KPMG

Acciona, S.A. and Subsidiaries

Condensed Consolidated Interim Financial Statements

30 June 2020

Consolidated Interim Directors' Report

2020

(With Limited Review Report thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

KPMG Auditores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Limited Review Report on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the Shareholders of

Acciona, S.A. commissioned by the Company's Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have conducted a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Acciona, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the balance sheet at 30 June 2020, the income statement, the statement of recognised income and expense, the statement of changes in equity, the statement of cash flows, and the explanatory notes, all condensed and consolidated, for the six-month period then ended. The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances can be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2020 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2 (a), which states that these accompanying interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2019. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2020 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2020. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Acciona, S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the Directors of Acciona, S.A. in relation to the publication of the six-monthly financial report required by article 119 of of Royal Legislative Decree Law 4/2015, of 23 October, approving the consolidated text of the Securities Market Law developed by Royal Decree 1362/2007 of 19 October.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Borja Guinea López

29 July 2020

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM DIRECTORS' REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2020 AND AT 31 DECEMBER 2019 (Thousand euros)

ASSETS	Note	30.06.2020 (Unaudited)	31.12.2019
Property, plant, and equipment	4	7,406,606	7,120,440
Investment property	5	54,996	49,524
Right of use	6	446,288	408,958
Goodwill	7	227,030	233,403
Other intangible assets	8	388,771	533,260
Other non-current financial assets	9.1	199,949	210,887
Investments accounted for using the equity method	9.2	1,037,464	1,116,520
Deferred tax assets		802,953	860,906
Non-current receivables and other non-current assets	10	738,094	777,400
NON-CURRENT ASSETS		**11,302,151**	**11,311,298**
Inventories	11	1,282,497	1,248,116
Trade and other accounts receivable		2,068,926	2,090,946
Other current financial assets	9.1	170,924	198,592
Current income tax assets		187,772	85,128
Other current assets		280,096	266,492
Cash and cash equivalents		1,116,674	2,148,615
Non-current assets held for sale	12	340,701	--
CURRENT ASSETS		**5,447,590**	**6,037,889**
TOTAL ASSETS		**16,749,741**	**17,349,187**

EQUITY AND LIABILITIES	Note	30.06.2020 (Unaudited)	31.12.2019
Share capital		54,857	54,857
Retained earnings and issue premium	13	3,474,709	3,578,495
Treasury shares	13	(23,631)	(28,633)
Foreign exchange translation differences	13	(308,290)	(183,520)
Interim dividend		--	--
Equity attributable to equity holders of the Parent Company	**13**	**3,197,645**	**3,421,199**
Non-controlling interests		191,380	219,490
EQUITY		**3,389,025**	**3,640,689**
Preferred shares, debentures and other marketable securities	15	895,895	696,646
Bank borrowings	15	3,994,313	4,599,674
Lease obligations	3	380,927	346,631
Deferred tax liabilities		593,475	577,964
Provisions	14	437,428	399,836
Other liabilities	16	884,059	926,187
NON-CURRENT LIABILITIES		**7,186,097**	**7,546,938**
Preferred shares, debt instruments and other marketable securities	15	928,670	1,054,059
Bank borrowings	15	750,210	911,984
Lease obligations	3	56,667	55,233
Trade and other accounts payable		2,559,121	2,604,027
Provisions		288,953	311,104
Current income tax liabilities		80,808	59,000
Other liabilities	16	1,292,192	1,166,153
Liabilities held for sale		217,998	--
CURRENT LIABILITIES		**6,174,619**	**6,161,560**
TOTAL LIABILITIES AND EQUITY		**16,749,741**	**17,349,187**

Notes 1 to 24 are an integral part of the six-month condensed consolidated financial statements at 30 June 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020 AND 2019
(Thousand euros)

	Note	30.06.2020 Unaudited	30.06.2019(*) Unaudited
Revenue	18	3,042,217	3,569,513
Other income		424,985	247,011
Changes in inventories of finished goods and work in progress		33,853	17,350
Cost of goods sold		(1,005,556)	(956,927)
Personnel expenses		(758,543)	(765,633)
Other operating expenses		(1,275,416)	(1,452,700)
Depreciation and amortisation charge and change in provisions	4, 5, 6 and 8	(359,934)	(308,374)
Impairment and profit/(loss) on disposals of non-current assets	20	89,131	(742)
Other gains or losses		114	(8,301)
Income from companies accounted for using the equity method – analogous	9.2	37,715	45,538
OPERATING PROFIT		**228,566**	**386,735**
Financial income		17,538	16,491
Finance costs		(133,086)	(127,423)
Foreign exchange rate changes		(6,106)	6,040
Profit/(loss) from changes in value of financial instruments at fair value		6,476	7,947
Profit/(loss) from changes in value of non-financial assets at fair value		--	--
Income from companies accounted for using the equity method - non-analogous	9.2	(71,781)	(33,471)
PROFIT BEFORE TAX, FROM CONTINUING OPERATIONS		**41,607**	**256,319**
Income tax expense		(11,413)	(74,533)
PROFIT IN THE PERIOD FROM CONTINUING OPERATIONS		**30,194**	**181,786**
Profit/(Loss) after tax from discontinued operations		--	--
PERIOD'S PROFIT/(LOSS)		**30,194**	**181,786**
Non-controlling interests		(7,962)	(26,704)
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY		**22,232**	**155,082**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**18**	**0.41**	**2.85**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**18**	**0.41**	**2.85**
BASIC EARNINGS PER SHARE (euros)	**18**	**0.41**	**2.85**
DILUTED EARNINGS PER SHARE (euros)	**18**	**0.41**	**2.85**

(*) Re-stated.

Notes 1 to 24 are an integral part of the six-month condensed consolidated financial statements at 30 June 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 2019 (Thousand euros)

(unaudited)	2020	2019
A) CONSOLIDATED PERIOD'S PROFIT/(LOSS)	**30,194**	**181,786**
1.- Profit attributable to the Parent Company	22,232	155,082
2.- Non-controlling interests	7,962	26,704
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT	**(309)**	**--**
1.- Revaluation / (reversal of the revaluation) of PPE and intangible assets	--	--
2.- Actuarial gains and losses and other adjustments	(412)	--
3.- Tax effect	103	--
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT	**(155,174)**	**(42,402)**
Income and expense recognised directly in equity:	**(168,207)**	**(55,459)**
1.- Revaluation of financial instruments:	(83)	22
a) Financial assets at fair value with changes in the income statement	(83)	22
b) Other income / (expenses)	--	--
2.- Cash flow hedges	(44,456)	(90,709)
3.- Foreign exchange translation differences	(134,803)	12,557
4.- Other income and expenses recognised directly in equity	--	--
5.- Tax effect	11,135	22,671
Transfers to the income statement:	**13,032**	**13,057**
1.- Revaluation of financial instruments:	--	--
a) Financial assets at fair value with changes in the recognised income statement	--	--
b) Other income / (expenses)	--	--
2.- Cash flow hedges	17,376	17,408
3.- Foreign exchange translation differences	--	--
4.- Other income and expenses recognised directly in equity	--	--
5.- Tax effect	(4,344)	(4,351)
TOTAL RECOGNISED INCOME/(EXPENSES) (A+B+C)	**(125,289)**	**139,384**
a) Attributed to the Parent Company	(121,364)	110,666
b) Attributed to non-controlling interests	(3,925)	28,718

Notes 1 to 24 are an integral part of the six-month condensed consolidated financial statements at 30 June 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2020

	Equity attributable to the Parent Company							
	Shareholders' Equity							
(unaudited)	Share capital	Share premium, reserves and interim dividend	Treasury shares	Period's profit/loss attributable to the Parent Company	Other equity instruments	Value & Foreign exc. transl. differences adjust-ments	Non-controlling interests	Total equity
Opening balance at 01/01/2020	**54,857**	**3,374,965**	**(28,633)**	**351,678**	**--**	**(331,668)**	**219,490**	**3,640,689**
Adjustments due to changes in accounting policies	--	--	--	--	--	--	--	--
Adjustments due to errors	--	--	--	--	--	--	--	--
Adjusted opening balance	**54,857**	**3,374,965**	**(28,633)**	**351,678**	**--**	**(331,668)**	**219,490**	**3,640,689**
Total recognised income/(expenses)	**--**	**--**	**--**	**22,232**	**--**	**(143,596)**	**(3,925)**	**(125,289)**
Transactions with shareholders or owners	**--**	**(108,769)**	**(451)**	**--**	**--**	**--**	**(22,446)**	**(131,666)**
Capital increases/(reductions)	--	--	--	--	--	--	--	--
Conversion of financial liabilities into equity	--	--	--	--	--	--	--	--
Dividends paid	--	(105,599)	--	--	--	--	(3,396)	(108,995)
Treasury share transactions (net)	--	(195)	(451)	--	--	--	--	(646)
Increases/(Decreases) due to business combinations	--	--	--	--	--	--		--
Other transactions with shareholders or owners	--	(2,975)		--	--	--	(19,050)	(22,025)
Other changes in equity	**--**	**353,255**	**5,453**	**(351,678)**	**--**	**--**	**(1,739)**	**5,291**
Share-based payments	--	2,594	5,453	--	--	--	--	8,047
Transfers between equity items	--	351,678	--	(351,678)	--	--	--	--
Other changes	--	(1,017)	--	--	--	--	(1,739)	(2,756)
Closing balance at 30/06/2020	**54,857**	**3,619,451**	**(23,631)**	**22,232**	**--**	**(475,264)**	**191,380**	**3,389,025**

Notes 1 to 24 are an integral part of the six-month condensed consolidated financial statements at 30 June 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2019

	Equity attributable to the Parent Company							
	Shareholders' Equity							
(unaudited)	**Share capital**	**Share premium, reserves and interim dividend**	**Treasury shares**	**Period's profit/loss attributable to the Parent Company**	**Other equity instruments**	**Value & Foreign exc. transl. differences adjust-ments**	**Non-controlling interests**	**Total equity**
Opening balance at 01/01/2019	**57,260**	**3,410,678**	**(199,616)**	**328,030**	**--**	**(306,927)**	**205,713**	**3,495,138**
Adjustments due to changes in accounting policies (note 2)	--	(15,069)	--	--	--	--	(7,016)	**(22,085)**
Adjustments due to errors	--	--	--	--	--	--	--	**--**
Adjusted opening balance	**57,260**	**3,395,609**	**(199,616)**	**328,030**	**--**	**(306,927)**	**198,697**	**3,473,053**
Total recognised income/(expenses)	--	--	--	155,082	--	(44,416)	28,718	**139,384**
Transactions with shareholders or owners	**(2,403)**	**(353,547)**	**164,962**	**--**	**--**	**--**	**(8,588)**	**(199,576)**
Capital increases/(reductions)	(2,403)	(162,425)	164,828	--	--	--	--	--
Conversion of financial liabilities into equity	--	--	--	--	--	--	--	--
Dividends paid	--	(191,819)	--	--	--	--	(10,778)	(202,597)
Treasury share transactions (net)	--	697	134	--	--	--	--	831
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	2,132	2,132
Other transactions with shareholders or owners	--	--		--	--	--	58	58
Other changes in equity	**--**	**328,072**	**5,624**	**(328,030)**	**--**	**--**	**606**	**6,272**
Share-based payments	--	2,116	5,624	--	--	--	--	7,740
Transfers between equity items	--	328,030	--	(328,030)	--	--	--	--
Other changes	--	(2,074)	--	--	--	--	606	(1,468)
Closing balance at 30/06/2019	**54,857**	**3,370,134**	**(29,030)**	**155,082**	**--**	**(351,343)**	**219,433**	**3,419,133**

Notes 1 to 24 are an integral part of the six-month condensed consolidated financial statements at 30 June 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020 AND 2019 (Thousand euros)

(Unaudited)	Note	30.06.2020	30.06.2019
CASH FLOWS FROM OPERATING ACTIVITIES		**51,251**	**252,869**
Consolidated profit before tax for the period		**41,607**	**256,319**
Adjustments for:		**378,130**	**370,107**
Depreciation and amortisation charge and provisions	4,5,6,8,9	267,915	302,345
Other adjustments to profit (net)	9.20	110,215	67,762
Changes in working capital		**(221,333)**	**(200,023)**
Other cash flows from operating activities:		**(147,153)**	**(173,534)**
Interest paid		(115,888)	(114,670)
Interest received		11,034	17,748
Dividends received		13,732	7,813
Income tax recovered / (paid)		(36,339)	(54,045)
Other amounts received / (paid) relating to operating activities	6,9,10,16	(19,692)	(30,380)
CASH FLOWS FROM INVESTMENT ACTIVITIES	**4,5,6,7,8,9,19**	**(484,063)**	**(540,237)**
Payments due to investment:		**(562,017)**	**(653,591)**
Group companies, associates, and business units		(5,059)	(3,330)
Property, plant and equipment, intangible assets, investment property and financial investment		(556,958)	(650,261)
Proceeds from disposal:		**18,939**	**36,590**
Group companies, associates, and business units		6,400	--
Property, plant and equipment, intangible assets, and investment property		12,539	36,590
Other cash flows from investment activities:		**59,015**	**76,764**
Other amounts received/(paid) relating to investment activities		59,015	76,764
CASH FLOWS FROM FINANCING ACTIVITIES		**(571,005)**	**(98,170)**
Proceeds and (payments) relating to equity instruments:	13	--	--
Purchases		--	--
Disposals		--	--
Proceeds and (payments) relating to financial liability instruments:	15	**(477,437)**	**(18,533)**
Proceeds from issues		1,319,052	730,762
Repayments and redemptions		(1,796,489)	(749,295)
Principal payments for operating leases	6	**(46,546)**	**(20,966)**
Dividends and returns on other equity instruments paid	13	**(3,396)**	**(10,778)**
Other cash flows from financing activities	16	**(43,626)**	**(47,893)**
Other amounts received/(paid) relating to financing activities		(43,626)	(47,893)
EFFECT OF EXCHANGE RATE CHANGES		**(28,124)**	**6,683**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		**(1,031,941)**	**(378,855)**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,148,615	1,717,405
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		1,116,674	1,338,550
BREAKDOWN OF CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD			
Cash and banks		944,214	1,196,046
Other financial assets		172,460	142,504
TOTAL CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,116,674**	**1,338,550**

Notes 1 to 24 are an integral part of the six-month condensed consolidated financial statements at 30 June 2020.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020 OF ACCIONA, S.A. AND SUBSIDIARIES (Consolidated Group)

1.- Group activities

Acciona, S.A. (hereinafter, the "Parent Company" or the "Company") and its subsidiaries integrate Acciona Group (hereinafter, "Acciona" or the "Group"). Acciona, S.A.'s registered office and headquarters are in Alcobendas (Madrid), at Av. Europa 18.

Acciona Group companies operate in several sectors of economic activity, amongst which the following are noted:

- Energy: comprises the electric business covering the development of renewable power generation plants, their construction, operation and maintenance, and the sale of the energy produced. All the electricity generated by Acciona Energy comes from renewable energy sources.

- Infrastructures: Which includes:

    - Construction: includes infrastructure construction. It also includes turn-key projects for power generation plants and other facilities.
    - Concessions: includes the exploitation of mainly transport and hospital concessions.
    - Water: includes the construction of desalination, water, and wastewater treatment plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater to the environment. It also operates water concessions covering the entire water cycle
    - Services: includes urban mobility activities such as rental of all types of vehicles, analysis, design and implementation of energy efficiency and renewables improvement projects in all types of energy-consuming facilities, as well as facility services activities, airport handling, waste collection and treatment and logistics services, among others.

- Other activities: includes the business related to fund management and stock brokerage, winery production, real estate, and other businesses.

The explanatory notes to the accompanying consolidated financial statements for the semester include Note 19 "Segment Reporting", which includes detailed information on the assets, liabilities and operations carried out in each of the business activities developed by Acciona Group. Acciona, S.A.'s shares are listed on the SIBE (Madrid, Barcelona, Valencia and Bilbao stock exchanges).

2.- Bases of presentation of the six-month consolidated financial statements and other disclosures

a) Bases of presentation

In conformity with Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002, all the companies governed by the Law of a European Union member state and whose stock is quoted on a regulated market of any European Union member state, must disclose their consolidated financial statements for the financial years commencing 1 January 2005 in accordance with the International Financial Reporting Standards (hereinafter, IFRS) as adopted by the European Union.

Acciona Group consolidated financial statements for financial year 2019 were prepared by the Directors of the Company at the Board of Directors meeting held on 27 February 2020, in accordance with the applicable financial information regulatory framework and, in particular, in accordance with the principles and criteria contained in the IFRS adopted by the European Union, by applying the consolidation principles, accounting policies and measurement criteria described in notes 3 and 4 to said consolidated financial statements, so that the financial statements give a true and fair view of the consolidated equity and of the consolidated financial situation of the Group at 31 December 2019, and of the consolidated results of its operations, of the changes in the recognised consolidated income statement and of the consolidated cash flows for the financial year then ended. Said consolidated financial statements were approved by the General Shareholders' Meeting held on 28 May 2020.

Acciona Group consolidated financial statements for financial year 2019 were prepared on the basis of the accounting records kept by the Parent Company and by the other Group companies.

These condensed six-month consolidated financial statements are presented in accordance with IAS 34 – Interim Financial Reporting and circular 1/2008, 5/2015 and 3/2018 of the Spanish National Markets and Competition Commission (CNMC), and were prepared by the Directors of the Parent Company on 29 July 2020, in conformity with article 12 of Royal Decree 1362/2007.

Following IAS 34, interim financial information is prepared only with the purpose of bringing up to date the contents of the most recent annual consolidated financial statements prepared by the Group, highlighting the new activities, events and circumstances that have taken place in the six-month period and not duplicating the information as previously disclosed in the consolidated financial statements for financial year 2019. Therefore, for a proper understanding of the information included in these six-month condensed consolidated financial statements, these statements should be read jointly with the consolidated financial statements of the Group for financial year 2019.

In the first half of 2020 the following accounting standards, amendments and interpretations became effective:

Standards, amendments, and interpretations:		Of mandatory application in annual periods beginning on or after:
Approved to be applied in the EU		
Amendments to IAS 1 and IAS 8 - Definition of "materiality"	Amendments to IAS 1 and IAS 8 to align the definition of "materiality" with that contained in the conceptual framework.	01 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform	Amendments to IFRS 9, IAS 39 and IFRS 7 related to interest rate benchmark reform.	01 January 2020
Amendments to IFRS 3:	Clarification on business definition.	01 January 2020
Not approved for use in the EU		
Amendment to IFRS 16 Leases – Rent concessions	Amendment to allow lessees to account for rent concessions related to COVID-19.	01 June 2020

With regards to IFRS 9, IAS 39 and IFRS 7, the IASB has amended certain requirements for hedging relationships in order to be able to continue applying benchmark interest rates on which the cash flows of the hedging instruments and the hedged items are based are not affected by the uncertainties generated by the reform of interest rates offered on the interbank market (IBOR indices). As of 30 June 2020, Phase I of this amendment is now complete and it has not been significant for the group.

The remaining standards have been applied without significant impacts on either the reported figures or the presentation and breakdown of the information, either because they do not pose significant changes, or because they refer to economic events that do not affect the Acciona Group.

The accounting policies and criteria used in the preparation of these condensed consolidated financial statements for the first half of the year are consistent with those applied to the consolidated financial statements for financial year 2019.

There is no accounting principle or valuation criterion, which having a significant effect on these condensed six-month consolidated financial statements for the six-month period, that has not been applied when preparing the statements.

Unless otherwise indicated, these condensed six-month consolidated financial statements are presented in thousands of euros, since this is the main currency in which the Acciona Group operates.

b) Management estimates and judgements

For these six-month condensed consolidated financial statements, estimates made by the Group's Directors were used to measure some of the assets, liabilities, income, expenses, and obligations reported therein. Basically, these estimates refer to:

- The measurement of assets showing signs of impairment and goodwill so as to determine any impairment losses thereon.
- Allocation of the cost of business combinations.
- Revenue recognition in the construction and engineering activity.

- The assumptions used in the actuarial estimate of pension liabilities and obligations.
- The useful life of property, plant and equipment, investment property and intangible assets.
- The assumptions used to measure the fair value of financial instruments.
- The probability of occurrence and the amount, as applicable, of liabilities of an undetermined amount or contingent liabilities.
- Future costs for dismantling facilities and the restoration of land.
- The expense for corporate tax that, under IAS 34, is recognised in interim periods on the basis of the best estimate of the effective tax rate that Acciona Group anticipates for the annual period, and the recoverability of recognised deferred taxes.

These estimates were based on the best information available to date about the events analysed. However, it so might happen that future events could make it necessary to change these estimates (upwards or downwards) at the close of financial year 2020 or in subsequent financial years. If this were the case, it would be done, under IAS 8, prospectively, and the effects of change in estimates on the consolidated income statement of the years affected would be recognised.

In this regard, the current situation caused by the COVID-19 coronavirus outbreak, which led the World Health Organization to declare a pandemic as a result of the health crisis caused by COVID-19, the relevant accounting estimates and the judgements, estimates and assumptions made in the process of applying the group's accounting policies to prepare the six-month financial statements, are affected by a greater degree of uncertainty.

