

# Annual report 2018



lantania

lantania. 

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## THE BIRTH OF A NEW COMPANY

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Chairman-CEO  
Federico Ávila

The year 2018 will remain indelibly imprinted in my memory as the launch of this great project. After several months of intense work and preparation Lantania was officially born as a brand on 12th September with the acquisition of the construction, water and energy business units of the Isolux Corsán Group and once all the necessary permits, licenses and classifications were obtained.

With a high degree of uncertainty as well as great excitement the last quarter of 2018 has been really difficult facing with full trust what we were about to undertake.

Once this first financial year is closed, we could doubtless affirm that 2018 has been, an outstanding year for Lantania.

From the financial point of view, we have raised our revenues up to 58.5 million euros compared to the Euro 40 million initially predicted as well as a reported EBITDA of 7.7 million euros and a pre-tax profit of 5.3 million. The generated cash flow has been mainly allocated to service the debt that was reduced by a 33% reaching a debt to EBITDA ratio of 2.3 times.

To even emphasize the importance of these figures, we have to bear in mind that 2018 was the year to also relaunch

at the same time all the projects acquired as backlog from Isolux Corsán.

With the advise of PricewaterhouseCoopers (PwC) we have concluded our 2018-2022 Business Plan that analyses in depth the key aspects of the company and the external environment, establishes our Marketing Plan and defines an application plan with specific actions for this period, concluding with financial projections and a sensitivity analysis based on different scenarios.

In brief, the plan establishes the main strategic lines for the upcoming years, as well as the purpose of reaching revenues of 145 million euros for the year 2022 in the baseline scenario, the most conservative. Likewise, it contemplates reaching 200 million euros in a more favourable environment. The programme includes investments of 11 million euros for the acquisition of new businesses, purchase of assets and investments in productive technological improvements and corporate transformation measures.

As part of this process of transformation and continuous improvement, we have started a collaboration with the technology consultant Nae to design our digital transformation plan. This is a cross-sectional project which involves almost all of the company's departments,

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1. Including all the companies of the Lantania Group.

that has a double objective: to support the execution and development of productivity, as well as to improve the project management control.

Among the company's main goals for the upcoming years is the development of the international market. To this end, we have established an internal team focused to design a sound international corporate strategy for all the divisions of Lantania and will be initiating tendering activity in foreign countries by early 2019.

As proof of our commitment to the HSE and QA/QC policies in August, the AENOR entity granted us the ISO 9001, ISO 14000 and OSHAS certifications, in the areas of quality, environment and Health & Safety.

On the commercial side, it is worth mentioning that after the obtention of our qualification to contract with public clients in Spain in September we initiated our public tendering activity. In terms of contracting figures, the fiscal year 2018 was closed with results above budget in our business plan, exceeding our targets by more than 20%. Among the main contracts, we can highlight the award of the turnkey of 4 solar PV farms (125 MW), the construction of an electrical substation for CAF in Corella (Navarra) and the construction of a residential

complex of 43 homes for the real estate developer Brosh in Colmenar Viejo (Madrid).

*During 2018 we set up the bases that will make 2019 the year of consolidation of the new company*

In November, Lantania joined as a full member the National Association of Independent Construction Companies (ANCI), the most representative institution of large and medium-sized unlisted construction companies in Spain. Additionally, in the last part of the year, we formalised our membership in the Spanish Road Association (AEC) and in the Technical Road Association (ATC), entities with which we share the commitment to sustainability and infrastructure quality.

In December, and after some months in a temporary location, Lantania finally moved to the new headquarters, located in las Tablas district in Madrid. The new corporate office, modern and

functional, is a good display of our values of transparency, communication and teamwork.

In summary, we can conclude that during 2018 we set up the bases that will make 2019 the year of consolidation of the new company. To this end, besides our financial objectives of our business plan, we have set out other milestones of equal or greater relevance than the financials: to enter with certain strategic clients/markets, to start of international tendering and the completion of certain corporate operations that will lead us, to strengthen our positioning and increase our backlog.

I would not like to end without expressing my gratitude to the support, effort and dedication of all the professionals who make part of this project with their commitment to Lantania during the last twelve months.

I am confident that, all together, we will turn 2019 into another outstanding year.



## OUR PHILOSOPHY

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*At Lantania, we understand long-term business success as economic results, social action and environmental care, combined with ethics and transparency as the basic foundations of our work.*

Lantania makes large transport, water and energy infrastructures a reality in order to improve the life quality and build a cleaner and more sustainable world, generating value for customers, employees and shareholders.

The company began its journey in early 2018 with the acquisition of the construction, water and energy business units of the Isolux Corsán Group by a team of former directors of what used to be the sixth Spanish infrastructure group. The formal birth of Lantania occurred in September of the same year, when the group takes its current name and starts with a work portfolio of 200 million euros and assets close to 70 million euros.

The team combines the vigour and enthusiasm of a young company with the experience, resources and power of a worldwide reference company. Lantania is structured in three main business areas: infrastructure, water and environment, and energy.

The company has an important machinery range, which once belonged to Isolux

Corsán, and has participated in the execution of large projects, with the construction of more than 500 km of roads, more than 120 km of railway lines and the construction of more than 14,000 homes. It has also developed projects for the collection, purification, distribution, collection of spills and water purification, with more than 900 km of pipelines. In terms of energy, it has a team which has executed generation, transmission and distribution projects, highlighting the construction of more than 50 substations in Spain.

The company is a member of the National Association of Independent Construction Companies (ANCI), the Spanish Road Association (AEC) and the Technical Road Association (ATC).



Asociación  
Técnica  
de Carreteras  
Comité nacional español de la  
Asociación Mundial de la Carretera



Asociación  
Española de la  
Carretera

## SOLVENCY

Lantania has a team of more than 150 professionals with an average experience in the sector over 22 years and a range of machinery of more than 1,200 references, bringing together the know-how and technical resources of a worldwide leading company with almost 90 years of history in the infrastructure, water and energy markets. 50% of the workforce is made up of senior graduates, of which almost 75% have a technical degree (architects and engineers). The department of the Machinery inventory covers different work areas: earthworks, rigid and flexible surfaces, machinery for railway installations, tunnelling machines, etc. as well as auxiliary topographic, electrical, telecommunications and environmental measurement equipment.



