ACCIÓN
EXPERTS
IN DESIGNING
A BETTER WORLD
ACCIONA is one of the top corporations in Spain’s IBEX-35, with presence in more than 40 countries; it carries out its activities under a commitment to contribute to the economic, environmental and social development of the communities where it operates. The company therefore presents itself as an expert in designing a better planet, offering answers to infrastructure, water and energy needs with solutions that are innovative, responsible and generate real progress based on an unusual, alternative way of doing business.

ACCIONA’s various businesses provide value to the new sustainable economy, as defined by the United Nations Environment Programme (UNEP). In 2018, a total of 38% of ACCIONA’s global sales and 69% of its EBITDA stemmed from activities related to renewable energies, water and other environmental activities.

ACCIONA’s sustainability strategy is implemented through the Sustainability Master Plan, structured around strategic and operating objectives applicable to the entire organisation, with specifications for the different business lines.

ACCIONA is present in selective sustainability indices such as FTSE4Good, MSCI ACWI IMI Low Carbon Leaders Index, CDP Water A LIST 2018 and CDP Supplier Engagement Leader 2019, among others.

The company has been carbon neutral since 2016, offsetting all of the CO₂ emissions that it is unable to reduce.
Company profile

A developer of infrastructures that are focused on the challenges of a more sustainable future.

MISSION
To be the leader in the creation, promotion and management of renewable energies, infrastructure, water and services, actively contributing to social welfare, sustainable development and the generation of value for stakeholders.

VISION
To meet the challenge of achieving sustainable development in all company business areas, so generations of today and tomorrow will have a better life.

VALUES
Honesty, social responsibility, leadership, long-term focus, innovation, financial strength, care of people, customer orientation, concern for the environment.

ACCIONA is one of the top corporations in Spain’s IBEX-35, with presence in more than 40 countries; it carries out its activities under a commitment to contribute to the economic, environmental and social development of the communities where it operates. The company offers itself as an expert in designing a better planet, providing responses to infrastructure, water and energy needs using responsible innovative solutions that generate real progress based on a ground-breaking approach to business.

The company applies its business as unusual approach with close to forty thousand professionals, 7,510 M€ in revenues and 1,254 M€ in EBITDA in 2018.

ACCIONA’s businesses add value to the new sustainable economy, which the United Nations Environment Programme (UNEP) defines as: “one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”. In 2018, 38 % of ACCIONA’s worldwide revenues and 69 % of its EBITDA were related to renewable energy, water and other environmental activities.

ACCIONA is a CARBON-NEUTRAL COMPANY: ZERO NET GREENHOUSE GAS EMISSIONS
EXPERTS IN DESIGNING A BETTER WORLD

ACCIÓN A offers solutions to transform the world

Energy infrastructure
ACCIÓN A has positioned itself as a key player in halting the effects of global warming, and in the transition toward a carbon-free energy model.

• ACCIÓN A is a leader in the design, engineering, construction, operation and maintenance of renewable assets.
• It has a guaranteed growth model over time, with more than 1.2 GW in construction in 2019.
• It focuses on mature, competitive technologies such as wind and solar power.

Water infrastructure
The innovative management of water by ACCIÓN A seeks to solve the challenges related to scarcity of water resources.

• ACCIÓN A is present in all stages of the water lifecycle:
  - Construction of water treatment plants (drinking water purification, desalination and wastewater).
  - Operation and maintenance of distribution and sewage networks.
  - Other services related to the sustainable management of water.

Civil infrastructure
ACCIÓN A carries out large infrastructure projects in markets and regions with a high potential for developing opportunities.

• ACÇÃO A employs the most advanced, innovative techniques in carrying out works.
• Its specialized business units facilitate the development of these complex projects by undertaking all stages of the value chain:
  - Identification of the opportunity
  - Operation
  - Maintenance

Sustainable cities
Rapid growth of city centers needs new services. Activities created and carried out by ACÇÃO A aim to improve citizens’ lives.

• ACÇÃO A takes part in the development of urban mobility solutions, improving transport infrastructure networks and connections.
• Revitalizes urban space by developing and building homes.
• Promotes correct management of the city environment, with a focus on sustainability to improve the quality of residents’ lives.

Financial services
Opportunities to save for the future through pension plans and investment funds with long-term returns.

• ACÇÃO A, through Bestinver, offers asset management services: investment and pension funds, and institutional mandates.
• Our investment philosophy is based around the obtention of the best long-term returns through value investing in equities.
A stable, predictable and growing business
Results of the year

| 2018 | Sound operating performance and growth visibility |

**REVENUES**

<table>
<thead>
<tr>
<th>Total</th>
<th>Spain</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,510 M€</td>
<td>3,181 M€</td>
<td>4,329 M€</td>
</tr>
</tbody>
</table>

- 2,206 M€ (+27% vs. 2017)
  - Higher power generation prices
  - Increase in production +9.9%

- 5,059 M€ (+24% vs. 2017)
  - Construction and industrial +4.2%
  - High production volume due to execution of large international projects
  - 392 M€ (+3.2% vs. 2017)

**EBITDA**

<table>
<thead>
<tr>
<th>Total</th>
<th>1,245 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin</td>
<td>16.6% (-1.0 pp)</td>
</tr>
</tbody>
</table>

- 743 M€ (+2.4% vs. 2017)
  - Power generation in Spain +2.5%
  - Deconsolidation of CSP higher output and higher wholesale prices in Spain
  - International power generation +8.3%
  - New capacity in operation

- 459 M€ (+1.8% vs. 2017)
  - Sustained high volume and margin
  - Construction 205 M€ +3.9%
  - Industrial 23 M€ +16.8%
  - Concessions 49 M€ +12.4%
  - Water 113 M€ +13.1%
  - Service 30 M€ +13.6%

