



Acciona, S.A.

Annual Financial Statements

31 December 2019

Directors' Report

2019

(With Independent Auditor's Report Thereon)

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



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

Auditor's Report on the Financial Statements issued by an Independent Auditor

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

To the Shareholders of Acciona, S.A.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Acciona, S.A. (the "Company"), which comprise the balance sheet at 31 December 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying financial statements) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the financial statements pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in group companies and associates

See notes 4.5.1 and 8.2.1 to the financial statements

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company, which is the parent of the Acciona Group, has various investments in group companies and associates, for which impairment provisions totalling Euros 1,190 thousand have been recognised at 31 December 2019.</p> <p>At each reporting date, management and the Directors assess whether there is objective evidence that these investments may be impaired. If this is the case, they test them for impairment and determine the need to record new impairment provisions, or to increase or decrease the provisions recognised for impairment of these investments.</p> <p>To this end, the recoverable amount of investments in group companies and associates is determined by applying valuation techniques that require the exercising of judgement by management and the Directors and the use of estimates, considering certain assumptions that analyse macroeconomic trends, internal circumstances of the investees and their competitors, discount rates, growth rates and forecast future business performance, among other aspects.</p> <p>Moreover, changes in the key assumptions considered by management and the Directors in the impairment tests could entail substantial modifications to the recoverable amount of the investments and, therefore, their carrying amount at year end.</p> <p>Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investments in group companies and associates, we have considered this valuation to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the processes followed by the Company in identifying objective evidence of impairment of investments in group companies and associates and, where applicable, in estimating their recoverable amount, and we tested the design and implementation of the key controls established by the Company in relation to these processes. • We assessed the reasonableness of the methodology and assumptions used by the Company in estimating the recoverable amount of investments in group companies and associates, in collaboration with our corporate valuation specialists. In this respect, we reviewed the degree of fulfilment of the business plans estimated in the past and evaluated the information contained in the valuation models, as well as the business plans of the investees used by the Company, considering the estimated and forecast future performance of the industry in which these investees operate. <p>In addition, we evaluated the growth rates and discount rates that were used as a basis to calculate the recoverable amounts, and the sensitivity of those recoverable amounts to changes in the key assumptions, in order to determine their impact on the valuation.</p> <ul style="list-style-type: none"> • We also assessed whether the disclosures in the financial statements meet the requirements of the financial reporting framework applicable to the Company.



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Lawsuits and contingencies	
See notes 4.9 and 11 to the financial statements	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company is exposed to possible claims and disputes in the course of its activity and could become involved in both administrative and legal proceedings, as well as arbitration matters.</p> <p>The control, monitoring and assessment process for claims and disputes affecting the Company is complex and requires the exercising of judgement by management and the Directors in estimating future developments therein, the probability of a ruling against the Company's interests being handed down, the possible financial consequences and, where applicable, the amount of any provisions that might need to be recognised to cover the related liabilities, as well as other accounting impacts and/or the disclosures to be included in the financial statements.</p> <p>Due to the judgement inherent in assessing such matters, in view of the uncertainty associated with the estimates and resolution timeframes related to claims and disputes, and because changes in estimates could give rise to significant differences with respect to the amounts recognised by the Group at the reporting date, we have considered lawsuits and contingencies to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We obtained details of the claims and lawsuits in which the Company is involved, through information provided by its Office of General Counsel.• We evaluated the design and implementation of the key controls established by the Company in relation to the control processes for the integrity of claims and lawsuits, the estimation of their possible consequences for the Company and, where applicable, the estimation of the provisions required and their recognition.• We obtained replies from the Company's lawyers, including their statement in relation to the situation, the probability and the possible consequences for the Company as regards the significant claims and disputes, in quantitative or qualitative terms.• For significant claims and lawsuits, we evaluated the reasonableness of the estimates made by management and the Directors, as well as any made by the Company's lawyers, and we assessed the legal arguments and the effects of such estimates on the Company's financial statements at 31 December 2019.• We also assessed whether the disclosures in the financial statements meet the requirements of the applicable financial reporting framework.



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Other Information: Directors' Report

Other information solely comprises the 2019 Directors' Report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the financial statements.

Our audit opinion on the financial statements does not encompass the directors' report. Our responsibility as regards the content of the directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

- a) A specific level applicable to certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that the aforementioned information has been provided in the directors' report, and if not, to report on this matter.
- b) A general level applicable to the rest of the information included in the directors' report, which consists of assessing and reporting on the consistency of this information with the financial statements, based on knowledge of the entity obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the specific information mentioned in section a) above has been provided in the directors' report, that the rest of the information contained in the directors' report is consistent with that disclosed in the financial statements for 2019, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Financial statements

The Directors are responsible for the preparation of the accompanying financial statements in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the financial statements.



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Auditor's Responsibilities for the Audit of the Financial statements _____

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Directors.
- Conclude on the appropriateness of the Company's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit committee of Acciona S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide the Company's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to the audit committee of the Company, we determine those that were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee _____

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 27 February 2020.