## MANAGEMENT TEAM

**Lantania**  
c/ Sobrado, 2

**Chairman-CEO**  
*Federico Ávila*

**Chief Financial  
Officer - CFO**  
*Andrés Álvarez*

Administration  
Treasury  
Legal services  
Procurement  
Health & Safety  
QA/QC and  
environment  
Machinery park  
IT

Human  
Resources  
Financing

**Chief Operations Officer - COO**  
**Infrastructures and Water**  
*José Alberto Carrasco*

Tendering  
and  
contracting  
Engineering  
South  
Central  
Region  
North Region

East Region  
Northwest  
Region  
Building

**Chief Operations Officer - COO**  
**Energy and Services**  
*Luis Manuel Corrales*

Renewable energies  
Transmission and Distribution  
Traction power  
Services and maintenance





## LANTANIA INFRASTRUCTURE

**+500 km**

highways

**+120 km**

rail infrastructure

**+14.000**

homes



## LANTANIA WATER

**+70**

water treatment plants

**+900 km**

of water pipelines



## LANTANIA ENERGY

**+1GW**

renewable generation

**+50**

substations

**+2.000 km**

of transmission lines

## BUSINESS LINES

**LANTANIA INFRASTRUCTURES.** Lantania builds and develops large infrastructure projects, such as roads, railways or buildings. The group has a technical solvency that is a benchmark in the market, a great experienced professional team and a first level machinery park.

**LANTANIA WATER.** The company carries out projects such as the water capture, water pumping and lifting stations, as well as irrigation networks, basins and regulatory tanks, dams, mini hydroelectric power plants, supply networks, sanitation and sewer pipelines. Regarding water treatment and purification, it develops drinking water treatment plants (DWTP), wastewater treatment plants (WWTP) and seawater desalination plants.

**LANTANIA ENERGY.** Lantania builds solar pv farms, wind farms, hydroelectric plants and transmission and distribution infrastructure. Furthermore, it develops traction power projects (traction substations and overhead line). The maintenance and services department aims at maintaining the facilities and infrastructure of its customers, both private companies and public administrations.

## CORPORATE SOCIAL RESPONSIBILITY

The coherence between the way of understanding and doing business in Lantania and our Mission, Vision and Values make Corporate Social Responsibility be structured around the following principles:

- Compliance with national and international legislation that may affect any of the company's business and projects.
- The identification and predictions of possible social, environmental and economic impacts that our activities could cause, as well as the implementation of all the corrective measures necessary to mitigate these impacts.

All the foregoing always based on a firm and permanent commitment of the senior management of Lantania to manage the company while considering any impact that our activities may generate on our customers, our employees, our shareholders, on the communities where we develop our activity and on the environment. In short, on society in general.

## HEALTH & SAFETY

The Management team of Lantania considers it essential to protect the people who carry out their activity in our company against Occupational Risks, so as to satisfy their right to an effective protection in Health and Safety.

Therefore, it is established and documented a Corporate Policy for Occupational Health and Safety as a performance model for our activities and a reference for our Health and Safety Management System.

By means of this policy, we commit to:

- Analyse the procedures, their processes, the techniques, the means and the raw materials in order to eliminate, reduce or control the different types of concurrent occupational risks.
- Identify and evaluate the risks of the activity, in order to eliminate, avoid or reduce exposure to risks.
- Prevent damage and deterioration of health with the aim of reducing accidents and occupational diseases.
- Guarantee the provision of general information to employees through their representatives, as well as of direct information of the specific risks affecting their respective jobs or

functions and of the enforcement and prevention measures applicable to said risks.

- Ensure the possibility of consultation by the employees and allow their participation in the framework of all issues affecting Health and Safety.
- Guarantee the provision of an adequate and complete Health and Safety training to the employees for the correct development of their work.
- Guarantee the human and material resources necessary for the fulfilment of the preventive activity.
- Comply with the applicable legislation on Occupational Health and Safety and other Health and Safety requirements

that the Organisation agrees to. Keep the corresponding information available and conveniently updated.

- Develop, implement and periodically review the Health and Safety Management System of our Organisation, in addition to adopting measures that will continually improve the effectiveness of said system.
- All employees are responsible for engaging in safety and health behaviours, as well as for reporting possible risks due to these.

This policy is kept and promoted with the commitment of all the officers, managers and workers of Lantania.

## OUR POTENTIAL BENEFITS



Guarantee the ability to provide products and services that meet the requirements of our customers



Provide opportunities to increase customer satisfaction



Address the risks and opportunities associated with our context and our objectives



Identify, design, develop and manage innovative solutions



Comply with the applicable legal and regulatory requirements

## QA/QC AND ENVIRONMENT

Lantania has a QA/QC and Environmental Management System, which is an integral part of the activities it carries out.

The principles by which they are governed are stated in our Quality Policy and Environmental Policy, all of them in accordance with the guidelines of ISO 9001 and ISO 14001 standards.

At Lantania, we firmly believe that the Quality of our work is an essential factor to consolidate and expand our businesses. Therefore, we seek to obtain maximum satisfaction from our customers, through the strict compliance with their requirements and always trying to meet their expectations.

Likewise, our commitment to the environment, the prevention of pollution and the continuous improvement of the environment-friendly performance of all the activities that we develop makes us drive an efficient and sustainable use of resources.

The Management team of Lantania demonstrates its leadership and commitment to management systems, ensuring that they are compatible with the context and strategic direction of our organisation. The operational implementation of this commitment is incorporated at all levels of management, with active support from our entire organisation.



## R&D

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During 2018, we focused our efforts on the launch of a technological innovation project consisting of a management, control and information system in the infrastructure sector.

The main objective of this software development is to obtain a tool that allows to work in a simple and efficient way on the data related to the production, easing the planning of works.

Only in this first financial year, the Lantania team has dedicated more than 3,500 hours of work to the definition of requirements, design, tests and the validation of the model. Moreover, the collaboration of several external consulting and software development companies is added to the foregoing.

The project began its specification and development phase in 2018, with the testing and validation phases being planned for the fiscal year 2019.