- 86 M€ (+30.9% vs. 2017)
  - Impact of the sale of Trasmediterranea

**BAI**

| Total | 377 M€ |

- 509 M€ TOTAL EBT
  - Note: consolidation adjustments amounting to -3 M€

- 328 M€ ATTRIBUTABLE NET PROFIT

**NET FINANCIAL DEBT**

<table>
<thead>
<tr>
<th>Total</th>
<th>4,333 M€</th>
</tr>
</thead>
</table>

- 509 M€ TOTAL EBT
  - Note: consolidation adjustments amounting to -3 M€

- 328 M€ ATTRIBUTABLE NET PROFIT

**INVERSIÓN**

<table>
<thead>
<tr>
<th>Total</th>
<th>1,023 M€</th>
</tr>
</thead>
</table>

- 1,023 M€ INVESTMENT
  - Note: consolidation adjustments amounting to -1,420 M€

- 398 M€ NET CAPITAL EXPENDITURE
Key events in the year

**JANUARY**
- Funding from EIB for digitalisation and innovation in renewables, infrastructure and water (100 M€).
- Contract to upgrade the Ballarat railway line in the state of Victoria, Australia (360 M€).
- ACCIONA among the 2018 Global 100 Most Sustainable Corporations.

**FEBRUARY**
- Commencement of construction of the Puerto Libertad photovoltaic complex in Mexico, with peak capacity of over 400 MW.
- Sale of ACCIONA’s solar thermal plants in Spain (250 MW combined).
- Contract to build the Loja wastewater treatment plant, in Ecuador (13.4 M€).

**MARCH**
- Contract to supply 100 % renewable electricity to Empresa Nacional de Minería de Chile through 2022.
- Contract to build Jebel Ali desalination plant in Dubai (192 M€).
- Commencement of construction of three photovoltaic plants in Egypt with a combined capacity of 150 MW.

**APRIL**
- Commencement of construction of the Palmas Altas project in Texas, ACCIONA’s 9th wind farm in the USA, with a capacity of close to 145 MW.
- Signature, with about 30 Spanish multinationals, of a manifesto for a more ambitious energy transition.
- ACCIONA builds the Lagoa wastewater treatment plant, in Ecuador (13.4 M€).

**MAY**
- Contract to provide handling services to Aerolíneas Argentinas at Santiago airport in Chile and expansion in that country due to ground handling services to the LATAM Group.
- ACCIONA obtained the world’s first comprehensive certification for a hybrid wind power/storage plant (certified by DNV GL).
- Launch of First European Digital Construction and Infrastructure Platform with Startup Europe Partnership.

**JUNE**
- Commissioning of the Mount Callibrand wind farm (132 MW), Australia’s fourth.
- Commissioning of the El Cortijo wind farm (183 MW) in Tamaulipas, the first such plant under Mexico’s Energy Reform.
- ACCIONA receives two Distinctions at the Global Water Intelligence 2018 Awards.

**JULY**
- Adoption of target to reduce the company’s greenhouse gas emissions by 16 % by 2030 with respect to 2017, validated by Science Based Targets.
- Contract to build the Al Khobar desalination plant in Saudi Arabia for Saline Water Conversion Corporation (> 200 M€).
- Contract to complete construction of the Cerro Dominador solar thermal plant (110 MW) in Chile.

**AUGUST**
- Contract to supply 100 % renewable electricity for the two main facilities of LATAM Airlines Group in Chile.
- World record set by tunnel boring machines in the Quito Metro project (Ecuador), after drilling 1,490 metres in 30 days.

**SEPTEMBER**
- Commencement of construction of a photovoltaic complex in Ukraine with 117 MWp peak capacity, to be commissioned in 2019.
- Award of two water management contracts in Tuscany and Puglia, Italy (31.57 M€).
- Contract to build the E6 highway in Norway for state-owned company Nye Veier (410 M€).

**OCTOBER**
- Sale of the stake in Testa Residencial (20 %) to Blackstone (379 M€).
- Launch of shared electric scooter service recharged with 100 % renewable energy in Madrid, Spain.
- Contract to build the first waste-to-energy plant in Australia (434 M€).

**NOVEMBER**
- For the 4th consecutive year, ACCIONA was ranked the greenest electric utility in the world by Energy Intelligence.
- Entry into the Portuguese real estate market with the development of 100 homes in Lisbon (Portugal).
- ACCIONA celebrates centenary of the Seira (Spain) hydroelectric plant, a milestone in the development of northern Aragon.

**DECEMBER**
- Contract to build and operate the Shupaj 3 desalination plant, Saudi Arabia (750 M€).
- Commencement of the project to extend ACCIONA’s technology for traceability of renewable power using blockchain to other countries.
- At the climate summit in Poland, ACCIONA supported stepping up the ambition of the national targets for emission reduction under the Paris Agreement.
ACCIÓNA in the world

Global challenges, local solutions

ACCIÓNA contributes, through its solutions offer, to respond to some of the main challenges faced by the communities in which it operates, as well as to achieve the Sustainable Development Goals.

MAIN SUSTAINABLE DEVELOPMENT CHALLENGES, BY REGION*

NORTH AMERICA
- Canada
- United States
- Mexico

CENTRAL AND SOUTH AMERICA
- Brazil
- Chile
- Colombia
- Costa Rica
- Ecuador
- Nicaragua
- Panama
- Paraguay
- Peru

EUROPE
- Germany
- Andorra
- Croatia
- Greece
- Denmark
- Spain
- Hungary
- Italy
- Norway
- Poland
- Portugal
- United Kingdom
- Romania
- Turkey
- Ukraine

AFRICA
- Algeria
- Cape Verde
- Egypt
- Kenya
- Morocco
- South Africa

ASIA AND OCEANIA
- Australia
- Phillipines
- India
- New Zealand
- Oman
- Singapore

KEY INDICATORS 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenues (M€)</th>
<th>Renewable energy output (total GWh)</th>
<th>Water treated — desalinated, potabilized and purified (hm³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRICA</td>
<td>147</td>
<td>190</td>
<td>110.7</td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td>945</td>
<td>5,097</td>
<td>0</td>
</tr>
<tr>
<td>CENTRAL AND SOUTH AMERICA</td>
<td>488</td>
<td>817</td>
<td>7.9</td>
</tr>
<tr>
<td>ASIA AND OCEANIA</td>
<td>1,310</td>
<td>1,464</td>
<td>195.7</td>
</tr>
<tr>
<td>SPAIN</td>
<td>3,188</td>
<td>917</td>
<td>151.7</td>
</tr>
</tbody>
</table>

*ACCIÓNA, based on the SDG Index and Dashboards Report 2018.
In 2015, the United Nations defined 17 Sustainable Development Goals (SDGs), broken down into 169 targets to be achieved by 2030.

