



V A D E V A L O R

Vadevalor Research Report  
Company: Global Dominion Access S.A.  
"Know what you own and why you own it" – Peter Lynch



Global Dominion Access is an engineering, construction, and multi-technology service supplier group.

Global Dominion Access S.A. (BME: DOM)  
Construction and technology services

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# | One Page Summary

## | VALUE PROPOSITION

Established in 1999, Global Dominion Access is a Spanish engineering, construction, and multi-technology service supplier group with more than 100 years of experience (accumulated through organic and M&A activity) in several sectors, including industrial, telecommunications, energy, infrastructure and households sector, providing bespoke end-to-end projects which include project structuring, design, management, procurement, maintenance, dismantling, and digital and connectivity solutions to all sort of clients in 35 countries around the world.

The centre of its value proposition is maximising the efficiency and productivity of its clients' business processes with technology as a transformational element and offering end-to-end solutions. Global Dominion delivers projects and services to its customers. Projects are usually one-off orders with higher margins, while services are usually recurring maintenance contracts or other recurring revenues less dependent on the economic cycle.

The company does not develop all its multi-sectorial capacity in all the countries within its geographic footprint, hence counting on a potential source of organic growth.

## | PARTICULAR BUSINESS

With the successful implementation of their first strategic plan (2015-2019) their listing on the Spanish stock exchange was fulfilled ahead of schedule. In 2019 the Group launched a new strategy which aimed to double net income, reaching EUR64M(1) by 2023 with a turnover and EBITA CAGR of 5% and 10% accordingly, while using M&A activity as an accelerator. Organic growth is expected to stay at high levels over the following years. The traditional business (projects and services) is not capital intensive. Its organic growth depends on the ability of the management team to find global opportunities that can allow the firm to maintain the targeted margins. The drivers to achieve these margins are related to certain business characteristics such as the Tier 1 differential approach and diversification.

Over the years, the company has been able to secure and develop solid M&A activity with a purchase EBITDA ratio between 5 – 6x (with the aim of becoming 3x EBITDA in year 3). The Group consolidates and seeks value in these acquisitions by offering a joint project in the medium/long term which demands a reciprocal commitment between Dominion and the acquired company's management team. Dominion strongly stresses the importance of people as the cornerstone of their acquisitions' success.

(1) It is the estimate of the company prior to the operation with Incus.

In this sector, we've seen how the largest companies in local markets have been able to grow successfully through acquisitions whilst showing higher margins than competitors. We believe that Global Dominion can strengthen its position and grow in the 35 countries in which it already has a presence, in a market characterised by high levels of fragmentation, and where there is a limited number of truly global market players.

In terms of organic growth, the Group has historically grown by seeking the most attractive opportunities worldwide hence the heterogeneous deployment of its multi-disciplinary capacity. For instance, the telecommunication sector in Germany, the industrial one in India or environmental services all over the world are examples of good current opportunities.

In its renewable energy segment, Global Dominion offers an end-to-end solution that includes everything from the financial structuring and initial technical analysis of projects to the operation and maintenance of assets. It is a source of hidden value for the company. BAS (35% owned by Global Dominion) is the promoter of projects. Until last year, BAS always disinvested in their projects to finance other opportunities. Now, with the renewable segment 100% owned by Dominion, they encompass and carry through the whole value chain (development, construction and operation of build & hold projects with potential new liquidity and value creation deals). Global Dominion, together with BAS, have a pipeline of approximately 2GW for 2021-2025. Global Dominion was looking for a minority partner to strengthen its activity. Hence Incus Capital entered the shareholding of the subsidiary Dominion Energy with 23.4% at the end of 2021 through a capital increase of €75M (€50M brought by Incus Capital and €25M by Global Dominion). The deal enabled Global Dominion to crystallise the real value of its renewable business (post-money valuation of €213.75M). Dominion Energy lent BAS €75M through a convertible loan, so the firm has the option to convert it into equity and end up with a majority stake of close to 100% in BAS.

## | COMPETITIVE ADVANTAGE

❖ **Trusted outsourcing company with high profile clients.** Their one-stop-shop approach and unparalleled combination of capacities and activities, give Dominion a preferential market position in addressing its clients' needs. It has become a Tier 1 supplier to many of the most well known companies in the world, such as Enel, Claro, Michelin, Dow Chemical, and General Electric.

❖ **Cost-efficient structure.** Global Dominion started its operations over two decades ago, delivering projects and maintenance services in the telecommunications sector. It was a sector characterised by fierce competition, and Global Dominion had to be very focused on having a cost-efficient structure to emerge as one of the leading companies in its field. Even in geographical regions where they do not have a clear labour cost advantage, they usually have higher margins than competitors due to their internal processes and efficient management of resources.

❖ **Culture and management team.** Its culture is one of its essential assets and is based on digitisation, diversification, decentralization, and financial discipline, the four Ds. The largest shareholder of Global Dominion is Acek Desarrollo y Gestión Industrial S.L, owned by the Riberas family. Jon and Francisco Riberas are amongst the best-known businessmen in Spain and also the largest shareholders of multinational firms CIE Automotivo and Gestamp. Global Dominion has a strong management team with a long-term view. Anton Pradera, Chairman and Mikel Barandiaran, CEO, are founding members and own over 10% of the shares (over 5% each).

❖ **Extensive international reach to serve their multinational clients.** Dominion has an active presence in 35 countries around the world which can help its multinational clients achieve their goals within the Group's activity range wherever they need it. At the same time, Dominion has a broad customer base, the majority of which are leaders in their respective sectors, showing great diversification in terms of geographical location and sector. A global player such as Global Dominion often has the edge over local competitors in terms of labour security, solvency or capacity to support its clients in their international expansion.

❖ **Significant growth capabilities.** As previously mentioned, the Group has a significant deployment of resources in several countries. However, it is still not active in all the countries' activities. For this reason, Dominion has ample room for growth and with few additional costs related to implementing new business lines to those already existing in any specific location. Important drivers of this growth are its ability to respond to key present day trends on which Dominion has extensive expertise.

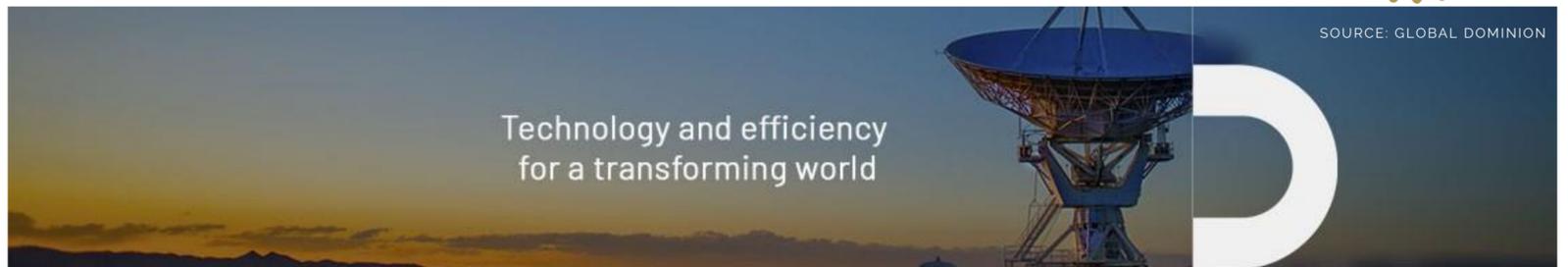
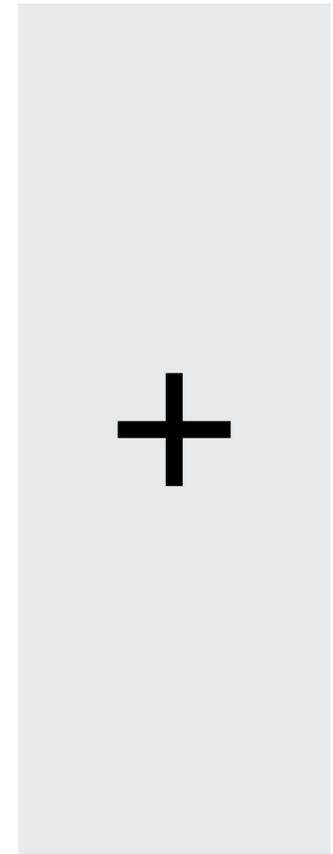
❖ **High client retention rate, diversification and geographic capillarity.** In recent years and more during the Covid-19 pandemic, the digitalisation of companies, sustainability, and the maximisation of efficiency of processes in different sectors have become increasingly necessary. These trends are expected to keep growing in the forthcoming years and are precisely those in which Dominion has extensive experience. This fact, combined with their high client retention rate, diversification and geographic capillarity, allows the Group to address a solid customer base and accompany them everywhere they are needed.

## | MAIN RISKS

❖ **Exposure to markets with potential for currency devaluation.** Dominion's presence in international markets exposes the Group to an impact on operations and on the income statement produced by variations in FX and interest rates, especially by operating in countries that don't have hard currencies. To minimise this impact on the Group's figures, Dominion uses a series of financial instruments such as forwards and other hedging derivatives.

❖ **Unexpected market or economic shocks.** The strategic plan launched by the company is ambitious, and the Group estimates doubling its net income by 2023. Dominion has already shown enough confidence in achieving its numbers goals. Its previous strategic plan has been achieved ahead of time, indicating a strong belief in its fulfilment unless unexpected market or economic shocks occur.

❖ **Growth through excessive diversification.** The company's broad diversification objective to become one of the leading 'one-stop-shops' might not deliver the expected results. However, historically, it has successfully combined new business lines with a transversal approach, combining their know-how with an entrepreneur-minded management (M&A acquisitions).



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# 1 | BUSINESS BACKGROUND

Global Dominion Access was founded in 1999 in Spain with the aim, over time, of becoming a global supplier of multi-technology services and specialised engineering and solutions. In the late 90s, there was already a palpable change in the telecommunications and technology sector (T&T). This encouraged the market to surface sundry companies that tried to cover the new emerging needs. It is within this environment of important technological changes that the beginnings of the group were forged. In 1999 the investment group INSSEC and a group of engineers with a strong track record and experience in the telecommunications sector, among whom were Mikel Barandiaran and Antón Pradera, committed to a technology project and set up Dominion Global.

During that first stage, telecommunications engineering was the main activity with projects in different areas. Right away, it started working with telecommunications operators. In addition to providing those engineering services, it also began to provide operation and maintenance services, deployment of networks, etc. because all those activity streams were closely linked. This integration of services led to significantly bigger projects. This could be considered as part of the B2B 360 Projects world that Dominion does at the moment; hence it spent a long time working with this approach. Naturally, the next stage in that environment was working for the telecommunications operators, but in the commercial areas. Here Dominion was subcontracted the operational part of the networks and also the logistics and management of the point of sale.

During that initial stage, Dominion had significant leverage in engineering, but in those parts with the highest added value. And by pulling from there, it entered into other activity areas that became highly competitive which in turn is one of the cornerstones of Dominion's history. The company learnt how to become very efficient with technology at the forefront of its core activities based on the need to find a way to survive in such a challenging, demanding and deflationary sector environment.

Dominion developed a way of doing things and a proprietary know-how that they considered was the only optimal way of working. That's when complex equilibria appeared, but many competitors disappeared, Dominion survived by developing its own tools and algorithms, which assign work orders in a very sophisticated way. It tracks all its staff capabilities, matches them with work orders and optimises all activity streams. Nevertheless, in its scope of becoming a global supplier, it set its eyes on expanding its geographic reach outside Spain's borders.

In the early 2000s, the company started its international expansion (presence in Mexico). It began its activity in the mobile terminal business sector with the creation of the YourPhone brand. Shortly after, Dominion entered the Argentinian market and worked on the digital expansion of Redes.es in Spain.

This 'race' in the development of an international footprint did not end. By 2005 they had already participated in technological projects in Chile and the Brazilian market. By 2009 the Peruvian market had also been entered. The company has explained that in most of its southern Latam footprint they went together with Telefonica S.A., one of the most important Spanish teleoperators. Then immediately after, Dominion started looking for opportunities with local operators.

In 2014 the Group entered into the industrial sector with the integration of Beroa Karrena, a company with 100 years of experience and presence in Europe (mainly in continental Europe), the Middle East and Australia. This constant search for new opportunities allowed them to transverse and move to other sectors with the maintenance of electrical networks at the operation and management level, which is absolutely equivalent to that of telecommunications.