Key projects

## NEW HIGH-SPEED RAIL CORRIDOR OF THE BASQUE COUNTRY SECTION: ZIZURKIL – ANDOAIN

- **Type of work:** Railway
- **Works carried out as a Joint Venture:** Lantania - Dragados - Comsa - Leza - Amenabar (Lantania has a share of 18.5%)
- **Client:** Eusko Trenbide Sarea (Basque government)
- **Budget:** €153,162,765.09 (excluding VAT)
- **Expected completion date:** June 2019
- **Main figures:**

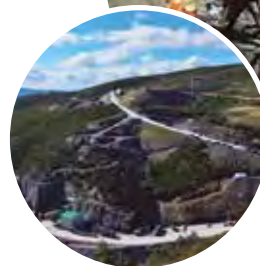
- Tunnel excavation in mine: 713,190 m<sup>3</sup>
- Projected concrete: 59,917 m<sup>3</sup>
- Support bolts: 209,533 m
- Trusses HEB-160, HEB-180 or TH-29: 103,734 m
- HM-30 concrete coating with fibres: 67,124 m<sup>3</sup>
- Reinforced or prestressed concrete in structures: 51,698 m<sup>3</sup>
- Steel bars to assemble: 10,013,041 kg
- Steel for prestressing: 51,367 kg



## MADRID – GALICIA HIGH SPEED RAIL CORRIDOR PLATFORM SECTION: TUNNEL OF THE CORNO RIGHT TRACK

- **Type of work:** Railway
- **Works carried out as a Consortium:** Lantania - Taboada and Ramos (Lantania has a share of 70%)
- **Client:** ADIF Alta Velocidad
- **Budget:** €73,418,095.12 (excluding VAT)
- **Expected completion date:** March 2019
- **Main figures:**

- Tunnel excavation in mine: 635,926 m<sup>3</sup>
- Projected concrete: 42,123 m<sup>3</sup>
- Support bolts: 265,507 m
- Trusses HEB-160, HEB-180 or TH-29: 11,372 m
- Injection micropiles of 125 mm in diameter: 8,281 m
- Concrete coating: 85,982 m<sup>3</sup>
- Reinforced or prestressed concrete in structures: 7,186 m<sup>3</sup>
- Steel bars to assemble: 974,235 kg
- Steel for prestressing: 62,289 kg
- Acero para pretensar: 62.289 kg





## MADRID – GALICIA HIGH SPEED RAILWAY LINE PLATFORM SECTION: PORTO – MIAMÁN

- **Type of work:** Railway
- **Works carried out as a Consortium:** Lantania - Avan (Lantania has a share of 75%)
- **Client:** ADIF Alta Velocidad
- **Budget:** €64,989,213.71 (excluding VAT)
- **Expected completion date:** January 2019
- **Main figures:**

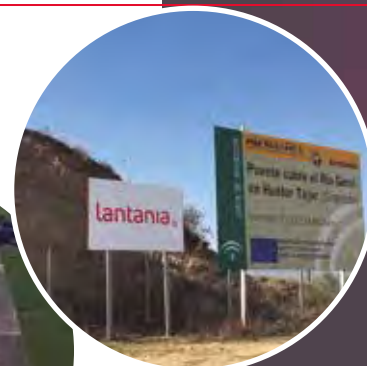
- Excavation at clearing sites or excavation for sewage and drain lines: 703,740 m<sup>3</sup>
- Excavations, trenches, pits and foundations: 276,198 m<sup>3</sup>
- Tunnel excavation: 234,884 m<sup>3</sup>
- Embankments: 894,560 m<sup>3</sup>
- Backfill: 328,936 m<sup>3</sup>
- Prepared subgrade: 58,831 m<sup>3</sup>
- Sub-ballast: 22,514 m<sup>3</sup>
- Ballast: 1,880 m<sup>3</sup>
- Concretes: 112,932 m<sup>3</sup>
- Micropiles 135 mm: 20,611 m
- Piles d=1.0-1.5-1.8: 11,271 m
- Jet grouting columns d=50 cm: 2,677 m



## BRIDGE OVER THE GENIL RIVER IN HUÉTOR-TÁJAR

- **Type of work:** Roads
- **Client:** Public Works Agency of the Regional Government of Andalusia
- **Budget:** €6,667,631.56 (excluding VAT)
- **Expected completion date:** December 2019
- **Main figures:**

- Precast concrete piles of 40 cm: 2,720 m
- Corrugated steel: 643,400 kg
- Reinforced concrete in foundations, elevations and slabs: 3,500 m<sup>3</sup>
- Sulphur-resistant reinforced concrete: 2,016 m<sup>3</sup>
- Gravel column of 90 cm in diameter: 12,031 m
- Edge box girders 1.9 m: 519 m
- Breakwater protecting slopes from 0.5 to 1 t: 5,232 m<sup>3</sup>