The main challenges of the 2030 Agenda require responses that directly impact the life of local communities and transform society. With this horizon in mind, ACCIONA contributes to each SDG through the impacts generated by its projects in the countries that have a need for improvement with respect to that SDG.

ACCIONA’s solutions are a response to present and future challenges such as water and sanitation shortages, decarbonisation of the energy system, resilient infrastructures and innovation, the new and growing needs of population concentration in the cities, and climate change mitigation.

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**Challenges and opportunities: contribution to the Sustainable Development Goals**

**ACCIONA’s SDG 6 SOLUTIONS**
Availability and sustainable management of water and sanitation through advanced technologies.

**ACCIONA’s SDG 7 SOLUTIONS**
Access to affordable, reliable and sustainable energy, as well as to its efficient use.

**ACCIONA’s SDG 9 SOLUTIONS**
Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.

**ACCIONA’s SDG 11 SOLUTIONS**
Services that help to make cities inclusive, safe, resilient and sustainable.

**ACCIONA’s SDG 13 SOLUTIONS**
Development of integrated solutions to combat climate change and its impacts.

**ACCIONA’s SDG 14 SOLUTIONS**
Management of marine and coastal resources to meet the needs of the present without compromising the ability of future generations to meet their own needs.
EXPERTS IN DESIGNING A BETTER WORLD

The company is a leader in the development, engineering, construction, operation and maintenance of renewable assets, with a model of growth guaranteed over time and more than 1.2 GW under construction in 2019, concentrated in the most mature and most competitive technologies: wind and solar photovoltaic.

In 2018, ACCIONA has increased the consolidated production in ownership by 10% with the entry into operation of new assets. It also obtained contracts in incipient markets that offer new business opportunities for the company. During the year, ACCIONA considerably increased its customer base, to which it offers a range of solutions and energy products: clean energy, capacity, green certificates, storage, traceability of origin, distributed generation, etc.

ACCIONA aims to be a key player in mitigating the effects of global warming and in the transition towards a decarbonised energy model.

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A KEY ACTOR IN THE INTERNATIONAL MARKET, GEOGRAPHICALLY DIVERSIFIED AND WITH COMPANY-OWNED ASSETS IN 16 COUNTRIES

Design and construction

The company has extensive experience in the design and construction of renewable plants, both owned and for third parties, through its energy and industrial divisions.

Focus on wind and solar photovoltaic.

Its scope of activity is currently focused on wind and photovoltaic technologies that are the most mature, and present high efficiency in continuous improvement as well as being the most economically competitive technologies in many markets. The short- and medium-term construction pipeline is focused on those technologies for the same reason.

EMISSIONS AVOIDED, BY COUNTRY, DUE TO THE PRODUCTION OF RENEWABLE ELECTRICITY IN 2018

<table>
<thead>
<tr>
<th>Countries</th>
<th>Installed capacity (MW)</th>
<th>Output (GWh)</th>
<th>Emissions avoided (t CO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>435</td>
<td>1,072</td>
<td>955,254</td>
</tr>
<tr>
<td>Canada</td>
<td>181</td>
<td>481</td>
<td>363,077</td>
</tr>
<tr>
<td>Chile</td>
<td>291</td>
<td>532</td>
<td>477,329</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>50</td>
<td>285</td>
<td>193,928</td>
</tr>
<tr>
<td>Croatia</td>
<td>30</td>
<td>78</td>
<td>53,211</td>
</tr>
<tr>
<td>Egypt</td>
<td>165</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Spain</td>
<td>5,681</td>
<td>13,242</td>
<td>8,439,812</td>
</tr>
<tr>
<td>Hungary</td>
<td>24</td>
<td>42</td>
<td>28,988</td>
</tr>
<tr>
<td>India</td>
<td>164</td>
<td>392</td>
<td>351,930</td>
</tr>
<tr>
<td>Italy</td>
<td>156</td>
<td>223</td>
<td>116,494</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,344</td>
<td>2,282</td>
<td>1,304,076</td>
</tr>
<tr>
<td>Poland</td>
<td>101</td>
<td>227</td>
<td>190,247</td>
</tr>
<tr>
<td>Portugal</td>
<td>165</td>
<td>347</td>
<td>216,626</td>
</tr>
<tr>
<td>South Africa</td>
<td>232</td>
<td>550</td>
<td>575,069</td>
</tr>
<tr>
<td>Ukraine</td>
<td>24</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>USA</td>
<td>785</td>
<td>2,334</td>
<td>1,543,299</td>
</tr>
<tr>
<td>Total</td>
<td>9,627</td>
<td>22,087</td>
<td>14,748,341</td>
</tr>
</tbody>
</table>
Modernisation and extension of assets’ useful lives

ACCIONA manages the extension of its facilities’ useful lives through predictive maintenance programmes based on Big Data, artificial intelligence and machine learning, which have a positive impact on the equipment’s durability.

Repowering wind farms

The degree of maturity attained by the asset portfolio in Spain (and, increasingly, in Europe) opens up new business opportunities linked to modernising and extending the useful lives of wind farms. The extension of the useful life, taking advantage of the high level of competitiveness achieved by this technology, will help to maximise the return on the assets.

