

1 SENER AEROESPACIAL MANAGING DIRECTOR'S LETTER



José Julián Echevarría Aguirre, Managing Director of SENER Aeroespacial.

One highly relevant event in 2019 was the incorporation of SENER Aeroespacial as a company. Although the Aerospace business had previously formed part of SENER Engineering, last year it broke away from the latter to become a new company in its own right. This fulfilled the transformation objective conceived in 2018 with the takeover of the Tryo Group. Moreover, 2019 witnessed the beginning of the integration and organization of all the capabilities and markets which, it should be said, are very complementary, and now comprise SENER Aeroespacial:

Space (institutional and commercial), Defense, Science (including Healthcare), Broadcast and Air-traffic control.

2019 WAS THE INCORPORATION OF SENER AEROESPACIAL AS A COMPANY

The vision underpinning this transformation consists of developing SENER Aeroespacial as a company with an industrial vocation, that is becoming increasingly product-oriented, with extensive and proven multidisciplinary engineering capabilities.

These two major corporate and structural challenges are complemented by the excellent and intense work performed in the preparation and presentation of commercial offerings. These offerings, comprised within the Space programs, include Copernicus, Galileo and new telecommunication satellites. In Defense, the challenge has been to lay the foundations for significant growth, in light of opportunities on the domestic front, such as Santiago II, or other international openings, such as our participation in the NGWS (Next Generation Weapon Systems) Remote

Carriers Pillar, which began to take shape in the first few months of the year. In order to provide the Defense area with a personality of its own and boost its expansion, Rafael Orbe joined SENER Aeroespacial at the beginning of 2020.

Despite the delays in contracting in 2019, SENER Aeroespacial's performance was satisfactory, with ordinary revenue totaling 99.821 million Euros, with 83% corresponding to exports, and profits of 13.721 million Euros.

Investments in R&D totaled 11.1 million Euros, and at year-end, SENER Aeroespacial employed a workforce of 623 across its offices in Madrid, Bilbao, Barcelona and Poland.

SENER Aeroespacial will continue to monitor the rapid evolution of technologies from different areas very closely.

DESPITE THE DELAYS IN CONTRACTING IN 2019, SENER AEROESPACIAL'S PERFORMANCE WAS SATISFACTORY



No company can conceivably cover all areas, meaning that specialization is of the essence, which is why we will maintain an open and very close attitude to universities, institutes and research centers. We will stay focused on the role that Europe continues to play in defense, where we restate our commitment to provide the Ministry of Defense of Spain with all our capabilities and assets to support the domestic industry through alliances, industrial cooperation and the development of an increasingly larger product portfolio.

In Space, we will continue to bolster all our activity to ensure that the outstanding growth of recent years does not flag, without losing sight of the expected take-off in the telecommunications satellites market.

SENER's multidisciplinary and excellence-driven culture pushes it towards a constant evolution in which innovation, involvement in highly-complex and value-added programs and products, and leveraging the stellar talent of our human assets are essential if we

are to grow, be reliable and compete profitably.

The future will bring exciting challenges worthy of our technical potential, and in which, once again, our professionals will be the driving force.

José Julián Echevarría Aguirre
Managing Director of SENER Aeroespacial