Global Dominion was negatively impacted by the crisis of 2008, and some of its investors needed liquidity and wanted to disinvest. CIE Automotive bought the shares from those investors and became the parent company of Global Dominion. Therefore, from 2011 to 2018, Global Dominion was consolidated with CIE Automotive, but the management teams stayed independent. The similarity in management cultures of CIE Automotive and Global Dominion clearly exists as the initial investors were the same for both companies, and they have a very clear industrial culture with a long-term view and a lot of financial discipline. Those features are common in both firms. In fact, the management teams at CIE Automotive and Global Dominion share the same acquisition policy and a long history of shareholder-friendly capital allocation decisions.

The group went public in 2016, which coincided with the acquisition of ICC and CDI in the USA to strengthen industrial activity in the country. During the following years, it started projects in the energy sector (renewables) and households by providing

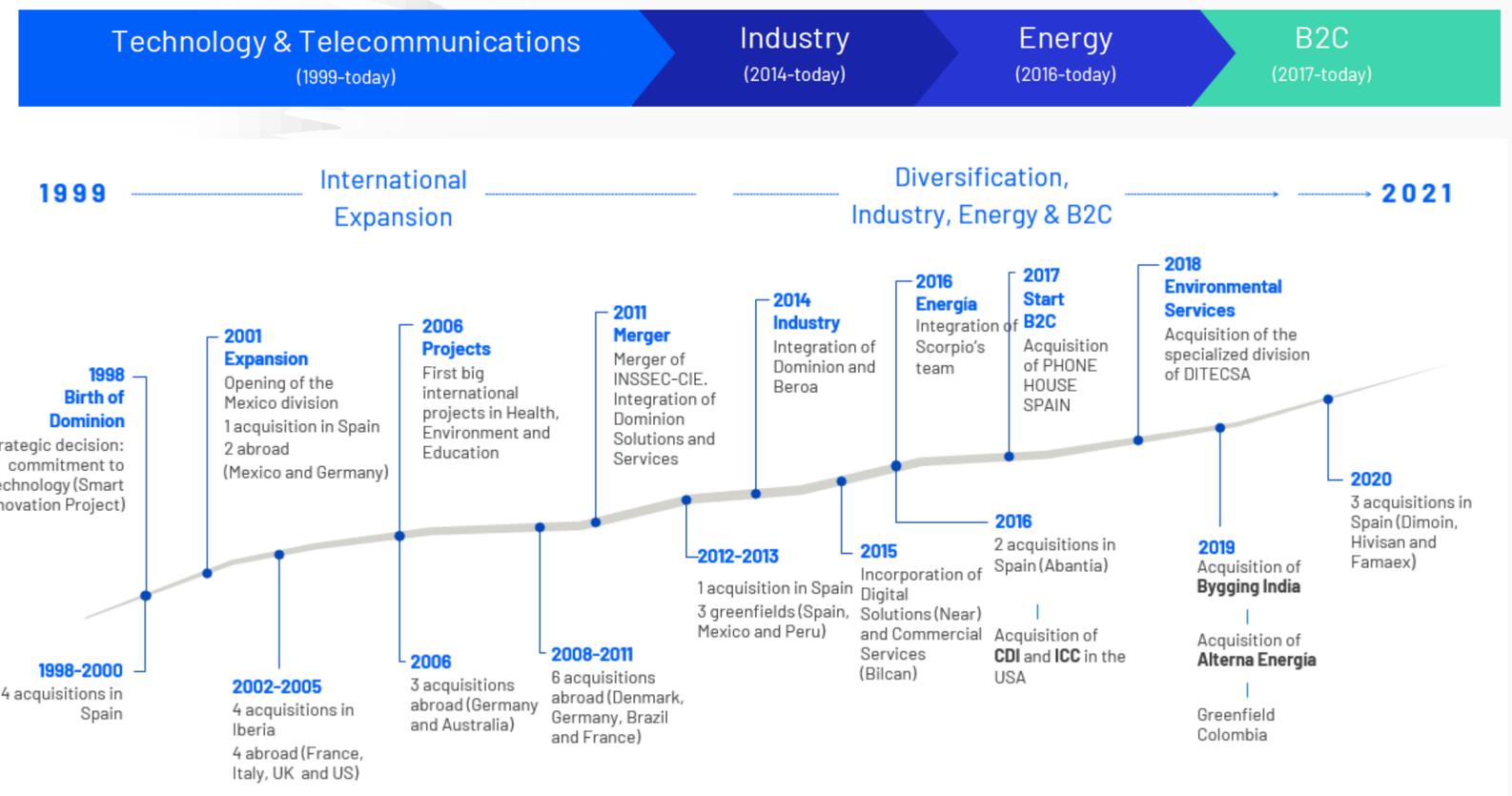
sundry services.

In the energy sector, Dominion started in the EPC segment of the value chain, executing renewable energy projects and was also a shareholder in BAS, an equity and financial investor. Together, they decided to change from following a build-to-sell strategy to a build-to-hold one (in Europe exclusively) because of changes in the sector and the discovery of interesting opportunities.

In recent years and based on their diversification scope, the Group has developed an additional segment for B2C services through the Smart House strategic project to become the reference integrator of all personal and home services. It uses Phone House's retail stores and omnichannel platform to commercialise different packs of services.

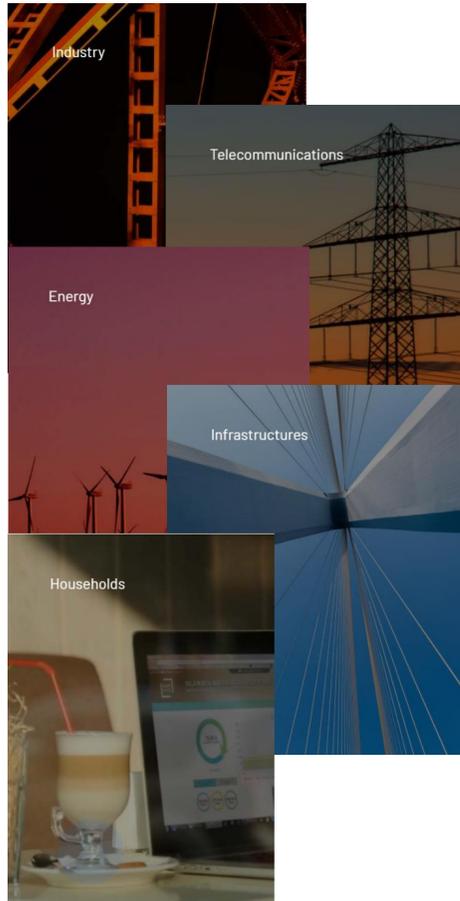
At the moment, Dominion is a well-established provider of integral solutions in the fields of technology and telecommunications, industry, and energy with c11,000 employees and a presence in 35 countries.

SOURCE: GLOBAL DOMINION



SOURCE: GLOBAL DOMINION

# 2 | OPERATING SEGMENTS & SECTORS



The company has reshuffled its corporate segments, which now respond better to the company's purpose. The new segments are as follows:

**|Dominion's B2B ("Business to Business")**, where the Group pursues being a Tier 1 supplier and digital expert capable of delivering end-to-end solutions: from the design, management and implementation of the project to the subsequent operation and maintenance (O&M). Two segments can be distinguished in this B2B world:

- ❖ **B2B 360 Projects.** This refers to projects in which a new production process or new infrastructure is created, where the subsequent design, implementation and maintenance is carried out. These are comprehensive projects (typically multi-year) with long-term commercial development processes. They typically have a margin profile of more than 15%.
- ❖ **B2B Services.** This refers to the framework contracts for operation and maintenance outsourcing and process improvement projects. These contracts typically involve recurring revenues with adjusted margins that should come close to a contribution margin of approximately 12%.

On the other hand:

- ❖ **B2C ("Business to Customer").** This comprises all end customer-oriented activities: the marketing of electricity and gas utilities, telecommunications services, insurance and other household services. In this segment, the Group's value proposition is to serve as a multiple service provider offering all personal and household services in a single, all-encompassing platform. All activities currently performed in this sector are located in Spain.

As previously mentioned, Dominion reorganised their segments structure in 2020 to adapt it to the different businesses included in the new strategic plan (2019 – 2023) and to make it easier to understand consolidating their activities into four core sectors such as T&T (including infrastructure), industry, energy, and households, and three segments, B2B 360 Projects, B2B Services, and B2C.

**A| T&T Technology & Telecommunications (+ Infrastructure).** This counts on an extensive experience in the field, being able to cover complete telecommunications systems and network life cycles with integral end-to-end solutions from the design and implementation of technologies to their operation and maintenance. The Group is an expert in the implementation of 5G, AI, and IoT. Dominion has deployed over 30,000km of fibre optics lines and has 20 years of experience in the field.

Within infrastructure, Dominion integrates technology, develops end-to-end projects and manages the life cycles of equipment for all types of infrastructure. At the same time, through its digital platform, it can also maximise management process efficiency for buildings, commercial premises, and households by providing all the required services from a one-stop source.

**B| Industry.** It provides industrial turnkey projects and operation and maintenance services (end-to-end solutions) for clients internationally by combining its extensive knowledge of industrial processes with its digital transformation capabilities to help its clients improve the efficiency of their production and business processes. The company has more than five hundred clients around the world in this area.

**C| Energy.** It can cover the entire life cycle of the energy assets, from the laying of power lines and construction of renewable generation plants to their operation and maintenance. Dominion strives to become a global partner for its clients and to this end it implemented technology to maximise the process efficiency in every country where its clients operate. The Group accumulated

10,000km of electricity lines under operation and maintenance and executed over 500MW of renewable energy projects.

**E| Households.** Dominion strives to be a 'One Stop Shop' company for service distribution and management. For this purpose, it created the Smart House omnichannel platform with a network of over 400 retail outlets (of which 50% are franchises, although the goal is for this percentage to increase) through which it can give its clients direct one-on-one attention. The Group is committed to a simple and efficient model to provide a comprehensive display and control of all household expenses. According to their data, it has over 250,000 clients.



## |Example projects in each sector

**A| Telecommunications:** Fibre Optics deployed for Spanish Telco companies

Dominion's technological capabilities have meant that it has been able to develop management tools that maximise efficiency and guarantee the quality of the final result for these types of operations. At the same time, these platforms guarantee the profitability of this activity and ultimately contribute to making telecommunication services more affordable for everyone.

Given these capabilities, Dominion is one of the principal players in laying fibre optics in the country. For example, connections in Barcelona, Girona, Cádiz, and Málaga were created by Dominion.

**Infrastructures:** Audio-visual systems for the Exhibition and Convention Centre in Oman

The client, the Tourism Development Department of Oman, intended to develop a convention and exhibition centre fitted out with cutting-edge features and technology. Dominion was hired for the turnkey integration of the audio-visual systems for the entire exhibition centre, including the design, supply, and integration of the equipment and technology.

The project included the integration of the sound system, video and projection system, and the audio-visual control system for all the rooms.



SOURCE: GLOBAL DOMINION



# 3 | PRODUCTS & SERVICES

## B| Industry: Refurbishment of Emirates Global Aluminium's furnaces in Al Taweelah

More than 380 people worked on the refurbishment project, replacing 20,000 tons of refractory bricks in just 93 days. The project was carried out sequentially, so anode baking could continue in some sections while others were refurbished nearby. During the refurbishment, ABF1's control system was also upgraded, which will help improve the efficiency of the process, delivering cost and environmental benefits.

The main hazard was working at height. The team, with the Safety Department, conducted extensive training, safety drills, hazard reporting, and on-site safety leadership.

The technically-challenging periodic refurbishment of ABF1 was completed safely, with zero LTIs and no COVID-19 cases in the workforce, and ahead of schedule. This now enables EGA to produce 1,800 more baked anodes than originally budgeted, helping them boost metal production in the coming weeks at a time when the aluminium market is strong, and profitability on sales is high.



SOURCE: GLOBAL DOMINION

## C| Energy: Turnkey projects and O&M of renewable energy plants

Dominion has managed the end-to-end design and construction of the El Soco Photovoltaic Solar Park – Dominican Republic (79 MW) and its 2022 kick-off. O&M contracts are also included in the scope of these projects.