EL CABRITO WIND FARM

Before the upgrade
- Capacity: 30 MW.
- Wind turbines: 90 330 kW units.
- 90 units of 330kW
- Tower: lattice, 24-36 m hub height.
- Distance between turbines: 45–65 m.
- Output: 84.57 GWh per year.
- Equivalent energy consumption: 300,000 homes.

After the upgrade: 2018
- Capacity: 30 MW.
- Wind turbines: 8 Nordex N100/3000 and 4 AW70/1500.
- Tower: steel, 85 and 60 m hub height.
- Distance between turbines: 170–300 m.
- Output: 112 GWh per year (+16 % with respect to 1995).
- Equivalent energy consumption: 300,000 homes.
- Emissions avoided: 71,386 t CO₂/year.

ACCIONA IS THE LARGEST SUPPLIER OF 100 % RENEWABLE ENERGY IN SPAIN

Energy supply

ACCIONA manages the sale of 100 % renewable energy produced by its own facilities. It also manages the sale of renewable energy generated by other independent power producers (IPPs), which benefit from the company’s technical capacity and experience and from services adapted to their specific needs.

ACCIONA supplies renewable energy to large consumers in Spain and Portugal, and is the largest supplier of 100 % renewable energy in Spain. In 2018, it supplied 5,648 GWh of electricity with a guarantee of origin certified by Spain’s National Markets and Competition Commission (CNMC), i.e. 13.6 % of the electricity sold to customers in Spain with a guarantee of origin.

40 % of the green energy that the company produces each year in Spain is supplied to wholesale end customers. This reduces the risks associated with volatility in the wholesale market. Electricity supply customers also receive continuous support and can view their consumption history, price projections, and information about the CO₂ emissions avoided.

Renewable energy supply business
- 883 customers (875 in 2017).
- 3,140 supply points (2,580 in 2017).
- 6,330 GWh (5,660 in 2017).
New business lines in renewable energy

ACIONA is actively working on the design of storage solutions hybridised with renewable power generation, such as those applied at the Barásoain plant (Navarra, Spain). In 2018, this plant was the first in the world to be certified (by DNV GL) as a grid-connected electricity storage facility.

ACIONA WILL BUILD ITS 5TH WIND FARM IN AUSTRALIA AND INCORPORATE STORAGE CAPACITY

In 2019, ACIONA will build a company-owned 197.5 MW wind farm in Mortlake (Victoria, Australia), which was adjudicated to it in an auction convened by the State of Victoria.

The construction of this farm will increase company-owned wind capacity in Australia by 36 %, to 592 MW.

MORTLAKE SOUTH WIND FARM

- Investment: 177 M€.
- Capacity: 157.5 MW + battery.
- Wind turbines: 35 Nordex 4.5 MW turbines, with 149 m diameter rotors and 73 m blades.
- Tower: 186 m high.
- Equivalent energy consumption: 80,000 homes.
- Emissions avoided: 532,000 t CO₂.

Thermal and hydroelectric generation

At the end of 2018, ACIONA had a total installed capacity of 1,001 MW (100 % renewable) in solar thermal (CSP) (64 MW), hydroelectric (876 MW) and biomass (61 MW).

SERVICES TO THIRD PARTIES

THERMAL POWER GENERATION

- Construction of solar thermal, biomass, waste-to-energy, combined cycle and power generation plants.
- Performance of all the activities in the value chain that are required to achieve power generation plants, including commercial operation.

DYMERKA PHOTOVOLTAIC SOLAR PARK

- Investment: 55 M€.
- Design, construction and operation of the Dymerka photovoltaic complex, comprising three adjacent solar plants (Dymerka 2, 3 and 4) over an area of 92 hectares.
- Capacity: 57.6 MWp (44 MW rated).
- Technology: 174,552 polycrystalline silicon solar cells on fixed structures.
- Output: 63 GWh/year.
- Equivalent to the energy needs of 26,000 homes.
- Emissions avoided: 60,000 t CO₂/year.

HYDROELECTRIC POWER GENERATION

- Design and construction of hydroelectric power plants, dams and civil engineering works.
- EPC contracts include feasibility studies.
- Basic and detail engineering, construction, commissioning, and operation and maintenance.

Energy efficiency services

Energy efficiency services are based on custom demand management surveys. This analysis is used to define a development model that will contribute to reducing energy consumption and optimising operating conditions and processes in the facilities. The main energy efficiency services offered by ACIONA are:

- Energy monitoring.
- Demand-side management.
- Energy audits and technical consulting.
- Sustainable building and energy rehabilitation.
- Monitoring of energy consumption.
- Measurement and verification of savings.
- Contracts for energy services.

Operation and maintenance of renewable assets

The company also operates and maintains renewable energy assets for clients. Its mission is to optimise energy production for its clients, driven essentially by innovation and continuous process improvement, working day-after-day to gain efficiency and minimise costs.

Other energy services

Through its industrial division, the company also designs and builds conventional energy installations on a turnkey basis.
ACCIONA’s innovative water management approach seeks to overcome the challenges posed by water scarcity.

ACCIONA is present in all stages of the water life cycle, from construction of water treatment plants (purification, desalination and wastewater treatment) to the operation and maintenance of distribution networks, sanitation and other services related to sustainable management of the resource.

In the short and medium term, the company is focused on optimising water prices, shortening lead times for large projects, and increasing the recurrence of its end-to-end management services.