- **COVID-19**

The COVID-19 pandemic is testing governments, institutions, businesses, and society as a whole. Efforts to control the health emergency are having a significant economic impact. Governments and administrations around the world are struggling to find a suitable balance of power between containing the virus and maintaining economic activity. The vast majority of governments have adopted a series of measures that seek to curb the expansion of the disease and end the health crisis, which includes widespread lockdown of entire populations, limitations on people's mobility, social distancing, etc. In Spain, these measures reached their highest form when a national state of alarm was declared for the second time during times of a democracy, through Royal Decree 463/2020 of 14 March 2020 declaring the state of alarm in Spain to manage the health crisis situation caused by COVID-19, which was in force through successive extensions until 21 June 2020.

However, these measures which have proven very efficient in curtailing the spread of the virus, have a direct impact on economic activity, affecting virtually all business sectors and particularly those in the service sector.

Moreover, COVID-19 is a global phenomenon that is reaching all corners of the world, although some regions have felt different effects compared to others, both in terms of time, and in terms of its effects on the population and the economy. While Spain and the rest of Europe are coming to the end of the lockdown de-escalation process and launching the so-called "new normal", other countries like the United States, Brazil, and India are still struggling to flatten the infection curve. Other countries such as Australia have seen less of an impact caused by Coronavirus.

Acciona, with a presence in all five continents and with a business portfolio covering multiple economic activity sectors, is not immune to the pandemic. The effects of COVID-19 have been felt, particularly in the months of April and May, while the first signs of recovery where observed in June.

Establishing the magnitude and scope of its impact requires reasonable judgements to be made, and this has been done according to the Directors' best estimates. Detailed information on the estimated impact of COVID-19 on the Group's financial situation and the operations of the Group during the six-month period ended 30 June 2020 is provided below.

Breakdown by division

	Revenues	Gross profit / (loss) from operations	EBT
Energy	(29)	(32)	(32)
Infrastructure	(374)	(90)	(92)
Other activities	(65)	(22)	(22)
Total	**(468)**	**(144)**	**(146)**

Energy

During the first six months of 2020, the energy demand in Spain was at 120,340 GWh, 8 % lower than the same period in the previous year, corrected by calendar and temperature effects. This fall was mainly caused by stopping business and social activities due to the measures adopted by administrations to stop the spread of Coronavirus and, specifically, by declaring the state of alarm. According to information from REE (Red Eléctrica de España), during the state of alarm period (from 15 March to 21 June), the demand in the Spanish electrical system was 13.3% lower than the same period in 2019. Consequently, the average energy sales price (pool) for the first six months of 2020 fell to 29.0 EUR/MWh, 44% lower than the price recorded in the same period of 2019, reaching the lowest point on 1 May with a minimum price of 1.02 EUR/MWh. At 30 June 2020, the pool closed at 37.58 EUR/MWh, still far from 2019 prices but clearly rising. Despite this, 57% of the Group's power in Spain is subject to the specific remuneration framework established by Royal Decree 413/2014 of 6 June, which limits the reduction in income for these facilities based on the regulatory tier mechanism.

In any case, since the drop in prices was induced by a reduction in the energy demand caused by pausing economic activities, the drop in price is temporary and will be restored once economic activity recovers its normal state.

With regards to international facilities, most of the energy generation facilities have a PPA (Power Purchase Agreement) in place and are therefore protected from potential drops in price.

Furthermore, multiple governments and administrations have doubled down on renewable energies as the driving force behind economic recovery in the post-COVID era by supporting programmes such as the recently approved NextGenerationEU. According to the European Commission, 30% of the aggregate expenditure of NextGenerationEU and the Multiannual Financial Framework 2021-27 (MFP) will go towards projects fighting climate change, something that is unprecedented. Therefore, not only does the business model remain valid, but it can be expected to be strengthened.

Consequently, taking into account that the average remaining life of Acciona Group's renewable energy generation facilities in Spain is around 16 years, the fall in the energy demand and its subsequent impact on the average energy price for the six-month period concluding 30 June 2020 is not deemed as an indication of an additional impairment to these assets.

However, as the useful life adopted for wind and photovoltaic generation assets has been extended from 25 to 30 years, the impairment test for all facilities classified as impaired at 31 December 2019 has been updated (see useful life extension section in note 2.b)).

Regarding the subsidiary Nordex, SE, the health crisis caused by COVID-19 has had significant adverse effects on this company's activities. The results for the first quarter of 2020 published by the company on 11 May did not yet reflect these consequences. However, disruptions in the supply chain, as well as the temporary closure of some of its production facilities made it impossible for their budget for this year to be met; this has resulting in company management, making an announcement on 5 May, overriding the 2020 forecasts announced to the market on the 2019 year results presentation that took place on 24 March (which had been issued with due cautions stemming from the incipient spread of COVID-19).

At the date these interim financial statements were prepared the company had not published any quantitative consequences of COVID-19 on its financial situation and its operations.

Infrastructure

In response to the effects of the health crisis, intensive legislative activity has taken place which has resulted in important modifications to the legal framework in most countries where the division operates.

In Spain, Royal Decree 463/2020 was published on 14 March 2020 declaring the state of alarm in Spain to manage the health crisis situation caused by COVID-19. This decree established certain restrictions to mobility, as well as economic, social, and health measures, and has been the subject of extensive legislative development that is still ongoing and which has, in some cases, substantially modified the contents of pre-existing laws, such as Law 09/2017 on Public Sector Contracts.

Along these lines, of particular note are Decree-Laws 8/2020 and 10/2020. Decree-Law 8/2020 has had a special impact in the division since it reduced the compensation which construction and concession companies had been entitled to under the aforementioned Law on Public Sector Contracts. Decree-Law 10/2020 established absolute restrictions on any activity or service that was not considered essential (food distribution, pharmacies, agriculture, among others) in order to reduce the mobility of the general population to a minimum in the context of the fight against COVID-19.

Th remaining countries where the Group operates have adopted similar measures or passed similar modifications to their legal framework.

The main effects experienced by the Infrastructure Division in its different activities are described below:

- Construction

The Group's construction activity has a strong international presence, meaning that the impact on operations is irregular based on the evolution of the pandemic in different countries.

In Spain, after Decree-Law 10/2020 of 29 March regulated recoverable paid leave for employed workers not providing essential services to fight COVID-19 by reducing mobility, construction activities were halted between 30 March and 13 April. As of 30 June 2020, this activity has been fully restored.

At an international level, the impact varies from a complete halt in the activity in countries such as New Zealand, the Philippines, Ecuador, Panama and Peru, to uninterrupted activities (albeit in some cases affected by reduced performance), in countries such as Australia, Poland, Canada, Chile, Norway, UAE, Saudi Arabia and Qatar, the main countries in which the Group's construction activity is present.

From early April, when the percentage of halted contracts reached 60% mainly due to the situation in Spain, the pandemic situation improved in such a way that by the end of June, halted contracts represented only 1% of the total, all in Latin America. It is worth emphasizing that all protocols established by the Group in terms of occupational risk prevention have been applied to all contracts.

However, the extraordinary force majeure situation and/or change in legislation resulting from the pandemic means that most agreements can be negotiated or a direct claim can be put against clients for them to partially or fully compensate for the negative effects produced by COVID-19, both in terms of cost overruns and in inefficiencies or delays in the contract execution schedules established before the pandemic. To this end, as of the end of June, significant agreements have been reached with multiple clients, while others are still under negotiation.

Furthermore, regarding the main corporate operations projected by the division for the first semester, specifically the partial acquisition of Lendlease Engineering's project portfolio and the transfer of the concession contract for line 6 of the São Paulo Metro (Brazil), it is worth emphasizing that the health crisis has resulted in a delay in these operations. It is expected that they will be concluded during the second half of the year.

Consequently, the main negative impacts of the pandemic are caused by the delay in production during the first half of 2020 for an estimated amount of 309 million Euros.

- Concessions

Mobility restrictions imposed in Spain in the context of the state of alarm resulted in a sharp decline in road traffic. This led to a drop in revenue from two roads operated under a concession arrangement which are exposed to demand risk for approximately 8 million euros. This sharp decrease was most significant in April and May, while June saw a slight improvement as the state of alarm was lifted. At the date these six-month financial statements were prepared, road travel has significantly increased in relation to the levels recorded during the second quarter of the year. However, although authorities have lifted the mobility restrictions, the precautions adopted by society and companies to guarantee social distancing in the post-COVID era, such as teleworking for example, together with the fact that economic activities have not fully returned to normal, prevent traffic from reaching the levels expected for this time of year.

Taking into consideration that the remaining operation term for these two concessions is 13 and 6 years, the Company's management has estimated that this temporary drop in revenue does not indicate any impairment of these assets.

- Water

The operation, maintenance, and service management aspects of the water business have been marginally affected, since these are deemed essential services both at a national level, where they have operated under Royal Decree 08/2020 and Royal Decree 10/2020, and at an international level, where very similar legislation has applied in view of the services to be guaranteed (drinking water supply, wastewater treatment and desalination).

- Services

The state of alarm declared in Spain and the mobility restrictions imposed worldwide have had a significant impact in the Service Subgroup's activities such as Airport Services, Urban Mobility, as well as logistical, cleaning and maintenance services provided to clients operating in the automotive, tourism, railway transport, shipbuilding, recreational, shopping centre, and hospitality sectors, among others.

Other contracts related to hospital services, cleaning services, foodstuffs, waste collection and management, freight transport, energy services, and public administration have not been affected by the state of alarm measures due to their classification as essential activities under Royal Decree-Law 10/2020 of 29 March and Health Order 271/2020. Conversely, these activities have increased in some case given the importance of such essential services during the most critical period of the pandemic.

The main impact on the affected services corresponds to a drastic drop in revenue resulting from the lack of urban mobility and the stoppage of some activities by specific clients that were not regarded as essential. Likewise, the consequences of the pandemic for some clients have required provisions amounting to 12 million euros to cover various risks. Additionally, some contracts have had to be reduced to minimal services which has resulted in inefficiencies due to cost overruns that cannot be recovered from clients.

With Royal Decree-Law 8/2020 introducing extraordinary emergency measures to manage the impact of COVID-19, the concept of force majeure was extraordinarily extended to cover employee furlough schemes (known in Spain as ERTE, Expediente de Regulación de Empleo Temporal). Royal Decree-Law 18/2020 introduced the concept of a partial force majeure for companies to reduce working hours as activities were gradually resumed. At the end of June, Royal Decree-Law 24/2020 came into force, extending the concept of force majeure to 30 September 2020 for companies that had been unable to resume their activity.

As a result of the events described above, the Services business was forced to furlough employees in Spain (under the ERTE scheme) and to undertake similar actions in other countries for most of the workers related to the affected contracts, so as not to compromise the viability and future activity of these contracts.

Thus, in the peak of the pandemic, this measure affected 32% of the workers in this business, which at 30 June 2020 affected 17% of workers (2,398 and 1,468 workers in Spain and in other countries, respectively). The activities most affected by these measures have been those related to Airport Services, Urban Mobility, and other activities in the Facility Services Subgroup provided to clients in the automotive, tourism, and passenger transport sectors.

This measure has entailed an exemption of Spanish Social Security fees of 4.3 million Euros as of 30 June 2020.

Lastly, the impacts on activities and the uncertainty regarding the evolution of the pandemic are indications of an impairment of the goodwill in the Acciona Facility Services Subgroup and the Acciona Airports Subgroup businesses, which has entailed bringing forward goodwill impairment tests to the interim period concluded on 30 June 2020. In this regard, a cash flow projection was made that covers a period of five years to calculate the recoverable value, along with a terminal value that represents the value of the future cash flows from the sixth year and which has been determined based on a standard cash flow estimate. The cash flow projection was performed based on estimations made by the Group's Management, considering the new probable business scenario which, while it does not reach the levels estimated for previous years, projects a gradual recovery. The main hypotheses made estimate a growth rate of 1.5% for the terminal value and a discount rate of 6.1% and 7.95% for the Acciona Facility Services Subgroup and Acciona Airports in Chile, respectively, which in both cases are higher than those featured in the impairment test for the previous year. As a result of this analysis, there has been no need to recognise impairment losses on the goodwill registered.

Other activities

- Bestinver

With regards to the investment funds and pension plans developed by Bestinver, the assets under company management have been reduced by 18% during 2020, leading to a reduction of 1,254 million euros as a consequence of the general collapse of stock markets in the face of the deteriorating economic outlook for the world's major economies. MSCI Europe, the main reference index for the investment funds managed by Bestinver, suffered falls higher than 14% during this period due to the special impact of COVID-19 on Eurozone countries.

This fall in the assets under management has resulted in a reduction in revenue of approximately 11 million euros.

Despite this, the high maturity profile of Bestinver stocks, together with adequate management of their risk profile has enabled the impact caused by redemptions of the managed assets to be reduced.

- Real Estate

Restrictions on mobility imposed by the authorities have made it impossible to deliver the committed housing developments that were planned for the first half of 2020 in both Spain and Mexico. Clearly, as this is a temporary situation, it has only meant a delay in sales which, for the most part, will be corrected in the second half of the year.

Furthermore, the uncertainty caused by the health crisis has not had an impact in the new build market. Therefore, the Group estimates that the valuations of the real estate assets as of 31 December 2019 remain valid.

In addition, during the six-month period ended 30 June 2020 no significant changes occurred in the estimates made at the close of financial year 2019; nor were there changes in accounting criteria or correction of errors, except for the following:

- **Extension of the useful life of wind and photovoltaic assets**

Based on technical analyses and industry practices, the Acciona Group has extended the life cycle of its wind and photovoltaic facilities from 25 to 30 years. In the first months of 2020, technical analyses were performed by internal experts in operation and maintenance of the Group's wind facilities which were complemented by reports from four experts, namely TÜV, DNV-GL, Underwriters Laboratories and Nabla Windpower. The report on the analysis of the photovoltaic assets was prepared by the independent expert GAdvisory. These reports were carried out between March and May 2020, with the internal reports being dated 28 April, and the external ones being dated 1 June.

Consequently, the "Depreciation and amortisation charge" caption of the consolidated income statement includes the impact of this change in estimation since 1 January 2020, and has resulted in a smaller amortisation of 42.7 million euros for the period, as well as a positive effect of 4.8 million euros in "Income from companies accounted for using equity method - analogous". Furthermore, this fact has resulted in an update of the impairment tests for these assets, and has shown an impairment reversal amounting to 87 million euros (see note 4) under "Impairment and gains or losses on disposals of non-current assets" as well as a positive effect of 19 million euros under "Income from companies accounted for using by equity method - analogous" (see note 9.2).

c) Contingent assets and liabilities

Note 18 to Acciona Group consolidated financial statements for the financial year ended 31 December 2019 provides information on contingent assets and liabilities at said date No significant changes in the contingent assets and liabilities of Acciona Group took place in the first half of 2020, except as indicated in note 14.

d) Comparison of information

The information contained in these condensed consolidated financial statements for the first half of financial year 2019 and for the year ended 31 December 2019 is presented only and exclusively for purposes of comparison with the information on the six-month period ended 30 June 2020; however, the following considerations must be taken into account:

- **Classification of the profit/(loss) of companies accounted for using the equity method.**

  As of 1 January 2020 the Acciona Group includes income from associated companies and joint ventures that are accounted for using the equity method, and that carry out an activity similar to the Group's activity, within the operating profit/(loss) according to Decision EECS/0114-06 issued by the European Securities and Markets Authority (ESMA).

  The Group considers that this reclassification will contribute to making the operating results a better reflection of the financial performance of those assets and activities that make up the Group's corporate purpose and in which the Group is highly involved, regardless of the legal nature of the agreements that regulate their management. The results of those associates and joint ventures that develop activities different from the group's business are more similar to a financial investment, so this would be the only ones recorded under operating profit.

  The group has added a new item in the incomes statement - "Income from companies accounted for using equity method - analogous" where the results of associates and joint ventures that carry out a similar activity to the Group business are presented.

  The share of the results of associates and joint ventures that engage in a non-analogue activity continues to be presented under financial results, although the name of the item changes to "Income from companies accounted for using equity method - non-analogous" (formerly "income from companies accounted for using the equity method"). As of 30 June 2020, the only investment accounted for using the equity method relating to an activity that is not analogous to that of the Group is the group's shareholding in the share capital of Nordex SE.

  Following IAS 8, the comparative figures for the first half of 2019 have been restated and the original heading "income from companies accounted for using the equity method" has been renamed "Income from associated companies - non-analogous" and is shown with a negative result of 33 million euros, with the difference of 46 million euros being recorded as a positive result under the new heading "Income from companies accounted for using equity method - analogous".

- **Land where wind power generation facilities are located**

  In note 2.a) to the interim consolidated financial statements for the first half of 2019, the Group indicated that after analysing the lease agreements for land on which wind power generation facilities are located, certain limitations were identified to the ability to manage the use of the land on an exclusive basis that called into question the classification of the contract as a lease, and therefore the Group decided to exclude these leases from the application of IFRS 16 - Leases. It was also mentioned that this issue was not specifically regulated in the standard and that its accounting treatment could be subject to modifications in light of future interpretations or clarifications that may be issued by the regulators or accounting doctrine.

  In the second half of 2019 practice has shown that this issue has not been given uniform accounting treatment by the various issuers. The Acciona Group is therefore aware that this interpretation involved a high level of judgement that is not exempt from discussion, and in line with various discussions held with the market supervisor in the interests of consistency, the Group finally decided to include these land leases within the scope of IFRS 16 in the 2019 financial statements.

Since the application of IFRS 16 to these land agreements would not have had a significant effect on either the income statement or the condensed consolidated statement of cash flows for the first half of 2019, the Acciona Group considered that the comparative information did not need to be restated.

e) Seasonal nature of the Group's operations

Most activities carried out by Acciona Group companies are not particularly cyclical or seasonal. The Group's airport handling activity has a seasonal component in its revenues, which is concentrated in the summer months. In the same way, some energy division businesses show a certain seasonal component in terms of their income, as is the case with the wind or hydraulic business. This seasonal component, however, does not significantly affect the comparability of information, so no specific itemisation is required in these explanatory notes to the condensed consolidated financial statements for the six-month period ended 30 June 2020.

Notwithstanding the above, the situation caused by the COVID-19 health crisis has affected the development of the Group's activity and therefore the information for the first half of 2020 must be interpreted taking this circumstance into account (see note 2.b)).

f) Relative importance

In determining what information to disclose in the notes about the various items on the financial statements, or about other matters, the Group, under IAS 34, took into account the relative importance in relation to the six-month condensed consolidated financial statements for the six-month period.

g) Consolidated statement of cash flows

The following terms, with the meanings specified, are used in the consolidated statement of cash flows, which was prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents, which are taken to be changes in the value of short-term, highly liquid investments.

- Operating activities: typical activities of the Company, as well as other activities that are not investing or financing activities. Based on the profit before tax from continuing operations, in addition to the adjustment for "*Depreciation and Amortisation of Assets and Provisions*", transfers of interest paid and received are recognised under "*Other Adjustments to Profit (Net)*" although on a separate basis, as well as the transfer of the gains or losses on disposal of assets included under investment activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.

- Investing activities: acquisition, disposal or use by others of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not operating activities.

In the preparation of the condensed consolidated statement of cash flows, the following were considered "cash and cash equivalents": cash and demand bank deposits, and current investments with high liquidity, which can be easily translated to determined amounts of cash and are under very little risk of change in value.

3.- Changes in the Group's composition

Appendices I, II and III to Acciona Group's consolidated financial statements for the financial year ended 31 December 2019 provide relevant information on subsidiaries, jointly-controlled entities and associates and joint arrangements of the Group. Following the acquisition method, the Group recognises all the additions to the Group that involve taking control.

During the six-month period ended 30 June 2020, there were no additions or disposals of significant shareholdings.

4.- Property, plant, and equipment

The changes in the first six-month period of 2020 and 2019, in cost and accumulated depreciation, are broken down as follows (in thousand euros):

PPE	Land and buildings	Energy generation facilities	Other plant & machinery	Advances and PPE under construction	Other PPE	Depreciation	Impairment	Total
	Six-month period ended 30 June 2019							
Balance at 31.12.2018	**357,815**	**10,895,444**	**780,866**	**390,346**	**243,360**	**(5,133,623)**	**(798,220)**	**6,735,988**
Variations due to changes in scope of consolidation	--	--	1,384	16	1,076	(1,874)	--	602
Additions / Allocation	6,587	1,089	28,758	258,667	22,591	(223,419)	(953)	93,320
Reductions	(3,591)	(2,998)	(55,926)	(4,155)	(3,237)	47,899	--	(22,008)
Transfers	(17)	42,311	(82,637)	(38,626)	(18,504)	43,827	60	(53,586)
Other changes	771	38,366	7,001	9,206	2,736	(11,180)	(1,083)	45,817
Balance at 30.06.2019	**361,565**	**10,974,212**	**679,446**	**615,454**	**248,022**	**(5,278,370)**	**(800,196)**	**6,800,133**
	Six-month period ended 30 June 2020							
Balance at 31.12.2019	**360,371**	**11,526,409**	**670,688**	**582,610**	**281,042**	**(5,499,907)**	**(800,773)**	**7,120,440**
Variations due to changes in scope of consolidation	(9,894)	--	(11,665)	--	(264)	17,735	--	(4,088)
Additions / Allocation	2,179	5,318	14,817	481,029	24,701	(188,307)	(3,097)	336,640
Reductions	(1,454)	(6)	(17,768)	(614)	(4,307)	21,233	87,407	84,491
Transfers	66	84,894	2,508	(89,324)	(1,174)	1,503	(792)	(2,319)
Other changes	(2,587)	(212,014)	(9,588)	(41,179)	(7,711)	98,950	45,571	(128,558)
Balance at 30.06.2020	**348,681**	**11,404,601**	**648,992**	**932,522**	**292,287**	**(5,548,793)**	**(671,684)**	**7,406,606**

The most significant movement in PPE corresponds with the "Additions" in the six month period ended 30 June 2020, specifically under "PPE under construction" for the energy division corresponding to power generation facilities for wind projects such as "La Chalupa" in the United States, "San Carlos" and "Santa Cruz" in Mexico, "MortLake" in Australia and "Tolpan" in Chile amounting to approximately 473 million euros. Also noteworthy are photovoltaic projects such as "Usya" in Chile.