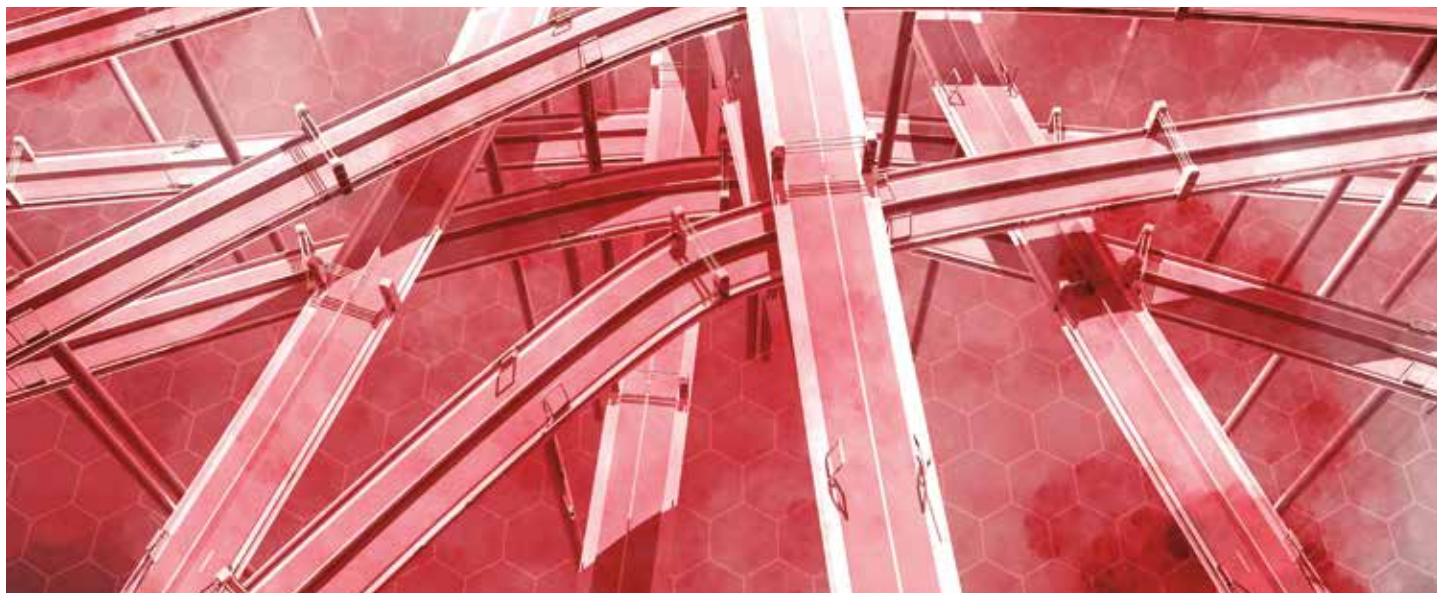
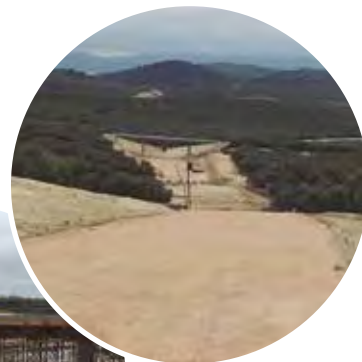




## LUCENA BYPASS ON THE A-331

- **Type of work:** Roads
- **Works carried out as a Consortium:** Lantania - General de Estudios y Proyectos, S.L. (Lantania has a share of 80%)
- **Client:** Public Works Agency of the Regional Government of Andalusia
- **Budget:** €6,313,936.30 (excluding VAT)
- **Expected completion date:** December 2019
- **Main figures:**

- Excavation at clearing sites: 319,470 m<sup>3</sup>
- Embankment stabilised with 1% lime: 153,230 m<sup>3</sup>
- Piles in situ of 1250 mm in diameter: 1,496 m
- Horizontal drain of 65 mm in diameter: 7,875 m
- Bituminous mixtures: 13,750 t
- Reinforced concrete in foundations, elevations and slabs: 2,596 m<sup>3</sup>
- Corrugated steel B500SD: 327,642 kg
- Acero corrugado B500SD: 327.642 kg





## TECHNOLOGY PARK OF BURGOS

- **Type of work:** Urbanisation
- **Client:** Institute for Business Competitiveness of the Regional Government of Castile and León
- **Budget:** €19,922,132.57 € (excluding VAT)
- **Main figures:**

- Excavation at clearing sites: 202,625 m<sup>3</sup>
- Embankments: 747,426 m<sup>3</sup>
- Stabilised soil: 80,851 m<sup>3</sup>
- Aggregate: 70,768 m<sup>3</sup>
- Bituminous mixtures: 70,305 t
- Curbs: 76,329 m
- Pavements: 104,595 m<sup>2</sup>
- Pipelines: 57,891 m
- Conduit system: 50,281 m



## ACOUSTIC PROTECTIONS IN THE MADRID – PORTUGUESE BORDER HIGH SPEED RAIL CORRIDOR SECTION: PLASENCIA - BADAJOZ

- **Type of work:** Railway
- **Client:** ADIF Alta Velocidad
- **Budget:** €2,136,850.91 (excluding VAT)
- **Expected completion date:** July 2018
- **Main figures:**
  - Anti-noise barrier of porous concrete: 7,054 m<sup>2</sup>
  - Sound-absorbing metal anti-noise barrier: 1,941 m<sup>2</sup>
  - Polymethacrylate anti-noise barrier: 769 m<sup>2</sup>
  - Piles with a diameter between 0.70 and 0.80 m: 2,250 m
  - S275JR structural steel in plates and profiles: 305,994 kg





## ENLARGEMENT AND REFURBISHMENT OF THE HOSPITAL OF GUADALAJARA

- **Type of work:** Non-residential construction
- **Works carried out as a Consortium:** Lantania - Vías y Construcciones (Lantania has a share of 50%)
- **Client:** SESCOAM (Regional Government of Castilla-La Mancha)
- **Budget:** €85,979,551.02 (excluding VAT)
- **Expected completion date:** April 2021
- **Main figures:**

- Excavation: 200,000 m<sup>3</sup>
- Concrete: 60,000 m<sup>3</sup>
- Structure made of laminated stainless steel: 500,000 kg
- Steel B 500 S: 6,500,000 kg
- Fermacell partition: 90,000 m<sup>2</sup>
- Ceramic ventilated facade: 15,000 m<sup>2</sup>
- Polished Terrazzo: 55,000m<sup>2</sup>
- Polished concrete floor: 40,000 m<sup>2</sup>
- Floor and wall tiling in marble: 15,000 m<sup>2</sup>
- Plasterboard false ceilings: 40,000 m<sup>2</sup>
- Removable false ceilings: 12,000 m<sup>2</sup>
- Inverted roof: 23,000 m<sup>2</sup>
- Aluminium carpentry: 10,000 m<sup>2</sup>



## COURT BUILDING OF SEGOVIA

- **Type of work:** Non-residential construction
- **Client:** Ministry of Justice
- **Budget:** €9,835,100.71 (excluding VAT)
- **Expected completion date:** October 2021
- **Main figures:**

- Reinforced concrete structures: 3,467 m<sup>3</sup>
- B500S corrugated steel: 417,828 kg
- Ventilated facade of polymer concrete: 2,572 m<sup>2</sup>
- Structural silicone curtain wall: 3,581m<sup>2</sup>
- Cement agglomerate pavement: 5,675 m<sup>2</sup>
- Birch wood false ceiling: 2,783 m<sup>2</sup>





