreement. Consequently, Grupo Prodi and Mota-Engil Mexico could acquire up to 55% of the voting rights post enlargement, both acting in concert through a syndication agreement.

The Prodi Group, individually or with Mota-Engil Mexico, intends to submit an application to the CNMV to obtain exemption from the obligation to make a takeover bid as the requirements set out in article 8, letter d) of Royal Decree 1066/2007 have been met, as it is understood that the circumstances set out in the aforementioned regulation are met.

The capitalisation of the Loans will take place in the event that the above-mentioned exemption is received.

Having obtained the necessary prior authorisations detailed below and having been granted exemption by the CNMV from the obligation to make a takeover bid for Duro Felguera, the subscription of a total capital increase in Duro Felguera for NINETY MILLION EUROS (€90,000,000.00) plus accrued interest will be guaranteed.

In the event that the Loans are not capitalised, Duro Felguera will have to repay them to Grupo Prodi and Mota-Engil Mexico, as appropriate.

10. The issue price of the new shares, which is the same for the two capital increase resolutions, has been determined by reference to the average value of

0.7661 per share (subject to final validation by the independent expert in order to make the procedure as objective as possible).

11. The Board of Directors of Duro Felguera will proceed to convene the General Meeting at which it will propose to the shareholders that they approve the capital increase described above and will take the necessary measures for its execution.
12. The implementation of the transaction contained in the MOU (granting of the Loans and execution of the capital increase) is subject to obtaining the corresponding authorisations from FASEE, the Sociedad Regional de Promoción del Principado de Asturias S.A. and the creditors of the syndicated financing to increase the indebtedness of Duro Felguera. Likewise, the change of control in Duro Felguera also requires the granting of administrative authorisations for foreign investment and merger control in favour of Grupo Prodi and Mota-Engil México.

Once these authorisations have been obtained and the Loans have been fully disbursed, the execution of the capitalisation of the Loans is subject to the granting by the CNMV of the exemption from the obligation to formulate a takeover bid pursuant to Article 8(d) of the aforementioned Royal Decree 1066/2007.

This operation is designed for the long-term financial recovery of Duro Felguera, which will provide a significant boost to the Company and will consolidate a viability project in which the contributions of Duro Felguera's employees, with their resilience and commitment, have been key.

Duro Felguera has the necessary capacity and experience to be competitive in each country or project in which it participates, provided that it has an adequate and solid financial structure that allows it to obtain new contracts. The participation of the Prodi Group and Mota-Engil Mexico in Duro Felguera will provide the necessary conditions for the achievement of the aforementioned objective and, as industrial partners, will provide Duro Felguera with commercial and technical synergies that will make the activity more efficient, create greater value for shareholders and improve and accelerate the Company's recovery and growth forecasts.

Gijón, 21st February 2023

The Secretary of the Board: Jesús Sánchez Lambás.

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