Previously, Dominion completed the largest photovoltaic solar park (67.5 MW) in the Dominican Republic to date, the Mata de Palma.



SOURCE: GLOBAL DOMINION

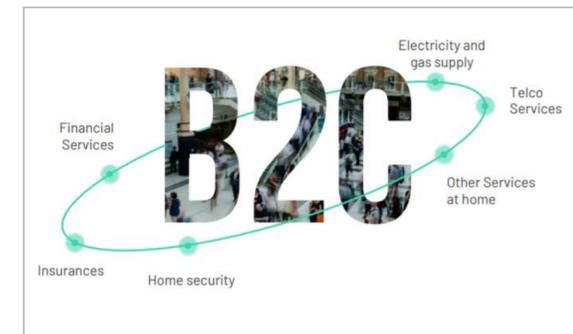
## ESG

Dominion has an active sustainability strategy approved by the board of directors. The established medium/long-term improvement commitments we would highlight are:

- Carbon footprint to decrease by 30% in 2025 compared to 2020
- Reach 100% of suppliers certified in sustainability by 2025
- Corporate governance: extend training on corruption and code of ethics to 100% of directors in 2025
- Accident rate: occupational risk prevention campaigns and accident rate reduction objectives

Dominion provides integrated smart infrastructure solutions across several sectors and markets, helping their clients maximise their business process efficiency using a different approach and innovative technology application.

The Group offers their clients solutions tailored to their needs and depending on the segment and sector they are in.



SOURCE: GLOBAL DOMINION

In this regard and according to the sector, Dominion offers the following services and solutions:

## A| Industry

**1. Integral Operation and Maintenance Services.** The Group possesses all capabilities necessary to meet all their clients operation and maintenance requirements. By providing a central management of services and technology Dominion can improve the efficiency and competitiveness of its customers to manage their operating processes.

**2. Environmental Services.** The company has accumulated two decades of experience providing highly technological engineering and automated equipment solutions to deliver efficiency and sustainability into industry. Some examples are refineries (in the chemical and petrochemical industry), which includes integral industrial cleaning, treatment and waste transport services. Its offer is complemented with other services (facilities, assemblies, shutdowns, O&M, among others). It also has proprietary equipment to perform all activities and everything is carried out following their commitment to safety, quality, and ORP. Its teams' experience with cutting-edge technology is used in all its operations.

**3. Refractory linings.** Dominion's value proposition is based on the end-to-end management of linings, offering turnkey projects as well as support over the entire service life of its clients' facilities, including inspection, maintenance, repairs, reconstruction and refurbishment of existing facilities with cutting-edge technological innovation and the highest standards of quality and safety.

The Group includes the niche of refractory construction as part of their portfolio of services, where it is an international expert in the design, installation and maintenance of refractory linings. Services are not just limited to those mentioned above but give an end-to-end solution starting with engineering, material procurement, and installation right up to maintenance and repair, directed at maximising efficiency and useful life.

This service segment also includes consultancy and inspection of industrial linings. In this case the company works closely with its customers and implements technologies to offer the optimal solution to meet their needs and to maximise the useful life of their assets. Its prevention, preparation and monitoring services include the following:

- Inspections while operating: endoscopy, thermography and analysis of the operating parameters
- Inspection during shutdown: expansion joints, corner treatments, areas around gates, door, nozzles, hangers, unusually soft or hollow sounding areas, anchors, discolourations, heaving, wear patterns, cracking and corrosion.

The main technologies used for this purpose are as follows:

- **Video endoscopy:** high-resolution pictures of the interior of the combustion and high-temperature areas of the plant under normal operating conditions.
- **Water-cooled endoscopic camera:** for hot rooms and chimney inspections, making it possible to assess the interior condition during normal operation up to 2,000 °C (3,600 °F).
- **Thermography:** the condition of the refractory lining can be evaluated with a thermographic camera without entering the furnace.
- **Rope access:** expertise and skilled personnel for the inspection of tall structures such as chimneys or re-circulation ducts in lignite boilers.

**4. Tall structures.** The company offers design and engineering, construction (slip forming), inspection, repair, maintenance, demolition and dismantling services. Its capabilities are focused on the following types of tall structures:

**>> Cooling Towers & Systems:** Dominion delivers services for the design, construction and maintenance of cooling towers. Its experience in more than 60 projects has led the group to become a main world player in the sector. It designs and builds natural draft cooling towers, mechanical draft cooling towers, and dry cooling systems, including inspection, maintenance, repair and demolition capabilities that cover the entire lifecycle of the cooling towers and systems. It has capabilities and resources across the globe to assist its clients with whatever their specific needs might be.

The company has developed special equipment to access all areas of the cooling tower's unique shape, both interior and exterior surfaces, including the tower's support columns. There is virtually no area of the cooling tower that cannot be accessed and repaired utilising combinations of this speciality access equipment.

**>> Concrete Chimneys:** The company has several years of experience in the design and construction of reinforced concrete chimneys by providing end-to-end services, using state-of-the-art construction techniques combined with equipment and technology to provide its customers with the most optimal solution.

Concrete chimneys can be designed and constructed using two methods: slipform or jumpform. Slipform construction is suitable for very tall chimneys or chimneys with extremely large diameters and also for projects with tight deadlines to meet. Jumpform is based on more conventional concrete formwork techniques. To build the windshield in incremental stages, Dominion uses the very latest technology to ensure that this jumpform system is an efficient construction method. Other key factors in the construction of structures of this type are the linings and ducts, another area of the company's expertise.

Its services include the entire range of stacks and chimneys, including all types of windshields, ducts/linings and geometric layouts.

**>> Concrete Silos:** The group offers expert design and construction services for industrial concrete storage silos for a wide variety of products, including cement, gypsum, fly ash, limestone, grain, sugar, and liquid retaining structures. Its expertise is recognised within the industry and has been utilised in the development of new codes and standards.

**>> Dome Storage Structures:** Dominion's expertise and technology for the design and construction of dome structures allows it to offer a complete portfolio of bulk storage solutions for the agricultural, industrial and terminals industries. Its technology provides its customers with state-of-the-art storage systems for bulk materials that are sensitive to temperature and humidity. Dominion's dome technology was developed to improve storage conditions, so the original quality of the stored product is not affected.

The company can provide engineering, civil works construction, mechanical assembly, equipment supply, technical assistance and financing. It offers solutions for the storage of a wide variety of products, including sugar, grain, fertilisers, fly ash, clinker, aluminium, copper concentrate, salt, wood pellets and cement.

**>> Wind Turbine Services:** Dominion offers up-to-date, safe and sustainable custom access solutions to remote locations. Its broad experience in the use of rope access techniques, ActSafes, self-elevating platforms, and drones allow it to provide safe and cost-effective access to the affected areas. Its wind services include: installation (onshore and offshore), blade and tower maintenance and repairs (3D scanning, rope access, access systems, and drones) and inspection services.

**5. Industrial engineering and construction.** Over the years, Dominion has specialised in designing and building specific industrial infrastructures, which are widely used in many areas of activity, such as in industry and the Oil & Gas and Energy sectors. The services developed in this area are:

- **Gas and combustion systems:** turnkey projects and O&M for infrastructures, equipment and mechanical fluid systems, including Gas/LNG, LPG and Regulation and Measurement Stations.
- **Tanks and pressure vessels:** projects including designing, manufacturing and installing tanks, vessels and platework in general. It also provides tank repair and refurbishing services, including scheduled shutdowns.
- **Electric systems and substations:** its offering includes building and O&M of substations and electrical systems.

**6. Flexible production and automation.** The company has specialised in the automation of all types of industrial processes, all of which can be applied across the board but which are particularly relevant in the automotive and logistics sectors.

It develops turnkey projects, including mechanical and electrical engineering, PLC and robot programming, integration and programming of devices with different technologies, production and integration in its own workshops, acceptance tests at factories, and installation and commissioning at the customer's premises.

**7. Management of logistics and warehouses.** Dominion offers integrated logistics management services for all types of companies, ranging from technology and ecommerce through to industrial companies. Its logistics expertise covers the entire supply chain: purchases, integral warehouse operation, transport, 360° management and distribution channels, reverse logistics, digital transformation of the logistics process and operational financing.

**8. Hospital waste incineration.** Together with its German partner, a long-term specialist in the field of hospital waste incineration plants, Dominion assists its clients in the realisation of their project, starting with close consultation, planning and design followed by the supply, installation and commissioning of the customised plant.

Its services also include inspection, maintenance, and repair for a trouble-free, consistent operation or refurbishment of existing clinical waste incineration plants.

#### B| Telecommunications

According to the company, the telecommunications sector is an extremely competitive industry that has seen a continued decrease in operating margins over the past few years. However, Dominion remains competitive by continually improving its operations by incorporating digital tools. On the other hand, once it had established itself in Spain, it started expanding onto the international market, especially into Latin America. Some of their clients are the world's leading operators: Telefónica, Vivo, Orange, Vodafone, Entel, Claro, and TIM and GVT (Telefónica Brazil).

**1. Networks.** Its services cover the entire life cycle of telecommunications networks, from the design and laying to subsequent maintenance: engineering & design, network laying and operation & maintenance of networks and sites.

**2. Technological projects and communications systems.** These projects include several sub-segments, such as:

- **Technological integration:** its services cover end-to-end project management, which includes financial structuring and the operation and maintenance of assets and infrastructure.
- **Audio-visual systems:** it supplies and integrates cutting-edge audio-visual systems on a turnkey basis for meeting rooms, theatres, convention centres, auditoriums, sports centres and solutions for multi-purpose venues.
- **Warning and emergency systems:** it designs, implements, operates and maintains warning systems to alert locals of natural disaster risks such as tsunamis or river flooding. Its solution includes integrating all warning, communication and control technologies as well as the energy systems and infrastructures required for them to operate and function properly.

**3. Management of logistics and warehouses.** It implements specialist technological tools and designs bespoke digital transformation solutions to maximise its clients' process efficiency.

**vivo**  
*Telefonica*

  
vodafone

  
orange™

  
e)

  
Claro

  
TIM



**4. Monitored operation management.** The Command and Control Centre (CCC) is an operations centre that serves as a services platform which uses state-of-the-art technology to guarantee and improve the efficiency of its clients' systems and processes. It can monitor and provide an instant response for any event together with first-class qualified technical support for systems and infrastructures 24x7x365.

Dominion is expert in implementing, managing, and developing service platforms and makes use of available technology to resolve specific problems in the different market sectors.

**C| Energy**

**1. Power Network.** The services include the implementation and integral management of the life cycle of transmission lines, substations, and distribution, including all related infrastructures, spanning from the financial structuring and design of the project to operation and subsequent maintenance. It combines the application of state-of-the-art technology with its team's experience to deliver global end-to-end projects.

The activities and technologies developed by Dominion are transmission lines (high voltage), distribution networks (medium and low voltage), electric systems and substations.

**2. Renewable energy generation.** The group is expert in implementing renewable energy projects and building electrical power plants. It offers an end-to-end solution that includes everything from the financial structuring and initial technical analysis of projects to the subsequent operation and maintenance, and it makes a long-term commitment to the operating efficiency of assets.

It facilitates creating renewable assets for any kind of technology, particularly photovoltaic plants, wind farms, biomass plants, and hydroelectric power plants.

**3. Self-consumption and new energy systems.** The company wants to expand its commitment to operating efficiency, energy saving and promoting renewable energy to clients and companies around the world by providing self-consumption systems, electrical charging systems, Smart Meters and other systems that are involved in the transformation process of the energy sector. Dominion's services range from feasibility studies and system design to equipment installation and maintenance.

\*Other services included within this sector are environmental services, refractory linings, tall structures, and monitored operations management.

**D| Infrastructures**

**1. Integral maintenance of infrastructures and businesses.** It offers a multi-technical and multidisciplinary maintenance service, implementing digital applications which facilitate daily tasks for managers and owners of all types of facilities. Dominion's FAMAEX digital platform lets the client manage all the necessary maintenance services for their premises and facilities with information on their smartphone.

**2. Technological integration in hospitals.** Dominion installs and integrates all the technological items at hospitals, including all medical equipment and clinical furniture, as well as the IT system infrastructure and service management platforms.