## 89 HOMES, COMMERCIAL VENUES AND PARKING IN CUBELLES

- **Type of work:** Residential construction
- **Client:** Altamira Santander Real Estate
- **Expected completion date:** May 2019
- **Main figures:**

- Concrete core wall  $e=45$  cm: 4,355.99 m<sup>2</sup>
- Reinforced concrete piles  $d=65$  cm y 45 cm: 3,098 m
- Reinforced concrete structures: 5,714.43 m<sup>3</sup>
- B500S corrugated steel: 544,602.44 kg
- External enclosure: 6,773 m<sup>2</sup>
- False ceilings: 3,551 m<sup>2</sup>
- Wood and stoneware flooring: 8,234 m<sup>2</sup>



## ALMUDÉVAR DAM CONTROL OF THE IRRIGATIONS OF THE UPPER AREA OF ARAGON

- **Type of work:** Hydraulic works
- **Works carried out as a Consortium:** Lantania - Vías y Construcciones - Sacyr - Sogesa (Lantania has a share of 30%)
- **Client:** Dirección General del Agua [Directorate General on Water] (Ministry for the Ecological Transition)
- **Budget:** €84,466,805.71 (excluding VAT)
- **Expected completion date:** November 2021
- **Main figures:**

- All-in-one filling in shoulders: 6,125,789 m<sup>3</sup>
- Granular material for filters and transitions: 1,075,620 kg
- Breakwater: 262,135 m<sup>2</sup>
- Reinforced concrete: 37,596 m<sup>3</sup>
- B500S corrugated steel: 2,890 t
- Steel in helical welded steel pipes: 852,107 kg





## WASTEWATER TREATMENT PLANT WWTP, INTERCEPTOR SEWER, PUMPING STATIONS AND SEWER OUTFALLS OF NERJA

- **Type of work:** Hydraulic works
- **Client:** Dirección General del Agua [Directorate General on Water] (Ministry for the Ecological Transition)
- **Budget:** €19,210,773.9 (excluding VAT)
- **Main figures:**

- Excavations in pits, trenches or foundations: 75,562 m<sup>3</sup>
- Backfills in caissons or trenches: 43,976 m<sup>3</sup>
- Reinforced concrete: 8,623 m<sup>3</sup>
- B500S corrugated steel: 824,290 kg
- PVC pipes: 16,568 m
- Ductile iron pipe: 3,351 m
- Stainless steel pipe: 1,121 m
- High density polyethylene pipe: 2,626 m



## CONNECTION OF THE LEVANTE ALMERIENSE TANKS WITH THE PUMPING OF THE DESALINIZATION PLANT OF CARBONERAS TO THE VALLEY OF ALMANZORA

- **Type of work:** Hydraulic works
- **Client:** Aguas de la Cuenca Mediterránea (ACUAMED)
- **Budget:** €14,073,425.26 (excluding VAT)
- **Expected completion date:** December 2019
- **Main figures:**

- Trench excavation: 65,757 m<sup>3</sup>
- Trench filling: 45,486 m<sup>3</sup>
- Shoring-up: 9,964 m<sup>2</sup>
- Breakwater: 20,599 m<sup>3</sup>
- HA 30 Concrete (reinforced concrete): 2,690 m<sup>3</sup>
- B500S corrugated steel: 290,078 kg
- Ductile iron pipe of up to 400 mm: 14,513 m
- Pipe jacking: 6 units
- Coverage of 2 irrigation pools: 36,600 m<sup>2</sup>





## “LA VIÑA” HYDRAULIC SYSTEM, 2ND PHASE. VICARIO RESERVOIR

- **Type of work:** Hydraulic works
- **Client:** Ministry of Agriculture, Livestock, Fishery and Water (Government of the Canary Islands)
- **Budget:** €14,186,917.82 (excluding VAT)
- **Expected completion date:** November 2019
- **Main figures:**

- Excavations: 1,200,000 m<sup>3</sup>
- Zoned Embankment: 1,100,000 m<sup>3</sup>



## TRACTION SUBSTATIONS - PAJARES BYPASS

- **Type of work:** Railway electrification
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructures)
- **Works carried out as a Consortium:** Lantania - Alstom (Lantania has a share of 50%)
- **Award amount:** €20,928,230.18 (VAT included)
- **Expected completion date:** September 2019
- **Expected maintenance completion date:** September 2021
- **Main figures:**

- Biphasic two-position 400KV GIS substation connected to two 30 MVA traction transformers, ratio 405 kV  $\pm$  7.4%/2x27.5 kV
- 12 autotransformation centres of 20kV to power auxiliary tunnel facilities
- Laying and connecting of 360km of 18/30kV insulated MV power cable
- Associated energy remote control
- Civil works associated with the facilities



## OVERHEAD LINE AND LIGHTING - PAJARES BYPASS

- **Type of work:** Railway electrification
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructures)
- **Works carried out as a Consortium:** Lantania - Alstom (Lantania has a share of 50%)
- **Award amount:** €12,700,880.91 (VAT included)
- **Expected completion date:** September 2020
- **Main figures:**
  - 70km of overhead contact line for electrification in 2x25kV system of C350 catenary
  - System associated with tunnel lighting (30km): cable light fixtures and connection panels
  - Point heating systems





## PORTALADA SUBSTATION

- **Type of work:** Railway electrification
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructures)
- **Award amount:** €3,925,904.65 (VAT included)
- **Expected completion date:** March 2019
- **Main figures:**

- 72.5kV GIS traction substation with traction transformers approved for conventional ADIF of 6.6MVA, ratio 72.5kV  $\pm$  4%/3.3kV
- Precast concrete building
- Associated auxiliary systems
- 7 km of track electrification with CR220 catenary



## POLA DE LENA MOBILE SUBSTATION

- **Type of work:** Railway electrification
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructures)
- **Award amount:** €379,357.99 (VAT included)
- **Expected completion date:** December 2019
- **Main figures:**

- Assembly of installations for mobile substation
- 6 outputs of 3kV cc feeder
- 1 rectifier group of 3.3kVA
- Associated auxiliary installations







