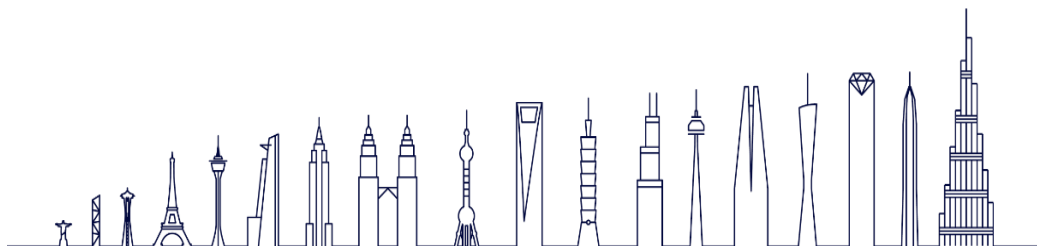




ZARDOYA OTIS, S.A

QUARTERLY REPORT FOR 4TH QUARTER 2020

FISCAL YEAR: DECEMBER 1, 2019 – NOVEMBER 30, 2020



1. ENVIRONMENT AND PROSPECTS

According to the **International Monetary Fund (IMF) Annual Report 2020**, the world is facing a crisis like no other. To tackle the health emergency, countries had to bring economic life to a standstill during the Great Lockdown, which created the worst recession since the Great Depression. Enormous uncertainty clouded the prospects for the global economy and the world is facing the pandemic's unknowns.

In addition, according to the data of the **IMF Executive Board in its consultation with Spain**, our country has been one of the hardest hit by the Covid-19 pandemic, which has affected Spain's society and economy severely after five years of heavy growth in employment.

Under a baseline scenario without new widespread strict containment measures, the IMF has forecast that activity will contract by about 12% in 2020, and partially recover by about 7% in 2021. According to the IMF, the recovery rests on a strong rebound in private consumption and a substantial increase in public investment financed mainly by the funds of the **EU Recovery and Resilience Facility**. The outlook is highly uncertain and will crucially depend on the containment of the different wave of infections and the preparedness of the health system; size, timing, and composition of EU-funded additional spending; as well as on the success of policy measures to mitigate the pandemic's consequences.

The **IMF forecasts for the 3 countries where the Zardoya Otis Group operates** are set out below, although the FMI itself acknowledges that, in the present context, it is difficult to make forecasts:

GDP	2018	2019	2020	Forecasts		Outlook		
				2021	2022	2023	2024	2025
SPAIN	2.4%	2.0%	-12.8%	7.2%	4.5%	3.4%	2.8%	1.5%
PORTUGAL	2.6%	2.2%	-10.0%	6.5%	4.8%	2.9%	2.0%	1.7%
MOROCCO	3.0%	2.2%	-7.0%	4.9%	3.5%	3.7%	3.7%	3.7%

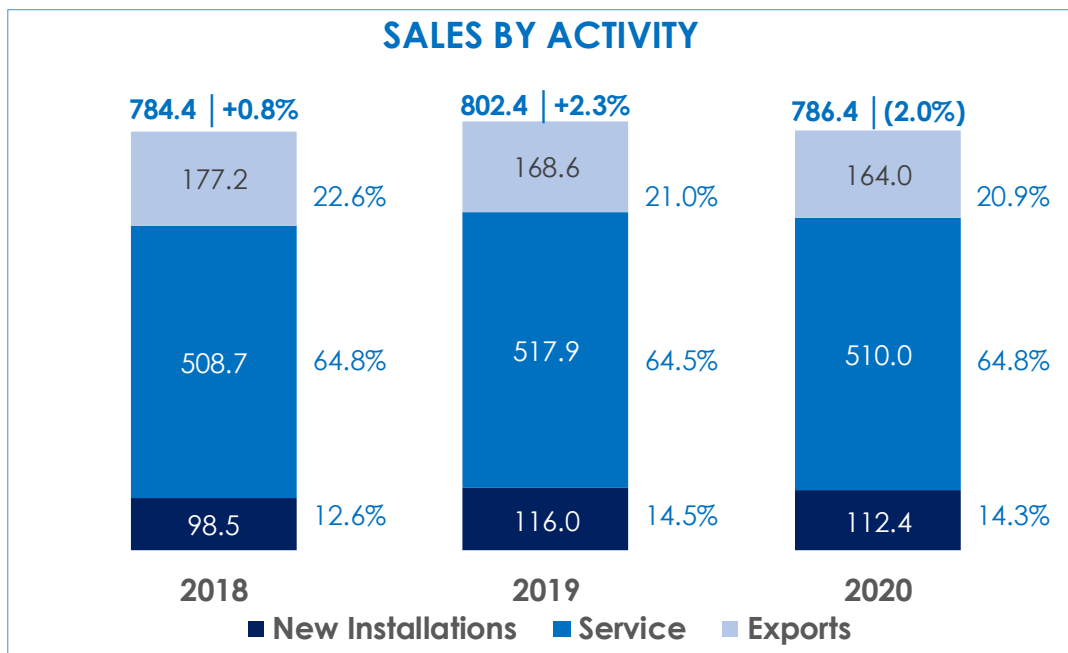
CPI	2018	2019	2020	Forecasts		Outlook		
				2021	2022	2023	2024	2025
SPAIN	1.7%	0.7%	-0.2%	0.8%	1.4%	1.6%	1.6%	1.7%
PORTUGAL	1.2%	0.3%	0.0%	1.1%	1.2%	1.2%	1.4%	1.5%
MOROCCO	1.6%	0.2%	0.2%	0.8%	1.2%	1.6%	1.8%	2.0%