It comprehensively deals with technological hospital projects - both newly built and extensions or renovations by providing a turnkey solution which includes the design and engineering, supply, installation and commissioning, operation, maintenance and replacement of the following technological items:

- **Equipment:** industrial equipment, clinical equipment, non-clinical equipment, communication and information networks and building automation equipment.
- **Systems and platforms:** medical and departmental systems, management platforms, equipment control platforms, and integration platform.

\*Other services included within this sector are technological projects and communication systems, and monitored operations management.

**E| Households**

Through its omnichannel (Phone House) and integrated service platform (Smart House), the company has an offer of services for households which include:

- **Technology and services distribution:** a wide range of household services through its network of Phone House stores, with over 400 retail outlets: mobile line, land lines, and fibre optic lines, TV, electricity, gas, maintenance, insurance and alarms, as well as cutting edge technological devices.
  - ❖ **Rentik:** As part of the Phone House services, Dominion has added a new mobile device rental service, which already serves more than 6,000 users.
- **Maintenance and repair services:** FAMAEX is the first integral B2B & B2C maintenance and repair service platform in Spain. Dominion offers a digital platform that connects companies with suppliers and specialist technicians so that any problem can be resolved efficiently: plumbing, air conditioning, electricity, locks, glassware, specialist cleaning, and much more.
- **Marketing electricity, gas, mobile, fibre optics, insurance and other services:** it focuses on the residential market and SMEs, offering them a wide range of services through various commercial brands. Its goal is to provide electricity, gas, mobile, fibre optics, insurance, alarms and other household services in a unique way, focusing on simplicity, transparency, and proximity to its clients.



**Installation and maintenance of fiber optic services**

**Claro Fiber Optic Networks (Colombia)**

DOMINION assumes the services of the mobile telecommunications operator, internet, television, fixed telephony and corporate solutions with the largest coverage in Colombia.

DOMINION will also carry out preventive and corrective maintenance, emergency care and improvement of the systems and infrastructure that make up the network.



**Implementation of an intelligent communications system**

**National Early Warning System (Chile)**

Dominion managed the comprehensive project, from design to implementation, for the creation of a tsunami early warning system in several regions of Chile.

The project was declared of public interest by the Chilean government and feasibility studies are currently underway to extend it to other coastal areas of the country.



**Integral management of the logistic process**

**MásMóvil (Spain)**

Dominion manages the entire logistics process, from reception and storage to shipping, installation and delivery of terminals and other equipment, for the fastest growing telco company in Spain.

Since 2015, this 360° management of the logistics process has been carried out, allowing the operator to focus its efforts on its main objective: to attract new customers and offer them the best service.



**Turnkey project for an electric transmission line**

**Lauca-Luanda transmission line (Angola)**

Dominion integrally manages the construction of a 200 km transmission line linking the Lauca hydroelectric dam with the capital, Luanda. The scope includes from the financial structuring to the complete execution (expected end date 2021).

This is one of the most important projects in the country.



**Turnkey project and O&M in renewable energies**

**Photovoltaic solar park Kaixo (Mexico)**

Dominion managed from end to end the design and construction of Mexico's largest self-sufficient solar park, 65 MW, between 2016 and 2017.

It is currently managing the O&M contract, which is included in the scope of the project.

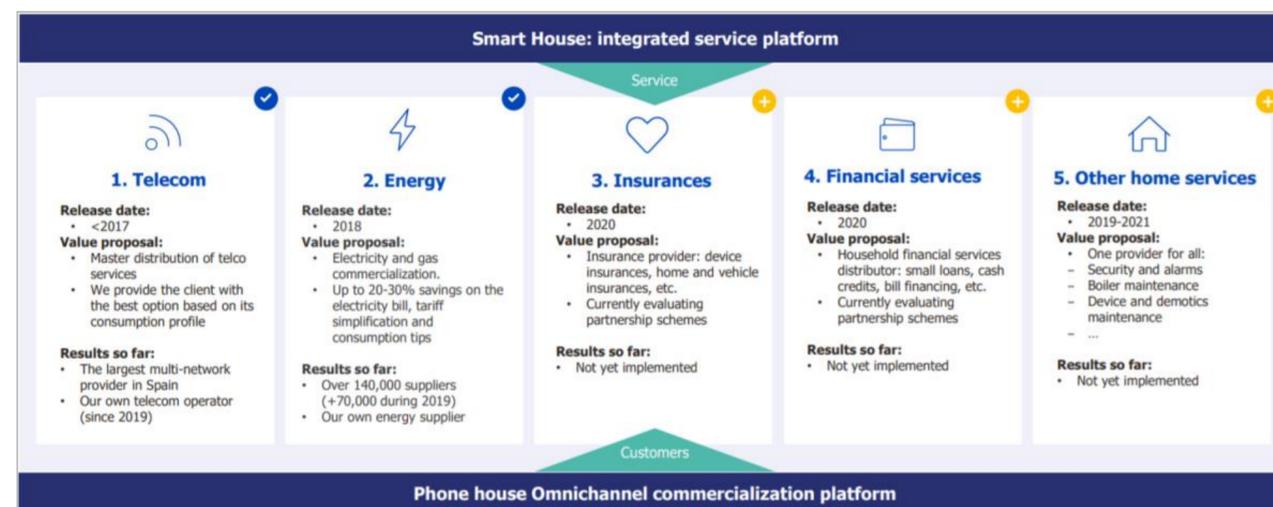


**Deployment and O&M of electricity networks**

**Distribution lines for Enel (Peru, Chile and Colombia)**

Since 2019, Dominion has been carrying out deployment, commissioning and maintenance work on medium and low voltage electricity networks for ENEL in Chile, Colombia and Peru.

Dominion's global capabilities, which allow it to ensure the quality and level of service in any part of the world, are the differential factor most valued by the customer.



# 4 | CORPORATE STRUCTURE

Dominion Group has several joint ventures, associates and joint operations.

Below, the corporate structure as of 31st December 2021:

Name and address	Address	Shareholding / Effective Control	Holder company of the equity interest	Reason for consolidation	Activity Segment
Global Dominion Access, S.A. (*)	Bilbao	-	-	-	Holding Company / B2B 360 Projects / B2B Services
Sociedad Concesionaria Salud Siglo XXI, S.A.	Chile	15.00%	Global Dominion Access, S.A.	Participation method	B2B 360 Projects
Dominion Industry & Infrastructures, S.L. (*)	Barcelona	99.99%	Global Dominion Access, S.A.	Global integration	B2B Services
Desolaba, S.A. de C.V.	Mexico	98.00%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
El Salvador Solar 1, S.A. de C.V.	El Salvador	79.99%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
El Salvador Solar 2, S.A. de C.V.	El Salvador	79.99%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
Montelux, S.R.L.	The Dominican Republic	69.40%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
Abasol S.P.A.	Chile	99.99%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
Rovello S.P.A.	Chile	99.99%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
Pimentell S.P.A.	Chile	69.99%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
Rosinol S.P.A.	Chile	99.99%	Dominion Industry & Infrastructures, S.L.	Global integration	Inactive
Dominion I&I Audio Visual Recording Equipment & Accessories LLC	United Arab Emirates	48.99%	Dominion Industry & Infrastructures, S.L.	Global integration	B2B Services
Global Dominion Services, S.R.L. (1)	Romania	99.99%	Dominion Industry & Infrastructures, S.L.	Global integration	B2B Services
Dimoin Calderería, S.A.U.	Madrid	99.99%	Dominion Industry & Infrastructures, S.L.	Global integration	B2B Services
Dominion Hivisan, S.L.	Valladolid	69.99%	Dominion Industry & Infrastructures, S.L.	Global integration	B2B Services
Dominion Centroamericana, S.A.	Panama	100.00%	Global Dominion Access, S.A.	Global integration	B2B 360 Projects
Dominion Energy, S.L. (*)	Bilbao	76.60%	Global Dominion Access, S.A.	Global integration	B2B 360 Projects
Dominion Ecuador Niec, S.A.	Ecuador	53.62%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Bas Projects Corporation, S.L.	Bilbao	26.80%	Dominion Energy, S.L.	Participation method	B2B 360 Projects
Global Dominicana Renovables DRDE, S.R.L.	The Dominican Republic	76.52%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Dominion Renewable 1, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Dominion Renewable 2, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
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Dominion Renewable 6, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Dominion Renewable 7, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Energy Renewable 8, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Desarrollos Green BPD 1, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects

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Proyecto Solar Pico del Terril, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Villaciervitos Solar, S.L.U.	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
Pamaco Solar, S.L. (*)	Bilbao	76.60%	Dominion Energy, S.L.	Global integration	B2B 360 Projects
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Bas Italy Sesta	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects
Bas Italy Settima	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects
Bas Italy Ottava	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects
Bas Italy Nona	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects
Bas Italy Decima	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects
Bas Italy Undicesima	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects
Bas Italy Dodicesima	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects



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Bas Italy Dodicesima	Italy	76.60%	Pamaco Solar, S.L.	Global integration	B2B 360 Projects



Below, the corporate structure as of 31st December 2021 of associates accounted using the equity method:

	% effective interest		Value of interest	
	2021	2020	2021	2020
Advanced Flight Systems, S.L.	30%	30%	36	38
Sociedad Concesionaria Salud Siglo XXI, S.A. (*)	15%	15%	2,302	2,254
Bas Project Corporation, S.L.	26.8%	35%	6,718	7,412
Cobra Carbon Grinding BV	-	50%	-	-
Ampliffica México, S.A. de CV	49%	-	2,148	-
Medbuying Group Technologies, S.L.	45%	45%	4,500	4,500
Miniso Lifestyle Spain, S.L.	-	49.7%	-	-
Sociedad Concesionaria Hospital Buin Paine, S.A.	10%	-	954	-
			<b>16,658</b>	<b>14,204</b>

Below, the corporate structure as of 31st December 2021 of non-controlling interests by company:

<u>Financial Year 2021</u>	Non-controlling %	Non-controlling interest
	Chimneys and Refractories International S.R.L.	10%
Karrena Arabia Co.Ltd	45%	3,382
Interbox Technology, S.L.	25%	2,495
Abside Smart Financial Technologies, S.L.	49.99%	1,933
Alterna Operador Integral, S.L. (*)	9.83%	3,624
The Phone House Spain, S.L.	2.36%	985
Dominion Energy, S.L. (**)	23.39%	32,309
Dominion Servicios Medioambientales, S.L. (**)	25%	1,962
Other minor items		843
		<b>48,872</b>





# 5 | GEOGRAPHICAL BREAKDOWN

| At Consolidated level:

Reclassification (revenues by geography)	2020	2021
<b>B2B</b>	<b>745.98</b>	<b>843.76</b>
Europe & Africa	359.31	481.43
% to revenue	48.2%	57.1%
America	234.49	262.32
% to revenue	31.4%	31.1%
Asia, Oceania and others	152.19	100.01
% to revenue	20.4%	11.9%
<b>B2C</b>	<b>283.63</b>	<b>275.56</b>
Europe & Africa	283.63	275.56
% to revenue	100.0%	100.0%
America		
% to revenue	0.0%	0.0%
Asia, Oceania and others		
% to revenue	0.0%	0.0%
<b>TOTAL by Geography</b>		
Europe & Africa	642.94	756.99
% to revenue	62.4%	67.6%
America	234.49	262.32
% to revenue	22.8%	23.4%
Asia, Oceania and others	152.19	100.01
% to revenue	14.8%	8.9%
<b>Total Revenues</b>	<b>1,029.61</b>	<b>1,119.32</b>

<sup>(1)</sup> ONLY IN SPAIN

| Sales by Segment:

SOURCE: GLOBAL DOMINION

	FY 2020	FY 2021
<b>B2B_ Services</b>	€465.1m	+18% €547.0m
<b>B2B_ 360 Projects</b>	€280.9m	+6% €296.7m
<b>B2C</b>	€165.0m	+16% €191.1m

SOURCE: GLOBAL DOMINION



| Global Dominion's international reach



# 6 | MAIN MARKET PLAYERS



Given that Global Dominion operates in several sectors with a sundry services offer, it makes it difficult to find a perfect fit industry to match its activity. In fact, the company describes itself as an 'One-Stop-Shop' meaning that it aims to combine all sort of services and solutions for its clients to provide the most extensive portfolio of integrated solutions and become the leading party in outsourced services.