"Transfers" includes the reclassification of approximately 85 million euros from "PPE under construction" to "Energy generation facilities" for the investments made in the "Almeyda" photovoltaic project and the Tolchen interconnection line in Chile, which came into operation in January and March 2020, respectively.

"Other changes" includes the effect of foreign exchange translation differences in the six-month period ended 30 June 2020, for a negative amount of 115 million euros, which came mainly from energy projects whose functional currency is the South African rand, the Mexican peso and the Chilean peso (positive amount of 46 million euros in the six-month period ended 30 June 2019).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main assets, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31 December 2019, as well as the presence of relevant changes on the markets where the assets operate relating to regulatory, economical or technological aspects, for adequate adjustment of impairment provisions during the financial year. In the first half of 2020 no significant aspects to be highlighted were observed, except for the following in relation to the impairment reversals of certain assets in the energy division, and the recoverability analyses carried out in the context of COVID-19 (see Note 2-b)).

As a result of extending the useful life of the wind and photovoltaic facilities from 25 to 30 years (see note 2.b)), the Group updated the impairment tests associated with energy generation assets and recognised an impairment reversal of 87 million euros under "Impairment and profit / (loss) on disposal of non-current assets" in the consolidated income statement.

To calculate the value in use, the expected cash flows until the end of the useful life of the asset without a terminal value were projected, which were approved by the Group's Management. Two different discount rates have been determined to differentiate between regulated asset life periods (WACC of 4.72%) from unregulated life periods (WACC of 5.47%). The discount rate is weighted in each case based on the proportion of the regulated and unregulated lives of the assets over their total remaining useful lives.

In addition, the Group performed a sensitivity analysis on the impairment test result for changes in hypotheses it considers may have a greater impact on the asset valuation and which may undergo reasonably possible changes, which are detailed below:

- Increase/decrease in WACC rates of +/- 0.5%
- Increase/decrease in pool rates by +/- 2.5%
- Long-term CPI increase/decrease of +/- 0.5%

The results of these sensitivity analyses indicate that:

- With WACC rates of 5.22% for regulated life and 5.97% for unregulated life, the provision reversal would be reduced by 4.6 million euros.
- With WACC rates of 4.22% for regulated life and 4.97% for unregulated life, the provision reversal would increase by 4.1 million euros.
- Likewise, upward and downward variations of 2.5% in pool rates would result in an increase and a decrease in the reversal amounting to 10.4 million euros and 9.9 million euros, respectively.
- Furthermore, upward and downward variations of 50 basis points in the long-term CPI applicable to the operating and maintenance costs of the assets would result in reductions and increases in the provision reversal amounting to 3.9 million euros and 4.3 million euros, respectively.

At 30 June 2020, the Group companies had commitments to buy property, plant and equipment for 468 million euros mainly in the energy division for the wind power facilities currently under construction in Australia, Mexico, the USA and Chile, and for photovoltaic plants under construction in Chile (646 million euros at 31 December 2019).

5.- Investment property

The Group's investment property relates mainly to properties earmarked for lease.

The changes in the first half of financial years 2020 and 2019 in the Group's investment property were as follows (in thousand euros):

Investment property	Cost	Depreciation	Impairment	Total
	Six-month period ended 30 June 2019			
Balance at 31.12.2018	**204,452**	**(40,556)**	**(33,096)**	**130,800**
Additions	83	(1,448)	--	(1,365)
Reductions	(17,325)	633	6,417	(10,275)
Transfers	(28,171)	--	--	(28,171)
Other changes	--	--	--	--
Balance at 30.06.2019	**159,039**	**(41,371)**	**(26,679)**	**90,989**

Six-month period ended 30 June 2020				
Balance at 31.12.2019	**96,190**	**(26,432)**	**(20,234)**	**49,524**
Additions	9,245	(819)	--	8,426
Reductions	(5,558)	195	2,409	(2,954)
Transfers	--	--	--	--
Other changes	--	--	--	--
Balance at 30.06.2020	**99,877**	**(27,056)**	**(17,825)**	**54,996**

The most significant changes in this first six-month period of 2020 correspond to the acquisition of land in Granada to build a future student residence for 9,078 thousand euros under "Additions" and to the sales of mostly residential real estate assets located in various parts of Spain for a net amount of 2,731 thousand euros under "Reductions".

Based on the analyses made by the Group's Management on the trend of the real estate market that the Group operates in, no impairment was appraised in the first half of 2020; nor were there significant losses not covered by the existing provisions at 30 June 2020.

At 30 June 2020, the Group had a portion of its investment property mortgaged for 1,588 thousand euros net book value to secure loans granted by banks.

6.- Leases

6.1 Assets for Right of Use

The changes in the first six-month period of 2020 and 2019 in cost and accumulated depreciation are broken down as follows (in thousand euros):

Right of use	Land and natural assets	Constructions	Technical facilities	Machinery and transport elements	Other RoU	Deprecia-tion	Impair-ment	Total
				Six-month period ended 30 June 2019				
Balance at 31.12.2018	--	--	--	--	--	--	--	--
1st application of IFRS 16 (*)	206,479	57,016	69,640	22,563	907	--	--	356,605
Additions / Allocation	350	1,293	11	9,407	7	(30,869)	--	(19,801)
Reductions	--	(792)	--	(42)	--	789	--	(45)
Transfers	--	--	23,097	75,515	4,415	(43,484)	--	59,543
Other changes	184	169	428	148	--	450	--	1,379
Balance at 30.06.2019	**207,013**	**57,685**	**93,176**	**107,591**	**5,330**	**(73,114)**	**--**	**397,681**
				Six-month period ended 30 June 2020				
Balance at 31.12.2019	**217,435**	**66,180**	**97,785**	**132,471**	**1,498**	**(106,411)**	**--**	**408,958**
Additions / Allocation	60,766	5,338	2,017	25,463	173	(50,474)		43,283
Reductions	(1,571)	(4,230)	--	(6,778)	--	7,737		(4,842)
Transfers	--	--	--	226	(228)	(19)		(21)
Other changes	(852)	(764)	(357)	(2,509)	(30)	3,422		(1,090)
Balance at 30.06.2020	**275,778**	**66,524**	**99,445**	**148,873**	**1,413**	**(145,745)**		**446,288**

(*) Impact of the first application of IFRS 16 calculated at 30 June 2019, including lease agreements for the land where wind power generation facilities are located (see note 2.a) to the financial statements for the six-month period ended 30 June 2019).

The main leases recognised in this caption in which the Group acts as lessee refer to the lease of land on which power generation facilities are located, a solar plant, offices, and machinery used mainly in the infrastructure division for construction work.

The "Additions" in the first half of 2020 include most notably the recognition of right of use on land in the energy division associated with wind power projects in the United States and Chile, and machinery and transport elements that relate mainly to construction equipment used in the works being carried out in the Philippines, Australia and Peru in the infrastructure division.

In the first half of 2020, a reduction of approximately 4 million euros was recorded for fully depreciated items, as well as reductions due to the early termination of certain machinery and industrial building rental contracts associated with the Group's service business.

In the six-month period ended 30 June 2020, the Group recorded an interest expense and depreciation expense of 14 million and 50 million euros, respectively, in the income statement associated with these lease contracts.

In addition, the Group recorded in the income statement for the six-month period ended 30 June 2020 an expense of 34 million euros associated with leases considered as low-value contracts (underlying assets whose value as new is less than 5,000 euros), short-term contracts (less than 12 months) and amounts corresponding to variable income.

6.2 Non-current and current leasing liabilities

The balance of liabilities associated with lease contracts at 30 June 2020 and 31 December 2019 is detailed below, in thousands of euros:

	30 June 2020			31 December 2019		
	Current	Non-current	Total	Current	Non-current	Total
Lease obligation	56,667	380,927	**437,594**	55,233	346,631	**401,864**
Obligations under finance leases (see note 15)	11,870	23,093	**34,963**	11,690	25,204	**36,894**
Total leasing liabilities	**68,537**	**404,020**	**472,557**	**66,923**	**371,835**	**438,758**

During the first half of 2020, the group has made payments in relation to lease obligations totalling 58.5 million euros, 12 million euros in interest and 46.5 million euros in principal.

7.- Goodwill

The breakdown at 30 June 2020 and 31 December 2019 of this caption on the accompanying consolidated balance sheet was as follows, in thousands of euros:

Goodwill	Balance at 30.06.2020	Balance at 31.12.2019
Geotech Holding subgroup	103,091	105,340
Acciona Facility Services subgroup	53,498	53,489
Acciona Water subgroup	27,976	27,976
Andes Airport Service, S.A.	13,200	14,502
Subgroup Bestinver	19,492	22,304
Subgroup Acciona Producciones y Diseño	9,431	9,431
Other	342	359
Total	**227,030**	**233,403**

On 27 November 2019, after all the conditions precedent had been met, the Acciona Group acquired control of Fidentiis Equities, S.V., S.A. and Fidentiis Gestión, S.G.I.I.C., S.A., and at the end of 2019 the initial accounting for the business combination was incomplete because the process to measure

the assets and liabilities identified in the acquired companies was in progress. In the first half of 2020, the purchase price allocation (PPA) was completed, and an intangible asset associated with the "Asset Management Relationship" and a deferred tax liability were recognised for a total value of 3,749 and 937 thousand euros, respectively (see note 8). The services of the expert Ernst & Young Servicios Corporativos, S.L. were used to measure this intangible asset, which was measured using the "Multi-period Excess Earnings" method, a widely accepted method for valuing customer relationships. The main assumptions considered in the valuation were a discount rate (WACC) of 12.2% and an estimated growth rate of 1.4%.

As a result of the aforementioned process and due to the difference between the fair value of the net assets acquired and the acquisition cost, goodwill amounting to 19,492 thousand euros was eventually recognised.

At 30 June 2020 negative foreign exchange translation differences in the caption have been recorded for approximately 3.6 million euros (positive 0.7 million euros at 31 December 2019), mainly due to changes in the Chilean peso (CLP) and Australian dollar (AUD) exchange rates.

During the first six months of 2020, except for the recoverability analyses carried out in the context of COVID-19 (see note 2.b)), no circumstances have been identified indicating that an impairment test to 30 June 2020 needs to be done. Similarly, at 31 December 2019 no impairment was identified in the tests performed.

Acciona Group policies concerning impairment analysis of its intangible assets, PPE and particularly its goodwill are described in note 4.2 f) to the consolidated financial statements for financial year ended 31 December 2019.

8.- Other intangible assets

The changes in the first six-month period of 2020 and 2019 under this caption on the balance sheet are broken down as follows:

Other intangible assets	Develop-ment	Concessions	Computer software	Advances	Other	Deprecia-tion	Impairment	Total
Six-month period ended 30 June 2019								
Balance at 31.12.2018	**53,834**	**920,404**	**59,256**	**9,246**	**43,749**	**(495,423)**	**(6,483)**	**584,583**
Variations due to changes in scope of consolidation	--	--	--	--	--	--	--	--
Additions / Allocation	320	6,336	5,000	1,210	4	(25,125)	(3)	(12,258)
Reductions	--	(444)	(147)	--	(9,707)	10,131	--	(167)
Transfers	--	(5,385)	(879)	(505)	931	122	--	(5,716)
Other changes	24	2,772	144	--	25	(192)	--	2,773
Balance at 30.06.2019	**54,178**	**923,683**	**63,374**	**9,951**	**35,002**	**(510,487)**	**(6,486)**	**569,215**
Six-month period ended 30 June 2020								
Balance at 31.12.2019	**56,050**	**894,500**	**72,839**	**18,774**	**33,686**	**(533,100)**	**(9,489)**	**533,260**
Variations due to changes in scope of consolidation	(87)	(58)	(286)	-	(119)	459	-	(91)
Additions / Allocation	220	12,902	3,007	1,054	4,747	(25,163)	(1,250)	(4,483)
Reductions	(12)	(155)	(1,815)	-	(23)	373	1,662	30
Transfers	4	(271,712)	(122)	(78)	3,432	134,619	1,442	(132,415)
Other changes	(55)	(8,190)	(655)	-	(56)	1,098	328	(7,530)
Balance at 30.06.2020	**56,120**	**627,287**	**72,968**	**19,750**	**41,667**	**(421,714)**	**(7,307)**	**388,771**

The most significant additions in the six months ended 30 June 2020 relate to two new concessions awarded in the infrastructure division to provide operation, conservation and maintenance services for water treatment systems in Portugal for 3.3 million euros, and to operate wastewater treatment plants in Spain for 5.5 million euros.

In addition, investments of 3 million euros have been made in various computer software, aimed at innovation, improvement in the integration of Group processes and technological development, as well as investments aimed at adapting systems to cover legal, accounting or tax requirements in the different territories in which the Group is present.

The movement in additions under "Other Intangible Assets" reflects the fair value of the asset identified in the context of the acquisition of Fidentiis Gestión S.G.I.I.C., S.A. as an "Asset Management Relationship" (see note 7). This asset will be depreciated on a straight-line basis over its estimated useful life of 8 years.

On the other hand, "Concessions" includes the contracts considered as intangible assets in accordance with IFRIC 12, part of which has been transferred following the sale process referred to in Note 12, together with its accumulated depreciation, to "Non-current assets held for sale" for a net amount of 139 million euros.

The variation on "Other changes" includes the effect of foreign exchange translation differences in the six-month period ended 30 June 2020, for a negative amount of 7.3 million euros (positive amount of 2.8 million euros in the six-month period ended 30 June 2019).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main projects, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31 December 2019, as well as the presence of relevant changes on the markets where the assets operate, for adequate recognition of impairment provisions during the financial year. No significant aspects to be highlighted were observed to date (see note 2(b)).

At 30 June 2020 and 31 December 2019, the Group companies had commitments to buy intangible assets for 6 and 7 million euros respectively, mainly for projects in the water division.

The breakdown of the "Concessions" heading at 30 June 2020 and 31 December 2019 was the following:

Concessions	30.06.2020				31.12.2019			
	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Administrative concessions	280,128	(129,466)	(7,309)	143,353	276,932	(126,971)	(6,384)	143,577
Intangible conc. (IFRIC12)	347,159	(160,673)	-	186,486	617,568	(276,597)	(3,105)	337,866
Total	**627,287**	**(290,139)**	**(7,309)**	**329,839**	**894,500**	**(403,568)**	**(9,489)**	**481,443**

9.- Other current and non-current financial assets and investments accounted for by applying the equity method

9.1. Other current and non-current financial assets

The breakdown of this caption from the Group's consolidated balance sheet at 30 June 2020 and 31 December 2019, disclosed by type and category for measurement purposes, was as follows:

Thousand euros					
30.06.2020					
Financial Assets: Type / Category	**Financial Assets designated at fair value with changes in profit or loss**	**Financial assets at fair value with changes in the recognised consolidated income statement**	**Financial assets carried at amortised cost**	**Hedging Derivatives**	**Total**
Equity instruments	3,084	2,279	--	--	5,363
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets		--	194,561	25	194,586
Long-term / non-current	**3,084**	**2,279**	**194,561**	**25**	**199,949**
Equity instruments	1,960	--	--	--	1,960
Other credits	--	--	98,685	--	98,685
Derivatives	--	--	--	4,386	4,386
Other financial assets	--	--	65,893	--	65,893
Short-term / current	**1,960**	**--**	**164,578**	**4,386**	**170,924**
Total	**5,044**	**2,279**	**359,139**	**4,411**	**370,873**

Thousand euros					
31.12.2019					
Financial Assets: Type / Category	**Financial Assets designated at fair value with changes in profit or loss**	**Financial assets at fair value with changes in the recognised consolidated income statement**	**Financial assets carried at amortised cost**	**Hedging Derivatives**	**Total**
Equity instruments	6,624	2,063	--	--	8,687
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets		--	202,138	62	202,200
Long-term / non-current	**6,624**	**2,063**	**202,138**	**62**	**210,887**
Equity instruments	2,342	--	--	--	2,342
Other credits	--	--	131,310	--	131,310
Derivatives	--	--	--	542	542
Other financial assets	--	--	64,398	--	64,398
Short-term / current	**2,342**	**--**	**195,708**	**542**	**198,592**
Total	**8,966**	**2,063**	**397,846**	**604**	**409,479**

The line "Other financial assets" mainly includes loans granted to companies accounted for by applying the equity method.

The line “Other credits” records the investments in debt securities or occasional investments in short-term investments, or deposits and funds allocated by the energy division and the concession business within the infrastructure division to the debt service reserve accounts for projects, as required by “Project Financing” clauses in force, to guarantee compliance with payment obligations.

In the first six months of 2020 the main change in this balance sheet caption was under “Other credits” in relation to the transfer to “Non-current assets held for sale” of debt service reserve accounts for concession assets on which the Group, as mentioned in note 12, has initiated a sale process. In the first six-month period of 2020 no significant impairment losses on the current and non-current financial asset balances occurred.

9.2 Investments accounted for by applying the equity method

The changes in the first six-month period of 2020 and 2019 under this caption on the balance sheet are broken down as follows (in thousand euros):

Direct investment of the parent	Balance at 31/12/2018	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2019
Nordex, SE	556,169	(33,470)	--	--	5,446	528,145
Income from companies accounted by using the equity method - non-analogous	**556,169**	**(33,470)**	**--**	**--**	**5,446**	**528,145**

Indirect investment of the parent	Balance at 31/12/2018	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2019
Indirect Acciona Energy Subgroup	202,733	22,078	(1,126)	16,959	(9,509)	231,135
Indirect Ceatesalas Subgroup	89,961	7,249	(1,418)	--	(1,649)	94,143
Indirect Acciona Construcción Subgroup	36,749	3,362	(2,619)	--	(1,248)	36,244
Indirect Acciona Concesiones Subgroup	39,041	3,679	(165)	2,921	(8,347)	37,129
Indirect Acciona Agua Subgroup	72,019	10,957	(1,572)	(434)	2,828	83,798
Indirect Acciona Inmobiliaria Subgroup	2,588	210	--	143	(105)	2,836
Other	1,562	289	--	(938)	(359)	554
Income from companies accounted by using the equity method - analogous	**444,653**	**47,824**	**(6,900)**	**18,651**	**(18,389)**	**485,839**
Total investments accounted by using the equity method	**1,000,822**	**14,354**	**(6,900)**	**18,651**	**(12,943)**	**1,013,984**

Direct investment of the parent company	Balance at 31/12/2019	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2020
Nordex, SE	640,392	(71,781)	--	2,586	23,155	594,352
Income from companies accounted by using the equity method - non-analogous	**640,392**	**(71,781)**	**--**	**2,586**	**23,155**	**594,352**

Indirect investment of the parent company	Balance at 31/12/2019	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2020
Indirect Acciona Energía Subgroup	228,066	17,681	(490)	(206)	(23,661)	221,390
Indirect Ceatesalas Subgroup	86,843	19,338	(2,100)	--	2,560	106,641
Indirect Acciona Construcción Subgroup	25,511	1,967	(2,704)	2,940	(19,763)	7,951
Indirect Acciona Concesiones Subgroup	39,448	4,297	(200)	(3,170)	(25,811)	14,564
Indirect Acciona Agua Subgroup	91,218	9,847	(5,251)	4,683	(16,082)	84,415
Indirect Acciona Inmobiliaria Subgroup	4,781	147	(77)	3,514	(428)	7,937
Other	261	(13)	--	--	(34)	214
Income from companies accounted by using the equity method - analogous	**476,128**	**53,264**	**(10,822)**	**7,761**	**(83,219)**	**443,112**
Total investments accounted by using the equity method	**1,116,520**	**(18,517)**	**(10,822)**	**10,347**	**(60,064)**	**1,037,464**

The movement in "Changes in scope and capital contributions/returns" mainly relates to additional capital contributions without the percentage ownership share being changed, including most notably those made in favour of associates developing a water treatment project in Trinidad and Tobago estimated at 4 million euros, as well as for a real estate project in Spain of approximately 4 million euros. On another hand, a capital return by the associate for a concession project in Australia should also be noted.

"Tax effect and other changes" mainly reflects the effect of the transfer to "non-current assets held for sale" of several projects in the concession business amounting to approximately 43 million euros (see note 12), as well as the income tax expense and the changes in value of hedging derivatives.

As indicated in note 18 to the consolidated financial statements for 2019, when the Group's investment in associates accounted for by applying the equity method has a negative carrying amount, the Group recognises its equity stake as an implicit obligation under "non-current provisions". The results for the first six months of 2020 recognised under this caption amount to 15,549 thousand euros.