## VANDELLÓS SUBSTATION

- **Type of work:** Railway electrification
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructures)
- **Award amount:** €1,689,328.99 (VAT included)
- **Expected completion date:** September 2018
- **Main figures:**

- Assembly of installations for mobile substation
- 6 outputs of 3kV cc feeder
- 1 rectifier group of 3.3kVA
- Associated auxiliary installations



## EMERGENCY ACTIONS IN UNINTERRUPTIBLE POWER SUPPLY SYSTEMS (UPS)

- **Type of work:** Railway electrification
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructure)
- **Award amount:** €158,151.06 (VAT included)
- **Expected completion date:** February 2019
- **Main figures:**

- UPS Supply and Installation
- Several actions to change battery chargers and UPS in different locations and substations currently in service belonging to the northwest management of ADIF

## SUBSTATIONS AND TELECOMMUNICATIONS LINE 9. BARCELONA SUBWAY

- **Type of work:** Railway
- **Client:** Infraestructures de Catalunya
- **Works carried out as a Consortium:** Lantania - Inabensa - Comsa Industrial - Elecnor - Dominion (Lantania has a share of 20%)
- **Award amount:** €129,875,653.51 (VAT excluded)
- **Expected completion date:** December 2019
- **Main figures:**

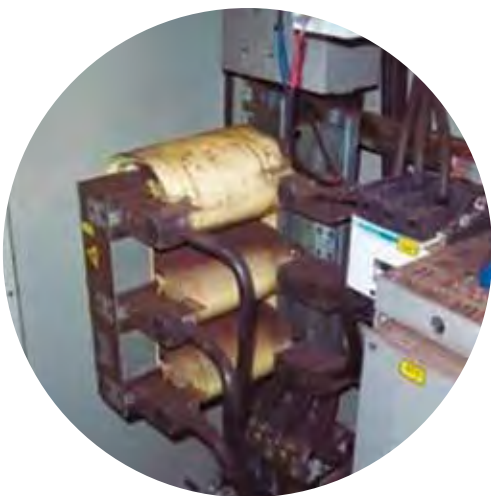
- Construction of the energy and telecommunications facilities of Line L9 of the underground of Barcelona
- Construction of 2 GIS 400kV receiving substations
- 20 traction substations
- Associated communications and remote control systems



## DIAGNOSIS OF PUMP AND VENTILATION SHAFTS

- **Type of work:** Railway
- **Client:** Metro de Madrid
- **Expected completion date:** August 2018
- **Main figures:**

- Visits and technical reports for ventilation shafts of the underground of Madrid



## OVERHEAD LINE MAINTENANCE MONFORTE DEL CID - MURCIA

- **Type of work:** Maintenance
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructure)
- **Award amount:** €4,029,726.17 (VAT included)
- **Expected completion date:** January 2021
- **Main figures:**

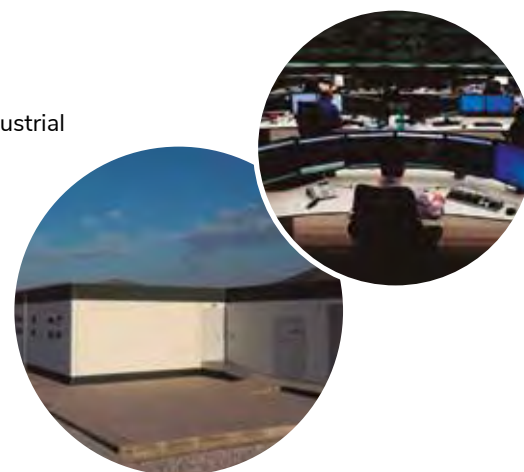
- Start of the line at the junction PK465/100  
 - End of the line PK 529/500  
 - Junctions of Torrellano and Alquerías  
 - Total of 64 km of double track  
 - Type of electrification 2x25kV  
 - Maximum speed 350km/h



## ALBACETE-ALICANTE SIGNALING SYSTEM MAINTENANCE

- **Type of work:** Maintenance
- **Client:** Administrador de Infraestructuras Ferroviarias (ADIF, for its Spanish initials - Administrator of Railway Infrastructures)
- **Works carried out as a Consortium:** Lantania - Alstom - CAF Signalling - Comsa Industrial (Lantania has a share of 25%)
- **Award amount:** 3,630,000€/year (VAT included)
- **Expected completion date:** June 2033
- **Main figures:**

- Actions in a line with 160 kilometres of double track
- 2 maintenance bases located in Monforte and Bonete
- 5 technical buildings and 15 booths
- Electronic interlocking system of Smartlock300Z (Alstom) technology, (17 ZLC and 3 CLC)
- 44 BTS, NOKIA technology
- Copper cable laying of 1,100,000 m
- Energy cable laying of 350,000 m
- Fibre cable laying of 850,000 m
- ASFA (Spanish railway signalling system) balises: 315
- Track circuits: 804
- ERTM balises: 641
- Connection boxes: 1,741
- Cajas de conexión: 1.741



## MAINTENANCE OF THE CAMPUS OF JUSTICE OF CÓRDOBA

- **Type of work:** Maintenance
- **Client:** Ministry of Government and Justice of the Regional Government of Andalusia
- **Budget:** 1,532,000.00 €/year (VAT excluded)
- **Expected completion date:** March 2019
- **Main figures:**

- Plot floor area: 12,112 m<sup>2</sup>
- Gross floor area: 50,894 m<sup>2</sup>
- Electric power demanded by the building: 4,302 kW
- HV installation: 2 CTs 2 x 1.250 kVA + GE 617,5 kVA
- Roof photovoltaic solar energy plant: 108 kWp
- Air conditioning system: VRF system, Class A
- Security installation: CCTV, PIR + Microwave
- IT installation: fibre optic cabling and UTP







## FINANCIAL STATEMENTS



Our first financial statements for a complete financial year have been conveniently audited by BDO Auditores S.L.P., expressing a favourable opinion on the faithful image of the equity and the financial situation of the Company as of 31 December 2018.

In this first financial year, Lantania has exceeded the expectations set out in the Business Plan for the 2018-2022 period, reaching revenues of 58.5 million euros, compared to the expected 40 million euros, an EBITDA of 7.7 million euros and an income before taxes of 5.3 million.