UNEMPLOYMENT	2018	2019	2020	Forecasts		Outlook		
				2021	2022	2023	2024	2025
SPAIN	15.3%	14.1%	16.8%	16.8%	15.7%	14.9%	14.4%	14.2%
PORTUGAL	7.0%	6.5%	8.1%	7.7%	6.9%	6.5%	6.2%	6.0%
MOROCCO	9.8%	9.2%	12.5%	10.5%	9.7%	9.1%	8.7%	8.5%

2. BUSINESS EVOLUTION

SALES:

Total consolidated sales at the end of the fourth quarter of 2020 were 786.4 million euros, in comparison with the 802.4 million euros at the end of the fourth quarter of 2019, representing a drop of 2.0%. We can consider this figure as moderate, given the economic consequences generated by the Covid-19 pandemic, which has affected a great majority of sectors and markets worldwide.



(Millions of euros – cumulative figures at the end of 2020)

For comparative purposes, the New Installations and Service figures for the periods 2019 and 2018 include reclassifications between them for EThs 52,464 and EThs 41,994, respectively, relating to new elevators installed in buildings that did not originally have an elevator. For presentation purposes, the Zardoya Otis Group now considers this activity as New Sales while, in the past, it was considered part of the Service activity.

New installations

The value of new installations at the end of 2020 was 112.4 million euros, 3.1% down on the 116.0 million euros in 2019. However, the 2020 value continues to be 14.1% higher than the value in 2018 and much higher than that of preceding years, with cumulative growth of 74.6% since the end of 2015. In 2020, new installation sales accounted for 14.3% of total sales (14.5% in 2019).

Service

Consolidated service sales totalled 510.0 million euros (517.9 million euros in 2019), representing a decrease of 1.5%, continuing the trend shown in previous quarters of exceeding 2018 levels.

The service activity represented 64.8% of the Group's total billing in 2020 (64.5% in 2019).

Exports

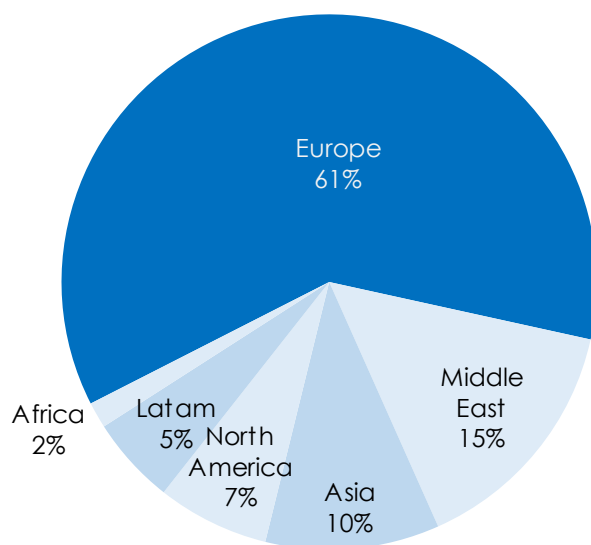
At the end of 2020, net accumulated Export Sales, after elimination of the sales to our subsidiaries in the consolidation process, were 164.0 million euros, 2.7% down on the 168.6 million euros obtained in 2019.

In spite of this drop, the behaviour of export figures showed an upward trend during the whole of 2020, reaching 37.6 million euros in the first quarter, 38.4 in the second, 41.2 in the third and, finally, 46.8 million euros in the fourth quarter of 2020. The fourth-quarter figure compares favourably with the 43.1 million euros of the fourth quarter of 2019, showing an increase of 8.7%.