Despite these difficulties, we are going to provide our best guidance in terms of industry peers focusing on industrial services (providers), and the telecommunications and energy industry to give a rough idea of the potential market worldwide.

## 1. SPIE (listed company)

The SPIE Group is a French-based European leader in multi-technical services in the areas of energy and communications. The Group, established in 1900, supports its customers in designing, installing and maintaining energy-efficient and environmentally-friendly facilities.

It is the largest player in French and German markets. As SPIE explains, the markets are characterised by the coexistence of major national players and a vast number of local players. SPIE also enjoys a strong presence in the Netherlands, Belgium, the United Kingdom, Poland and Switzerland, markets where it considers itself to be among the major players.

The company was founded by the Baron Edouard Empain, an entrepreneur with a clear vision of the future use of electricity. The company started with the creation of the Paris Metro in the 1900s and continued its international growth despite two world wars and multiple industrial upheavals. Starting in the 2000s, SPIE developed from a civil, electrical, and industrial engineering company into a multi-technical services company in the areas of energy and communications and became one of the largest European group in its field.

With 48,000 employees and a strong local presence (more than 700 locations), the Group has the capacity to provide services to its customers in several countries. Its subsidiaries are operationally responsible and autonomous, and their role is to support each of Group's customers throughout the value chain, developing long-term relationships.

In 2021, SPIE achieved consolidated revenues of €7.0 billion, 4.9% higher than in 2020 and a consolidated EBITA of €426.7 million, up by 25.7% and a margin of 6.1% (2020: 5.1%).

As can be seen in the next table and in our Excel document with information about Global Dominion's competitors, one of the main growth drivers of SPIE has been its ability to acquire companies at attractive multiples. This has also been the norm for other leading European entities in the sector, such as Instalco or Bravida.

The following table details the targeted bolt-on acquisitions made by the Group since 2006

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of bolt-on acquisitions	2	10	18	11	10	14	11	6	6	8	10	11	5	4	1	8
Acquired production (in millions of euros)	14	113	217	99	79	125	167	221	212	184	263	321	95	210	10	277
Acquisition costs (in millions of euros)	7	51	89	33	34	52	45	77	74	51	79	112	32	100	9	157
Growth resulting from the targeted bolt-on acquisitions (in%)	1.9	5.0	3.2	4.3	1.2	2.9	3.2	5.4	4.4	3.4	3.6	7.1	3.6	2.2	1.3	2.0



## 2. Bravida (listed company)

Bravida is the leading service and installation company in the Nordics, with over 65,000 customers and 172 branches across Sweden, Norway, Denmark, and Finland and a market share in the Nordics of around 7.5%. Bravida's vision is to be 'the best in the Nordics at providing sustainable servicing and installation of the functions that bring buildings to life'. Its 12,000 employees boast expertise in the vital functions that bring buildings to life: electrical systems, heating and plumbing, HVAC (heating, ventilation, and air conditioning) to name a few.

Between 2016 and 2021, approximately 1,800 million SEK were spent on acquisitions, increasing sales by around 6,000 million SEK.

## 3. Instalco (listed company)

Instalco is a leading Nordic installation group within the heating and plumbing, electrical, ventilation, cooling, industry, and technical consulting.

Acquisitions have also been key for Instalco's historical growth. Over the previous five years, Instalco has added more than SEK5,300M thanks to acquisitions, for an average P/sales multiple of around 0.5x.

## 4. Elecnor (listed company)

Elecnor is a family-owned Spanish company focused on project development, construction

and operation through two business areas: infrastructure and concessions. Set-up in 1958, the company has quickly accumulated strong know-how in the electricity sector. Internationalisation was and continues to be an important cornerstone for the company through both, organic and inorganic growth (M&A).

Currently the company counts on a team of about 21,400 people around the world and a presence in more than 50 countries.

The company has two main business areas (operating segments) which all their business units depend on. On one hand the infrastructure business, with the execution of engineering, construction and service projects; and, on the other, the concession business, which involves the promotion, search for financing and management of power transmission and generation assets, as well as other strategic assets.

## 5. Eltel (listed company)

Eltel is a Nordic field service provider for communication and power networks founded in 2001 with approximately 5,000 employees in several countries including the Nordics, Poland, Germany, and Lithuania. Among its services, the company includes design, planning, building, installing and securing the operation of networks whole providing a comprehensive range of solutions from maintenance and upgrade services to project delivery.

In 2021, Eltel had EUR 812.6 million revenues, -13.4% less than the previous year and an operative EBITA margin of only 1.8%. Lower net sales were caused by the loss of two major agreements and reduced customer investments because of COVID-19, while EBITA was negatively affected by lower net sales, ongoing challenges in the Polish High Voltage business and increased material prices.

### Eltel's financial targets by end of 2025

Group operative EBITA margin	5%
Annual growth in the Nordics from 2022 onwards	2–4%
Leverage	1.5–2.5x net debt/EBITDA
Dividend payout	Subject to leverage target

SOURCE: ELTEL





## 7 | STRATEGY, NEW PROJECTS, ACQUISITIONS & RONA

### |Strategy:

- Strategic Plan 2016 - 2020** The initial objectives set by the Group were met two years earlier than the initial plan which forced Global Dominion to launch a new one in light of its results.

Strategic Objectives	2015	2016	2017	2018	Guidance for the Mid term (≈2020)
<b>Turnover</b>	€525m	€612m	€818m <sup>(1)</sup> €719m adjus. (1) (2)	€1,084m €831m adjus.(2)	€1,000m
<b>EBITA<sup>(3)</sup></b>	5.8%	5.8%	6.0% <sup>(1)</sup>	6.4%	≈ 8%
<b>RONA</b>	22%	20%	24%	24%	> 20%
<b>Cash Conversion<sup>(4)</sup></b>	N.A.	N.A.	64%	66%	>60% EBITDA
<b>NFD / EBITDA</b>	€23m 0.6x	€-122m N.A. <sup>(5)</sup>	€-102m N.A. <sup>(5)</sup>	€-106m N.A. <sup>(5)</sup>	<2x

(1) Pro-Forma earnings to comply with IFRS 15 (according to Annual Accounts 2017)  
 (2) Adjusted turnover = Annual Accounts Turnover without revenues from sold devices  
 (3) EBITA: Net Operating Income + PPA's amortization

(4) Free Operating Cash Flow: EBITDA – CAPEX – NWC variation – Net Financial Income – Tax payment; (acquisitions excluded)  
 (5) Because of being in a net cash position

2. **(Current) Strategic Plan 2019 - 2023.** Following the early completion of Strategic Plan 2016-2020, in the course of 2019 Dominion disclosed its new Strategic Plan, with a time frame ranging from 2019-2022. This plan was primarily directed at doubling the net profit by the end of 2022 based on 2018's results. However, due to the pandemic, the plan was extended an additional year until 2023. As of 2021 both, the Cash Conversion Rate and RONA targets were met (debt ratio covenant is not significant as the company has net cash position).

**Other considerations related to capital allocation and independent of the Strategic Plan:** Dominion has completed the 2020 Share Buyback Program. In this regard, Dominion has issued a new program for an additional 5% over a term of maximum 2 years and EUR 40 million investment. As explained, the traditional business of projects and services is not capital intensive. Through the new strategy, the company will own renewable energy assets. Investments are expected to yield an IRR of high single digits. We believe that the firm will manage its renewable segment as an independent entity and it has been announced that it could become listed in the future.

Mikel Barandian, CEO: "At the current price, we believe that buying back the shares of our own company is the best way to allocate capital".

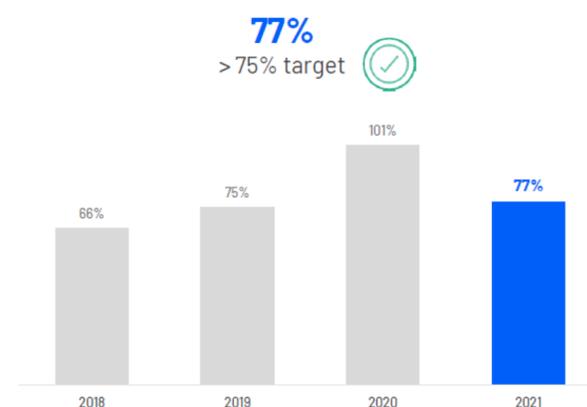
### 2023 Strategic Plan Goal:

**To double Net Income**

DOMINION is a company designed to successfully face uncertain and complex environments that we are experiencing. Our Strategic Plan framework is guided by:

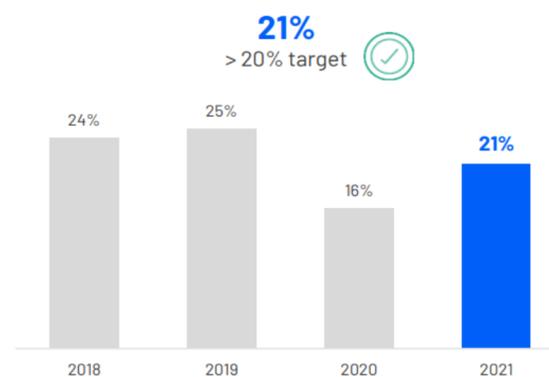
- Cash Conversion >75% EBITA
- RONA >20%
- DFN/EBITDA <x2
- Turnover >5% CAGR
- Organic plan with M&A as an accelerator

#### EBITA CONVERSION INTO OPERATING FCF<sup>(6)</sup>



**Strong Operating FCF conversion**, backed by an optimal balance sheet management, a business light on maintenance CAPEX needs and a good working capital management.

#### RETURN ON NET ASSETS (RONA)<sup>(7)</sup>



**High returns on assets**, above the Strategic Plan guidance.

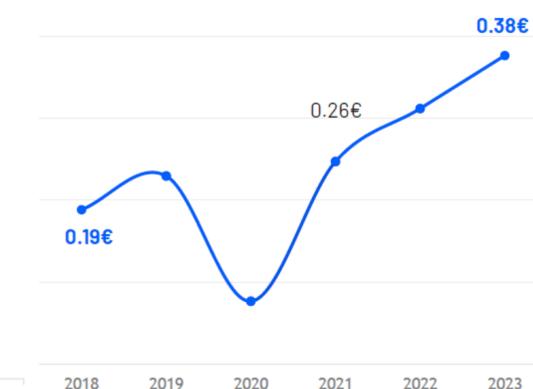
(6) **Free Operating Cash Flow:** EBITDA – difference between CAPEX and Amortization – NWC variation – Net Financial Income – Tax payment; (acquisitions excluded)

(7) **RONA:** EBITA / (Total non-current assets – Deferred assets – Goodwill not associated to cash + PPAs amortization current year + Net WC ; excluded acquisitions of the year).

#### EARNINGS PER SHARE (EPS) EVOLUTION (€)



#### PROJECTED EARNINGS PER SHARE EVOLUTION

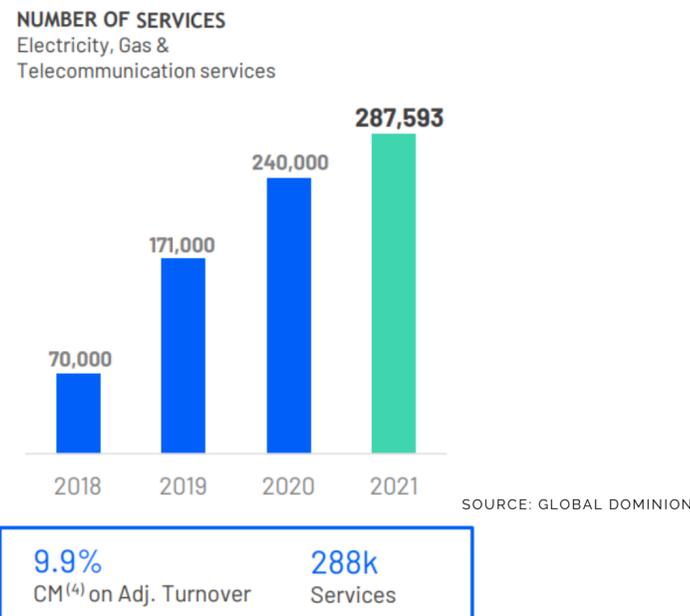


# 7 | STRATEGY, NEW PROJECTS, ACQUISITIONS & RONA

## Most relevant highlights during 2021:

**1. B2B.** During 2020 Dominion was awarded several projects that assure a profitable growth of activity in the mid-term. A relevant project is the Buin-Paine hospital in Chile, which is due to start in 2022. At the same time, it won new contracts with high potential in the energy and industry sectors (e.g. the 3rd contract with ENEL in Latam). Dominion disclosed an approx. 2GW pipeline of renewable energy projects for 2021-2025. In 2021, the level of activity recovered to pre-pandemic levels, experiencing significant and sustained growth.