As a result of extending the useful life of the wind and photovoltaic facilities from 25 to 30 years (see note 2.b) and note 4), the Group updated the impairment tests associated with energy generation assets and for the companies accounted for by applying the equity method and recognised an impairment reversal of 19 million euros under "Income from companies accounted by using the equity method - analogous" in the consolidated income statement.

The methodology and sensitivity analysis described in note 4 were applied. The results of these sensitivity analyses in proportion to the Group's share percentage indicate that:

- With WACC rates of 5.22% for regulated life and 5.97% for unregulated life, the provision reversal would be reduced by 1.5 million euros.
- With WACC rates of 4.22% for regulated life and 4.97% for unregulated life, the provision reversal would increase by 1.7 million euros.
- Likewise, upward and downward variations of 2.5% in pool rates would result in an increase and a decrease in the reversal amounting to 3.3 million euros and 3.1 million euros, respectively.
- Furthermore, upward and downward variations of 50 basis points in the long-term CPI applicable to the operating and maintenance costs of the assets would result in reductions and increases in the provision reversal amounting to 0.5 million euros and 0.7 million euros, respectively.

Note 2.b) briefly describes the consequences that the COVID-19 pandemic is having on the operations of Nordex SE, according to public information provided by the company. The directors of Acciona, S.A. consider these events to be an indication of additional impairment and therefore, at 30 June 2020, the impairment test initially formulated at 31 December 2017 was updated and has been successively updated since then at the end of each period.

The test places the value in use at 30 June 2020 at 644 million euros (695 million euros at 31 December 2019), which is higher than the carrying amount of the investment, which includes an impairment loss of 145 million euros recognised in 2017. However, despite the excellent future prospects of the sector in which Nordex SE operates and the confidence placed by customers in its product portfolio, especially in the Delta 4000 turbine which is resulting in a continued increase in the volume of orders recorded in recent months, there are still uncertainties that prevent the wind turbine manufacturing industry from being considered completely standardised, especially in the current context dominated by the health crisis. In addition, even discounting the effects of the market volatility caused by COVID-19, the current share price continues to be below the carrying amount (the closing price of Nordex, SE at 30 June 2020 was 8.81 euros per share). In this regard, the estimated recoverable amount at 30 June 2020 is lower than that estimated at 31 December 2019 and in 2017 when the aforementioned impairment was recorded. Therefore, in accordance with IAS 36, the Group considers it prudent to maintain its policy of continuously monitoring Nordex, SE with the hope that the signs are consolidated in order for the impairment recorded in 2017 to be reversed. At 30 June 2020 the Group considers that such circumstances have not occurred, and therefore it maintains the impairment applied according to IAS 36.

The methodology used for calculating the value in use is described in note 4.2.f) of the consolidated financial statements for financial year 2019, i.e., through discounting the cash flows (WACC) at a rate which considers the risks inherent to the company's business as well as the different markets in which it operates. A cash flow projection approved by the Acciona Group's directors that covers a period of five years (2020-2024) has been calculated for this discount operation along with a terminal value that represents the value of the future cash flow from the sixth year and which has been determined based on a standard cash flow estimate.

The cash flow estimates for 2020 have been made under a conservative scenario, in line with the forecasts and announcements made by the company to date as a result of the disruptions caused by the health crisis caused by Coronavirus. However, from 2021 onwards a progressive recovery in activity levels and margins is expected, based on the high volume of the current backlog of orders, as well as the support that renewable energies are receiving from governments and institutions which attribute them with an essential role in the economic and social recovery.

With regard to the growth of sales used for the standard period, which serves as a basis to calculate the terminal value ("g" parameter), a 1.5% growth has been estimated, despite the existence of growth prospects in the sector in which Nordex operates that support greater growth. However, given the uncertainty caused by the COVID-19 health crisis and the uncertainty associated with projections for such large periods, it has been considered that 1.5% is a reasonable growth rate.

For the discounted cash flows, an after-tax WACC rate of 7.4% has been considered.

Also, in order to strengthen the consistency and reasonableness of the test, sensitivity analyses have been performed on changes reasonably expected to occur in the main hypotheses. Thus, a variation of +/- 50 basis points in the WACC would produce an additional impact on the impairment amount of -70 and +84 million euros, and a variation of +/- 50 basis points in the sales growth rate in the standard period ("g") would result in an additional impact on the impairment amount of +69 and -58 million euros.

Finally, in recent weeks the negotiations being allegedly held by Nordex to sell its development projects have been made public by some information media. To date the company has not issued any statements confirming this, so the terms of any eventual transaction are unknown. Since there is no reliable public information available on this matter and considering, in accordance with the breakdowns contained in the financial statements of recent years, that the sale of projects under construction has generally been a marginal activity, it has not been considered appropriate to include the effects of this potential transaction in the cash flow projections.

10.– Non-current receivables and other non-current assets

This heading at 30 June 2020 and 31 December 2019, in thousand euros, were broken down as follows:

	30.06.2020	31.12.2019
Non-current operating receivables	625,576	589,275
Non-current prepayments	84,096	80,046
Concessions under the non-current account receivable model	28,422	108,079
Total non-current receivables and other non-current assets	**738,094**	**777,400**

At 30 June 2020 and 31 December 2019, the line "Non-current operating receivables" included mainly customer balances at amortised cost and other trade receivables generated by operating activities with due date over one year and retentions in guarantee as are customary in the construction industry.

At 30 June 2020 and 31 December 2019, the line "Concessions under the non-current financial model" included the balance receivable at over one year in the concessions that, under IFRIC 12, were considered financial assets, since there is an unconditional collection right on the investment made to date. The current portion of this unconditional right was recognised in "Trade and other receivables" on the basis of the collections expected to be received from the grantors of the concessions under the different economic and financial plans. The balance classified as "current" amounted to 5,106 and 14,957 thousand euros at 30 June 2020 and 31 December 2019, respectively. The main change under this heading in the first six months of 2020 corresponds to the transfer of the Concession Company Hospital del Norte, S.A. to "non-current assets held for sale"(see note 12).

Detail of "Concessions under the non-current financial model", by activity, was as follows:

	30.06.2020	31.12.2019
Concession activity	27,808	107,290
Water activity	614	788
Total	**28,422**	**108,079**

The main concession project included in the Concessions activity relates to a hospital located in Mexico, Hospital de León Bajío, S.A. de C.V. for 27,556 thousand euros, and in the Water activity, those related to the integral water cycle.

Also note that the Group companies at 30 June 2020 and 31 December 2019 did not have commitments to acquire concession assets under the financial asset model for a significant amount.

11.- Inventories

At 30 June 2020, the amount recognised in this caption related mainly to real estate inventories for a net carrying amount of 898,002 thousand euros (904,274 thousand euros at 31 December 2019), which is disclosed net of a provision amounting to 341,916 thousand euros (353,529 thousand euros at 31 December 2019).

At 30 June 2020 and 31 December 2019, the net carrying amount of mortgaged inventories stood at 767 and 1,231 thousand euros, respectively, mostly related to real estate development.

Real estate development sales commitments to customers at 30 June 2020 and 31 December 2019 amounted to 281,972 and 332,771 thousand euros, respectively.

Based on the analysis performed by the Group's Management of the trends on the different real estate markets in which it operates (basically Spain, Poland, Mexico and Portugal), in the first half of 2020 no relevant changes therein or signs of additional impairment were estimated, so the Group did not update the measurements of real estate inventories made in December 2019 (see note 2.b)). The Group continuously monitors and will monitor the evolution of the real estate market in the light of the COVID-19 health crisis with a view to reassessing its estimates at 2020 year-end.

At 30 June 2020 there was a firm purchase agreement for a plot of land in Portugal for 14,000 thousand euros and a commitment subject to various conditions precedent on land in Spain for 21,236 thousand euros.

12.- Non-current assets and liabilities held for sale

In the first half of 2020, the Acciona Group classified several concession assets belonging to the infrastructure division under "Non-current assets and liabilities held for sale" because the Group has begun the process to sell its stake in a portfolio of eight concession operations as part of its asset rotation strategy for assets that have reached an appropriate degree of maturity and, consequently, their carrying amount will be recovered through the aforementioned sale transaction rather than through continued use. The concession portfolio includes two transport infrastructure developments, one hydraulic irrigation facility operation, one educational facility operation and four hospital infrastructure operations. All assets placed for sale are concession assets already in operation.

The Group's Management considers that there is a high likelihood that the sale will take place in the short term.

At 30 June 2020 the breakdown of assets and liabilities prior to their classification as held for sale was as follows:

ASSETS	30.06.2020	LIABILITIES	30.06.2020
Property, Plant & Equipment, and Intangible assets	139,557		
Investments accounted by using equity method	40,243		
Deferred tax assets	26,618		
Long term receivables and other non-current assets	71,273		
Trade and other accounts receivable	10,702	Long-term bank borrowings	156,356
Current concessions under the financial asset model	8,742	Non-current provisions and other liabilities	40,951
Current financial assets	20,838	Short-term bank borrowings	10,356
Cash and cash equivalents	22,728	Trade and other accounts payable	4,337
Non-current assets held for sale	**340,701**	**Liabilities associated with non-current assets held for sale**	**217,998**

Non-current assets held for sale are recorded by the net carrying amount prior to estimating that this amount is less than its fair value less sale costs.

The cumulative income and expenses recognised directly in equity at 30 June 2020 in relation to these assets are detailed below:

	Infrastructure Division
Value adjustments	(6,864)
Total recognised income and expense	**(6,864)**

13.- Equity

a) Subscribed and registered share capital

The Parent Company's share capital is represented by 54,856,653 ordinary shares, which are represented by book entries, with a par value of EUR 1 each and fully paid up. All the shares carry the same rights and there are no statutory restrictions as to their transferability, and they are all quoted.

On the basis of the information reported to the Company, the table below shows the holders of significant direct and indirect ownership interests in the share capital at 30 June 2020 and 31 December 2019.

	30.06.2020	31.12.2019
Tussen de Grachten, BV	29.02%	29.02%
Wit Europesse Investering, BV	26.10%	26.10%
La Verdosa, S.L.	5.78%	5.78%
Invesco Ltd	1.01%	--

b) Share premium and reserves

The breakdown of share premium and reserves at 30 June 2020 and 31 December 2019 was as follows:

	30.06.2020	31.12.2019
Issue premium	**170,110**	**170,110**
Legal reserve	11,452	11,452
Reserve for retired capital	12,857	12,857
Statutory reserve	733,464	707,459
Capitalisation reserve Law 27/2014	7,716	4,667
Voluntary reserve	2,581,484	2,453,699
Consolidated reserve	(64,606)	(133,427)
Subtotal reserves	**3,282,367**	**3,056,707**
Total reserves & share premium	**3,452,477**	**3,226,817**

The legal reserve, to which transfers must be made until it reaches 20% of the share capital, may be used to increase capital provided that the reserve balance does not fall below 10% of the increased share capital. Otherwise and as long as the legal reserve does not exceed 20% of the share capital, it can only be used to offset losses, provided that there are no other reserves available in a sufficient amount for that purpose.

The capitalisation reserve set aside in accordance with Article 25 of Law 27/2014, of 27 November, on Income Tax is not available for the next five years after it is set aside, after which time it is freely distributable.

c) Treasury shares

The changes in own shares in the six-month periods ended 30 June 2020 and 2019 were the following:

	30.06.2020		30.06.2019	
	Number of shares	Cost (thousand euros)	Number of shares	Cost (thousand euros)
Opening balance	**398,641**	**28,633**	**2,902,115**	**199,616**
Additions	948,567	90,197	851,691	79,295
Reductions	(940,928)	(89,746)	(866,831)	(79,429)
Liquidity contract movement	**7,639**	**451**	**(15,140)**	**(134)**
Additions	--	--	--	--
Reductions	(79,485)	(5,453)	(2,484,880)	(170,452)
Other movements	**(79,485)**	**(5,453)**	**(2,484,880)**	**(170,452)**
End balance	**326,795**	**23,631**	**402,095**	**29,030**

On 2 July 2015 Acciona, S.A. subscribed a liquidity contract with the Group company Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. This contract was cancelled and replaced on 10 July 2017 by another contract with the same company, to which 44,328 shares were assigned as well as an amount of 3,340,000 euros in the cash account. The company's stock operations carried out by Bestinver within the framework of this contract take place on the Spanish stock exchanges and the purpose is to promote the liquidity of transactions as well as a regular quotation.

During the first six months of 2020, the shares operating under the liquidity contract resulted in losses amounting to 195 thousand euros, recognised in the reserves caption.

With regards to other movements, on 27 March 2018 the Company's Board of Directors agreed to carry out a time-scheduled buy-back programme which would affect a maximum of 2,862,978 shares, representing 5% of the share capital, for a maximum amount of 233,332,707 euros. The purpose of this time-scheduled buy-back programme over its own shares was mainly the reduction in capital through the amortisation of shares, and to a lesser extent, to comply with Acciona, S.A.'s obligations with the Share Delivery Plan for directors and executives.

At 31 December 2018, a total of 2,817,395 shares had been acquired under this programme, representing 4.92% of the share capital, for a total cost of 193,207 thousand euros.

On 28 March 2019, the capital reduction was materialised through the redemption of 2,402,897 own shares at a cost of 164,828 thousand euros.

In addition, 79,485 shares were retired under this programme during the six-month period ended 30 June 2020, corresponding to the delivery of shares to Group management under the Share Delivery Plan and the Variable Remuneration Replacement Plan (see note 24). The profit reflected in reserves for these operations amounted to 2,594 thousand euros.

d) Foreign exchange translation differences

In the six-month period ended 30 June 2020, the foreign exchange translation differences led to an equity decrease of 124,770 thousand euros in respect of December 2019, due to the depreciation of some foreign currencies in which the Group operates, mainly the Mexican peso, Australian dollar, and the Canadian dollar.

e) Value adjustments

- Financial assets at fair value with changes in the recognised consolidated income statement

This heading under "Retained Earnings" on the condensed consolidated balance sheet includes the amount, net of the related tax effect, of changes in the fair value of assets classified as financial assets at fair value with changes in the recognised consolidated income statement. At 30 June 2020, the reserves for this item were reduced by 62 thousand euros, the debtor balance amounting to 115 thousand euros.

- Cash flow hedges

This item under "retained earnings" on the condensed consolidated balance sheet includes the amount, net of the tax effect, of changes in the value of financial derivatives designated as cash flow hedges.

Movements related to the balance of cash flow hedges during the six-month period ended 30 June 2020 and during the first six months of 2019 are presented below:

	Movements from 1 January to 30 June 2020	Movements from 1 January to 30 June 2019
Opening balance	**(144,947)**	**(98,532)**
• Changes in value in the period	(30,173)	(64,735)
Gross	(40,231)	(86,311)
Tax effect	10,058	21,576
• Transfer to profit/(loss) for the period	11,717	11,866
Gross	15,623	15,818
Tax effect	(3,906)	(3,952)
End balance	**(163,403)**	**(151,401)**

14.- Non-current provisions

These provisions cover, according to the best estimate by the Directors of the Parent Company, any liabilities that might arise from litigation, appeals, contentious procedures and obligations pending resolution at the close of the financial year.

Note 18 to the consolidated financial statements for financial year ended 31 December 2019 describes the main litigation affecting the Group at said date. The most significant changes during the six-month period ended 30 June 2020 relate to the net increase of 14 million euros in the provision for implicit obligations in subsidiaries accounted for using the equity method in the infrastructure division, the increase of 64 million euros in the litigation provision (refer to comments at the end of this note), and the decrease in provisions due to the transfer to "Non-current assets held for sale" of concession companies provisions over which the Group, as mentioned in note 12, has initiated a sale process.

With regards to the situation of the Ter-Llobregat water supply service management agreement, on 20 February 2018 the Supreme Court rejected the cassation appeal lodged by Acciona Agua, S.A., together with the Generalitat de Catalunya and Aguas de Barcelona, S.A., thereby confirming the judgement issued by the Superior Justice Court of Catalonia on 22 July 2015 and therefore voiding the assignment of the concession for reasons solely attributable to the Generalitat de Catalunya.

In December 2018, the Generalitat de Catalunya made a first proposal to settle the contract following the Supreme Court ruling, in which it claimed an approximate amount of 38 million euros from the subsidiary Atll Concessionaria de la Generalitat de Catalunya S.A. (hereinafter the Concessionaire). Following this, on 1 April 2019, the Generalitat presented a provisional final settlement proposal, in this case proposing compensation for ATLL amounting to 53.8 million euros.

The Concessionaire has opposed the settlement proposals made because, in short, they are based on the fact that the contract incurred a nullity cause and not one of voidability, according to the Superior Court of Justice of Catalonia in its Ruling of 19 November 2018. Based on expert reports carried out by external advisors, the Concessionaire has estimated that the amount resulting from clause 9.12 amounts to 305 million euros, and 770 million euros is the amount corresponding to the damages caused. In this regard, on 24 July 2019, the Company filed a contentious-administrative appeal against the Resolution of the Territory and Sustainability Ministry of the Generalitat de Catalunya dated 1 April 2019, approving the provisional final settlement of the contract, which was admitted for processing and is pending resolution to date. In March 2020, the Territory and Sustainability Ministry of the Generalitat de Catalunya issued a final settlement for an amount of 56 million. The Company has also appealed this new settlement.

Note 18 to the consolidated financial statements for financial year 2019 describes the main litigation affecting the Group at said date, mainly from the infrastructure and energy divisions. In the energy division, the provision is mainly intended to cover a proceeding before the courts of the state of Illinois (USA) for alleged contractual and non-contractual breaches by Acciona Energy subsidiaries. In March 2020, the Illinois Appellate Court dismissed Acciona's appeal against the first instance ruling, ordering it to pay 134.5 million US dollars. Acciona has appealed against this ruling, and as it is very difficult to make a reliable estimate of the outcome the Group has made an additional provision of 64 million euros at 30 June 2020.

The directors of Acciona, S.A. consider that the risk of additional liabilities arising to those already recognised is remote, and that if they were to arise, they would not have a significant impact on these condensed consolidated financial statements for the six-month period ended 30 June 2019, nor would they entail a capital loss.

15. Bank borrowings, debt instruments and other marketable securities

Detail of financial liabilities by type of financing at 30 June 2020 and 31 December 2019, in thousand euros, was as follows:

	Thousand euros		
Financial Liabilities: Type / Category	30.06.2020		
	Debits and items payable	Hedging Derivatives	Total
Bank borrowings	3,898,421		3,898,421
Debt instruments and other marketable securities	895,895		895,895
Derivatives		95,892	95,892
Other financial liabilities			
Non-current debt / Non-current financial liabilities	**4,794,316**	**95,892**	**4,890,208**
Bank borrowings	743,089		743,089
Debt instruments and other marketable securities	928,670		928,670
Derivatives		7,121	7,121
Other financial liabilities			
Current debt / Current financial liabilities	**1,671,759**	**7,121**	**1,678,880**
Total	**6,466,075**	**103,013**	**6,569,088**

	Thousand euros		
Financial Liabilities: Type / Category	31.12.2019		
	Debits and items payable	Hedging Derivatives	Total
Bank borrowings	4,483,060		4,483,060
Debt instruments and other marketable securities	696,646		696,646
Derivatives		116,614	116,614
Other financial liabilities			0
Non-current debt / Non-current financial liabilities	**5,179,706**	**116,614**	**5,296,320**
Bank borrowings	902,545		902,545
Debt instruments and other marketable securities	1,054,059		1,054,059
Derivatives		9,439	9,439
Other financial liabilities			0
Current debt / Current financial liabilities	**1,956,604**	**9,439**	**1,966,043**
Total	**7,136,310**	**126,053**	**7,262,363**

a) Bank borrowings

At 30 June 2020 and 31 December 2019, the breakdown of recourse and non-recourse bank debt, non-recourse meaning debt with no corporate guarantee whose recourse is limited to the debtor's cash flows and assets, by type and category, was as follows:

	30.06.2020		31.12.2019	
Concept	Current	Non-current	Current	Non-current
Non-recourse bank borrowings	**134,297**	**671,897**	**152,515**	**931,243**
Mortgage loans for PPE financing	3,738	4,458	4,409	5,157
Mortgage loans for property development	319	--	2,280	--
Project finance	94,580	644,212	113,797	900,634
Obligations under financial leases	11,870	23,093	11,690	25,204
Other limited recourse debt	23,790	134	20,339	248
Recourse bank borrowings	**615,913**	**3,322,416**	**759,469**	**3,668,431**
Undue discounted notes and bills	--	--	--	--
Other bank loans and credit facilities	615,913	3,322,416	759,469	3,668,431
Total interest-bearing borrowings	**750,210**	**3,994,313**	**911,984**	**4,599,674**

In the first half of 2020 and in financial year 2019 the Group's loans and credit facilities bore market interest rates.

At 30 June 2020 and 31 December 2019, neither Acciona, S.A. nor any of its significant subsidiaries were in breach of their financial obligations or any other obligation in such a manner as might give rise to early maturity of their financial commitments.

In addition, in the first six months of 2020 and 2019 there were no defaults or any other non-payments of principal, interest or repayments in respect of interest-bearing borrowings.

The main change during the first half of 2020 under "other bank loans and credit facilities" corresponds to a decrease in a drawdown of 708 million euros which, at the end of the previous year, was in a restricted disposal account as security for the payment obligations that could arise from the full acceptance of the takeover bid launched for Nordex SE during the year and which was released on 9 January 2020 after the end of the takeover bid acceptance period.