**ACTIVITIES**

- Design and construction of water treatment plants
  - Water capture and drinking water.
  - Desalination of seawater and brackish water.
  - Wastewater treatment and reuse.
- Operation and maintenance
- Water concessions

**LANDMARK PROJECTS IN EGYPT: CAPTURE, PURIFICATION AND WASTEWATER TREATMENT**

**Drinking water treatment plants**

- **Almerya**
  - Capacity: 200,000 m³/day
  - Population served: 2 million
- **Rod el Farag**
  - Capacity: 100,224 m³/day
  - Population served: 900,000
- **North Helwan I y II**
  - Capacity: 100,000 m³/day
  - Population served: 900,000

**ADJUDICATION OF THE END-TO-END WATER SERVICE IN BOCA DEL RÍO MUNICIPALITY**

- **Investment:** 800 M€.
- **Location:** Boca del Río municipality, in the Greater Veracruz district (Mexico).
- **Duration:** 30 years.
- **Contract:** public supply and distribution of drinking water, operation of the sewer network, and wastewater treatment. It includes an investment of 80 M€ to upgrade the network infrastructure so as to reduce water losses.
- **Water managed:** 20,600,250 m³.
- **Customers:** over 50,000 customers, who receive round-the-clock customer care based on transparency and underpinned by ICT.

**EXPANSION OF THE GABAL EL ASFAR TREATMENT PLANT**

- **Location:** Cairo.
- **Capacity:** 500,000 m³/day (2,500,000 m³/day in total).
- **Population served:** 8 million.

**Design and construction of water treatment plants**

ACCIONA designs, builds and operates plants for treating drinking water, and reverse osmosis desalination, wastewater and water reuse plants, for municipal and industrial applications.

**Water capture and drinking water**

The company develops solutions for treating water to make it fit for human consumption. Overall, ACCIONA has built over 120 drinking water treatment plants with a total capacity of 8.5 million m³/day.
ACCIONA is a leader in desalination via reverse osmosis, which enhances water quality and has a lower environmental impact. The company uses the latest membranes and new energy recovery devices that complement desalination, optimising all the processes.

Desalination plant design and construction is currently the most competitive area of the water management and treatment business. In 2018, ACCIONA obtained major contracts in the Middle East, where water stress and scarcity will shape the development of societies in the coming decades and make it imperative to achieve effective solutions in a particularly arid climate.

**Desalination of seawater and brackish water**

ACCIONA designs optimal wastewater treatment solutions at the lowest possible installation cost with a view to subsequent operation and maintenance. The company has in-depth knowledge of wastewater treatment processes and adapts them to each project's specific circumstances, in terms of population size, seasonal fluctuations, municipal or industrial water, visual and/or environmental impact, and discharge limits, making use of technology and innovation to provide optimal solutions for wastewater treatment.

ACCIONA also develops and builds tertiary treatment plants in response to the growing demand for water for agricultural uses, urban irrigation and recreational activities, or to recharge aquifers facing saltwater intrusion. ACCIONA researches and develops innovative technologies that optimise tertiary treatment processes for water reuse and other purposes.

**Operation and maintenance**

Operation and maintenance (O&M) optimises the processes that make up the end-to-end water cycle in order to reduce operating costs and extend facilities' useful lives. ACCIONA adopts a preventive approach to this activity so as to minimise outages using software and other technologies.

Maintenance also results in lower energy consumption, ensuring optimal processing performance, controlling water quality, and assuring proper management of sludge, waste and by-products from the treatment processes.

In 2018, ACCIONA continued to increase its O&M backlog by seeking new business opportunities in industries with significant water consumption. At the end of 2018, ACCIONA had over 160 operation and maintenance contracts for water treatment plants, both municipal and industrial.

**Wastewater treatment and reuse**

ACCIONA provides service under the concession modality to 180 municipalities in Spain, Peru, Italy and Mexico serving a total of 13.58 million people.

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**NEW CONTRACTS IN THE MIDDLE EAST: SAUDI ARABIA AND UNITED ARAB EMIRATES**

**Al Khobar I** (Saudi Arabia)
- **Investment:** 200 M€.
- **Location:** Dhahran.
- **Contract:** Design project, with a one-year warranty.
- **Capacity:** 210,000 m³/day.
- **Population served:** 350,000.

**Shuqaiq 3** (Saudi Arabia)
- **Investment:** 750 M€.
- **Location:** Dhahran.
- **Duration:** 25 years.
- **Contract:** EPC contractor and majority partner in O&M. Includes classroom and practical training for the local community.
- **Capacity:** 450,000 m³/day.
- **Population served:** 2 million.

**Jebel Ali** (United Arab Emirates)
- **Investment:** 192 M€.
- **Location:** Dubai.
- **Capacity:** 182,000 m³/day.
- **Population served:** 700,000.

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**OVER 300 WASTEWATER PLANTS BUILT WORLDWIDE WITH A TOTAL CAPACITY OF 15 MILLION M³/DAY, SERVING THE EQUIVALENT OF OVER 57 MILLION PEOPLE**

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**Water concessions**

ACCIONA provides service under the concession modality to 180 municipalities in Spain, Peru, Italy and Mexico serving a total of 13.58 million people.
EXPERTS IN DESIGNING A BETTER WORLD

CIVIL INFRASTRUCTURE

ACCIONA develops large infrastructure projects in markets and geographies with strong potential.

ACCIONA uses the most advanced innovative techniques to execute projects, employing the most appropriate technologies in each case.

Performance and safety are two criteria used to maximise the company’s value proposition in the development of large infrastructure projects and they serve to differentiate it from its competitors in the construction industry.

The Specialised Business Units facilitate the development of complex projects by covering all phases of the value chain, from identifying opportunities to operation and maintenance of the completed works.

AT 31 DECEMBER 2018, THE COMPANY’S PORTFOLIO OF CIVIL ENGINEERING PROJECTS AMOUNTED TO 6,015 M€, OF WHICH 75 % WERE LOCATED OUTSIDE SPAIN

<table>
<thead>
<tr>
<th>2018 PORTFOLIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>24.4 %</td>
</tr>
</tbody>
</table>

5,300 KM OF ROADS AND OVER 600 BRIDGES IN THE LAST 10 YEARS

For ACCIONA, road and bridge development covers all the phases of a project: from bidding, through design and construction to maintaining the completed infrastructure. In 2018, ACCIONA maintained a selective approach to bidding in this market, from the standpoint of risk management and local regulation, and obtained major contracts in Norway, Australia and Spain for private sector clients and infrastructure funds.