These data are even more significant if one takes into account the context in which they were generated: on the one hand, it is the financial year of the beginning of the activity, and, on the other, the reactivation of the works acquired from the previous period is a circumstance that entails an added complexity.

A particularly noteworthy fact about these results is the fact that they have destined a large part of the cash generated to the debt amortisation, reducing financial indebtedness by more than 33% and thus reaching a debt ratio to EBITDA of 2.3 times.

Lantania progresses steadily with the purpose of reaching revenues of 145 million euros for the year 2022, as provided for in the Business Plan, and even exceed 200 million euros if the context is favourable. The company also foresees the investment of 11 million euros for the acquisition of new businesses, purchase of assets and investments in productive technological improvements and corporate transformation measures.

1. Including all the companies of the Lantania Group.

## P&L

ASSETS	31/12/18
<b>NON-CURRENT ASSETS</b>	<b>10,194,782.83</b>
Intangible assets	260,434.93
Computer software	260,434.93
Property, plant and equipment	9,521,972.47
Technical installations and other Property, Plant and Equipment	9,521,972.47
Investments in Group companies and long-term associates	3,000.00
Equity instruments in Group companies and associates	3,000.00
Long-term financial investments	77,072.33
Deferred tax assets	332,303.10
<b>CURRENT ASSETS</b>	<b>59,908,100.44</b>
Inventories	3,246,411.64
Trade receivables	7,930.60
Raw materials	1,044,048.36
Work-in-process and semi-finished goods	838,962.02
Advance to suppliers	1,355,470.66
Trade and other receivables	35,911,128.05
trade receivables for sales and services	29,936,774.58
Clients Group companies and associates	2,457,638.04
Miscellaneous debtors	1,681,843.81
Other public administration loans	1,834,871.62
Short-term financial investments	2,063,756.00
Other financial assets	2,063,756.00
Cash and other similar liquid assets	18,686,804.75
Cash	18,686,804.75
<b>TOTAL ASSETS</b>	<b>70,102,883.27</b>

Figures in euros corresponding to the company Lantania S.L.U.



**BALANCE SHEET – LIABILITIES**

<b>EQUITY AND LIABILITIES</b>	<b>31/12/18</b>
<b>EQUITY</b>	<b>5,660,678.92</b>
Own equity	5,660,678.92
Share capital	1,103,000.00
Authorised capital	1,103,000.00
Results of previous financial years	(29,386.29)
Result of previous financial year	4,587,065.21
<b>NON-CURRENT LIABILITIES</b>	<b>9,608,991.41</b>
Long-term debts	9,608,991.41
Other financial liabilities	9,608,991.41
<b>CURRENT LIABILITIES</b>	<b>54,833,212.95</b>
Short-term provisions	5,503,244.74
Short-term debts	9,596,068.81
Other financial liabilities	9,596,068.81
Trade creditors and other payables	39,283,893.27
Suppliers	16,891,047.30
Suppliers, Group companies and associates	1,589,000.01
Several trade creditors	14,110,843.74
Personnel (outstanding payments)	32,541.61
Other public administration debts	3,432,666.85
Advances from customers	3,227,793.76
Accruals	450,006.13
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>70,102,883.27</b>
Cash and other similar liquid assets	18,686,804.75
Cash	18,686,804.75
<b>TOTAL ASSETS</b>	<b>70,102,883.27</b>

Figures in euros corresponding to the company Lantania S.L.U.

## INCOME STATEMENT

PROFIT AND LOSS STATEMENT	31/12/18
<b>Net business turnover</b>	53,022,536.42
Net sales	53,022,536.42
Variation in stocks of finished and semi-finished products	(92,601.23)
Work carried out by the Company for its assets	-
Other operating revenues	3,416,757.17
Supplies	(35,963,633.77)
Consumption of merchandise	
Cost of raw materials and other consumables used	(13,053,398.80)
Works carried out by other companies	(22,907,570.51)
Personal expenses	(10,269,286.12)
Wages, salaries and similar	(8,088,903.52)
Social charges	(2,180,382.60)
Other operating expenses	(7,294,057.98)
External services	(5,195,665.85)
Taxes	(1,797,162.90)
Losses, Impairment and variation in provision for trade operations	(301,229.23)
Depreciation of fixed assets	(1,157,013.07)
Impairment and profits/losses on disposal of fixed assets	(311,528.76)
Profit/losses on disposal of fixed assets and others	(311,528.76)
Negative Goodwill on Business Combinations	5,374,784.10
Extraordinary items	(160,882.70)
<b>OPERATING PROFIT/LOSS</b>	<b>6,565,074.06</b>
Financial revenue	398,442.87
Other revenue from marketable securities and other financial instruments from third parties	398,442.87
Financial expenses	(1,622,864.15)
On debts to third parties	(1,622,864.15)
Exchange rate differences	(148.62)
<b>FINANCIAL REVENUE/EXPENSES</b>	<b>(1,224,569.90)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>5,340,504.16</b>
Income tax	(753,438.95)
<b>PROFIT/(LOSS) FOR THE YEAR FROM ONGOING OPERATIONS</b>	<b>4,587,065.21</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>4,587,065.21</b>

Figures in euros corresponding to the company Lantania S.L.U.

## RECOGNISED INCOME AND EXPENSE

	2018
<b>PROFIT (LOSS) PER INCOME STATEMENT</b>	<b>4,587,065.21</b>
Income and Expenses directly Charged to Equity	-
<b>TOTAL INCOME AND EXPENSES DIRECTLY CHARGED TO EQUITY</b>	<b>-</b>
Transfers to Profit or Loss	-
<b>TOTAL TRANSFERS TO PROFIT OR LOSS</b>	<b>-</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>	<b>4,587,065.21</b>

Figures in euros corresponding to the company Lantania S.L.U.