Also noteworthy under "Project finance" is the transfer of borrowings from companies in the concessions business to "Non-current assets held for sale" as mentioned in note 12.

Borrowings by the real estate business are classified as current liabilities on the basis of the production cycle of the asset they finance, that is, inventories, even though the due date for some of these liabilities stands at over twelve months.

At 30 June 2020, the Group's working capital was negative, although this imbalance between "Current Assets" and "Current Liabilities" in the balance sheet is considered temporary and has no effect on the management of the Group's working capital. At 30 June 2020 the Group companies had been granted additional financing of 3,080 million euros that had not been drawn down, relating to credit lines to finance working capital. This amount includes the liquidity lines signed in the context of the COVID-19 pandemic, new credit lines ("Liquidity Lines") signed with banks in a close relationship with the Group which were arranged for a total of 854 million euros.
In addition, in order to be eligible for the European Central Bank's liquidity programmes (the "Pandemic Emergency Purchase Programme"), the private DBRS rating was made public, enabling the Bank of Spain to purchase, to date, 400 million euros of the ECP programme set up for this purpose.

b) Information on issues or redemption of debt securities

The table below shows the detail at 30 June 2020 and 2019 of the outstanding balance of debt securities which, at said date, had been issued by the Company or by any other Group company, and of the changes in said balance in the first six-month period of 2020 and 2019:

	Thousand euros				
	30/06/2020				
	Balance 31.12.2019	Issues	Repurchases or redemption	Adjustments due to exchange rate, change in scope and other	Balance 30.06.2020
Debt securities issued in a EU member state, which required registration of an informative leaflet	1,530,528	988,618	(913,432)	2,922	1,608,636
Other debt securities issued outside a EU member state	220,178	--	(5,147)	898	215,929
Total current and non-current	**1,750,706**	**988,618**	**(918,579)**	**3,820**	**1,824,565**

	Thousand euros				
	30/06/2019				
	Balance 31.12.2018	Issues	Repurchases or redemption	Adjustments due to exchange rate, change in scope and other	Balance 30.06.2019
Debt securities issued in a EU member state, which required registration of an informative leaflet	1,425,337	795,160	(770,835)	6,025	1,455,687
Other debt securities issued outside a EU member state	224,401	--	(4,038)	1,380	221,743
Total current and non-current	**1,649,738**	**795,160**	**(774,873)**	**7,405**	**1,677,430**

Note 19 to the consolidated financial statements for financial year ended 31 December 2019 describes the issues making up the balance for this heading.

During the first half of 2020, the Acciona Group through its subsidiary Acciona Financiación Filiales, S.A. and with guarantee from Acciona, S.A., has issued promissory notes amounting to 484 million euros. The promissory notes are issued under the Euro Commercial Paper (ECP) programme, initially formalised by Acciona, S.A. on 17 January 2013 and renewed annually from 2015 by the subsidiary Acciona Financiación de Filiales, S.A. (the last renewal date being 30 April 2020), with a guarantee from Acciona, S.A. The programme currently has a maximum amount of 1,000 million euros, Through this programme, which is registered in Euronext Dublin (formerly the Irish Stock Exchange), notes are issued in the Euromarket with maturities between 15 and 364 days.
In addition, on 18 May 2020, Acciona, S.A. formalised a new European Commercial Paper (ECP) programme with a maximum amount of 1,000 million euros. During the first half of 2020, issues under this programme amounted to 200 million euros.

Furthermore, on 30 April 2020, Acciona Financiación Filiales, S.A. renewed the Euro Medium Term Note Programme (EMTN) for a maximum amount of up to 2,000 million euros. During the first six months of 2020, 273 million euros have been issued under this programme. On 25 May 2020, the rating agency DBRS Morningstar assigned a BBB rating to this programme, the same rating as that assigned to Acciona S.A. in April.

Of the redemptions for the period indicated in the table above, a total of 764 million euros corresponds to the redemption of ECP at maturity.

The other debt securities issued outside a European Union member state correspond to the bond issues made in 2012 by the Mexican subsidiaries CE Oaxaca Dos, S. de R.L. de C.V., and CE Oaxaca Cuatro, S. de R.L. de C.V. The main variation during the first half of 2020 corresponds to the scheduled debt amortisation.

In the first half of 2020 there were no new issues of bonds convertible to shares or that granted privileges or rights that might, should a contingency occur, lead to the issues being exchanged for shares of the Parent Company or of a Group Company.

16.- Other non-current and current liabilities

The breakdown of other non-current and current liabilities at 30 June 2020 and 31 December 2019 was as follows, in thousands of euros:

Other liabilities	Non-current		Current	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Grants	101,512	104,599	--	--
Other deferred income	70,236	73,412	--	--
Obligations under finance leases	--	--	--	--
Unpaid remuneration	--	--	98,824	135,921
Debt with non-controlling interests	271,088	294,181	2,491	2,436
Other creditors	441,223	453,995	1,190,877	1,027,796
End balance	**884,059**	**926,187**	**1,292,192**	**1,166,153**

During the first half of 2020, the most significant changes occurred under "Other current liabilities" and related to:

- At 30 June 2020, the "Other creditors" account includes the dividend whose distribution was approved at the General Shareholders' Meeting held on 28 May 2020 and which is pending payment at 30 June 2020. The dividend was paid on 2 July 2020 (see notes 17 and 22).

- In addition, the "Other creditors" account increased by 87 million euros due to the movement in the property, plant and equipment supplier accounts, mainly in the energy division, due to the increase from wind farms under construction mainly in Mexico ("San Carlos" and "Santa Cruz") and Australia ("MortLake").

The most significant change in the first half of 2020 under "Other non-current liabilities" relates to scheduled repayments of subordinated debt recorded under "debt with non-controlling interests".

17.- Dividends paid by the Parent Company

The table below shows the dividends paid by the Parent Company in the first six-month period of 2020 and 2019, which in both cases related to dividends approved in relation to the previous financial year's profit.

- First semester of 2020:

On 28 May 2020 the Annual General Meeting of Shareholders of Acciona, S.A. approved the payment of a dividend worth 1.925 euros per share against 2019 profit. This dividend totalling 105,599 thousand euros was paid on 2 July 2020.

- First semester of 2019:

On 30 May 2019 the Annual General Meeting of Shareholders of Acciona, S.A. approved the payment of a dividend worth 3.5 euros per share against 2018 profit. This dividend totalling 191,819 thousand euros was paid on 1 July 2019.

18.- Earnings per share

- Basic:

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the financial year.

The amounts for the six-month periods ended 30 June 2020 and 2019 were as follows:

	1st semester 2020	1st semester 2019
Net profit attributable to the Parent Company (thousand euros)	22,233	155,082
Weighted average number of shares outstanding	54,506,945	54,422,159
Basic earnings per share (euros)	**0.41**	**2.85**

- Diluted:

To calculate diluted earnings per share, the company adjusts the year's profit attributable to the holders of ordinary equity instruments, and the weighted average number of shares outstanding by all the potential dilutive effects attached to ordinary shares.

In both 2019 and the first half of 2020, the only dilutive effect relates to employee incentive plans, which have no relevant effect on the calculation, and therefore basic earnings per share and diluted earnings per share coincide.

19.- Segment reporting

Note 28 to the consolidated financial statements of Acciona Group for the financial year ended 31 December 2019 details the criteria applied by the Group to define its operating segments.

The table below shows the segment balance sheet by division at 30 June 2020 and 31 December 2019 and the segment income statement at 30 June 2020 and 30 June 2019.

Balances at 30/06/2020	Segments				Corporate transactions	Total Group
	Energy	Infrastructure	Other activities	Intra-Group transactions		
ASSETS						
PPE, intangible assets, and investment property	7,197,119	538,627	116,765	(2,138)	--	7,850,373
Right of use	329,239	99,513	17,536	--	--	446,288
Goodwill	--	198,106	28,924	--	--	227,030
Non-current financial assets	31,186	75,920	89,820	3,023	--	199,949
Investments accounted using the equity method	922,384	107,142	7,938	--	--	1,037,464
Other assets	533,557	748,465	257,537	1,488	--	1,541,047
Non-current assets	**9,013,486**	**1,767,773**	**518,520**	**2,373**	**--**	**11,302,151**
Inventories	121,548	223,307	953,714	(16,072)	--	1,282,497
Trade and other receivables	316,206	1,953,465	160,008	(360,753)	--	2,068,926
Current financial assets	133,547	26,151	11,226	--	--	170,924
Other assets	416,984	254,985	(204,101)	--	--	467,868
Cash & equivalents	(49,290)	1,645,720	(476,733)	(3,023)	--	1,116,674
Non-current assets classif. as held for sale	--	340,701	--	--	--	340,701
Current assets	**938,996**	**4,444,329**	**444,114**	**(379,848)**	**--**	**5,447,590**
Total assets	**9,952,482**	**6,212,102**	**962,634**	**(377,475)**	**--**	**16,749,741**
EQUITY AND LIABILITIES						
Consolidated equity	**3,492,302**	**786,900**	**(876,535)**	**(13,641)**	**--**	**3,389,025**
Bank borrowings	3,643,933	1,764,360	(518,085)	--	--	4,890,208
Other liabilities	1,692,112	431,399	175,458	(3,081)	--	2,295,888
Non-current liabilities	**5,336,045**	**2,195,760**	**(342,628)**	**(3,081)**	**--**	**7,186,096**
Bank borrowings	131,130	67,631	1,480,119	--	--	1,678,880
Trade and other payables	241,099	2,161,000	321,044	(107,355)	--	2,615,788
Other liabilities	751,906	782,811	380,634	(253,398)	--	1,661,953

Liabilities directly assoc. with non-current assets classif. as held for sale	--	217,998	--	--	--	217,998
Current liabilities	**1,124,135**	**3,229,441**	**2,181,796**	**(360,753)**	**--**	**6,174,619**
Total equity and liabilities	**9,952,482**	**6,212,102**	**962,633**	**(377,475)**	**--**	**16,749,741**

Balances at 30/06/2020	**Segments**				**Corporate transactions**	**Total Group**
	Energy	**Infrastructure**	**Other activities**	**Intra-Group transactions**		
Total revenue	845,580	2,119,305	166,749	(89,417)	--	3,042,217
Revenue	838,633	2,036,979	166,606	--	--	3,042,217
Inter-segment revenue	6,947	82,326	143	(89,417)	--	--
Other operating income and expenses	(479,819)	(2,056,472)	(132,983)	88,598	--	(2,580,676)
Gross profit / (loss) from operations	**365,761**	**62,833**	**33,766**	**(819)**	**--**	**461,541**
Allocations	(237,078)	(116,266)	(6,693)	103	--	(359,934)
Impairment and gains / (losses) on disposal of assets	84,808	2,873	1,450	--	--	89,131
Other gains or losses	1	904	(791)	--	--	114
Income from companies accounted by using the equity method - analogous	36,947	621	147	--	--	37,715
Profit / (loss) from operations	**250,439**	**(49,035)**	**27,879**	**(716)**	**--**	**228,567**
Financial profit / (loss)	(96,428)	(19,547)	(5,679)	--	--	(121,654)
Profit / (loss) from changes in value	9,134	--	(2,658)	--	--	6,476
Income from companies accounted by using the equity method - non-analogous	(71,781)	--	--	--	--	(71,781)
Profit / (loss) before tax	**91,364**	**(68,582)**	**19,542**	**(716)**	**--**	**41,608**
Corporate Tax	(25,061)	18,812	(5,360)	196	--	(11,413)
Consolidated profit / (loss) for the period	**66,303**	**(49,770)**	**14,182**	**(520)**	**--**	**30,195**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--
Profit / (loss) for the period	**66,303**	**(49,770)**	**14,182**	**(520)**	**--**	**30,195**
Non-controlling interests	(7,721)	240	(481)	--	--	(7,962)
Profit / (loss) attributable to the Parent Company	**58,582**	**(49,530)**	**13,701**	**(520)**	**--**	**22,233**

Balances at 31/12/2019	Segments				Corporate transactions	Total Group
	Energy	Infrastructure	Other activities	Intra-group transactions		
ASSETS						
PPE, intangible assets, and investment property	6,916,004	670,724	118,737	(2,241)	--	7,703,224
Right of use	284,857	102,480	21,622	--	--	408,958
Goodwill	--	201,667	31,736	--	--	233,403
Non-current financial assets	34,185	82,050	91,630	3,022	--	210,887
Investments accounted by using the equity method	955,302	156,436	4,782	--	--	1,116,520
Other assets	520,289	863,116	254,842	59	--	1,638,306
Non-current assets	**8,710,637**	**2,076,473**	**523,349**	**840**	**--**	**11,311,298**
Inventories	119,754	186,735	956,881	(15,254)	--	1,248,116
Trade and other receivables	364,614	1,928,069	249,013	(450,750)	--	2,090,946
Current financial assets	140,479	46,111	12,002	--	--	198,592
Other assets	338,006	253,156	(236,918)	(2,625)	--	351,620
Cash & equivalents	38,726	1,789,007	323,905	(3,023)	--	2,148,615
Non-current assets classif. as held for sale	--	--	--	--	--	--
Current assets	**1,001,579**	**4,203,078**	**1,304,883**	**(471,652)**	**--**	**6,037,889**
Total assets	**9,712,216**	**6,279,551**	**1,828,232**	**(470,812)**	**--**	**17,349,187**
EQUITY AND LIABILITIES						
Consolidated equity	**3,498,700**	**961,224**	**(803,489)**	**(15,746)**	**--**	**3,640,689**
Bank borrowings	3,470,596	1,647,532	178,192	--	--	5,296,320
Other liabilities	1,629,578	440,785	184,571	(4,316)	--	2,250,618
Non-current liabilities	**5,100,174**	**2,088,317**	**362,763**	**(4,316)**	**--**	**7,546,938**
Bank borrowings	150,572	216,936	1,598,535	--	--	1,966,043
Trade and other payables	337,674	2,156,665	358,329	(193,408)	--	2,659,260
Other liabilities	625,095	856,410	312,093	(257,341)	--	1,536,257
Liabilities directly assoc. with non-current assets classif. as held for sale	--	--	--	--	--	--
Current liabilities	**1,113,341**	**3,230,011**	**2,268,957**	**(450,749)**	**--**	**6,161,560**
Total equity and liabilities	**9,712,216**	**6,279,551**	**1,828,232**	**(470,812)**	**--**	**17,349,187**

Balances at 30/06/2019	Segments				Corporate transactions	Total Group
	Energy	Infrastructure	Other activities	Intra-Group transactions		
Total revenue	1,035,011	2,465,058	153,304	(83,860)	--	3,569,513
Revenue	1,025,614	2,399,828	144,071	--	--	3,569,513
Inter-segment revenue	9,397	65,230	9,233	(83,860)	--	--
Other operating income and expenses	(646,417)	(2,213,897)	(133,289)	82,704	--	(2,910,898)
Gross profit / (loss) from operations	**388,594**	**251,161**	**20,015**	**(1,156)**	**--**	**658,614**
Allocations	(198,435)	(102,523)	(7,519)	103	--	(308,374)
Impairment and gains / (losses) on disposal of assets	(1,294)	520	32	--	--	(742)
Other gains or losses	7	(8,324)	15	--	--	(8,302)
Income from companies accounting by using the equity method - analogous	29,793	15,534	210	--	--	45,538
Profit / (loss) from operations	**218,665**	**156,368**	**12,753**	**(1,053)**	**--**	**386,735**
Financial profit / (loss)	(93,500)	(5,065)	(6,327)	--	--	(104,892)
Profit / (loss) from changes in value	5,658	--	2,289	--	--	7,947
Income from companies accounting by using the equity method - non-analogous	(33,470)	(1)	--	--	--	(33,470)
Profit / (loss) before tax	**97,354**	**151,303**	**8,715**	**(1,053)**	**--**	**256,319**
Corporate Tax	(28,309)	(43,996)	(2,534)	306	--	(74,533)
Consolidated profit / (loss) for the period	**69,045**	**107,307**	**6,181**	**(747)**	**--**	**181,786**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--
Profit / (loss) for the period	**69,045**	**107,307**	**6,181**	**(747)**	**--**	**181,786**
Non-controlling interests	(9,177)	(17,673)	146	--	--	(26,704)
Profit / (loss) attributable to the Parent Company	**59,868**	**89,634**	**6,327**	**(747)**	**--**	**155,082**

The table below shows the breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that originated them:

	Revenue		Total assets		Non-current assets		Current assets	
	30.06.2020	30.06.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Spain	1,238,518	1,513,082	6,747,061	8,239,511	4,429,355	4,619,359	2,317,706	3,620,152
European Union	307,092	309,238	1,655,180	1,714,597	1,184,621	1,228,550	470,559	486,047
OECD countries	860,616	1,125,185	6,498,803	5,652,197	5,091,246	4,792,934	1,407,557	859,263
Other countries	635,991	622,008	1,848,696	1,742,882	596,928	670,455	1,251,768	1,072,427
Total	**3,042,217**	**3,569,513**	**16,749,741**	**17,349,187**	**11,302,151**	**11,311,298**	**5,447,590**	**6,037,889**

20.- Impairment and profit / (loss) on disposal of assets

Breakdown of the item "Impairment and profit / (loss) on disposal of assets" on the income statement at 30 June 2020 and 2019 was as follows (in thousand euros):

	30.06.2020	30.06.2019
Results of non-current assets	1,838	431
Profit/(loss) from controlling interests	1,378	(11)
Impairment of other assets	85,915	(1,162)
Total	**89,131**	**(742)**

"Impairment of other assets" at 30 June 2020 mainly included impairment reversals of assets in the energy division, following the re-estimation of the useful life of these assets amounting to 87 million euros (see note 2.b).

21. - Average headcount

Personnel:

The average number of Acciona Group's employees for the first six-month period of 2020 and 2019, broken down by men and women, was as follows:

	Number of Employees	
	30.06.2020	30.06.2019
Men	25,707	27,721
Women	10,034	10,150
Total	**35,741**	**37,871**

The decrease in the Group's average headcount during the first half of 2020 is mainly explained by the activation of ERTEs derived from the stoppage of some contracts in the service activity within the Infrastructure division due to the effects of COVID-19. This trend is expected to be corrected in the second half of the year according the reincorporation of the staff subject to ERTEs occurs as the activity is resumed.

22.- Events after the reporting period

As indicated in note 17, on 28 May 2020 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 1.925 euros per share against 2019 profit. This dividend totalling 105,599 thousand euros was registered at 30 June 2020 under the "Other current liabilities" heading from the balance sheet and was paid on 2 July 2020.

23. - Related-party transactions

In addition to the subsidiaries, associates and jointly-controlled entities, the Group's "related parties" include Corporate Management "key personnel" (members of the Board of Directors and Senior Executives, and their close relatives), significant shareholders and the entities over which key Management personnel may exercise control or significant influence.

The table below shows the transactions performed by the Group with its related parties in the first six-month period of 2020 and 2019, differentiating between significant shareholders, members of the Board of Directors and Executives and other related parties. The terms of related-party transactions are equivalent to those made at arm's length, and any relevant remuneration in kind has been recognised.

At 30 June 2020, an amount of 22,800 thousand euros corresponding to the purchase of shares in ATLL Concesionaria de la Generalitat de Catalunya, S.A. (ATLL) is included in the section "Other transactions" with "Other related parties". On 21 June 2019 (see Material Event reported to the CNMV under number 279374), the Acciona Group reported that it had assigned any future collection rights arising from the claim that ATLL Concesionaria de la Generalitat de Catalunya, S.A. (in liquidation) has with the Generalitat de Catalunya resulting from the cancellation of the Ter-Llobregat bulk water supply contract award.

As a result of this assignment, and in order to continue in solitary with the claim arising from the cancellation of the concession contract, Acciona Agua, S.A., as the majority shareholder of ATLL, offered to his shareholders to acquire their respective shares in this company, all under the same terms and conditions.

This acquisition process was definitely finalised this past 14 April 2020, through the purchase of the stake that Global Lubbock, S.L. and Global Buridan, S.L. kept in the share capital of ATLL, representing 12% of the share capital. This operation was authorised by the Board of Directors, following a report from the Audit Committee.

	Thousand euros				
	30.06.2020				
Expenses and income	**Significant shareholders**	**Directors and Executives**	**Group employees, companies, or entities**	**Other related parties**	**Total**
Expenses:					
Finance costs					
Leases					
Services received				57	**57**
Purchase of stock					
Other expenses					
Income:					
Financial income					
Dividends received					
Services provided					
Sales of stock					
Other income					

	Thousand euros				
	30.06.2020				
Other transactions	**Significant Shareholders**	**Directors and Executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Financing agreements: loans and capital contributions (lender)					
Financing agreements: loans and capital contributions (borrower)					
Guarantees and endorsements provided					
Guarantees and endorsements received					
Obligations acquired					
Dividends and other profits distributed					
Other transactions				22,800	**22,800**

	Thousand euros				
	30.06.2020				
Balances at End of Period	**Significant shareholders**	**Directors and Executives**	**Group employees, companies, or entities**	**Other related parties**	**Total**
Customers and trade receivables					
Loans and credit facilities granted					
Other collection rights					
Total balance receivable					
Loans and credit facilities received					
Other payment obligations				23	**23**
Total balance payable				23	**23**

Expenses and income	Thousand euros 30.06.2019 Significant shareholders	Directors and Executives	Group employees, companies, or entities	Other related parties	Total
Expenses:					
Finance costs					
Leases					
Services received				63	63
Purchase of stock					
Other expenses					
Income:					
Financial income					
Dividends received					
Services provided					
Sales of stock					
Other income					

Other transactions	Thousand euros 30.06.2019 Significant Shareholders	Directors and Executives	Group employees, companies or entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)					
Financing agreements: loans and capital contributions (borrower)					
Guarantees and endorsements provided					
Guarantees and endorsements received					
Obligations acquired					
Dividends and other profits distributed					
Other transactions					

Balances at End of Period	Thousand euros 30.06.2019 Significant shareholders	Directors and Executives	Group employees, companies, or entities	Other related parties	Total
Customers and trade receivables				174	174
Loans and credit facilities granted					
Other collection rights					
Total balance receivable				174	174
Loans and credit facilities received					
Other payment obligations					
Total balance payable					

24. - Remuneration and other benefits

Note 35 to the Group's consolidated financial statements for financial year ended 31 December 2019 details the existing agreements about remuneration and other benefits for the members of the Board of Directors of the Company and for Senior Management.