In the area of innovation in road and bridge development, ACCIONA has begun to compile data from the toll roads it manages using sensors and other devices in order to improve infrastructure planning and design, with a focus on solving problems and responding to end user demand.

Roads and bridges

- Investment: 410 M€.
- Location: Ranheim-Værnes, Norway.
- Contract: design and construction of 23 km of four-lane toll road including underground, four tunnels measuring 1-4 km, and the construction of 8 bridges.
- Includes traffic management and building temporary detours to maintain traffic flow during construction.
- Duration: Work to begin in 2019 and to be completed in 2024.

- Location: Arraiján, West Panama province.
- Contract: design, construction and maintenance of 12 km of road with 3 lanes in each direction, 2 reversible central lanes.
- Impact: alleviate congestion on the route, where 2-hour traffic jams are standard.
- Socio-economic impact:
  - Contribution to GDP: 146 M€.
  - Job creation: 3,887 job-years*.
  - Emissions avoided as a result of a 20 % reduction in fuel consumption caused by improved traffic flow: 8,148 t CO₂/year.
Railways and tunnels
In the last 25 years, ACCIONA has participated in the development of railway projects — high speed, conventional and underground — in many countries. Railway and tunnel construction covers all phases of the process, from feasibility studies and design to construction, work supervision and maintenance.

1,700 KM OF HIGH-SPEED RAILWAY LINES, 150 KM OF TUNNELS, 250 STATIONS AND 1,140 VIADUCTS WORLDWIDE

Special structures
ACCIONA offers solutions for the development of dikes and waterworks, including the design and construction of ports, dams and shipyards. The company stands out because it excels at executing complex projects with a strong innovation component and it can incorporate new construction techniques and materials into the processes.

A key factor in large port works is its caisson production technology; the company’s fleet of caisson barges can produce concrete caissons up to 70 metres long, 36 metres wide and 35 metres high within a space of ten days.

In 2018, the company was involved in building some of the largest dams in Europe, Africa and South America. It is currently involved in the construction of one of the largest water projects in North America, the Site C Dam in Canada.

FOLLO LINE TUNNELS
- Investment: 1,000 M€.
- Location: Norway.
- Contract: Design and construction (EPC) of twin-bore tunnels through rock, each measuring 19.5 km in length with a diameter of 8.8 m, and development of railway installations (except signage).
- Machinery: double-shield TBMs measuring 150 m, each weighing 2,400 tons.

SITE C CLEAN ENERGY HYDROELECTRIC PLANT
- Investment: 1,750 M CA$.
- Location: Canada.
- Contract: construction of a 1,050 m long earth dam 60 m above the river. It includes the construction of 2 twin bypass tunnels and a foundation of 800 m of compacted concrete to improve the plant’s seismic resilience.
- Storage capacity: 20 million m$^3$
- Capacity and output: 1,100 MW, and 5,100 GWh of electricity per year, enough to supply electricity to 450,000 homes in British Columbia.

Transport concessions
ACCIONA is one of the world’s leading transport infrastructure managers, in terms of both the number of projects and total revenues, and it selectively seeks opportunities for investment and greenfield development with a view to managing all phases of the project life cycle to high standards of excellence.

DIVERSIFIED CONCESSION MANAGEMENT

| GEOGRAPHY | • Global coverage with a presence on all continents through regional teams for Canada, the United States, Europe, Asia-Pacific and Latin America.
• Analysis of new opportunities in markets with a stable regulatory and economic framework. |
| INDUSTRY | Revenues based on availability and demand, by sector:
• Toll roads: conventional, free-flow and shadow tolls.
• Railways and trams, ports and irrigation networks, including tunnels and bridges.
• Airports.
• New sectors: telecommunications and industry. |
| EXECUTION AND END-TO-END MANAGEMENT | • Private-sector development, design, construction, finance, management, and operation and maintenance. |
| BIDDING AND CONTRACTING | • Analysing an average of 45 projects/year, achieving prequalification in 50 % of cases and successful award in 25 %.
• Significant share (in both capital and construction). |
| ROTATION | • Selective divestments: Ruta 160 and the toll roads in Chile and Brazil. |

In 2018, the Concessions area worked on the development of a new strategic plan for the coming years involving a more diversified approach and focused on greater participation in profitable, sustainable capital investments. The company is exploring new opportunities in the field of transport concessions, among others.
Rapid growth by cities creates the need for new services. The activities that ACCIONA creates and undertakes are focused on improving citizens’ lives.

**SUSTAINABLE CITIES**

In addition to providing access to essential services, such as energy and water, ACCIONA contributes to making cities into productive living spaces, favouring people’s socio-economic development. Improvements to infrastructure network and transport connections, revitalisation of cities through housing development, and appropriate management of citizens’ surroundings are addressed with a sustainable approach to improve living standards for city dwellers.

**ACTIVITIES**

- **Urban mobility**
  - Mass transit.
  - Infrastructure tunnelling.
  - Shared and electric mobility.
  - Airport services.
  - Other transport services.

- **Development of the urban environment**
  - Waste management: circular economy.
  - Efficient water use.
  - Real estate development.
  - Cleaning, maintenance and upkeep of public spaces in cities.

- **Social infrastructure concessions**

**Urban mobility**

Growth in urban populations poses a challenge to mobility services — more urban congestion, consequences of traffic jams, and impact on the quality of life and the environment — and favours the appearance of new opportunities to respond to this challenge in line with the cultural change among younger generations and restrictions imposed on combustion vehicles.

**Mass transit**

ACCIONA is a leading player in the development of mass transit solutions (underground, trams, high-speed rail, light rail).

