

The company supports Canal de Isabel II in services related to installing, inspecting and repairing meters

Hispanagua will be integrated into Canal de Isabel II, which will absorb all its staff

- Canal de Isabel II is the sole shareholder of this public limited company, with which it has signed management entrustment agreements
- All of the company's employees will keep their jobs and will now be part of the staff of Canal de Isabel II

21OCT2020 – The Board of Directors of Canal de Isabel II today approved beginning the process of absorbing its investee company Hispanagua by merger. This process involves integrating all of Hispanagua's workers into Canal de Isabel II, as well as all its assets and fixed property. The legal and administrative procedure that begins today shall be executed over the coming months, and during this period the service Hispanagua and its workers provide shall continue as normal.

Hispanagua was founded as a public limited company in 1995, in order to support Canal de Isabel II in building, maintaining and operating infrastructure related to managing the water cycle, such as executing connections, installing and replacing meters, making various kinds of inspections and reports and repairing the network. Canal has been making management entrustments to carry out work of this kind, and the deadlines for executing some of these entrustments passed recently and for legal reasons could not be extended.

Canal de Isabel II will commission this work, on a temporary basis, from the public company Tragsa, so that it can continue providing the complete water cycle services that the company provides while guaranteeing employment rights.

The solution approved today by the Board of Directors of the public limited company, as a result of an analysis by independent experts and specialist advisers, entails a merger-by-absorption operation between Hispanagua (absorbed) and Canal de Isabel II (absorbing). This decision also contributes to the corporate simplification of its group of investee companies.

Canal de Isabel II was founded more than 165 years ago to supply water to the city of Madrid. Today, its more than 2,800 employees serve more than 6 million people in the

region. It is a 100 % public-owned company, innovative, and internationally recognised for its management of the integrated water cycle.

It operates 13 reservoirs; 78 spring tapings; 14 drinking water treatment plants; 17,651 kilometres of conveyance and distribution network; 131 pumping stations for drinking water and 133 for waste water; 15,317 kilometres of sewage networks; 65 storm tanks; 157 waste water treatment stations; and 651 kilometres of regenerated water networks.

Press release