The table below shows the main information on said remuneration and benefits for the six-month periods ended 30 June 2020 and 2019:

	Thousand euros	
	30.06.2020	**30.06.2019**
Directors		
Type of remuneration:		
Remuneration for belonging to the board and/or board committees	751	744
Wages	1,057	1,057
Variable cash remuneration	4,179	2,368
Share-based compensation systems	--	--
Indemnities	--	--
Long-term savings systems	500	2,800
Other	48	60
Total	**6,535**	**7,029**
Management		
Total remuneration received by Management	18,870	17,229

Plan for delivery of shares and performance shares

The General Shareholders' Meeting held on 24 June 2014 approved the following agreement:

A) To extend the term of validity of the Shares and Options Delivery Plan to Acciona Group's management, including Executive Directors, as was approved by the General Shareholders' Meeting of Acciona, S.A. on 4 June 2009, for application in financial years 2014 to 2020, and to increase the maximum number of shares available by 200,000 shares.

B) To authorise the Board of Directors of the Company so that it may, to all the extend required by law and upon proposal by the Appointments and Remuneration Committee, amend the Plan Regulations under the terms and conditions that the Board considers convenient, establishing delivery conditions and times, accrual periods, allocation criteria and limits and any other aspect that the Board considers relevant, in order to align further the long-term interests of the Company's Executive Directors and other executives of the Acciona Group with those of the shareholders of Acciona, S.A., and thus, strengthen their motivation in the attainment of higher value and long-term stability for the group, and consolidate their loyalty and permanence.

Pursuant to this authority, in the first quarter of 2015 the Board of Directors approved, upon proposal by the Appointments and Remuneration Committee, to amend the Plan Regulations, drawing up a new one whose term of validity covers the six-year period from 2014 to 2019, both inclusive; the main characteristics of this plan are described below.

The Board of Directors adopted at its meeting on 14 December 2017, upon proposal by the Appointments and Remuneration Committee, an additional modification of the Plan Regulations in order to adapt it to corporate governance best practices with regards to deferral, malus and clawback for the variable remuneration of Executive Directors, and to adapt it to the principles and guidelines contained in the Directors' Remuneration Policy approved by the General Shareholders' Meeting held on 18 May 2017.

In addition, the Board of Directors adopted at its meeting on 26 March 2020, upon proposal by the Appointments and Remuneration Committee, to submit to the General Meeting the proposal to modify the LTIP 2014-2019 to allow for the possibility of replacing the delivery of the Company's shares that may correspond to the annual or multi-year settlement of the LTIP 2014-2019 with other Company assets at market value and according to a valuation issued by an independent expert, a proposal that was approved by the General Shareholders' Meeting held on 28 May 2020.

Following the 2014 Plan Regulations and based on the evaluation of the results obtained during the three year period from 2014-2016, the Board of Directors, upon proposal by the Appointments and Remuneration Committee, agreed to deliver 104,096 shares to Executive Directors in 2017 and assign 26,025 shares to be delivered in a deferred manner, evenly distributed over a period of three years (1/3 each year).

A) Purpose of the Plan:

The purpose of the 2014 Plan for Delivery of Shares and "Performance Shares" to Acciona and its group's management (the Plan for Delivery of Shares/Performance Shares) is to remunerate management, including the Executive Directors of Acciona, S.A. ("Acciona") and of the business and company group whose parent is Acciona, S.A. or where Acciona, S.A. holds a significant interest in management ("Acciona Group" or "Acciona and its group") in such a manner as to prompt the attainment of strategic business objectives of Acciona and its group to the benefit of Acciona's shareholders, and the loyalty and permanence of executives.

B) Strategic indicators and objectives to achieve

Achievement of objectives will be based on business strategic indicators, which have been defined by the Board of Directors for financial years ranging from 2014 to 2019.

C) Plan beneficiaries

C.1. – Executive Directors

For Executive Directors, it is contemplated for the first time that they may have "Performance shares" annually allocated by the Board of Directors. This does not give them the right to acquire the related shares (except where so provided by the Regulation) but it is an indication by the Board of Directors of the number of shares that the Board forecasts that can be allocated to these Executive Directors at a later date if two conditions are fulfilled: their permanence and the attainment of Acciona Group's long-term strategic goals as established by the Board as a requisite for the Executive Directors to receive shares.

Reference period: *The reference period of the business strategic indicators will be the 2014-2019 six-year period, although, for allocation of "Performance shares", the whole period from the start of the 2014 Plan application period to the end of the previous financial year will be considered.*

"Performance shares" allocation: *Upon completion of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.*

The final allocation of treasury shares to Executive Directors will take place (a) at the end of the whole 2014 Plan period (in 2020) upon consideration of the assessment made for the whole 2014-2019 period and (b) at a midpoint milestone, in 2017, upon completion of the first three 2014-2016 financial years, upon consideration of the assessment made on the first 2014-2016 three-year period.

In response to social interest and if in the opinion of the Board of Directors circumstances make it advisable for Acciona and the group, after consideration of the Appointments and Remuneration Committee recommendation, the Board of Directors may delay until 2020 the delivery of the shares finally allocated to Executive Directors in 2017 (related to financial years 2014, 2015 and 2016), aligning the delivery of these shares with those which, as appropriate, correspond to be given to them at the end of the whole 2014 Plan period (in 2020).

Permanence condition: *Delivery of the shares finally allocated to Executive Directors is dependent on the fact that, up to 31 March of the year when the shares are to be delivered, the Executive Director has not ceased to perform his/her senior management duties in Acciona or its Group for reasons attributable to the Director in question.*

In no event may the number of allocated shares thus quantified exceed, together with those allocated under the 2014 Plan, the maximum number available approved by the General Meeting.

Shares subject to deferral, malus and clawback: *The delivery of 20% of the shares that the Executive Directors are entitled shall be subject to a deferral period for a minimum of one (1) year; the accrual of such shares will be subject to their permanence as Executive Director according to the Regulations, and to no causes being revealed that according to the external auditors would lead to a material restatement of the Acciona Group's consolidated financial statements, as judged by the Board of Directors upon proposal by the Appointments and Remuneration Committee, except when such a material restatement is the result of a change in accounting regulations.*

In addition, during the three (3) years following the date on which the shares are delivered, Acciona could request the Executive Directors to: (i) return the amounts paid when the corresponding calculations had been done based on data which has been proven to be manifestly misstated, and (ii) return the amounts paid and/or not be paid the amounts that they are entitled to, in cases where the director has incurred a serious breach in their duties of diligence or loyalty in line with their position in Acciona, or for any other serious and negligent breach of the obligations that the Executive Directors have assumed under the contracts signed with Acciona in order to fulfil their executive functions.

Finally, the 2014 Plan does not contemplate the possible sale of shares delivered in order to pay the tax incurred by the beneficiary as a result of such delivery. The cost of such payment on account derived from the 2014 Plan shall not be passed on to the beneficiaries, as the Company shall assume *the tax cost that such payment on account will incur for the beneficiaries within the limits set out by Acciona.*

C.2. – Group's Executives

For the other beneficiaries that are not executive directors, the Board of Directors will approve, upon considering proposal by the Appointments and Remuneration Committee, the amount for separate variable remuneration to be paid through delivery of Acciona's treasury shares allocated for each financial year to each executive that benefits from the 2014 Plan other than Executive Directors.

The allocation may be implemented through a number of treasury shares or in a cash amount. In the latter case, the equivalent number of shares will be based on the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation, the exact date on which the shares will be delivered shall be determined by the Board of Directors. In no event will the number of allocated shares thus quantified exceed, together with the other shares allocated under the 2014 Plan, the maximum number approved by the General Meeting.

Treasury shares transferred to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary. The Board of Directors may extend to a reduced group of executives the "Performance share" and/or shares allocation system established for executive directors, with the changes as can be proposed by the Appointments and Remuneration Committee regarding interim allocation, tax system, objectives, midpoint milestones and delivery times, with the purpose of increasing their motivation in the attainment of higher value and long-term stability for the group, as well as consolidating their loyalty and permanence in the Group.

D) Number of shares available for the Plan

The maximum number of shares that can be allocated to the Beneficiaries in application of the 2014 Plan has been set at 258,035. This maximum number of shares that can be allocated by the Board of Directors to the beneficiaries under Plan 2014 may be increased by agreement of the General Shareholders' Meeting. In this respect, the General Shareholders' Meeting held on 11 June 2015, 10 May 2016, 18 May 2017, 30 May 2018 and 30 May 2019 agreed to increase the maximum number of shares available for the 2014-2019 Plan for Delivery of Shares and Performance Shares by 500,000, without affecting later increases if so proposed by the Board of Directors and approved by the General Meeting. Today, the maximum number of shares available is 441,961 shares.

E) Recipients

The annual number of Recipients shall not exceed 100.

Plan to replace variable remuneration for shares

Upon proposal by the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the former Plan, with the purpose of furthering and extending the objectives for building loyalty and retaining the Group's executives, on 26 March 2015 the Board of Directors approved the "Plan to Replace Variable Remuneration for Acciona shares, aimed to Acciona and its Group's management" (the Substitution Plan), excluding executive directors; the main characteristics of the plan are the following:

Purpose: *To retain and motivate the management team effectively and achieve higher alignment of their interests with those of the Company and its Group.*

Initial duration: *Six years (2014 to 2019).*

Specific Purpose: *To offer some executives, on a discretionary basis, the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares, according to a swap equation to be determined each year. In 2019, the swap equation approved carried an incentive of 25% over the variable remuneration replaced.*

Beneficiaries: *The executives that the Board of Directors determines of its own free will. Executive Directors are excluded from this Plan.*

Restrictions on the shares delivered: *In general terms, the shares delivered cannot be (a) disposed of, encumbered or used under any title (except for mortis causa), and (b) no option right can be set up over them, or any other right limiting ownership or as security, until after 31 March of the third year following the year in which the shares in question were delivered to the Beneficiary.*

Treasury shares transferred to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary.

Acciona's share price to be taken as benchmark to determine the swap equation will be the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation of the replacement option.

The number of shares delivered to Beneficiaries other than executive directors (57 Beneficiaries), under the ***Plan for Delivery of Shares /Performance Shares***, in the first half of 2020, has been 26,231 shares.

With regards to executive directors, during the first half of 2020 there has been no firm allocation of performance shares or of shares under the 2014 ***Plan for Delivery of Shares /Performance Shares.***

Finally, in application of the ***Substitution Plan***, in the first half of 2020 12,953 Company shares have been delivered to 29 executives of Acciona and its Group in payment of part of their variable remuneration in cash for 2019.

Shareholders Plan

The Board of Directors of Acciona agreed unanimously, and upon recommendation by the Appointments and Remuneration Committee, to approve a new "Shareholders Plan" to be generally applied to all the employees with fiscal residence in Spain. This plan makes it possible to redistribute part of the variable and/or fixed remuneration with a limit of 12,000 euros per year through delivery of Company shares, in accordance with the current regulatory framework after the amendments introduced by Act 26/2014, of 27 November, which amended Act 35/2006, of 28 November, on Personal Income Tax, the reworded text of the Act on Non-Residents' Income Tax, approved by Royal Legislative Decree 5/2004, of 5 March, and other taxation regulations, and which benefits this type of plans in fiscal terms, (the "Plan").

The Plan, where participation is voluntary, offers all the employees with fiscal residence in Spain and who joined any of Acciona Group's companies before 31 December 2019, the opportunity of sharing in the company's results and thus, becoming a shareholder.

This Plan does not affect executive directors because their relationship with the Company is mercantile and not based on an employment contract.

The delivery of shares, referenced to the closing price quoted on the stock exchange on 31 March 2020, took place in the first half of the month of April.

Savings Plan

In 2014, the Company implemented a savings plan related to a term life assurance, permanent disability in the degrees of total, absolute and grand invalidity, and death ("Savings Plan") aimed solely and exclusively at the Company's Executive Directors. The basic characteristics of the plan are as follows:

a) It is a social welfare system based on a defined contribution.
b) It is a system endowed externally through the payment by the Company of annual premiums to an insurance company with the Participant as the beneficiary, for the coverage of survival and the risk contingencies, i.e.: (i) death and (ii) permanent disability in the degrees established in the Regulations.
c) Should the Participants cease to occupy positions as Executive Directors of Acciona for any reason, the Company shall cease to pay the premiums to the Savings Plan on the date on which they unquestionably cease to hold their position, without prejudice to any economic rights recognised to Participants.
d) The payment of the Benefit arising out of the Savings Plan will be made directly by the insurance entity to the Participants, net of any corresponding withholdings or payments on account of personal Income Tax that may be applicable in each case and payable by the beneficiary of the Benefit. For the rest of the contingencies, the payment of the Benefit will also be made directly by the insurance entity to any entitled parties.
e) The status of Participant in the Savings Plan will be lost should any of the following circumstances arise: i) occurrence of any of the risk contingencies covered and collection of the Benefit; ii) attainment of the age of 65 years; iii) removal from the position of Executive Director of Acciona for any reason other than those indicated above.

The variable remuneration is settled in cash, either when it is paid or deferred through contribution to the Savings Plan. Contributions deferred through contributions to the Savings Plan with the Executive Directors as beneficiaries amounted to 500 thousand euros in the first half of 2020.

The global remuneration related to rights accumulated by the Directors in this respect amounts to 22,092 thousand euros.

(CONSOLIDATED GROUP)
CONSOLIDATED INTERIM DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

Part I – Analysis of the first semester

Acciona discloses results in accordance with the International Financial Reporting Standards (IFRS), under a corporate structure that comprises three divisions:

- Energy comprises the electricity business covering the development, construction, operation and maintenance of renewable power generation plants, and the sale of the energy produced. All the electricity generated by Acciona Energy comes from renewable energy sources.

- Infrastructure:

    - Construction: includes infrastructure construction and engineering activity. It also includes turn-key projects for power generation plants and other facilities.
    - Concessions: includes the exploitation of mainly transport and hospital concessions.
    - Water includes the construction of desalination, water treatment and purification plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater to the environment. Acciona Agua also operates water concessions across the entire water cycle.
    - Services includes urban mobility activities such as rental of all types of vehicles, analysis, design and implementation of energy efficiency and renewables improvement projects in all types of energy-consuming facilities, as well as facility services activities, airport handling, waste collection and treatment and logistics services, among others.

- Other activities include the businesses related to fund management and stock broking, wine production, property development and other businesses.

The Alternative Performance Measures (APMs) used repeatedly and in this six-month Directors' Report by the Acciona Group are defined below:

EBITDA or the gross operating profit: is defined as operating income before depreciation and amortisation, that is, the operating result of the Group. It is calculated by taking the following items of the consolidated income statement: "Net revenue", "Other revenues", "Change in inventories of finished goods and work in progress", "Cost of goods sold", "Personnel expenses", "Other operating expenses" and "Income from associated companies - analogous"[1].

EBT excluding corporate transactions: is defined as earnings before tax excluding those accounting impacts related to exceptional events and decisions made by the Group's management, which go beyond the usual course of operative decisions made by the different division's top management and are detailed in segment information note.

Net Debt: it shows the Group's debt, in net terms, deducting cash and cash equivalents. The detailed reconciliation is broken down in the Cash flow and Net Financial Debt Variation section of the Directors' Report. It is calculated by taking the following items from the consolidated balance sheet: "Non-current interest-bearing borrowings", "Current interest-bearing borrowings", less "Cash and cash equivalents" and "Other current financial assets".

Net Debt including IFRS16: is defined as net debt adding the current and non-current "leasing liabilities" from the balance sheet.

Non-recourse debt (project debt): corresponds to debt that does not have corporate guarantees, and therefore its recourse is limited to the debtor's assets and cash flows.

Recourse debt (corporate debt): debt with a corporate guarantee.

Financial gearing: it shows the relation between the Group's financial debt and its equity. It is calculated dividing "Net debt" (calculated as explained above) by "Equity".

Backlog: is defined as the pending production, i.e., contractual amounts or customer orders after having deducted the amounts already accounted for as income in the income statement. It is calculated on the basis of orders and contracts awarded to the Group, deducting the realised portion that is accounted on "Net revenue" and adding or subtracting "Other variations" that correspond to forex adjustments and modifications to the initial contracts.

Gross Ordinary Capex: is defined as the period increase in the balance of property, plant & equipment, real state investments, right of use under financial leasing contracts and non-current financial assets, corrected by the following concepts:

- Depreciation, amortisation, and impairment of assets during the period

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[1] As of 1 January 2020 the Acciona Group includes income from associated companies and joint ventures that are accounted for using the equity method, and that carry out an activity similar to Acciona's activity, within the gross operating profit (EBITDA) according to Decision EECS/0114-06 issued by European Securities and Markets Authority (ESMA).

The Group considers that this reclassification will contribute to making the EBITDA a better reflection of the financial performance of those assets and activities that form the Group's corporate purpose and in which the Group is highly involved, regardless of the legal nature of the agreements that regulate their management. The results of those associates and joint ventures which, due to the development of activities outside the group's business, are more similar to that of a financial investment would be the only ones recorded under operating profit.

In addition, this change will allow for greater alignment with the presentation criteria that comparable companies have been adopting in recent times.

- Results on disposal of assets
- Forex fluctuations

When dealing with changes in the consolidation perimeter, net investment is defined as the outflow/inflow net of resources used/obtained in the acquisition/disposal of net assets.

Net Ordinary Capex: is defined as the Gross Ordinary Capex +/- change in "other payables" account related to property, plant, and equipment providers.

Divestments: resources obtained from the sale of businesses or significant cash generating units that are carried out within the framework of a divestment strategy.

Net Investment Cash flow: Net Ordinary Capex, subtracting divestments, +/- change in Property Development inventories.

Operating Cash flow: represents the ability of assets to generate resources in terms of net debt. It is obtained as follows:

EBITDA +/- change in operating working capital – net financial cost +/- cash inflow/outflow of capital gains + income from associates +/- other cash inflow/outflow different from those included in the Net Investment Cash-flow and from those which constitute shareholder remuneration.

Management uses these APMs to make financial, operational, and planning decisions. They are also used to evaluate the performance of the Group and its subsidiaries.

Management considers that these APMs provide useful additional financial information to evaluate the performance of the Group and its subsidiaries as well as for decision-making by the users of the financial information.

1. Executive Summary

Key Highlights

- The H1 2020 results are marked by the effects of the COVID-19 pandemic, which have been concentrated mainly in the second quarter of the year. The company estimates that the negative impact of the pandemic on H1 2020 results amounts to €468 million in terms of revenue and €144 million in terms of EBITDA, most of which is related to the Infrastructure business. Despite this, ACCIONA is making progress with its action plan aimed at protecting its solid financial position and, thus, its medium and long-term growth plans. The Company believes that it is well positioned to take advantage of the economic recovery stimulus plans, which is expected to be centred in the sustainable/transformative sectors.

- Revenues stood at €3,042 million, declining by 14.8% compared to H1 2019. Energy and Infrastructure reduced its sales by 18.3% and 14.0% respectively. Revenues from Other Activities increased by 8.8%.

- EBITDA stood at €499 million, 29.1% below H1 2019. This EBITDA figure includes the contribution of assets consolidated by the equity method whose activity is analogous to that of the group.

- The Energy division reduced its EBITDA by 3.7%:
  - In Spain, the Generation business EBITDA fell by 18.7% mainly due to the effect of lower wholesale electricity prices and the decrease in regulated revenues as a result of the three-year regulatory review.
  - The International Generation business grew by 6.8% mainly driven by the contribution of the new operating assets.

- EBITDA contributed by the Infrastructure business fell by 76.2%, mainly due to the contribution from the Sydney Light Rail settlement in 2019 and the effects of the pandemic in 2020, particularly in the Industrial contracting segment and some activities within the Services business.

- Other Activities' EBITDA increased by 67.7% as a result of the increase in the contribution of the Property development business.

- Attributable net profit amounted to €22 million, 85.7% lower than H1 2019, reflecting the COVID impact as well as the negative contribution from the investment in Nordex which has more than doubled relative to 2019.

- Net ordinary capex amounted to €484 million in the first half of the year. Most of which was allocated to the Energy division, which invested €415 million in new renewable capacity, mainly wind plants in Mexico, USA, and Chile. ACCIONA installed 293MW in the first half and has 780MW in construction at the end of the first half.