**QUITO METRO (ECUADOR)**

- **Contract**: Tunnel 22.6 km long, with 13 stations, trainset depot, workshops and the necessary railway installations for commissioning.
- **Estimated traffic**: 400,000 people/day.
- **Impact**: savings of US$ 50 million/year on fuel and a reduction in emissions of 67,000 t CO₂/year. Record in tunnelling productivity certified by German company Herrenknecht.

**Infrastructure tunnelling**

The company is to putting infrastructure underground in order to free space at ground level and improve mobility in cities.

**LEGACY WAY TUNNEL (AUSTRALIA)**

- **Contract**: design, construction, operation and maintenance of a 7 km dual carriageway running through 4.6 km twin-bore tunnel.
- **Machinery**: 2 tunnel-boring machines (TBM) over 100 metres long, weighing 2,800 tons and with a diameter of 12.4 metres.
- **Duration**: 10 years.
- **Construction finalised**: 2015.
- **Estimated traffic**: 400,000 people/day.
- **Impact**: savings of US$ 50 million/year on fuel and a reduction in emissions of 67,000 t CO₂/year. Record in tunnelling productivity certified by German company Herrenknecht.

- **Other impacts**: over 10,403 trips avoided, reduction in noise, pollution and dust.
- **Awards**: Brisbane Lord Mayor’s Award for Innovation (2012), 2013 International Tunnelling Project of the Year, International Association of Public Participation, Winner in the Infrastructure category (2014), International Road Federation, Award for Environmental Excellence (2014), and Infrastructure Partnerships Australia Project of the Year (2015).
ACCIONA offers ground handling services for passengers and aircraft in line with airlines' and airports' specific needs. The main services it delivers are: passenger handling (check-in, boarding, attention to passengers with reduced mobility), operations (stowage, coordination with crews), ramp (loading and unloading the plane, transporting crews and passengers on the apron, pushing and towing planes) and cargo (cargo terminal management).

Shared and electric mobility

In 2018, the company launched its first sustainable mobility solution — ACCIONA Mobility — by deploying over 1,000 electric scooters in Spain, first in Madrid and later in Barcelona, Seville and Valencia; the scooters are powered by 100% renewable electricity and offer superior range and power in comparison with existing services. As an awareness-raising exercise, users receive real-time information on the CO₂ emissions they have avoided on their trip.

- 1,250,000 km travelled, equivalent to 25 trips around the world.
- 105 t CO₂ avoided.
- 40% shift to sustainable means of transport.
- 61,359 m² net space freed.

Development of the urban environment

Waste management: circular economy

ACCIONA’s solutions set in the field of waste management is based on maximising efficiency in waste collection and transport, and improving reuse and recovery volumes. The company relies on technology and innovation in order to design optimised routes, sensorise bins and obtain new materials, as well as in district heating and in the production of energy from waste.

In 2018, ACCIONA was awarded the contract to build Australia’s first large-scale energy-from-waste plant in Kwinana, Perth; this is a milestone in the development of this technology, which contributes to reducing the use of landfills by using waste to produce electricity.

Likewise, in 2019, ACCIONA entered the UK market with the award of a contract to build a new waste treatment plant, including waste-to-energy technology, in Aberdeen at a cost of 175 M€.

Efficient water use

For the last 5 years, ACCIONA has been participating in “smart water cities” projects that promote the integration and transformation of networks under an approach that covers event detection, service efficiency, customer interaction and progress towards industry 4.0.

ACCIONA builds Australia’s first waste-to-energy plant

- Investment: 434 M€.
- Contract: engineering, procurement and construction (EPC).
- Duration: 36 months from October 2018.
- Processing capacity and electricity generating capacity: 400,000 t of waste, 36 MW of electricity.
- Up to 800 jobs will be created during the construction phase.
Real estate development

The company is committed to real estate development and a range of complementary services aimed at driving sustainable growth of cities, in line with global urbanisation trends. ACCIONA’s real estate business focuses on developing and managing real estate complexes in Spain, Poland, Mexico and Portugal, backed by solid technical and professional experience.

In 2018, the company accelerated the process of international expansion by investing 75 M€, taking advantage of growth opportunities and the favourable cycle position in the sector, mainly in Mexico and Portugal, and it is considering expansion into other countries in Latin America and Europe.

Cleaning, maintenance and upkeep of municipal public spaces

ACCIONA is one of the top five players in the market, with more than 50 years of experience in the delivery of street cleaning, green area maintenance and waste collection and treatment services with an efficient management approach. ACCIONA also provides this service in the field of forestry, coastal regeneration, landscaping, environmental monitoring and sports areas.

The company provides end-to-end solutions for buildings and facilities, both public and private, and their users in the form of cleaning, maintenance, customer service, and ancillary and support services.

WASTE COLLECTION AND STREET CLEANING IN ALCOBENDAS (SPAIN)

- Contract amount: 76 M€, with an investment of over 4 M€.
- Contract: municipal waste collection, street cleaning and recycling centre operation in the municipality.
- Duration: 10 years from September 2018.
- Population served: 120,000.
- Innovations: progressive integration of new technologies to optimise waste management and reduce emissions, such as the installation of a control system to optimise routes and reduce energy consumption. Incorporation of machinery powered by alternative fuels: over 50% of the fleet runs on CNG.

Social infrastructure concessions

The company contributes to the well-being, population mainly in the healthcare sector by providing hospital services ranging from building, financing and maintaining infrastructure to managing support services.

OVER 4,000 HOSPITAL BEDS AND 950,000 m² OF SOCIAL INFRASTRUCTURE IN 13 YEARS
FINANCIAL SERVICES

Opportunities for future savings through pension plans and mutual funds providing returns over the long term.

Asset management

Through Bestinver, ACCIONA offers asset management services: mutual funds, pension funds and institutional mandates. The investment philosophy is based on obtaining the best long-term returns by investing in equities.

Value investing approach

The objective is to detect companies that have the capacity to generate value with respect to the market price.