Export sales represented 20.9% of Group consolidated sales at the end of 2020 (21% at the end of 2019).

Exports to European countries grew by 6.4% in comparison with the preceding year and exports to African countries more than doubled, as a result of our special effort to introduce our products into these countries and also into those in central and northern Europe.

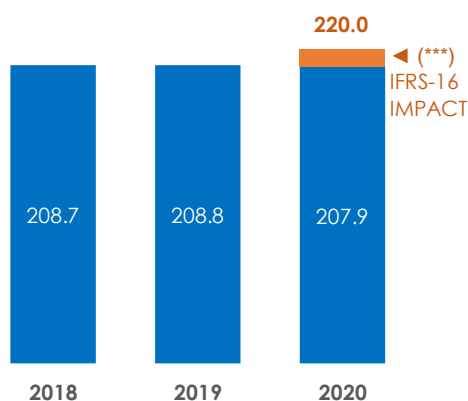
EXPORTS BY REGION



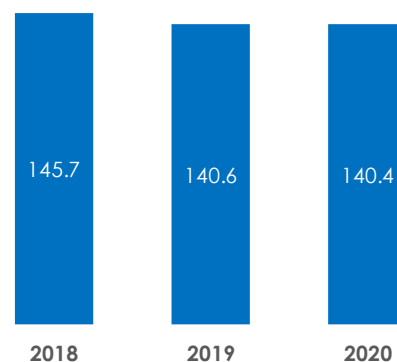
The graph shows the geographical destinations of the exports of 164.0 million euros in 2020.

RESULTS:

EBITDA (*)



CONSOLIDATED PROFIT AFTER TAX (**)



(*) EBITDA in millions of euros – cumulative figures at the end of each fiscal period.

(**) Consolidated profit after tax on continuing operations attributable to the Company's shareholders for each fiscal period – expressed in millions of euros.

(***) Shows the impact higher depreciation of 11.4 million euros and 722 thousand euros of finance cost, resulting from application of IFRS 16 "Leases".

EBITDA (operating profit plus amortization and depreciation) at the end of 2020 was 220.0 million euros, 5.3% higher than the 2019 figure

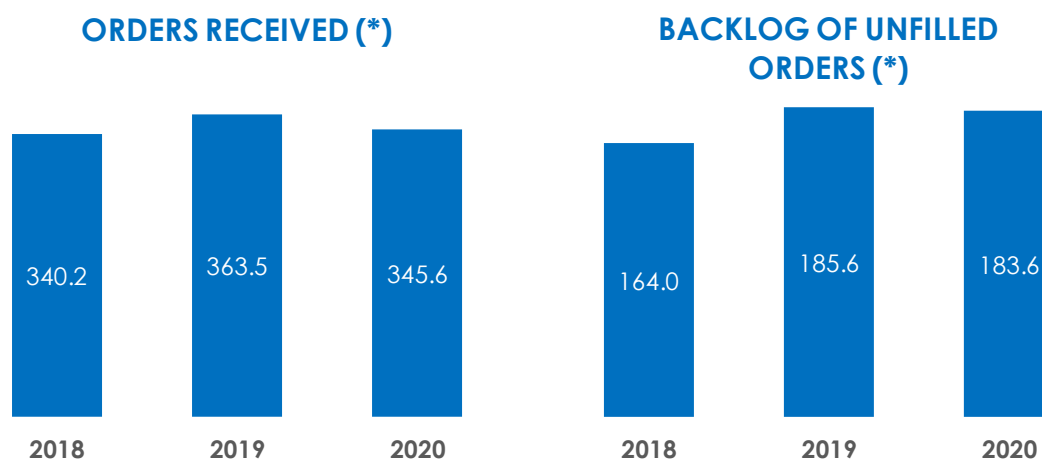
The year-end EBITDA includes the positive effect of 11.4 million euros derived from application of “IFRS 16. Leases”, which introduces the requirement for companies to report leased assets attached to their activity on their balance sheets (as mentioned in Note 7 of the Notes to the Interim Financial Statements for the second semester of 2020, the Group has been applying this Standard since December 1, 2019, although it has not restated the comparative figures for the fiscal year ended November 30, 2019, as permitted by the Standard’s specific transitional rules). If the aforementioned effect of IFRS 16 is not included, the resulting EBITDA would have been 207.9 million euros, similar to the 208.8 million euros of 2019.

