



Duro Felguera, S.A. ("**Duro Felguera**"), in compliance with what is set forth in clause 227 of the Amended Securities Market Law, hereby publishes the following

### **FURTHER RELEVANT INFORMATION**

In relation to the construction project of a combined cycle power plant of up to 430 MW, located in Iernut (Romania), which Duro Felguera is carrying out in consortium with S.C. Romelectro S.A. (Duro Felguera 70% and Romelectro 30%, hereinafter the "consortium"), the Company hereby reports that the client S.N.G.N. ROMGAZ S.A. sent a "notice of termination" of the project on 2 April 2021, together with their intention to call on the consortium performance bonds deposited in the Romanian Treasury, alleging, in its opinion, non-compliance with the contract delivery term.

On 6 April, the consortium filed a lawsuit against the termination of the contract, together with precautionary measures against the calling on the bonds at the Civil Court of Sibiu in Romania, considering this to be improper.

On 8 April, ROMGAZ and the consortium formalised an agreement whereby they suspended their respective legal actions for 15 days in order to try and reach an amicable solution that would allow for the continuation of the project.

In any case, in relation to said contract:

- The consortium has achieved 94.4% progress to date, accounting for 247 million Euros in revenue out of the total contract amount of 262 million Euros, which includes a 17-million-Euro price increase over the original contract.
- While carrying out the project, the consortium obtained two extensions, the first one to 26 May 2020, and a second one extending the deadline by a further 7 months to 26 December 2020, neither of which was related to the pandemic. Subsequently, the consortium requested a further extension of the deadline, due, to a greater extent, to the force majeure deriving from COVID-19. The Chambers of Commerce of Mures and Vrancea (Romania), competent in this matter, have recognised an impact of 9 months on the delivery of the project for this cause. The client, however, has not agreed to the regularisation of the project delivery period.
- The consortium has requested the reestablishment of the balance of the contract and the extension of the contractual term due to unforeseeable causes not attributable to the contractor, such as the pandemic, legislative changes, extensions of the contractual scope and instructions issued by the Client, among others, which have had a major impact on the delivery of the contract.
- The consortium argues that the potential termination of the above-mentioned contract and the possible calling on the bonds would not be in accordance with the contractual terms and conditions, both on substantive and formal grounds.

Gijón, 9 April 2021