**2. B2C.** The transformation of the B2C business (from a retailer to a personal and household services integrator) required operational and structural adjustments that were carried out during 2020. Dominion closed 2020 with over 240,000 active services, which means it acquired 70,000 net new customers during the year, including Electricity, Gas and Telecommunication contracts, thanks to Phone House's omnichannel platform. This segment, in 2021, added 45,000 new net services, reaching a growth rate below the previous years, given the fact that the segment did not fully recover during the year (the Omicron variant directly impacted the Christmas campaign and electricity prices impacted Global Dominion's energy commercial proposition).



## Additional information

**1. Energy sector.** Dominion's strategic partner in the development of this type of project is Bas Project Corporation S.L. Until 2021, Dominion followed a build-to-sell strategy with a clear vision of asset disinvestment along with its partner Bas.

In the renewable energy value chain there are different roles and project stages:

- a) **The promoter** (equity and financial investor)
- b) **The development phase** (environmental studies, land purchase, etc.),
- c) **Project execution** – EPC - Engineering, Procurement, and Construction
- d) **Operation & maintenance** – O&M
- e) **Energy generation.**

Dominion Energy carries out industrial activities such as project execution and O&M. As margins for different players in the value chain are unequally distributed (EPC contractors have the lowest margins), Global Dominion wanted to be present in all the value chain, so it acquired a 35% stake in BAS (development & promotion). Over time, Dominion Energy was also carrying out the development activities, and BAS was only handling the financial activities & ownership of assets. As BAS resources are limited, it usually sold the assets at an early stage to be able to invest in other projects (build-to-sell).

However, exclusively in Europe, they recently switched to a build-to-hold strategy after realising there were interesting opportunities in the renewable energy sector. In this scenario, BAS would own and keep the assets. In this process of unlocking the value of Dominion Green, they incorporated a minority partner to strengthen the activity further.

In Dominion's own words, the energy sector is an area of clear growth for the company and especially in the world of renewables. After starting in the Latam geographic area, today it has returned to Europe and especially southern Europe, where it has an identified pipeline of projects (mainly solar projects) of approx. 2GW spread within Spain, Italy, and Portugal.

In December 2021, Mast Investments (a fund advised by Incus Capital) became a minority shareholder by means of an investment agreement with Dominion's Renewable Energy business line. Mast holds a 23.4% stake in Dominion Energy S.L. in exchange for EUR 50 million. This amount, together with an additional contribution of EUR 25 million from Dominion, will be used to finance projects in the existing backlog (>1 GW). Dominion Energy increased capital and lent BAS €75M through a convertible loan, so the firm has the option to convert it into equity and end up with a majority stake of close to 100% in BAS. As stated before, the objective of this agreement is to accelerate the growth of this business and become a leading Independent Power Producer (IPP).



**2. The B2C universe.** The B2C part arose as a result of the acquisition of Phone House in 2017, not because of the acquisition of the company itself, but because Dominion had a project in mind of services to the end consumer and lacked access to that end consumer. The acquisition implied the integration of a good platform to develop it. However, it was never with the intention of becoming a retailer.

The rationale behind acquiring it was as a means of attracting regular traffic to the web and the physical stores. To attract customer traffic and also a base of loyal clients, hence achieving that recurrency it already enjoyed in the B2B segment.

Developing the rationale a little bit further, backing the B2C universe was because Dominion had already gained experience in the business of dealing with the final consumer through the services it provided to telecommunications operators in the management of their points of sale. At the same time Dominion mastered the 'One-Stop-Shop' approach. The Group identified an interesting development opportunity in this market and wanted to somehow capitalise on those capabilities. Phone House served that purpose for various reasons, such as its omnichannel. It had a website, it had a call center, and it had physical stores. Highly appreciated by Dominion for building that loyal client base.

Dominion launched the B2C segment with its project of different service verticals in 2018, starting with energy with what is now its own energy marketer with electricity and gas contracts. Then it launched its own telecommunications operator and already has device, home and vehicle insurance services. In 2021 it added a new vertical aimed at technological renting services.

# 8 | DEBT STRUCTURE

## | Debt structure (as of Dec 31, 2021 in millions of euros)

- ❖ Current financial liabilities: EUR 47.43
- ❖ Non-current financial liabilities: EUR 157.25M

As can be seen in the consolidated balance sheet, at the end of 2021, the company had €204.68M in gross debt (at the consolidated level) and €270.13M in gross cash (cash and cash equivalents) for a total net cash of €65.45M.

### | Calculation of Total Net Financial Debt

ITEM	
<b>Gross Debt</b>	<b>204.68</b>
Borrowings	204.24
Derivative financial instruments	0.43
<b>Gross Cash</b>	<b>270.13</b>
Cash and cash equivalents	254.21
Other current financial assets	15.93
<b>Net Debt (Cash)</b>	<b>-65.45</b>

### | Non-current borrowings have the following maturities (excl. derivatives):

	2021
Between 1 and 2 years	49,736
Between 3 and 5 years	99,671
More than 5 years	7,710
	<b>157,117</b>

SOURCE: GLOBAL DOMINION

### | Evolution of Net Cash (in millions of EUR):



### | Debt Metrics:

	2017	2018	2019	2020	2021
<b>Total Debt/ Assets</b>	0.07x	0.12x	0.08x	0.15x	0.15x
<b>Total Debt/Equity</b>	0.23x	0.41x	0.25x	0.60x	0.53x
<b>Debt/Capital Ratio</b>	18.52%	29.17%	19.94%	37.44%	34.63%
<b>Total Debt/Adjusted EBITDA</b>	1.16x	1.81x	0.85x	2.37x	1.83x
<b>Net Debt/Adjusted EBITDA</b>	-1.77x	-1.46x	-1.09x	-1.08x	-0.59x





## 9 | SUMMARY OF RELEVANT FINANCIAL DATA

From 2016 to 2021 Dominion Group grew at a CAGR of 16.34% including both organic and inorganic growth, demonstrating their capacity for securing an increasing order book and designing accurate operating strategies to properly address their customers' needs. Average organic growth during the period was 9.6%. The company has shown increasing revenues since 2015 (last available financial statement published) except for 2020 as Covid-19 affected each of the different segments in very different ways both in terms of intensity and amount over time. Nevertheless, in 2021, Dominion exceeded pre-Covid levels in terms of activity and profitability by the end of the year.

The EBITDA margin increased from 7.9% in 2015 to 9.94% in 2021.

Dominion follows a virtually net zero working capital model, working with complementary projects that given their sector nature are either increasing or decreasing working capital. Furthermore, the Group has had a net cash balance in the last 6 years.

The new strategic plan, aims at doubling net income, reaching EUR64M<sup>(1)</sup> by 2023 with a turnover and EBITA CAGR of 5% and 10% accordingly, while using M&A activity as an accelerator. In this sense, growth is driven by opportunities that add a higher volume of turnover/revenue and also a certain margin level.

<sup>(1)</sup> This is the estimate of the company prior to the operation with Incus.

[|View our platform and Excel document for further details...](#)



# 10 | SIGNIFICANT EVENTS IN THE CURRENT REPORTING YEAR

The global pandemic that started in 2020, causing devastating health, economic and social repercussions, continued in 2021, albeit in a different way. The year has been marked by successive waves of contagion as a result of the emergence and spread of new strains. However, mortality rates and hospital overcrowding did not reach the same levels as in 2020, owing to increased vaccination, lower severity of these new variants and because the healthcare system was better prepared.

The economy as a whole has been affected by these circumstances, together with the effects of logistical problems and microchip shortages, both related to the pandemic, as well as a temporary increase in the price of natural gas. However, this did not stop the year as a whole from enjoying a marked economic recovery. However, it is important to point out that this recovery has been irregular, although in the Dominion Group's case, the pandemic's collateral effects have not had a significant adverse effect on business recovery.

As indicated in the consolidated Annual Financial Statements for the financial year ending 31 December 2020, the Group's activity and results were affected by the pandemic. The negative effects of this pandemic were particularly significant in the second quarter of 2020, followed by a gradual improvement from then until 31 December 2020.

During 2021, the Group returned to pre-pandemic levels and resumed its growth path. Overall, the Group's different CGU groups have regained complete normality in terms of their activities and have been able to take advantage of the upturn in the market and, in turn, in their customers.

That said, recovery has been irregular in the two main areas that the Group's business segments operate in:

- In the B2B world, the most relevant segment in terms of volume of activity, not only have pre-pandemic levels been reached, but the activity has seen significant and sustained growth.
- By contrast, B2C has not fully recovered as the flow of customers to the main sales channels serving this segment has been affected by the health precautions and containment measures imposed by Public Administrations in response to the spread of the pandemic. However, it should be noted that the results obtained when the situation was at its most normal are encouraging and show the considerable efforts made in terms of adjustment, investment and reorganisation over the last two years.

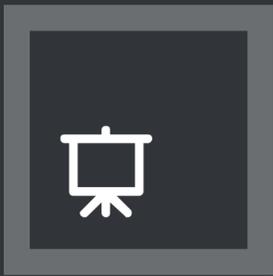
Overall, it is safe to say that the company has successfully weathered the pandemic's effects, which has validated that the model it follows offers the best guarantee to continue making progress. The model is based on four aspects:

- Financial discipline, which, under these circumstances, has put the Group in an optimum cash position.
- Diversification whereby profits (loss) do not depend on the decisions of a single country, customer or sector.
- Decentralisation, which has enabled the different Group companies to adapt to the different local circumstances, with an adjusted central structure and a flexible cost structure.
- Digitalisation, which has solved team-employee mobility restrictions in a record time as they were already familiar with the digital platforms and tools they used on a daily basis. The Group strengthened its safety policies and systems thereby facilitating remote communication between teams and also between teams, customers, and suppliers.

Accordingly, while international market trends have affected confidence and consumer spending patterns, the Group's business performance has recovered from the 2020 setback, recovering the envisaged growth trend in 2021 as set out in the Group's Strategic Plan.

SOURCE: GLOBAL DOMINION, ANNUAL REPORT 2021





EXCERPTS FROM PREVIOUS YEARS

2020

As for the effect on business, Covid-19 has affected each of the different segments in very different ways.

B2C business has been affected the most. This segment is only conducted in Spain, and the physical channel has been completely shut down since 14 March 2020. Accordingly, the Net Turnover for this segment has naturally been seriously affected, although overall, it has remained positive. The drop in Adjusted Net Turnover for this area was approximately 30%.

The B2B Services segment was affected very differently, closely tied to the restrictions on the various types of activity performed in each country. Accordingly, the effect was subject to the different labour regulations in place in each country, as well as the different measures adopted by the respective governments.

Finally, the effect has been relatively limited in the B2B 360° Projects segment. Although it was the first of the Group's segments to be directly affected as a result of a project in Thailand being shut-down for 15 days, subsequent stoppages have been sporadic, as is the case with the "lock-downs".

2019

"Following the early completion of the Strategic Plan 2016-2020, in the course of 2019, Dominion disclosed its new Strategic Plan, with a time frame of 2019-2022. This plan is primarily directed at doubling the net profit in the four year period. To achieve this, the company has defined differential proposals for its B2B services, B2B solutions, and B2C services, as explained in point 6 hereof and in point 1.4 of the Non-Financial Information Statement.

From a business point of view, mention should be made of the performance of the industrial services area, which has considerably increased its turnover, geographical presence, and range of services, in line with its "One-Stop-Shop" strategy. Of particular note is its development in the Energy field of activity, where it has established a dominant position in the course of the year. In the industrial area, mention should be made of the decision to invest in the Indian market, with the acquisition of Bygging. Also of great importance is the good performance of the "Smart House" project, strengthened following the acquisition of Alterna, which has achieved 150,000 clients in its energy marketing side, to which the new telephony side was added in the course of 2019."