Contract Period _____

We were appointed as auditor of the Company by the shareholders at the ordinary general meeting on 18 May 2017 for a period of three years, from the year ended 31 December 2017.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Borja Guinea López
On the Spanish Official Register of Auditors ("ROAC") with No. 16210

27 February 2020

ACCIONA, S.A.

ANNUAL FINANCIAL STATEMENTS

AND

DIRECTORS' REPORT

2019


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

ACCIONA, S.A.
BALANCE SHEET AT 31 DECEMBER 2019 AND 2018
(Thousand euros)

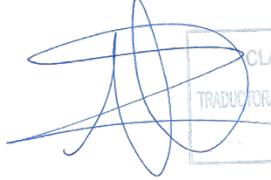
ASSETS	Notes to financial statements	31/12/2019	31/12/2018	EQUITY AND LIABILITIES	Notes to financial statements	31/12/2019	31/12/2018
NON-CURRENT ASSETS		6,503,914	6,316,450	EQUITY	Note 10	3,646,391	3,569,4
Intangible assets	Note 5	14,009	5,061	CAPITAL AND RESERVES		3,646,511	3,569,4
Software		223	--	Capital		54,857	57,2
Advances		13,786	5,061	Issue premium		170,110	170,1
Property, plant and equipment	Note 6	8,905	8,483	Reserves		3,190,133	3,307,8
Land and buildings		7,250	7,304	Legal and statutory		718,911	716,5
Other technical plant and fixtures & fittings		210	425	Other reserves		2,471,222	2,591,2
Other property, plant and equipment		746	754	Treasury stock		(28,633)	(199,6
PPE in progress and advances		699	--	Year's profit /(loss)		260,044	233,8
Non-current investments in Group companies, joint ventures and associates	Notes 8.2.1 & 16.2	6,303,363	6,103,616	VALUE ADJUSTMENTS		(120)	
Equity instruments		6,296,343	6,097,033				
Credits to companies		7,020	6,583	NON-CURRENT LIABILITIES		603,625	302,2
Non-current financial investments	Note 8.1	4,749	5,487	Non-current provisions	Note 11	97,489	95,5
Other financial assets		4,749	5,487	Other provisions		97,489	95,5
Deferred tax assets	Note 13.5	172,888	193,803	Non-current payables		406,957	206,6
CURRENT ASSETS		1,068,158	312,203	Debentures and other negotiable securities	Note 12.2	112,063	61,8
Trade and other accounts receivable		53,268	92,079	Bank borrowings	Note 12.1	294,879	144,7
Clients, group companies and associates:	Note 16.2	41,949	41,146	Other non-current financial liabilities		15	
Sundry receivable		3,573	1,760	Payables to Group companies, joint ventures and associates	Note 12.3 and 16.2	99,179	
Personnel		803	490	CURRENT LIABILITIES		3,322,056	2,756,5
Current tax assets	Note 13.1	6,445	48,387	Current provisions		10	1,3
Other credits with Public Entities	Note 13.1	498	296	Short-term debt		119,749	371,7
Current investments in Group companies and associates	Notes 8.2.2 & 16.2	304,874	219,404	Debentures and other negotiable securities	Note 12.2	2,657	138,0
Current credits to companies and other financial assets		3,321	2,947	Bank borrowings	Note 12.1	117,092	233,7
Other financial assets		301,553	216,457	Current payables to Group companies and associates	Note 12.3 and 16.2	3,133,058	2,327,4
Current prepayments		1,213	241	Trade and other accounts payable		69,239	56,3
Cash and other cash equivalents	Note 9	708,803	479	Suppliers		21,435	15,1
Cash		708,803	479	Suppliers, group companies and associates:	Note 16.2	2,236	2,4
				Sundry payables		6,832	9,3
				Personnel	Note 16.3	36,284	26,5
				Other payables to Public Entities	Note 13.1	2,452	2,8
TOTAL ASSETS		7,572,072	6,628,653	TOTAL EQUITY AND LIABILITIES		7,572,072	6,628,6

Notes 1 to 19 to the accompanying financial statements are an integral part of the balance sheet at 31 December 2019.

ACCIONA, S.A.
INCOME STATEMENT FOR FINANCIAL YEARS 2019 AND 2018
(Thousand euros)

