DOMINION

| EXECUTIVE SUMMARY

Global Dominion Access was established in 1999 as an engineering, construction, and multi-technology service supplier group whose value proposition is the maximisation of the efficiency and productivity of its clients' business processes by applying technology as a transformational element and offering end-to-end solutions.

VALUE PROPOSAL, MAIN BUSINESS AREAS AND COMPETITIVE ADVANTAGES

Global Dominion has 3 business segments:

1. B2B 360 Projects (31% of 2022's adjusted revenue),
2. B2B Services (54%),
3. B2C (15%)

In the B2B 360 Projects segment, a new production process or new infrastructure is created, in which the subsequent design, implementation and maintenance is carried out. Projects are usually one-off orders with high margins. These are comprehensive projects (typically multi-year) with a margin profile of more than 15%.

B2B Services refer 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%.

The three core sectors of focus for Global Dominion in its B2B businesses are a) T&T – Technology, Telecommunications & Infrastructure), b) Industry and c) Energy.

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 the firm 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. Global Dominion has transferred this success formula to other sectors and/or industries other than telco.

There are clear tailwinds for their activities as the digitalisation of companies, sustainability, and the maximisation of the efficiency of processes in different sectors have become increasingly necessary. 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 the Group is needed.

Source: Global Dominion

The traditional business of projects and services is not capital intensive. Its organic growth will depend on the ability of the management team to find global opportunities that can allow the firm to maintain the targeted margins. 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. Organic growth is expected to stay at high levels. Global Dominion has a significant deployment of resources in several countries, although it is still not active in all their activities. Therefore, operational leverage is to be expected.

In this sector, we have 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 players. A global player such as Global Dominion often has the edge over local competitors in terms of labour security, solvency, or capacity to support their clients in their international expansion.

During all these years, the company has been able to secure and develop a solid M&A activity with a purchase EBITDA ratio between 5 – 6x (with the aim of becoming 3x EBITDA in year three). 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.

Its renewable energy segment is a source of hidden value for the company. BAS (~99% owned by Global Dominion) is the promoter of the projects. Before, BAS always disinvested in its 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 2021-2026.

Global Dominion was looking for a minority partner to strengthen its activity, and 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 had the option to convert it into equity. In 2022, Global Dominion acquired the minority stake from Incus making an acquisition with a value gap. On the other hand, converting the convertible loan achieved a ~99% stake in BAS. We believe that the firm will manage its Renewable segment as an independent entity in the future. As Global Dominion has publicly disclosed, they are potentially considering its independent listing in the future.

Lastly, the B2C segment comprises all end-customer-oriented activities: the marketing of electricity and gas utilities, telecommunications services, insurance, and other services in the household, as well as the renting of mobile phones. 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 with a network of over 400 retail outlets. All activities currently performed in this sector are carried out in Spain. Additionally, in 2022, the company announced a partnership with Repsol that will not only improve the energy offer of the nearly 100,000 customers of Alterna, the energy vertical of its B2C segment, but will also leverage their Phone House's omnichannel network to attract new customers and hence to give an additional boost to the growth of this energy vertical.

As Global Dominion offered services to entities such as Orange, Yoigo and other telecommunication operators to manage points of sale, they gained knowledge of the operation of stores, logistics, and customer acquisition strategies. Global Dominion acquired Phone House with the idea of offering different services for customers and benefitting from cross-selling opportunities. Selling phones is a business with very low margins. However, they are a "magnet" to attract customers and sell different services. Global Dominion has decided to start focusing on each segment separately and over time it plans to benefit from cross-selling opportunities.

MANAGEMENT TEAM FOCUSED ON CREATING VALUE

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 Automotive 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).

Anton Pradera is the Chairman of Global Dominion and CIE. Global Dominion and CCIE Automotive were conceived and set up as parallel independent projects, but they shared investors. 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 into CIE Automotive, but the management teams stayed independent. The similarity in management cultures of CIE Automotive and Global Dominion clearly exists as 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.

FINANCIAL DATA AND VALUATION

From 2016 to 2022, Global Dominion grew sales at a CAGR of over 12%, demonstrating its capacity for securing a growing order book and designing accurate operating strategies to properly address customers' needs. Average organic growth during the period was 9.7%. The company has shown increasing revenues since 2015 (the 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. In 2021, Dominion exceeded pre-Covid levels in terms of activity and profitability by the end of the year, still growing above forecasted CAGR in 2022. The EBITA margin increased from 5.83% in 2016 to 7.1% in 2022.

At the current price of €3.65(1) (market cap: €577M), a simple sum-of-parts value estimation calculation gives us an estimated value that is more than double the current price (valuation of the traditional projects and services business with a terminal value = the average EV/EBIT over the last six years + valuation per discounted cash flows of assets in ownership (2GW in 2026).

We believe that the current price does not reflect the ability to generate cash in perpetuity of a company cabale of growing organically at high levels, taking advantage of opportunities to acquire global companies at attractive prices and maintaining a sound capital allocatiojn policy. In addition, its hidden value in the renewable energy segment is very likely to become more visibile in the near term.

Currently, the company has a conversión rate of EBITA in operating cash Flow of 76% and a net debt position of €163.4 million euros. It is important to consider that the traditional projects and services business operates with net cash. At the end of 2022, after taking control of BAS, Global Dominion consolidated €210 million of debt linked to renewable projects in different stages.

CAGR – Revenue (6 years)	+12%
Average Organic Growth (6 years)	9.7%
Contribution Margin / Adjusted turnover 2022	7.1%

ESG POLICY

Dominion has an active sustainability strategy approved by the Board of Directors where medium/long-term improvement commitments are established, among which Dominion highlights:

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

(1) As of 02/28/2023