## CHANGES IN EQUITY

	Authorised capital	Reserve funds	Results of previous financial years	Result of previous financial year	Total
<b>BALANCE, END OF THE YEAR 2016</b>	<b>3,000.00</b>	-	<b>(324.83)</b>	-	<b>2,675.17</b>
<b>BALANCE, BEGINNING OF THE YEAR 2017</b>	<b>3,000.00</b>	-	<b>(324.83)</b>	-	<b>2,675.17</b>
Total recognised income and expense	-	-	-	(29,061.47)	(29,061.47)
Other changes in equity	1,100,000.00	-	-	-	1,100,000.00
Capital increase	1,100,000.00	-	-	-	1,100,000.00
<b>BALANCE, END OF THE YEAR 2017</b>	<b>1,103,000.00</b>	-	<b>(324.83)</b>	<b>(29,061.47)</b>	<b>1,073,613.70</b>
<b>BALANCE, BEGINNING OF THE YEAR 2018</b>	<b>1,103,000.00</b>	-	<b>(324.83)</b>	<b>(29,061.47)</b>	<b>1,073,613.70</b>
Total recognised income and expense	-	-	-	4,587,065.21	4,587,065.21
Other changes in equity	-	-	(29,061.47)	29,061.47	-
Distribution in previous period	-	-	(29,061.47)	29,061.47	-
<b>BALANCE, 31 DECEMBER 2018</b>	<b>1,103,000.00</b>	-	<b>(29,386.29)</b>	<b>4,587,065.21</b>	<b>5,660,678.92</b>

Figures in euros corresponding to the company Lantania S.L.U.

## CASHFLOW

	2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/(loss) for the period before tax	5,340,504.16
Adjustments for:	14,415,953.39
Amortisation of the fixed assets	1,157,013.07
Changes in Impairment Losses	844,812.82
Change in provisions	5,503,244.74
Allocation of subsidies	0
Results by retirement and disposals of Fixed Assets	311,528.76
Finance income	(398,442.87)
Finance expenses	1,622,864.15
Negative difference in combined businesses	5,374,784.10
Other income and expenses	148.62
<b>Changes in operating capital</b>	<b>(1,409,296.31)</b>
Inventories	(3,246,411.64)
Trade and other receivables	(36,755,940.87)
Other current assets	5,016,250.13
Trade creditors and other payables	39,283,893.27
Other non-current assets and liabilities	(5,707,087.20)
Other cash flows from operating activities	(1,978,008.85)
Interest paid	(1,622,864.15)
Interest received	398,294.25
Income tax received/(paid)	(753,438.95)
<b>Cash flow from operating activities</b>	<b>16,369,152.39</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
<b>Payments for investments</b>	<b>(13,366,726.39)</b>
Group companies and associates	(3,000.00)
Intangible assets	(363,047.89)

Figures in euros corresponding to the company Lantania S.L.U.



## CASHFLOW

	2018
Property, Plant and Equipment	(12,926,606.17)
Other financial assets	(77,072.33)
<b>Proceeds from sale of investments</b>	<b>2,035,704.83</b>
Group companies and associates	0
Intangible assets	0
Property, Plant and Equipment	2,038,704.83
Other financial assets	0
<b>Cash flows from investing activities</b>	<b>(11,331,021.56)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
<b>Proceeds from and payments for equity instruments</b>	<b>0</b>
Capital contributions	
Other changes in equity instruments	0
<b>Proceeds from and payments for financial liability instruments</b>	<b>13,645,650.98</b>
Debt issuance	
Other debts	54,476,299.92
Debts with Group companies and associates	0
Repayment and amortisation of:	
Debts with credit institutions	(40,830,648.94)
Debts with Group companies and associates	0
<b>Payment of dividends and remuneration of other equity instruments</b>	<b>0</b>
Dividends	0
<b>Cash flows from financing activities</b>	<b>13,645,650.98</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>18,683,781.81</b>
Cash and cash equivalents at the beginning of the period	3,022.94
Cash and cash equivalents at the end of the period	18,686,804.75
Cash and cash equivalents at the end of the period	18,686,804.75

Figures in euros corresponding to the company Lantania S.L.U.



## STRATEGIC PLAN

Lantania has prepared, with the guidance of PricewaterhouseCoopers (PwC), the 2018-2022 Business Plan. This document establishes the main strategic lines of action of the company and represents an excellent work base for this period.

The plan is structured around five essential blocks. Firstly, a detailed description of the company and its internal organisation is carried out, emphasising the management team and those areas of outstanding competence, such as the technical office and the machinery inventory. The business model of the company and its particularities are defined. The following section shows an analysis of the external environment of the company, detailing in the market, the competition, competitive advantages and the marketing plan. A SWOT analysis is also set out below, presenting limiting factors and keys to the success of the business model. Subsequently, the application plan foreseen and the main corporate transformation concepts are described for the implementation of disruptive changes. Finally, the document concludes with a representation of the five-year financial projections, including a sensitivity analysis against different scenarios and the corresponding contingency plans.

In the baseline scenario, the most conservative, the plan establishes the purpose of reaching revenues of 145 million euros for the year 2022, contemplating reaching 200 million euros in a more favourable framework.

## ABC

**8 March 2018**

The new Isolux bets on growth and will go into the foreign market as of 2019

**13 November 2018**

Lantania, created from Isolux, is awarded a residential project in Madrid

## Expansión

**13 September 2018**

Isolux former officers relaunch the company in Spain

**3 January 2019**

Lantania, the new Isolux, plans to quintuple its turnover in 2022, up to 145 million

## El País Negocios

**13 January 2019** Lantania takes advantage of the ashes of Isolux

## Cinco Días

**9 March 2018** The new Isolux starts with a portfolio of 200 million

**13 September 2018** New construction company: Isolux former officers create Lantania with the Spanish business of the group declared in bankrupt

**4 January 2019** Lantania launches its development plan based on the old Isolux

## El Economista

**4 January 2019** Lantania, the new Isolux, plans to quintuple its turnover in 2022, up to 145 millones

## La Vanguardia

**12 September 2018** Isolux resurfaces as Lantania a year after its bankruptcy in order to sneak into the top ten of the sector

**5 November 2018**

Lantania construction companies, born from Isolux and Asch, join the National Association of Independent Construction Companies (ANCI, for its Spanish initials)

# lantania

Lantania Group  
Calle Sobrado, 2  
28050 Madrid (Spain)  
(+34) 910 35 35 86  
[info@lantania.com](mailto:info@lantania.com)