- In Infrastructure, the backlog of construction and water projects grew to €8,571m, 6.5% higher than the existing backlog at the end of 2019, with highlights in terms of new awards being the construction of a hospital in Panama, the construction of the Brisbane Metro electric rapid transit system and Bayswater Station in Australia, as well as three water projects in Hong Kong, the Philippines and Argentina.

- Net financial debt including IFRS 16 reached €5,719 million, an increase of €402m compared to December 2019, mainly due to the COVID effect and the investment undertaken during the period, which expected to concentrate the majority of the investment for 2020.

- With regards to ACCIONA's commitment to sustainability, progress continued to be made in meeting the targets set for 2020 in the environmental, social and taxonomy alignment areas.

Consolidated Income Statement Data

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Change (%)
Revenues	3,042	3,570	-14.8%
EBITDA	499	704	-29.1%
Earnings before tax (EBT)	42	256	-83.8%
Attributable net profit	22	155	-85.5%

Balance Sheet and Capital Expenditure Data

(Million euros)	30-Jun-20	31-Dec-19	Change (%)
Equity	3,198	3,421	-6.5%
Net debt	5,281	4,915	7.5%
Net debt including IFRS 16	5,719	5,317	7.6%

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Change (%)
Net Ordinary Capex	484	540	-10.4%
Net Investment Cashflow	504	701	-28.1%

Operating Data

	30-Jun-20	31-Dec-19	Change (%)
Infrastructure backlog (Million euros)	12,160	11,391	6.8%
Average workforce	35,741	39,699	-9.97%

	30-Jun-20	30-Jun-19	Change (%)
Total capacity (MW)	10,407	9,851	5.6%
Consolidated capacity (MW)	8,344	7,787	7.1%
Total production (GWh) (Jan-Jun)	12,104	11,245	7.6%
Consolidated production (GWh) (Jan-Jun)	9,821	9,318	5.4%
Assets under Bestinver management (Million euros)	5,536	6,007	-7.8%

2. Sustainability

ACCIONA has published the Sustainability Report for the H1 2020 in a separate document, with the purpose of reporting on the evolution of the main non-financial information indicators published by the Company each year.

The most relevant ESG indicators are presented below, as well as their evolution during this period:

Environmental performance	Jan-Jun 2020	Jan-Jun 2019	Change (%)
Renewable installed power (MW)	10,407	9,851	5.6%
Energy production (GWh)	12,104	11,245	7.6%
Avoided emissions (CO_2 million tonne)	7	6	9.5%
Generated emissions (CO_2 million tonne)	--	--	0.0%
CO_2 intensity (tCO_2/ revenue M€)	23	23	0.0%
Treated water (hm^3)	459	508	-9.6%
Water consumed by ACCIONA (hm^3)	1	1	-18.2%
Waste generation (million tonne)	2	2	6.3%
Recovered waste (%)	56	80	-30.0%

Social performance	Jan-Jun 2020	Jan-Jun 2019	Change (%)
Female executives and managers (%)	21	20	2.5%
Accident Severity Index (Employees and Contractors)	71	79	-9.3%
Accident Frequency Index (Employees and Contractors)	2	3	-30.8%
Social Impact Management Projects (No.)	114	124	-8.1%

3. Consolidated Income Statement

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg.	Chg. (%)
Revenue	**3,042**	**3,570**	**(527)**	**-14.8%**
Other revenue	425	247	178	72.1%
Changes in inventories of finished goods and work in progress	34	17	17	95.1%
Total Production Value	**3,501**	**3,834**	**(333)**	**-8.7%**
Procurement	(1,006)	(957)	(49)	-5.1%
Personnel expenses	(759)	(766)	7	0.9%
Other expenses	(1,275)	(1,453)	177	12.2%
Income from associated companies - analogous	38	46	(8)	17.2%
EBITDA	**499**	**704**	**(205)**	**-29.1%**
Depreciation and amortisation	(265)	(274)	9	3.2%
Provisions	(95)	(35)	(60)	-173.5%
Impairment of asset value	86	(1)	87	n.a.
Results on disposal of assets	3	--	3	n.a.
Other gains or losses	--	(8)	8	n.a.
EBIT	**229**	**387**	**(158)**	**-40.9%**
Net financial result	(115)	(110)	(5)	-4.5%
Exchange differences (net)	(6)	6	(12)	n.a.
Change in financial investment provisions	--	(1)	--	50.8%
Income from associated companies - non-analogous	(72)	14	(38)	114.5%

Profit and loss from changes in fair value of financial instruments	6	8	(1)	-18.5%
Profit from Continuing Activities	**42**	**256**	**(215)**	**-83.8%**
Income tax expense	(11)	(75)	63	84.7%
Profit / (loss) from Continuing Activities	**30**	**182**	**(152)**	**-83.4%**
Non-controlling interests	(8)	(27)	19	70.2%
Attributable Net Profit	**22**	**155**	**(133)**	**-85.7%**

Revenue

(Million euros)	**Jan-Jun 2020**	**Jan-Jun 2019**	**Chg. €m**	**Chg. (%)**
Energy	846	1,035	(189)	-18.3%
Infrastructure	2,119	2,465	(346)	-14.0%
Other activities	167	153	13	8.8%
Consolidation adjustments	(88)	(83)	(6)	-6.6%
TOTAL Revenue	**3,042**	**3,570**	**(527)**	**-14.8%**

Revenues decreased by 14.8% to €3,042 million, due to a combination of the following factors:

- The decrease in Energy revenues (-18.3%), mainly due to the reduction in pool prices in Spain and the lower regulated remuneration following the last regular three-year review of certain variables in the regulatory model.

- The Infrastructure business revenues fell (-14.0%) mainly due to the effect of the Sydney settlement on 2019 sales, and the consequences of the pandemic in the different markets and business areas where Construction and Services operate.

- The revenues from Other Activities increased by +8.8%.

EBITDA

(Million euros)	**Jan-Jun 2020**	**% EBITDA**	**Jan-Jun 2019**	**% EBITDA**	**Chg.**	**Chg. (%)**
Energy	403	81%	418	59%	(16)	-3.7%
Infrastructure	63	13%	267	38%	(203)	-76.2%
Other activities	34	7%	20	3%	14	67.7%
Consolidation adjustments	(1)	n.a.	(1)	n.a.	--	29.2%
TOTAL EBITDA	**499**	**100%**	**704**	**100%**	**(205)**	**-29.1%**
Margin (%)	***16.5%***		***19.7%***			***-3.2pp***

Note: EBITDA contributions calculated before consolidation adjustments.

H1 2020 EBITDA fell by 29.1% and stood at €499 million, mainly due to the lower contribution of Infrastructure (-76.2%). Energy reduced its EBITDA by 3.7% and Other Activities increased its contribution by 67.7%.

EBIT

EBIT amounted to €229 million vs. €387 million in the first half of 2019, representing a decrease of 40.9%.

Earnings Before Tax (EBT)

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Energy	91	97	(6)	-6.2%
Infrastructure	(69)	151	(220)	-145.3%
Other activities	20	9	11	124.2%
Consolidation adjustments	(1)	(1)	--	-32.0%
EBT excl. Corporate transactions	**42**	**256**	**(215)**	**-83.8%**
Corporate transactions	--	--	--	n.a.
TOTAL EBT	**42**	**256**	**(215)**	**-83.8%**
Margin (%)	***1.4%***	***7.2%***		***-5.8pp***

Attributable Net Profit

Attributable net profit reached €22 million, 85.7% lower than the first half of 2019.

4. Consolidated Balance Sheet and Cash Flow

(Million euros)	30-Jun-2020	31-Dec-2019	Chg. €m	Chg. (%)
Property, plant, and equipment & intangible assets	7,850	7,703	147	1.9%
Right of use	446	409	37	9.1%
Financial assets	200	211	(11)	-5.2%
Investments applying the equity method	1,037	1,117	(79)	-7.1%
Goodwill	227	233	(6)	-2.7%
Other non-current assets	1,541	1,638	(97)	-5.9%
NON-CURRENT ASSETS	**11,302**	**11,311**	**(9)**	**-0.1%**
Inventories	1,282	1,248	34	2.8%
Accounts receivable	2,069	2,091	(22)	-1.1%
Other current assets	468	352	116	33.1%
Other current financial assets	171	199	(28)	-13.9%
Cash and cash equivalents	1,117	2,149	(1,032)	-48.0%
Assets held for sale	341	--	341	n.a.
CURRENT ASSETS	**5,448**	**6,038**	**(590)**	**-9.8%**
TOTAL ASSETS	**16,750**	**17,349**	**(599)**	**-3.5%**

Share capital	55	55	--	0.0%
Reserves	3,144	3,043	101	3.3%
Profit / (loss) attributable to the Parent Company	22	352	(329)	-93.7%
Own securities	(24)	(29)	5	17.5%
EQUITY ATTRIBUTABLE	3,198	3,421	(224)	-6.5%
NON-CONTROLLING INTERESTS	191	219	(28)	-12.8%
EQUITY	**3,389**	**3,641**	**(252)**	**-6.9%**
Interest-bearing borrowings	4,890	5,296	(406)	-7.7%
Long-term leasing liabilities	381	347	34	9.9%
Other non-current liabilities	1,915	1,904	11	0.6%
NON-CURRENT LIABILITIES	**7,186**	**7,547**	**(361)**	**-4.8%**
Interest-bearing borrowings	1,679	1,966	(287)	-14.6%
Short-term leasing liabilities	57	55	1	2.6%
Trade payables	2,559	2,604	(45)	-1.7%
Other current liabilities	1,662	1,536	126	8.2%
Liabilities associated to assets held for sale	218	--	218	n.a.
CURRENT LIABILITIES	**6,175**	**6,162**	**13**	**0.2%**
TOTAL LIABILITIES AND EQUITY	**16,750**	**17,349**	**(599)**	**-3.5%**

(Million euros)	**Jan-Jun 20**	**Jan-Jun 19**	**Chg.**	**Chg. (%)**
EBITDA	499	704	(205)	-29.1%
Financial results	(105)	(104)	(1)	-1.2%
Working capital	(202)	(39)	(162)	n.a.
Other operating cashflow	(166)	(181)	15	8.1%
Operating cashflow	**26**	**380**	**(354)**	**-93.1%**
Net Ordinary Capex	(484)	(540)	56	10.4%
Divestments	--	--	--	n.a.
Real Estate inventories	(20)	(161)	141	87.8%
Net Investment Cashflow	**(504)**	**(701)**	**197**	**28.1%**
Share buy-back programme	--	--	--	n.a.
Debt derivatives	(8)	(48)	39	82.4%
Forex	28	(3)	31	n.a.
Dividend	--	--	--	n.a.
Perimeter changes and other	91	(34)	125	n.a.
Financing/others cashflow	**111**	**(84)**	**196**	**n.a.**
Change in net debt decrease / (increase)	**(366)**	**(405)**	**39**	**9.6%**

Attributable Equity

ACCIONA's attributable equity as of 30 June 2020 was €3,198 million, 6.5% lower than 31 December 2019, weighed down in part by the negative variation in currency exchanges due to the devaluation of some of the main currencies in which the Group operates, such as the Australian dollar or the Mexican peso. It has also been reduced due to the 2019 dividend.

Change in Net Financial Debt

	31-Jun-20		31-Dec-19		Chg. €m	Chg. %
	Amount	Total	Amount	Total		
Non-recourse debt (project debt)	1,022	16%	1,304	18%	(282)	-21.6%
Recourse debt (corporate debt)	5,547	84%	5,958	82%	(411)	-6.9%
Financial debt	**6,569**	**100%**	**7,262**	**100%**	**(693)**	**-9.5%**
Cash + Current financial assets	**(1,288)**		**(2,347)**	–	**1,060**	**45.1%**
Net financial debt	**5,281**		**4,915**	–	**366**	**7.5%**
Net financial debt incl. IFRS 16	**5,719**		**5,317**	–	**402**	**16.4%**

Net debt as of 30 June 2020 grew to €5,281 million (€5,719 million including the IFRS16 effect), an increase of €366 million compared to December 2019. This variation is a result of a combination of the following factors:

- Operating Cash flow of €26 million, due to the effects of the pandemic
- Net Investment Cash flow of -€504 million, including Property development investment of €20 million
- Financing Cash flow and Others, which reached €111 million, including the reclassification as held for the sale of the net debt associated to the Spanish concessions backlog (€127m)

Financial gearing has evolved as follows:

(Million euros)	30-Jun-20	31-Dec-19
Gearing (Net debt incl. IFRS 16 / Equity) (%)	169%	146%

Capital Expenditure

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg.	Chg. (%)
Energy	**415**	**196**	**219**	**111.6%**
Infrastructure	**73**	**350**	**(277)**	**-79.1%**
Construction	23	26	(3)	-11.8%
Concessions	9	288	(279)	-96.8%
Water	8	6	3	49.5%
Services	33	30	2	8.1%
Other activities	**(4)**	**(6)**	**2**	**-35.2%**
Net Ordinary Capex	**484**	**540**	**(56)**	**-10.4%**

In the first half of 2020 the net ordinary capex across ACCIONA's various businesses grew to €484 million, lower than the amount invested during the first half of 2019.

The Energy division invested €415 million in the construction of new capacity, mainly wind technology, noting the Santa Cruz and San Carlos projects in Mexico, as well as Palmas Altas and La Chalupa projects in USA. During the first half 293MWs were installed and 780MWs are under construction.

In addition, the Infrastructure division invested €73 million. Capex in Other Activities does not include investments in Property development, which amounted to €20 million net (€161 million in H1 2019).

5. Results by Division

a. Acciona Energy

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Generation	663	739	(76)	-10.3%
Spain	326	410	(83)	-20.4%
International	337	330	7	2.2%
Development, Construction & Other	472	416	56	13.4%
Consolidation adjustments and other	(290)	(121)	(169)	-139.9%
Revenue	**846**	**1,035**	**(189)**	**-18.3%**
Generation	422	449	(28)	-6.1%
Spain	185	228	(43)	-18.7%
International	236	221	15	6.8%
Development, Construction & Other	(8)	(11)	3	28.6%
Consolidation adjustments and other	(11)	(19)	9	44.6%
EBITDA	**403**	**418**	**(16)**	**-3.7%**
Margin (%)	63.6%	60.7%		
EBT	**91**	**97**	**(6)**	**-6.2%**
Margin (%)	*30.5%*	*19.1%*		

ACCIONA Energy revenues decreased by 18.3% compared to the first half of 2019. EBITDA was slightly reduced (-3.7%) and stood at €403 million, mainly due to:

- In the Spanish market, the Generation business EBITDA fell by 18.7% mainly due to the lower average price obtained in the portfolio, in an environment of lower wholesale prices (€29.0/MWh vs. €51.7/MWh in 2019). The reduction in the amount of regulated remuneration following the last ordinary three-year review of certain variables in the regulatory model has also had a negative impact. These effects have been partly mitigated by the regulatory bands, hedges, and higher hydro output.

- The International Generation business grew by 6.8% driven by the contribution of the new operating assets.

- Improvement in the contribution of companies accounted for using the equity method as a consequence of increasing the useful life for accounting purposes from 25 to 30 years, which has led to lower depreciation and reversal of impairment in the amount of €24 million.

Over the last 12 months, the consolidated capacity increased by 556MWs. In Spain, capacity decreased by 5MWs. The international portfolio increased by 561MWs (393MWs of wind capacity in the USA, Chile, and Mexico, and 168MWs in PV in Ukraine and Chile).

At an operational level, consolidated production in H1 2020 reached 9,821GWh, with an increase of 5.4% with respect to the same period of 2019. In the Spanish market, it increased by 0.5%, mainly driven by the higher hydro output which offset the lower wind production. International assets increased production by 11.3%, mainly due to the new operational capacity.

Breakdown of Installed Capacity and Production by Technology

	Total		Consolidated		Net	
30-Jun-2020	**Installed MW**	**Produced GW**	**Installed MW**	**Produced GW**	**Installed MW**	**Produced GW**
Spain	**5,676**	**6,363**	**4,451**	**5,109**	**5,013**	**5,678**
Wind	4,738	4,666	3,514	3,412	4,078	3,991
Hydro	873	1,463	873	1,463	873	1,463
Solar Thermoelectric	--	--	--	--	--	--
Solar PV	3	1	3	1	3	1
Biomass	61	232	61	232	59	223
International	**4,731**	**5,742**	**3,893**	**4,713**	**3,340**	**3,927**
Wind	**3,465**	**4,516**	**3,263**	**4,238**	**2,501**	**3,176**
Mexico	862	1,164	862	1,164	666	879
USA	894	1,225	820	1,103	636	839
Australia	435	597	371	537	312	422
India	164	157	164	157	135	129
Italy	156	126	156	126	104	84
Canada	181	262	141	194	94	129
South Africa	138	172	138	172	51	63
Portugal	120	126	120	126	75	78
Poland	101	137	101	137	67	91
Costa Rica	50	135	50	135	32	88
Chile	312	348	312	348	297	334
Croatia	30	39	30	39	20	26
Hungary	24	27	--	--	12	13
Solar PV	**1,203**	**1,171**	**566**	**419**	**796**	**715**
Chile	372	290	372	290	372	290
South Africa	94	95	94	95	35	35
Portugal	46	44	--	--	20	19
Mexico	405	484	--	--	202	242
Egypt	186	224	--	--	78	94
Ukraine	100	35	100	35	89	35
Solar Thermoelectric (USA)	**64**	**55**	**64**	**55**	**43**	**36**
Total Wind	**8,203**	**9,182**	**6,776**	**7,650**	**6,579**	**7,167**
Total other technologies	**2,204**	**2,923**	**1,568**	**2,171**	**1,774**	**2,438**
Total Energy	**10,407**	**12,104**	**8,344**	**9,821**	**8,353**	**9,606**

b. Infrastructure

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Construction	1,283	1,759	(476)	-27.0%
Concessions	37	40	(3)	-7.7%
Water	487	289	198	68.5%
Services	354	390	(35)	-9.1%
Consolidation adjustments	(42)	(13)	(30)	-237.8%
Revenue	**2,119**	**2,465**	**(346)**	**-14.0%**
Construction	2	198	(196)	-98.9%
Concessions	22	28	(7)	-23.9%
Water	41	25	16	65.4%
Services	(1)	15	(16)	-108.4%
EBITDA	**63**	**267**	**(203)**	**-76.2%**
Margin (%)	3.0%	10.8%		
EBT	**-69**	**151**	**(220)**	**-145.3%**
Margin (%)	-3.2%	6.1%		

ACCIONA's Infrastructure revenues reached €2,119 million, (-14.0% vs H1 2019). EBITDA decreased by 76.2% and stood at €63 million.

Infrastructure Backlog

(Million euros)	30-Jun-20	31-Dec-19	Chg. (%)	Weight (%)
Construction	6,991	6,506	7.5%	57%
Water	4,180	3,974	5.2%	34%
Services	988	911	8.5%	8%
TOTAL	**12,160**	**11,391**	**6.8%**	**100%**

(Million euros)	30-Jun-20	31-Dec-19	Chg. (%)	Weight (%)
Projects (Construction and Water)	8,571	8,047	6.5%	70%
Services	988	911	8.5%	8%
Water O&M	2,600	2,433	6.9%	21%
TOTAL	**12,160**	**11,391**	**6.8%**	**100%**

(Million euros)	30-Jun-20	31-Dec-19	Chg. (%)	Weight (%)
Spain	3,640	3,558	2.3%	30%
International	8,520	7,832	8.8%	70%
TOTAL	**12,160**	**11,391**	**6.8%**	**100%**

The Infrastructure division backlog increased by 6.8% compared to December 2019. During the first half of 2020, €2,347 million in new infrastructure projects have been contracted, particularly noting the award of the construction of a hospital in Panama, the construction of the Brisbane Metro electric rapid transit system and the Bayswater station in Australia, and three water projects in Hong Kong, the Philippines and Argentina.

A. Construction

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Revenue	1,283	1,759	(476)	-27.0%
EBITDA	2	198	(196)	-98.9%
Margin (%)	*0.2%*	*11.3%*		

Revenues decreased by 27.0% and stood at €1,283 million. EBITDA fell by 98.9% due to the settlement of Sidney Light Rail project in 2019, and the consequences of the pandemic on the activity (global closures, mobility restrictions, increased security measures and slower execution, delays in awards and the ramp-up of new projects).

B. Concessions

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Revenue	37	40	(3)	-7.7%
EBITDA	22	28	(7)	-23.9%
Margin (%)	*58.4%*	*70.8%*		

Concessions revenues and EBITDA decreased mainly due to the effect of the pandemic on concessions with demand risk.

C. Water

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg.	Chg. (%)
Revenue	487	289	198	68.5%
EBITDA	41	25	16	65.4%
Margin (%)	8.4%	8.6%		

Water revenues increased by 68.5% and EBITDA increased by 65.4% amounting to €41 million, due to the higher contribution of the construction projects of new desalination plants.