- **Fundamental analysis**
  A qualified team with over 200 years’ combined experience.

- **Appropriate risk management**
  Robust portfolios and the search for a balance between the various risk factors.

- **Long-term vision shared by investors and managers**
  Convergence between value and price over the long term, making it possible to pick opportunities at a good price.

### 6,280 M€

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th>MUTUAL FUNDS</th>
<th>4,835 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>PENSION PLANS</td>
<td>1,074 M€</td>
</tr>
<tr>
<td>LUXEMBOURG UCITS AND SICAV</td>
<td>371 M€</td>
</tr>
</tbody>
</table>

**12.4 %**

**BESTINFOND, INVESTMENT FUND**

10-YEAR AVERAGE ANNUALISED RETURN

**8.0 %**

**BESTINVER BOLSA, INVESTMENT FUND**

10-YEAR AVERAGE ANNUALISED RETURN

**13.8 %**

**BESTINVER INTERNACIONAL, INVESTMENT FUND**

10-YEAR AVERAGE ANNUALISED RETURN

**9.7 %**

**BESTINVER BIG COMPANIES, INVESTMENT FUND**

AVERAGE ANNUALISED RETURN SINCE INCEPTION

* Data at 30/04/2019.

Long-term returns and saving

The short- and medium-term strategy is aimed at developing and consolidating a platform that favours growth in the retail segment, where the bulk of savings are concentrated in Spain, and process automation to enhance client care and management in an agile, reliable way at a minimal cost. To this end, in 2018 the company opened new offices in Spain that contribute to positioning it closer to clients. The objective is to help savers build investment portfolios that generate attractive returns, using the right asset class depending on the period of investment: fixed-income funds for the short term, and equity funds for the long term.

Mutual funds

Investment opportunities with long-term returns as an alternative to the traditional savings approach based on deposits and fixed-income, which offer lower returns.

Pension plans

An investment vehicle to channel future savings and improve the client’s financial health in retirement.

BESTINVER GLOBAL PENSION FUND REPORTS AN ANNUALISED AVERAGE RETURN OF 12.5 % OVER 10 YEARS
**ACCIONA’s success factors**

Few players have the capabilities required to meet the challenges.

**Talent**

People capable of turning ideas into essential assets to drive sustainable development.

ACCIONA attracts, hires, and works constantly to retain, the best professionals by offering them value propositions that contribute to their growth within the company.

The company’s human resources strategy is articulated around the 2018-2022 Strategic Plan and defines elements that are common to the entire organisation for appropriate talent management. During the year, the company made progress in the implementation of a new tool that will streamline people management processes, favouring objective decision-making and a global culture based on continuous feedback between employees.

This strategy permeates the rest of the organisation and is tailored to each of ACCIONA’s businesses, based on the global guidelines, the specific needs of the business and the professionals in each area of activity.

**PROFESSIONALS - KEY FIGURES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>38,544</td>
<td></td>
</tr>
<tr>
<td>Local executives*</td>
<td>37,403</td>
<td>68%</td>
</tr>
<tr>
<td>Female executives</td>
<td>123</td>
<td>32%</td>
</tr>
<tr>
<td>Different nationalities</td>
<td>123</td>
<td>68%</td>
</tr>
</tbody>
</table>

* Percentage of total executives working outside Spain who are locals who were hired locally.

**ACCIONA AMONG THE WORLD’S TOP TEN COMPANIES IN THE FIELD OF DIVERSITY AND INCLUSION IN THE 2018 THOMSON REUTERS DIVERSITY & INCLUSION INDEX**
Innovation

Efficient technology for a sustainable future

The company’s innovation strategy is focused on developing solutions for its business areas in order to respond to existing challenges and anticipate future changes. ACCIONA also provides efficient technologies to meet the needs of markets and clients, who also demand an assurance of sustainability in construction, water, services and energy for people and the planet.

As a developer and operator of essential renewable energy and infrastructure assets, ACCIONA seeks to incorporate the most advanced technologies and processes into its projects and into the creation of new businesses.

ACCIONA RECOGNISED AS ONE OF THE MOST INNOVATIVE COMPANIES IN EUROPE WITH THE ‘OPEN INNOVATION INNOVATIVE APPROACH AWARD’ FROM THE STARTUP EUROPE PARTNERSHIP

RESEARCH FOCUSED MAINLY ON THE SOLUTIONS THAT THE COMPANY PROVIDES

Innovation processes are implemented by multidisciplinary teams that combine a business approach with a vision of the medium- and long-term trends. The innovation function is present in all of ACCIONA’s businesses, focusing particularly on the specialised subsidiaries in the areas of construction, water technologies and renewable energies, which serve as a springboard for the development of new technology solutions and new businesses.
## Sustainability

ACCIONA's sustainability strategy is expressed through its Sustainability Master Plan.

The Sustainability Master Plan 2020 is structured into overall strategic and operational objectives that permeate the entire organisation, with specific goals for each business area. This roadmap sets out initiatives by the company to support sustainable development and business integrity.

### Area of the Sustainability Master Plan

<table>
<thead>
<tr>
<th>Area of the Sustainability Master Plan</th>
<th>2020 objectives</th>
<th>Notable progress in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLIMATE CHANGE</strong> Carbon neutrality, climate risks and training.</td>
<td>Carbon neutrality: reduce and offset greenhouse gas (GHG) emissions.</td>
<td>The company has been carbon-neutral for the third consecutive year. A science-based target of a 16 % reduction in greenhouse gas emissions between 2017 and 2030 has been established.</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong> Operational eco-efficiency, sustainable water management, biodiversity.</td>
<td>Cooperating in sustainable water management and using water more efficiently.</td>
<td>Over one-third of the water treated by the company is in areas of water stress. 39 % reduction in water consumption (vs. 2017).</td>
</tr>
</tbody>
</table>

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1 More information on the areas and targets in the Sustainability Master Plan 2020 http://pds2020.acciona.com/