Consolidated profit before tax was 185.6 million euros in 2020, 0.9% down on the 2019 figure.

Profit after tax was 140.4 million euros in 2020, slightly down by 0.1% on the 140.6 million euros obtained in 2019.

As in the first semester of 2020, in the second semester the Group continued to apply numerous operational, commercial and cost containment measures, which partially allowed us to offset the impacts of the worldwide pandemic. At the same time, we placed priority on the safety of our employees and customers, in order to ensure the service level to which our customers and users are accustomed.

3. OTHER KEY DATA



(*) Includes cumulative figures at the end of each fiscal period for New Sales, Modernizations and Exports.

For comparative purposes, the orders received figures for 2019 and 2018 include sums of EThs 148,745 and EThs 151,102, respectively, relating to exports to distributors, other Otis companies and end customers in the Marine sector. Similarly, the backlog of unfilled orders for 2019 and 2018 contains sums of EThs 25,465 and EThs 20,669 for the same items. For presentation purposes, the Zardoya Otis Group now includes the transactions described in their Exports figures.

Orders received and backlog of unfilled orders

At the end of 2020, the total cumulative amount was 345.6 million euros, including orders received for modernizations, new installations and exports, in both new and existing buildings and Marine. In the case of Marine, it has been affected by the pandemic, since it includes the international cruise ship activity, which has not shown any signs of recovery to date. The cumulative figure at the end of 2020 represents a decrease of 4.9% on the 363.5 million euros obtained in the same period of 2019, although it is higher than the 2018 figure.

The backlog of unfilled orders at the end of 2020 was 183.6 million euros, a moderate decrease of 1.1% in comparison with the 185.6 million euros at the end of 2019.

Units under maintenance

In spite of the unfavourable economic environment due to the pandemic, our units under maintenance remained stable and showed a slight growth of 0.2% in comparison with the end of 2019, totalling 294,333 units at the end of 2020. Attention should be drawn to the fact that we have been successful in maintaining our portfolio almost through organic growth alone, in spite of the difficulties the economy is undergoing.

4. CONDENSED CONSOLIDATED INCOME STATEMENT

(Cumulative figures at the end of the fiscal year expressed in millions of euros)

	2020	2019
SALES	786.4	802.4
OTHER REVENUE	1.7	1.3
RAW MATERIALS AND CONSUMABLES USED	(248.1)	(274.0)
EMPLOYEE BENEFIT EXPENSE	(268.9)	(262.1)
OTHER EXPENSES	(51.1)	(58.8)
EBITDA (*)	220.0	208.8
AMORTIZATION, IMPAIRMENT AND GAINS/(LOSSES) ON DISPOSALS OF FIXED ASSETS (*)	(33.6)	(21.6)
OPERATING PROFIT	186.3	187.2
REVENUE FROM FINANCING ACTIVITIES	0.2	0.3
COST OF FINANCING ACTIVITIES (*)	(1.1)	(0.2)
NET FOREIGN EXCHANGE DIFFERENCES	(0.1)	(0.1)
OTHER GAINS/LOSSES	0.2	0.0
PROFIT BEFORE TAX	185.6	187.2
INCOME TAX EXPENSE	(44.5)	(46.0)
PROFIT FOR THE YEAR	141.1	141.2
ATTRIBUTABLE TO:		
ATTRIBUTABLE SHAREHOLDERS	140.4	140.6
NCI	0.7	0.7

(*) In 2020, shows the impact of higher depreciation of 11.4 million euros and 722 thousand euros in finance costs, derived from application of "IFRS 16. Leases".

5. DIVIDENDS

The Board of Directors, at its meetings held in December 2019 and March 2020, approved, respectively, the third interim dividend charged to the 2019 profit and the first interim dividend charged to the 2020 profit, which were paid out on January 10 and April 9, 2020, respectively. In addition, the Ordinary General Shareholders' Meeting of Zardoya Otis held on June 16, 2020 passed a resolution to distribute a dividend charged to reserves, which was paid out on July 10, 2020. Subsequently, at its September meeting, the Board of Directors approved the second interim dividend charged to the 2020 profit, which was paid out on October 9.