D. Services

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Revenue	354	390	(35)	-9.1%
EBITDA	(1)	15	(16)	-108.4%
Margin (%)	-0.4%	3.9%		

Services EBITDA was reduced, affected by the impact of the COVID-19 pandemic, mainly in handling, mobility, and facility services.

c. Other activities

(Million euros)	Jan-Jun 2020	Jan-Jun 2019	Chg. €m	Chg. (%)
Real Estate	85	56	29	52.7%
Bestinver	48	48	--	0.7%
Corp. and other	34	50	(16)	-32.4%
Revenue	**167**	**153**	**13**	**8.8%**
Real Estate	10	(9)	19	210.4%
Margin (%)	11.6%	-16.0%		
Bestinver	26	31	(5)	-15.1%
Margin (%)	54.2%	64.2%		
Corp. and other	(2)	(2)	--	19.1%
EBITDA	**34**	**20**	**14**	**67.7%**
EBT	**20**	**9**	**11**	**124.2%**

A. Real State:

Real State business EBITDA increased during the first half of 2020 as a result of the delivery of 301 residential units with high margins.

B. Bestinver:

Lower contribution from Bestinver due to slightly lower average AUMs (€5,728 million vs €5,978 million in H1 2019) and the product mix.

At the end of June 2020, the funds under management fell by 18.5% compared to December 2019 to €5,536 million, due to the lower performance caused by the COVID-19 crisis, which led to generalised falls in all stock markets.

6. Relevant information in the period

- **09 January 2020: ACCIONA, S.A. informs of the completion of the acceptance and additional acceptance periods for the Tender Offer ("OPA") launched for the entirety of the shareholders of NORDEX SE, traded on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange**

- The OPA has been accepted by a total of 149,399 shares ("Shares"), representing 0.14% of share capital, for a price of EUR 10.34 per share which added to the current shareholding held by ACCIONA, S.A. represents a total of 38,845,395 shares i.e.; 36.41% of the share capital in NORDEX, SE.
- It is expected that the settlement will take place on January 13th 2020, and the total amount to be disbursed for the Shares, once the OPA is settled, shall be 1,544,786 euros.

- **13 January 2020: ACCIONA forwards details of the operation related to the Liquidity Contract between 11/10/2019 and 10/01/2020, both included**

- Detailed information about the operations relevant to the tenth quarter of the mentioned contract (from 11th October 2019 to 10th January 2020, both included).

- **07 February 2020: ACCIONA confirms that it has reached an agreement with the Brazilian consortium Move and the government of the State of São Paulo (Brazil) for the transfer of the contract for the concession of Line 6 of the city's Metro**

- Completion of the transaction is currently subject to the compliance of certain condition precedents, such as, among others, the negotiation of certain economic rebalancing conditions of the concession agreement with the Sao Paolo Government.
- Construction of the public collaboration project (PPT) is currently at a standstill.

- **10 April 2020: AXA Investment Managers - Real Assets ("AXA IM - Real Assets") and ACCIONA S.A. ("ACCIONA") have entered into an agreement with Kohlberg Kravis Roberts & Co. LP ("KKR") under which they will acquire the 33.33% equity stake currently owned by KKR's infrastructure funds, along with some co-investors, in ACCIONA Energía Internacional ("AEI")**

- This transaction was structured and facilitated by Real Assets Advisers ("RAA").
- Under the current transaction, ACCIONA will increase its equity stake in AEI from 66.67% to 80.0%. AXA IM - Real Assets will acquire the remaining 20.0% equity stake becoming ACCIONA's partner in the renewable energy sector. ACCIONA intends to hold a 75% equity stake in AEI, so that the subsidiary becomes part of its Spanish Tax Consolidation Group, and will look for potential investors to acquire the additional 5% stake before closing the transaction, which is expected to take place by December 2020 and subject to customary regulatory approvals.

- **14 April 2020: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 13/01/2020 and 09/04/2020, both inclusive**

- Detailed information about the operations relevant to the eleventh quarter of the mentioned contract (from 13 January 2020 to 9 April 2020, both included).

- **23 April 2020: The Company has been assigned a Long-Term Issuer Rating of BBB and a Short-Term Issuer Rating of R-2 (Middle) from DBRS Limited (DBRS Morningstar). All trends are Stable. Said rating is within the Investment Grade category.**

- **24 April 2020: ACCIONA's Board of Directors announced today that its Annual General Meeting will be held on 28 May**

- In accordance with Spain's Royal Decree-Law 11/2020, which introduced urgent measures in response to COVID-19, the company has resolved to modify its proposed dividend payout in its AGM notice, even though ACCIONA had already signed off on its annual accounts. The new proposed dividend is 50% lower than the original figure following the Board of Directors' decision to modify its initial proposal from €3.85 per share to €1.925 per share.

From 30 April 2020, ACCIONA has released the following material information:

- **18 May 2020: ACCIONA hereby informs that it has formalised a new Euro Commercial Paper (ECP) programme for a maximum amount of 1,000 million euros, which has been approved by Euronext Dublin (Irish Stock Exchange).**
  - The Bank of New York Mellon is the Issuing and Paying agent, and Banco Santander, S.A. and Banco Sabadell, S.A. are permanent dealers. This programme will allow the Company to issue Notes in the Euromarket with a maximum maturity of 364 days, thus allowing the diversification in alternative means of financing in the capital markets.

- **28 May 2020: Approval of all the proposed resolutions submitted to a vote at the Ordinary General Meeting of Shareholders held today**
  - Held on second call, with the attendance of 83.486% of the Company's share capital (including treasury shares), shareholders have approved with, at least 92.71% of the share capital present at the Meeting, all of the items on the agenda submitted to a vote in the terms included in the documentation available to shareholders and which are consistent with the proposed resolutions that were communicated to the CNMV on 24 April 2020 with the registration number 1733.

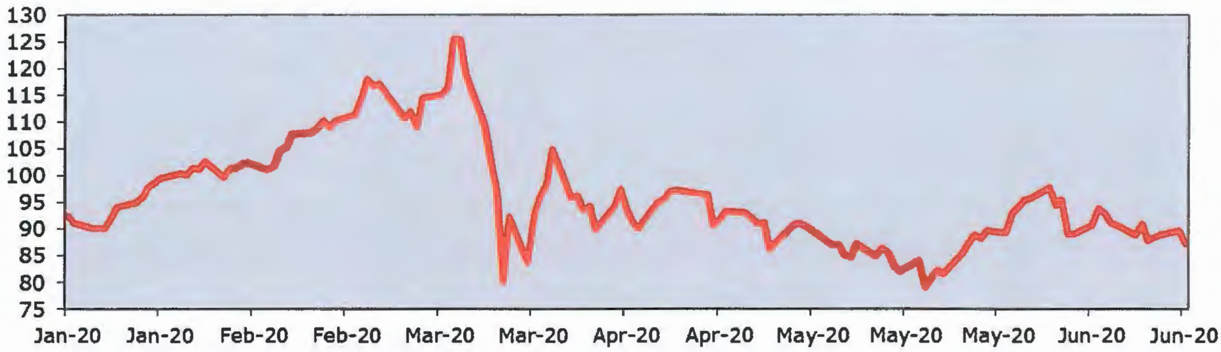
- **24 June 2020: ACCIONA's Board of Directors, enforcing the delegation agreed by the Annual General Shareholders Meeting held on 28 May 2020 (OIR 2474), has resolved that the 2019 dividend declared by said meeting, be paid on 2 July 2020, through the entities adhered to Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores**
  - The relevant dates for the dividend distribution are: Last Trading Date: 29 June 2020, ExDate: 30 June 2020, Record Date: 1 July 2020, Payment Date: 2 July 2020.
  - The 1.925 euros per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of 1.93653644 euros per share due to the direct treasury shares adjustment.

- **15 July 2020: ACCIONA forwards details of the operation related to the Liquidity Contract between 14/04/2020 and 14/07/2020, both included**
  - Detailed information about the operations relevant to the twelfth quarter of the mentioned contract (from 14th April 2020 to 14th July 2020, both included).

7. Dividend

On 27 February 2020, ACCIONA's Board of Directors proposed the distribution of a dividend of €211.2 million (€3.85 per share) charged to the results of the 2019 financial year. Subsequently, the Company's Board of Directors, at its meeting held on 24 April 2020, decided to withdraw the proposal for the distribution of profits and formulated a new distribution proposal that involves a 50% reduction in the amount to be distributed in dividends for the 2019 financial year, establishing it at €105.6m (€1.925 per share). The Board's decision was taken on the basis of financial prudence that the Company considers appropriate to adopt, after an analysis of the current situation worldwide generated by the COVID-19 pandemic and in particular by the State of Alarm situation established in Spain. The proposal was approved on 28 May 2020 at the Annual General Shareholders Meeting, and on 24 June 2020 the payment of the dividend corresponding to 2019 on 2 July 2020 was approved.

8. Share Price Performance in first half of 2020



9. Key Share Data

	30-Jun-20
Price at 30 June 2020 (€/share)	87.15
Price at 31 December 2019 (€/share)	93.80
Low in H1 2020 (19/05/2020)	79.15
High in H1 2020 (04/03/2020)	125.50
Average daily trading (shares)	138,525
Average daily trading (€)	13,368,253
Number of shares	54,856,653
Market capitalisation 30 June 2020 (€ million)	4,781

10. Share Capital

As of 30 June 2020, ACCIONA's share capital amounted to €54,856,653 divided into 54,856,653 shares of €1 of nominal value each.

The group's treasury shares as of 30 June 2020 amounted to 326,795 shares, which represent 0.5957% of the share capital.

Part II – Main risks and uncertainties for the first six months of 2020.

An element of natural risk mitigation within the ACCIONA Group is its continued geographical and sectoral diversification. However, this diversification can influence the evolution of its operations and of its economic performance.

The ACCIONA Group has a Risk Management System defined by a set of specific procedures for action, identification, evaluation, and management of risks through risk reduction measures such as transfers through insurance covers, market instruments, contractual agreements or the establishment of more efficient policies or procedures.

The main risks related to activities and which may affect the achievement of the Group's objectives are the following:

Regulatory risks

A significant portion of the Group's activities is subject to a large number of regulations and any changes thereto might affect both activities and economic results.

A significant portion of the Group's electricity generation activities in Spain is subject to the regulatory framework initially established in Royal Legislative Decree 9/2013 and later affirmed by Law 24/2013 of 26 December, on the Electricity Sector and its development regulations. The remuneration model established seeks to provide predictable income for the plants that apply it and mitigates their exposure to market price fluctuations through review of this remuneration parameter every 3 years (regulatory semi-period). Furthermore, the regulation provides for a possible review of the parameters that determine the future remuneration for the plants every 6 years (regulatory period), and if this regulation were amended this could impact the results of the operations subject thereto.

In 2019, the main regulatory development was the approval of Royal Decree Law 17/2019, which sets and extends reasonable remuneration for the first regulatory period for the following two (until 2032). Setting this long-term target profitability (7.398%) eliminates many of the uncertainties associated with the review of other remuneration parameters, ensures the predictability of revenues, and guarantees a return for existing facilities.

In the international area, Acciona seeks to reduce its exposure to market risk through private energy sale/purchase price agreements (PPAs), which make it possible to establish the future sale price with third parties over an agreed period of time, thereby reducing exposure to possible changes in market rates.

In addition to hedging through energy sales contracts, Acciona Green Energy also manages energy that is exposed to market fluctuations through derivative instruments by measuring on a monthly basis that the margin at risk is within the limits established by the Economic and Financial Department.

Financial risks

To manage the financial risk related to the Group's operations, the exposure to and degree and extent of the market risk is analysed (including foreign currency risk, interest rate risk and price risk), as well as credit risk and liquidity risk.

The Group seeks to reduce the effects of these risks by using derivative financial instruments; this use is governed by the Group's risk management policies approved by the Board of Directors. These risk management policies are framed within the principles related to exchange rate risk, interest rate risk, procurement, credit risk, use of derivative and non-derivative financial instruments, and surplus investment policies.

Interest rate risk: The risk of interest rate fluctuation is particularly significant in connection to the financing of concession projects and energy generation plants, capital intensive projects where profitability depends on potential fluctuations of the interest rate as it is directly related to project flows.

Adequate management of these risks through hedging operations and the engagement of derivatives (mainly interest rate swaps, IRS) and by the increase in project financing with fixed-rate corporate financing can prevent a significant impact of these risks on results.

In order to analyse the effect that a potential change in interest rates might have on the Group's accounts, a sensitivity test is implemented, simulating increased and reduced interest rates.

Foreign currency risk: Acciona develops its activity in a large number of countries; therefore, there is exposure to foreign currency exchange risk. In order to reduce this risk, the ACCIONA Group engages foreign currency derivatives and exchange rate insurance to hedge operations and significant future cash flows in accordance with risk limits that can be assumed. On other occasions, the financing of non-current assets denominated in a currency other than the euro is performed in the same currency in which the asset is denominated or contracts with third parties are made in double currency.

In order to analyse the effect that a potential change in interest rates might have on the Group's accounts, a sensitivity test is carried out which simulates the impact that a revaluation of the euro of 10% would have on the Group's net equity, on an individual basis compared to the main currencies in which the Group operates and holds investments.

Credit risk: To mitigate the risk that the counterparty to a contract fails to meet its obligations, transactions are negotiated only with solvent third parties and securing sufficient guarantees, to reduce the risk of financial losses in the event of default. The Group enters into contracts only with organisations at the same investment ranking level or above and it obtains information on its counterparties from independent business appraisal agencies, from other public sources of financial information, and from the information it gathers from its relations with clients.

Bills receivable and customers' accounts cover a large number of customers from different industries and geographical areas. The credit relations held with customers and their solvency are appraised on an on-going basis, and credit guarantee insurance is engaged where it is considered necessary. As regards the non-payment risk and essentially in the main business areas, public and private clients are assessed before any contract is made. This process includes a solvency report and going over contractual requirements from the economic and legal standpoints, and the correct debt evolution is permanently monitored during the development of the work, and the related value adjustments according to economic criteria.

To minimise the risk of international expansion, Acciona studies the engagement of credit covers through export credit insurers, in view of possible losses arising from the occurrence of political risks which may have a significant impact.

The Group has no significant exposure to credit risk with any of its clients or group of clients with similar characteristics. Similarly, credit risk concentration is not significant.

Liquidity risk: Acciona Group's management of the liquidity risk is prudent. The Group keeps an adequate level of cash and marketable securities and arranges credit facilities undertaken in sufficient amounts to meet the projected needs.

At the beginning of the COVID-19 health crisis, a decision was taken to take out new credit lines ("Liquidity Lines") with banks in a close relationship with the Group and a total amount of 854 million euros was arranged. At the same time, in order to be eligible for the European Central Bank's liquidity programmes (the "Pandemic Emergency Purchase Programme"), the private DBRS rating was made public. This eligibility has enabled the Bank of Spain to purchase, to date, 400 million euros of the ECP programme set up for this purpose.

Furthermore, bilateral financing has been extended sufficiently in advance of maturity. This recurrent task of extending limits and maturities has been done without any repercussions, so the limits and average life have been maintained.

Furthermore, there has been an increase in the diversification of the financing sources used in recent years, thus reducing dependence on traditional banking.

Ultimate responsibility for liquidity risk management lies with the Economic and Financial Department, which prepares the appropriate framework to control the group's liquidity requirements in the short, medium, and long term. The Group manages liquidity risk by holding adequate reserves, appropriate banking services, having available loans and credit facilities, monitoring projected and actual cash flows on an ongoing basis, and pairing them against financial asset and liability maturity profiles.

Environmental risks

Acciona's Regulatory System contains the corporate environmental risk management standard, which includes three specific procedures -climate change, water resources and environmental responsibility- the development of which provides the company with a methodological framework that serves as a reference in the identification, analysis, evaluation and treatment of the impacts (both economic and reputational) that climate change and water resources can generate for the company, as well as the impacts that the company can generate on the environment, this information being reflected in risk maps for each business line.

For this task, over 300 risk scenarios are analysed - through a group of experts in the fields of sustainability and environment, business development and asset management, which enables greater certainty when identifying scenarios that present greater risk and management needs.

The operational centres and activities on which the risk scenarios are generated are identified, as well as the hazards and causes that motivate them, so that specific strategies for risk management can be planned. Thus, for each significant risk that is assessed, a specific mitigation file is developed, detailing both the information relating to treatment measures and management methods, as well as those responsible for their implementation, deadlines, expected costs and expected effects.

In addition, the company prepares an annual top-down analysis of the risks and opportunities associated with climate change and water resources, which form the basis for drawing up risk maps and mitigation files for each business line. The risks arising from climate and water scenarios are specifically analysed, evaluating the interrelationship of the hazards with the company's exposure and vulnerability. The methodology followed is that of the Intergovernmental Panel on Climate Change (IPCC).

Acciona aligns its climate risk management with the recommendations established by TCFD (Task Force on Climate-related Financial Disclosures) and with the environmental risk management requirements of world-renowned indices in which Acciona has traditionally obtained the highest ratings (CDP Climate, CDP Water Security, CDP Supply Chain), as well as DJSI.

In addition, Acciona has a worldwide cover Environmental Civil Liability policy, whereby all the Group companies are insured. The main coverages include personal and material damages, pollution from goods transport, prevention costs, and damage to natural resources.

Procurement risk

The Acciona Group is exposed to the risk of fluctuation in the price of supplies, which is mainly related to international construction activities, where there is the risk of delay in the supply of materials such as concrete or steel, due to the vulnerability of the supply chain in some countries where activities are developed.

Commercial traffic blockades and customs restrictions have occurred since the start of the health crisis, resulting in delays to supplies and deliveries. In order to mitigate this risk, the Group has maintained regular communications with suppliers, monitored the volatility of raw material prices, reviewed delivery times according to origin and destination, assessed the risks of the different means of transport, and tried to anticipate possible customs restrictions.

The Procurement General Management Division manages the supply chain drawing risk maps for the portfolio of suppliers for all the group divisions and this helps to monitor the suppliers in detail and to learn about the degree of dependence on the supply chain.

Compliance risks

On 23 December 2010 amendment to Organic Law 5/2010 of 22 June came into force, and later Organic Law 01/2015 of 30 March was amended. Under Organic Law 1/2015 legal persons are subject to Criminal Law and can commit crimes, regardless of the natural persons that form them, and therefore can be given real sentences. The introduction of criminal liability of legal persons on the basis of the principle of due control carries the obligation of due control by legal representatives, an obligation that up to now was unknown to legal persons in such a serious criminal context, in view of the fundamental fact that a company can actually commit more than thirty different crimes and be given hard sentences on those grounds. A company can prevent being sentenced only by implementing a proper crime prevention system.

For this reason, Acciona has implemented the due systems for regulatory compliance control and crime prevention, in order for the Company not to commit criminal offences and for its directors not to be exposed to serious personal liability risk.

Other external factors affecting activities:

The development of the Group's activities sometimes requires permits, licences, government authorisations, signing public and private contracts, as well as performance of work, and the construction of facilities.

Delays in obtaining government approvals and adverse changes in the political and regulatory frameworks in the countries where the Group operates, together with political transition periods, may lead to delays in the start-up of operations, changes in business priorities or deficiencies in the performance of projects and in the rendering of services and, along with this, sanctions and penalties with an adverse impact on the financial position and results.

The company has various insurance programmes to mitigate the impact on the balance sheet of the materialisation of a large number of risks. In particular, there is coverage for "cyber risks" that cause a loss of income, extra costs or expenses for the recovery of digital assets, coverage for claims for damages caused to clients and third parties for privacy and data protection or for a security breach, among others.

For the purposes of Royal Decree 1362/2007 of 19 October (article 11.1b), the Directors of Acciona, S.A. now subscribe the following **declaration under their own responsibility:**

To the best of their knowledge, the Condensed Consolidated Financial Statements presented herein are drawn up in accordance with applicable accounting principles, offer a true and fair view of the equity, financial situation and the results of the issuer and of the companies included in the scope of consolidation taken as a whole, and the interim directors' report includes a faithful analysis of the information required.

Formal note added to state for the record that the Directors of ACCIONA, S.A. are aware of the entire contents of the condensed consolidated financial statements for the six-month period ended 30 June 2020 of Acciona, S.A. and its subsidiaries (Consolidated Group), as submitted to the Board of Directors and duly prepared by the Board at the meeting held on 29 July 2020, printed on 87 sheets, all of them signed by the Secretary and with the corporate seal affixed and numbered as follows:

Therefore, in witness of the agreement herewith, this note is signed by all the members of the Board of Directors:

Mr. José Manuel Entrecanales Domecq
Chairman

Mr. Juan Ignacio Entrecanales Franco
Vice-Chairman

Mr. Javier Entrecanales Franco
Member

Mr. Juan Carlos Garay Ibargaray
Member

Mr. Daniel Entrecanales Domecq
Member

Ms. Karen Christiana Figueres Olsen
Member
(Attendance via teleconference)

Mr. Javier Sendagorta Gómez del Campillo
Member

Mr. José María Pacheco Guardiola
Member

Ms. Ana Sainz de Vicuña Bemberg
Member

Ms. Sonia Dulá
Member
(Attendance via teleconference)

Mr. Jerónimo Marcos Gerard Rivero
Member
(Attendance via teleconference)

Doña Clara Lois Lozano, Traductora-Intérprete Jurada de inglés número 10009 nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que sigue es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia o ambigüedad, prevalecerá lo indicado en el original.

En Madrid, a 22 de agosto de 2020

Firmado.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Ms Clara Lois Lozano, Sworn English Translator and Interpreter number 10009, authorized by the Spanish Ministry of Foreign Affairs, certifies that the succeeding is a truthful translation into English of a document written in Spanish. In case of any discrepancy or ambiguity, the original document shall prevail.

Madrid, on the 22nd day of August 2020

Signed.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009