2018

" Over the year the company underwent significant restructuring which entailed its main shareholder, CIE Automotive, leaving the group of shareholders and giving its shareholders Dominion's shares, as dividend in kind. In this way, CIE Automotive's shareholders have gone on to become direct shareholders of Dominion. [...]

From a business point of view, it is worth highlighting the successful penetration of the electric maintenance sector. It is also worth emphasising the positive evolution of the "Smart House" project which has reached 70,000 clients."

2017

"All in the BoD estimate that the results obtained this year are very positive, marking the path to be followed in successive years. [...]

In parallel, the integration of the companies acquired in 2016 was completed, restructuring their activities around the divisions at Dominion while always maintaining an ongoing focus on control and improvement of the margins of the projects or services provided [...]

Particular mention should be made of the acquisition of Phone House, the leading Spanish distributor of multi-operator telecommunications services, thereby strengthening Dominion's offer in the B2C area.

Likewise, Dominion renewed the syndicated loan taken out in 2016. In addition to the extension of the loan, important improvements in the financing and term were also achieved."



# 11 | MANAGEMENT TEAM & COMPENSATION

## |Management

**Antón Pradera Jáuregui (President, Chairman):** holds a degree in Civil Engineering from the Universidad Politécnica, Madrid. In 1979 he started his career as the director of the Banco Bilbao, where he remained until 1985. In 1988 he was appointed Executive Director of Nerisa, remaining there until 1993, when he moved to SEAT as the director of strategy. He played an important part in the creation of INSSEC in 1995 and was CEO until 2010. He was executive chairman of CIE Automotive from 2002, where he had duties in Strategic Management and Financial Design. As of May 2015, he has been a member of the board of Tubacex and, since June 2015, a director of Corporación Financiera Alba. President of Dominion since 2004.

**Mikel Barandiaran Landín (CEO):** With a degree in Industrial Engineering, he started his professional career at Robotiker. In 1999 he joined Global Dominion Access, S.A. through ECI Telecom Iberica, S.A.U. Since 2004 he has held the post of CEO of Global Dominion Access, S.A. Since 2010 he has held the role of technological manager of the CIE Group.

He is also the chairman of the boards of directors of Beroa Thermal Energy, S.L.U., and Bilcan Global Services, S.L. He is also a member of the Board of Directors of the following companies, among others: Mexicana de Electrónica Industrial S.A. de C.V., Dominion Tecnologías de la Información, S.A. de C.V., D.M. Informática, S.A. de C.V., NearnTechnologies México, S.A. de C.V., Amplifica México, S.A. de C.V., Chimneys and Refractories International, S.R.L., Refractories & Chimneys Construction Co. Ltd., and Steelcon Chimney Esbjerg A/S.

The total remuneration paid in 2021 to senior management personnel, excluding that included in compensation paid to the members of the Board of Directors, amounted to EUR 1,992 thousand (2020: EUR 1,847 thousand).

## |BoD members & compensation:

During 2021 and 2020, the amount paid to the Board of Directors is shown in the following table and is comprised of the following items and amounts:

	<b>2,021</b>	<b>2,020</b>
Salaries and extraordinary remunerations	2,951	2,215
Other compensation	12	14
	<b>2,963</b>	<b>2,229</b>

SOURCE: GLOBAL DOMINION

Contributions totalling EUR 8 thousand were made in 2021 to pension plans or funds established for former or current members of the parent company's Board of Directors (2020: EUR 8 thousand). As regards life insurance premiums, the Group has policies for the CEO covering death and permanent disability, for which the premiums totalled EUR 4 thousand in 2021 (2020: EUR 6 thousand).

The contract with the CEO contains a clause under which a severance payment equivalent to double their annual salary is established, at the time of dismissal and in accordance with the terms of the contract.

## |Remuneration policy for BoD

In financial year 2020, the Appointments and Remuneration Committee of the Board of Directors also adopted new resolutions relating to the remuneration of the different members of the Board of Directors applicable up to 2022.

This new resolution includes a fixed remuneration of 180 thousand euros for the Chairman of the BoD, a fixed remuneration of 90 thousand euros for the independent external directors, and a remuneration of 60 thousand euros for the remaining directors, except for those performing executive duties.

## |BoD REVIEW

In Spain there is an association that promotes good governance practices for companies. The last update on this matter was published in 2006 and the document shared by the CNMV is called CUBG (Código Unificado de Buen Gobierno), which includes a set of recommendations ([https://www.cnmv.es/docportal/publicaciones/codigogov/codigo\\_buen\\_gobierno.pdf](https://www.cnmv.es/docportal/publicaciones/codigogov/codigo_buen_gobierno.pdf)).

Among these, there is one which specifies that at least half of the BoD has to be independent. As stated in the Spanish Corporate Law, to be considered independent, members cannot be in the BoD for more than 12 years, have any kind of commercial relationship with the company, etc.

As of 2021, Dominion has 11 directors in the BoD of which only 4 are independent. According to their published information, the company can have a minimum of 5 members in the BoD and a maximum of 15.

- ❖ Juan María Riberas Mera; Not independent; July 2019
- ❖ José María Bergareche Busquet; Independent; April 2016
- ❖ Antonio María Pradera Jáuregui; Not independent; President; June 1999
- ❖ Juan Tomás Hernani Burzaco; Independent; April 2016
- ❖ Amaya Gorostiza Tellería; Independent; April 2016
- ❖ Paula Zalduqui Egaña; Not independent; February 2022
- ❖ Jesús María Herrera Barandiarán; Not independent; April 2016
- ❖ Mikel Barandiarán Landín; Not independent; July 2001
- ❖ Jorge Álvarez Aguirre; Not independent; April 2016
- ❖ Arantza Estefanía Larrañaga; Independent; May 2020
- ❖ Javier Domingo de Paz; Not independent; May 2020

**Link to annual report:** <https://www.dominion-global.com/resultados/2022-CCAA-Consolidadas-con-opinion-auditor-english.pdf>

The different types of directors are included in the following article on Spanish Corporate Law: Artículo 529 duodecies de la Ley de Sociedades de Capital.

**Link to CUBG:** [https://www.cnmv.es/docportal/publicaciones/codigogov/codigo\\_buen\\_gobierno.pdf](https://www.cnmv.es/docportal/publicaciones/codigogov/codigo_buen_gobierno.pdf)



## 12 | SHAREHOLDER STRUCTURE

As of April 2022, Dominion Group has 7 major shareholders.

- ❖ **Acek Desarrollo y Gestión Industrial S.L.:** A family owned holding, founded by the Riberas family.
- ❖ **Indumenta Pueri S.L.:** A family owned holding, founded by the Domínguez de Gor family.
- ❖ **Elidoza Promoción de Empresas S.L.:** Spanish company related to Ms. Goizalde Egaña Garitagoitia.
- ❖ **Corporación Financiera Alba S.A.:** is an investment company established in 1986 and listed in Spain. The company is part of the March Group, a leading business and financial Spanish family-owned group in which Banca March and Fundación Juan March are also integrated.
- ❖ **Mahindra & Mahindra Ltd:** is an Indian multinational automotive manufacturing corporation headquartered in Mumbai, Maharashtra, India.
- ❖ **Santander Asset Management S.A. SGIIC:** An asset management firm that manages the investment funds and pension plans of the Banco Santander group.
- ❖ **Allianz Global Investors GmbH:** It is an active asset manager part of the Allianz Group with over 700 investment professionals in 24 offices worldwide and managing EUR 637 billion in assets under management for institutional and retail investors.

Shareholder	%
ACEK DESARROLLO Y GESTION INDUSTRIAL, S.L	14.99%
D. MIKEL BARANDIARÁN LANDIN	5.37%
ANTONIO MARIA PRADERA JAUREGUI	5.32%
INDUMENTA PUERI, S.L.	5.28%
CORPORACION FINANCIERA ALBA	5.27%
ELIDOZA PROMOCION DE EMPRESAS	5.27%
MAHINDRA & MAHINDRA	3.92%
SANTANDER ASSET MANAGEMENT S.A. SGIIC	3.22%
ALLIANZ GLOBAL INVESTORS GmbH	3.02%

## 13 | MAIN RISKS

### A| Market risk – Exchange rate risk

The presence in international markets requires an exchange rate risk management policy aimed at reducing the negative impact on operations and on the income statement produced by variations in FX and interest rates.

To arrange such a policy, Dominion Group uses the concept of Management Scope. This concept encompasses all collection/payment flows in a currency other than the euro expected to materialise over a specific time period.

To manage risks the Group uses a series of financial instruments in certain cases at consolidated level to reduce the FX impact such as, hedging derivatives. However, the company has a high level of natural hedging given the fact that by geography, revenues and expenses are made in the same currency.

Sensitivity to the exchange rate of the main currencies in the conversion process for the net assets of the subsidiary companies whose operating currency is not the euro is summarised in the table attached (revaluation or devaluation of the euro with regard to other currencies):

SOURCE: GLOBAL DOMINION

Financial Year 2021	Effect on Equity		Effect on income	
	+10%	-10%	+10%	-10%
Mexican peso	(520)	557	225	(353)
US Dollar	(1,690)	1,927	77	(233)
Saudi riyal	(958)	1,440	(157)	481
Argentine peso	(9)	20	9	(2)
Peruvian sol	(386)	471	(89)	108
Australian Dollar	(745)	929	(92)	132
Indian Rupee (IR)	(998)	1,220	(144)	176
Chilean peso	(261)	319	(39)	48
Polish zloty	80	(80)	108	(114)
Arab Emirates Dirham	(90)	439	(184)	554

### B| Market risk – Price risk

The Group generally has zero exposure to equity instrument price risk because it has no investments of this kind held by the Group and/or classified in the consolidated balance sheet for 2021 as fair value with changes in profit/loss or fair value with changes in other comprehensive profit/loss.

The energy marketing activity does not create an additional price risk due to the fact that the sales prices are agreed on the basis of the purchase prices, transferring this risk directly to the customer.

### C| Market risk – Interest rate risk

Dominion Group's borrowings are largely benchmarked to variable rates exposing the Group to interest rate risk, with a direct impact on the income statement. The general objective of an interest rate risk management strategy is to reduce the adverse impact of increases in interest rates and to leverage as far as possible the positive impact of potential interest rate cuts.

To manage this risk factor, the Group uses financial derivatives that may qualify as hedging instruments and, therefore hedge accounting, such as interest rate swaps.

### D| Market risk – Liquidity risk

The Group's strategy is to maintain the necessary financing flexibility through committed credit lines through its treasury department. Additionally, and on the basis of its liquidity needs, Dominion Group uses liquidity financial instruments (factoring without recourse and the sale of financial assets representing receivables, through which the risks and rewards on accounts receivable are transferred). These, in accordance with Group policy, do not exceed approximately one-third of overdue trade and other receivable balances to maintain liquidity levels and the structure of working capital required under its business plans.

The Finance Department monitors forecasts of the Group's liquidity needs to optimise cash while maintaining sufficient availability of credit facilities not drawn by the Group considering the liquidity excess existing at 31 December 2020 and in years 2020 and 2019, whilst always bearing in mind the meeting of the limits and covenants set forth in financing. There are no restrictions regarding the use of cash and cash equivalents.

### E| Market risk – Credit risk

The credit risk deriving from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the credit standing of the banks with which the Group works. In certain circumstances that give rise to specific liquidity risks at these financial institutions, the appropriate provisions to cover them are allocated if necessary.

### F| Regulatory risk

The business is not generally characterised as being subject to regulations the change of which could give rise to a direct and relevant loss of business for Dominion. The changes that may affect the company's clients and, indirectly, Dominion, are adequately covered in the contracts signed and mitigated by the its broad diversification in terms of industries and countries.

Nonetheless, Dominion is paying particular attention to the new activities that it is embarking on under the 2019-2023 Strategy Plan, including renewable energy projects. Risks arising in connection with these new activities are assessed separately before they are included in the Risk System.

## G| Operational risk

Dominion's primary operating risk lies with the potential inability to adequately execute the services it provides to its customers. Any error made could lead to property damages or immaterial damages for the its customers, mainly consisting of industrial companies.

Dominion attempts to minimise these risks by ensuring the quality of its processes, certifying and maintaining them under continuous review, adequately training its teams both technically and in project management and, fundamentally, supporting its activity in platforms in which business knowledge resides and facilitating quality control over those activities.