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
January 10	0.080 euros	3rd interim 2019	470,464,311	37,637,144.88 €
April 09	0.080 euros	1st interim 2020	470,464,311	37,637,144.88 €
July 10	0.060 euros	Reserves	470,464,311	28,227,858.66 €
October 9	0.065 euros	2nd interim 2020	470,464,311	30,580,180.22 €
Treasury shares			(385,869)	(109,972.67) €
Total			470,078,442	133,972,355.97 €

6. TREASURY SHARES

The Ordinary General Shareholders' Meeting of Zardoya Otis, S.A. held on May 23, 2018 authorized the Board of Directors to acquire, directly or indirectly, treasury shares of Zardoya Otis, S.A., observing the limits and requirements set out in article 146 and related articles of the Capital Companies Law.

At its meeting of December 11, 2018, the Board of Directors agreed to acquire treasury shares so that they could be used in company acquisition transactions.

At November 30, 2020, Zardoya Otis, S.A. held 1,420,016 treasury shares (385,869 treasury shares at the end of 2019) for a value of EThs 8,087 (Eths 2,572 at the end of 2019).

In F.Y. 2020, 1,598,708 shares were acquired for a value of EThs 8,806. On November 4, 2020, a non-controlling interest of 5.87% was acquired in Ascensores Pertor, S.L. through a share exchange, in which 564,561 shares, valued at EThs 2,964 with an acquisition cost of EThs 3,291, were handed over.

7. FINANCIAL RISK MANAGEMENT FOURTH QUARTER 2020

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management program is focused

on the uncertainty of the financial markets and trying to minimize any potential adverse effects on the Group's financial profitability.

Risk management is controlled by Group Management in accordance with the supplementary information to the annual corporate governance report as of November 30, 2019. Management assesses and hedges financial risks in close collaboration with the Group's operating units, in order to:

- Ensure that the most important risks are identified, assessed and managed,
- Ensure an appropriate operating segregation of the risk management functions,
- Ensure that the risk exposure level accepted by the Group in its operations is in line with its risk profile.

8. SIGNIFICANT EVENTS AS OF THE FOURTH QUARTER 2020 AND AFTER THE REPORTING DATE

At its December meeting, the Board of Directors approved the third interim dividend charged to the 2020 profit, which was paid out on January 11, 2021 as follows:

Date	Gross per share	Charged to	Shares entitled to dividend	Gross total
January 11	0.068 euros	3rd interim 2020	470,464,311	31,991,573.15 €
Treasury shares			(2.049.865)	(139,390.82) €
Total			468,414,446	31,852,182.33 €

In 2020, companies belonging to the CGU Zardoya Otis Group (Spain) acquired 100% of the shares in the companies N&V Servirema S.L.U. (February 25, 2020) and Puertas Automáticas Seleman, S.L (October 1, 2020). Likewise, a non-controlling interest of 5.87% was acquired in Ascensores Pertor, S.L. (November 4, 2020) and, after the 2020 reporting date, a non-controlling interest of 20% was acquired in Ascensores Eleva (December 22, 2020).

MEASURES TO COMBAT THE HAZARDOUS SITUATION CAUSED BY COVID-19

The reports published previously on the F.Y. 2020 set out the measures that the Zardoya Otis Group has adopted in the light of the situation caused by the pandemic, in order to ensure the health and safety of its customers and employees, as well as the continuity of its operations and its levels of service, within the limitations imposed by the regulations in force during each phase of the process.

In addition to technical assistance, Zardoya Otis is currently remotely monitoring the operation of more than 100,000 elevators on a permanent basis using predictive analysis, thus avoiding incidents before they occur and also solving failures through remote intervention.

9. EXHIBIT – KEY DATA:

At the end of fiscal year 2020 (December 1, 2019 – November 30, 2020), the total consolidated figures and the comparison thereof with those for the fiscal year 2019 were as follows

Key Data, 4th Quarter 2020			
<i>Consolidated figures in millions of euros</i>			
Results	2020	2019	% variance 20/19
EBITDA (*)	220.0	208.8	5.3
EBITDA (w/o IFRS-16 impact)	207.9	208.8	(0.5)
Profit before tax	185.6	187.2	(0.9)
Profit after tax	140.4	140.6	(0.1)

Sales	2020	2019	% variance 20/19
New Installations	112.4	116.0	(3.1)
Service	510.0	517.9	(1.5)
Exports	164.0	168.6	(2.7)
Total	786.4	802.4	(2.0)

Orders received (**)	2020	2019	% variance 20/19
Orders received	345.6	363.5	(4.9)
Backlog	183.6	185.6	(1.1)

Units under maintenance	2020	2019	% variance 20/19
Units under maintenance	294,333	293,746	0.2

(*) Shows the impact of higher depreciation of 11,4 million euros derived from application of "IFRS 16. Leases".

(**) Includes the New Installations, Modernizations and Exports figures.