## H| Customer concentration

Dominion has a broad customer base, the majority of which are leaders in their respective sectors, showing great diversification in terms of geographical location and sector. There is currently no client whose sales represent more than 6% of the Group's consolidated turnover or of each of the segments separately.

# 14 | LATEST NEWS & RESULTS

## August 09, 2022 - Dominion and Repsol join forces to improve energy supply for Alterna customers

Dominion has announced a partnership with Repsol that will improve the energy offer of the nearly 100,000 customers of Alterna, the energy vertical of its B2C segment.

During the presentation of its half-yearly results, it announced that it was looking for new ways to expand the range of tariffs and offer a more competitive and quality energy service to its customers in view of the current market situation. Following this agreement, Repsol will supply 100% renewable energy to all of Alterna's customer portfolio, both existing and new customers that DOMINION will add through a long-term commercial agreement. Both companies will jointly manage the value of the customer portfolio.

With this partnership with Repsol, the company expects to give an additional boost to the growth of its energy vertical, which it will reinforce with its own self-consumption offer. DOMINION thus reinforces its commitment to the Smart House project, where it is positioned as a benchmark for household services.

<https://www.dominion-global.com/en/media-page/dominion-and-repsol-join-forces-to-improve-energy-supply-for-alterna-customers>

## July 22, 2022 - Dominion grows 7% in sales and exceeds the net profit objective set in its Strategic Plan

The company reported a profit of €23.4m (prior to attribution to its new Renewable Energy Business minority interest) and revenues of €538m. The rest of the indicators show its operating leverage with EBITDA of €35m and EBIT (or net operating income) of €33m, 14% higher than in 2021. The company exceeds the figures for 2021 -its best year to date- in this period, and reiterates the good forecast for the closing of 2022.

<https://www.dominion-global.com/en/media-page/dominion-grows-7-in-sales-and-exceeds-the-net-profit-objective-set-in-its-strategic-plan>

## June 6, 2022 - Dominion's strategy in the area of renewable energies

The company integrates into its organisation all phases of the value chain of energy generation projects. From the development and processing, engineering, purchasing and construction to the operation and maintenance and -thanks to its associate BAS Projects Corporation- the ownership of assets and long-term exploitation.

With this strategy, the group seeks to have a portfolio of its own projects on the European continent that guarantees a recurrent construction of between 300 and 500MW per year for the next four or five years. The company also studies potential acquisitions that can complement and add value to its own project portfolio.

DOMINION already has a pipeline of more than 60 projects under development in the territory, with an approximate volume of 3 GWs between the Iberian Peninsula and Italy. The group's strategy on the European continent went through two main phases: the first, during the 2019/2021 period, with the basic premise of generating and developing the portfolio, and the second, from 2022, for the construction and operation of the projects in the long term.

<https://www.dominion-global.com/en/media-page/geographical-and-technological-diversification-dominion-s-estrategy-in-the-area-of-renewable-energies>

## May 10, 2022 - Dominion posts record net income in the first quarter once again

A 4% increase in adjusted sales and 23% growth in comparable net income compared to the same period in 2021. The rest of the indicators show its operating leverage with EBITDA of €16m, up 9%, and EBIT (or net operating income) of €15m, 9% higher than in 2021.

<https://www.dominion-global.com/en/media-page/dominion-posts-record-net-income-in-the-first-quarter-once-again>

## February 02 2022 - Dominion grows 28% above pre-pandemic levels and closes its best year ever

For the first time, the company achieves adjusted sales of more than €1 billion. It has also achieved a net income of more than €42m in 2021; 28% higher than the year before the pandemic. These results exceed the 20% annual growth guidance set out in its 2023 Strategic Plan.

<https://www.dominion-global.com/en/media-page/dominion-grows-28-above-pre-pandemic-levels-and-closes-its-best-year-ever>

## December 02, 2021 - Dominion expands its Renewable Energy business with the incorporation of Incus Capital as a minority partner

Incus Capital has invested €50M and taken a 23.4% stake in the renewable energy business, thus yielding a €213M valuation after the capital increase. DOMINION has also subscribed to the capital increase with €25M. Together, this injection will finance the existing pipeline that exceeds 1 Gigawatt of power (1GW).

With this agreement, DOMINION, takes another step towards its strategy of assigning a value to its renewable energy segment and guarantees the viability of the projects already in its portfolio. These are mainly located in Europe (Spain, Italy and Portugal), the Dominican Republic, and Mexico.

In the first quarter of 2022, the company plans to begin operation of wind and photovoltaic projects in Mexico and the Dominican Republic and finish the quarter with a total of 184 MW of operating assets under management.

<https://www.dominion-global.com/en/media-page/dominion-expands-its-renewable-energy-business-with-the-incorporation-of-incus-capital-as-minority-partner>

## |Dominion Results: January- June 2022

## |Summary

- All-time record half-yearly results
- Organic revenues growth above guidance: +7.5% in constant currency vs. H1 2021 ( inorganic growth: -2%, FOREX: +1.4% ).
- Turnover: +7% vs H1 2021
- EBITA & EBIT: +14% vs H1 2021.
- Global Dominion discontinued its steel stacks business in Denmark. It was the only business that required production facilities and will be sold in an orderly way. Last year the business showed around €9M in sales and a net loss of €0.8M.

Adjusted Turnover<sup>(1)</sup> by segment\_

	H1 2021		H1 2022
<b>B2B_ Services</b>	267.9€m	+6%	285.2 €m
<b>B2B_ 360 Projects</b>	144.5 €m	+11%	160.1 €m
<b>B2C</b>	91.4 €m	+2%	92.9 €m

Contribution Margin<sup>(4)</sup> by segment\_

	H1 2021		H1 2022
<b>B2B_ Services</b>	30.5 €m	+8%	32.9 €m
<b>B2B_ 360 Projects</b>	25.4 €m	+17%	29.7 €m
<b>B2C</b>	10.1 €m	-32%	6.9 €m

Mikel Barandiaran, CEO: "Our diversification, flexibility, agile decision-making and excellence in execution makes us a global company prepared to face all kinds of scenarios and has allowed us to continue growing despite the complexity of the macroeconomic context".

## |Key highlights of business segments (H12022):

- B2B Services. Organic sales growth is above the target of the strategic plan (+5%) & margins remain strong, demonstrating the capacity to absorb inflationary pressures. Contribution Margin: 11.5%. Very positive outlook.
- B2B Projects. Sales grew at double digits (+16% organic growth in H1). Margins continue to be exceptionally high, with a quarterly CM of over 19% (above the strategic goal of 15%). Renewable projects are currently in the development stages with higher margins (mainly in Spain and the Dominican Republic). Also, a very positive outlook, although margin levels will normalise in the future.
- B2C. The negative environment for consumption remains due to uncertainty, inflation and high energy prices. Revenue levels slightly increased (+2%), and the YoY number of services grew (+62,000 new services). Strong acquisition of new clients in the telecommunications vertical (+150%). Number of services in energy decreased due to a lack of competitiveness resulting from high energy prices. Return on sales is below target levels. Contribution margin: 7.4%. They highlight the strength of their distribution network and are working to be able to offer a competitive value proposition to clients in the energy market too. Global Dominion does not offer a fixed price to customers in the energy segment as they didn't want to use hedging contracts so they lost clients when prices increased. In the near future, Global Dominion will be able to cover its clients' consumption through its own renewable assets and will offer energy at a fixed price, as other entities in the market such as Naturgy and Iberdrola do.
- Recently, DOMINION has also launched Rentik, its new mobile device rental service, which already serves more than 6,000 users. It also reached an agreement with Fotoprix to offer new services and increase traffic to its stores.

€16.7M was spent buying back its own shares.

Around 35% of gross debt has variable rates (+factoring). They estimate an increase of €1M/€1.5M in financial costs for H2.

Overall, the first half of the year was very positive, continuing the growth path shown in previous quarters. Even if the macroeconomic environment is not very favourable, the firm has guided that it will meet the guidelines of the Strategic Plan (2019-2023).

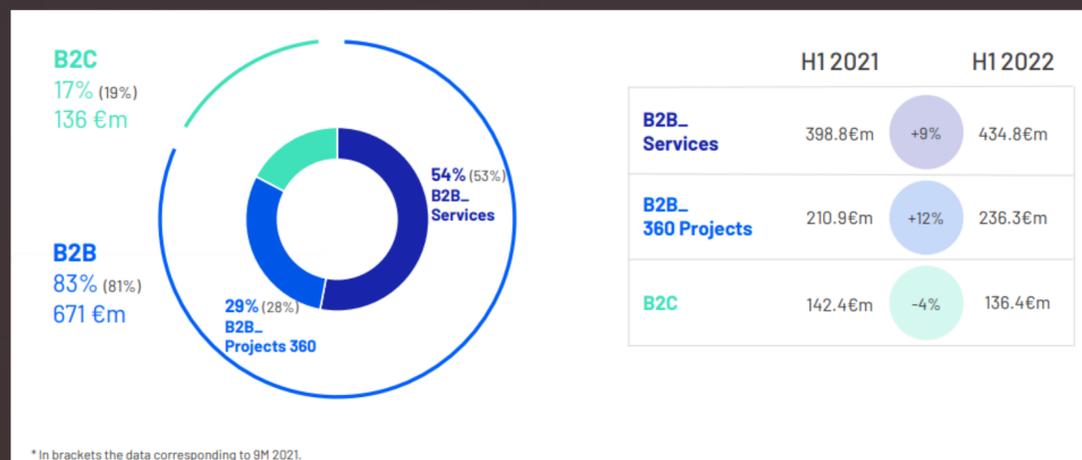
Sales	CAGR >5%
Net Income	CAGR >20%
Cash Flow generation <sup>(6)</sup>	>75% EBITA
NFD/EBITDA	<2x

|Dominion Results: January - September 2022

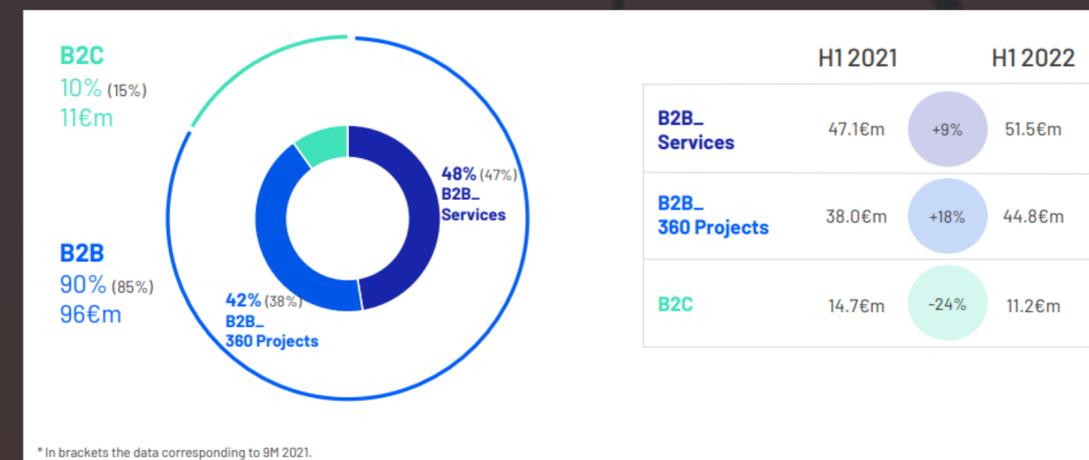
|Summary

- Organic growth in sales above guidance: +7.6% in constant currency vs. 9M 2021.
- Strong growth in B2B segments, despite the complex macro environment.
- B2C: The negative environment for consumption remains: uncertainty, inflation and high energy prices. the agreement with Repsol will reverse the negative trend that has been present in recent months.
- +17% EBITA and EBIT (strategic plan objective +10%). Margins stay strong, they even grow compared to previous quarters.
- Net income: +10% compared to 9M 2021). Lower growth than the operating margins influenced by the impact of the increase in interest rates and the valuation of assets in the current situation of market prices and exchange rates.

Adjusted Turnover<sup>(1)</sup> by segment



Contribution Margin<sup>(4)</sup> by segment





## GET IN TOUCH WITH US



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*\*We are in contact with the management team at Dominion who have answered many of our questions to improve the quality of our report.*