	Notes to financial statements	FY 2019	FY 2018
Net turnover	Note 15.1	352,584	287,411
Provision of services		75,944	66,339
Financial income from investments in equity instruments		276,178	220,628
Financial income from negotiable securities and other financial instruments	Note 16.1	462	444
Work carried out by the Company on its assets	Note 5 and 6	10,176	7,116
Other operating income		127	80
Non-core and other current operating revenues		127	80
Personnel expenses	Note 15.2	(62,810)	(60,024)
Wages, salaries and similar		(51,423)	(48,513)
Welfare charges		(11,387)	(11,511)
Other operating expenses		(81,878)	(78,133)
External services		(83,259)	(76,624)
Taxes		1,381	(1,509)
Losses, impairment and change in provisions for trade operations			
Other operating expenses			
Amortisation/depreciation of assets	Note 6:	(816)	(625)
Impairment and profit/(loss) on disposal of financial instruments	Note 8.2.1	92,351	80,738
Excess provisions	Note 11	4,637	29,022
OPERATING PROFIT/(LOSS)		314,371	265,585
Financial income		12	3
From negotiable securities and other third-party financial instruments		12	3
Finance costs		(87,846)	(68,217)
For payables to Group companies, jointly-controlled entities and associates	Note 16.2	(71,504)	(47,817)
For payables to third parties		(16,342)	(20,400)
Change in fair value of financial instruments		--	--
Trading portfolio and other		223	--
Translation differences		(7,714)	(550)
FINANCIAL PROFIT / (LOSS)		(95,325)	(68,764)
PROFIT/(LOSS) BEFORE TAX		219,046	196,821
Tax on profit	Note 13.4	40,998	37,034
YEAR'S PROFIT/(LOSS)		260,044	233,855

Accompanying Notes 1 to 19 and the appendices are an integral part of the income statement for 2019.

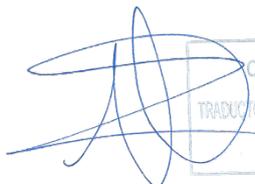


CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

ACCIONA, S.A.
STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEARS 2019 AND 2018
A) STATEMENT OF RECOGNISED INCOME AND EXPENSES
(Thousand euros)

	FY 2019	FY 2018
RESULTS OF INCOME STATEMENT (I)	260,044	223,855
Income and expenses recognised directly in equity		
- For measurement of financial instruments:		
- For cash flow hedges	(160)	--
- Grants, donations and legacies received	--	--
- For actuarial gains and losses and other adjustments	--	--
- Tax effect	40	--
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)	259,924	--
Transfers to income statement:		
- For measurement of financial instruments:	--	--
- For cash flow hedges	--	--
- Grants, donations and legacies received	--	--
- Tax effect	--	--
TOTAL TRANSFERS TO INCOME STATEMENT (III)	--	--
TOTAL RECOGNISED INCOME AND EXPENSES (I+II+III)	259,924	223,855

Accompanying Notes 1 to 19 and the appendices are an integral part of the statement of recognised income and expenses for 2019.

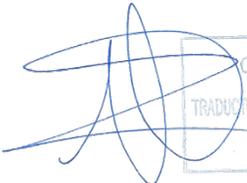


CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

ACCIONA, S.A.
STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEARS 2019 AND 2018
B) COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY
(Thousand euros)

	Capital	Issue premium	Reserves	Treasury stock	Year's profit /(loss)	Value adjustments	TOTAL
BALANCE AT 31/12/2017	57,260	170,110	3,225,986	(3,145)	209,202	--	3,659,413
Total recognised income and expenses	--	--	--	--	233,855	--	233,855
Operations with shareholders	--	--	37,689	(196,471)	(209,202)	--	(367,984)
- Application of results / dividends (Note 3)	--	--	37,424	--	(209,202)	--	(171,778)
- Operations with bonds	--	--	--	--	--	--	--
- Operations with treasury stock (net)	--	--	265	(196,471)	--	--	(196,206)
Other changes in equity - effect of corporate restructure	--	--	44,184	--	--	--	44,184
BALANCE AT 31/12/2018	57,260	170,110	3,307,859	(199,616)	233,855	--	3,569,468
Total recognised income and expenses	--	--	--	--	260,044	(120)	259,924
Operations with shareholders	(2,403)	--	(117,726)	170,983	(233,855)	--	(183,001)
- Capital increases/(reductions)	(2,403)	--	(162,425)	164,828	--	--	--
- Application of results / dividends (Note 3)	--	--	42,036	--	(233,855)	--	(191,819)
- Operations with bonds	--	--	--	--	--	--	--
- Operations with treasury stock (net)	--	--	2,664	6,155	--	--	8,819
Other changes in equity - effect of corporate restructure	--	--	--	--	--	--	--
BALANCE AT 31/12/2019	54,857	170,110	3,190,133	(28,633)	260,044	(120)	3,646,391

Accompanying Notes 1 to 19 and the appendices are an integral part of the comprehensive statement of changes in equity for financial year 2019.

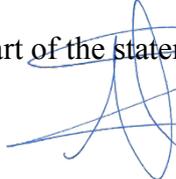


CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

ACCIONA, S.A.
STATEMENT OF CASH FLOWS FOR FINANCIAL YEARS 2019 AND 2018
(Thousand euros)

	Notes	FY 2019	FY 2018
CASH FLOWS FROM OPERATING ACTIVITIES		(91,915)	29,673
Profit / (loss) before tax		219,046	196,821
Adjustments for:		(283,490)	(264,114)
Amortisation/depreciation of assets		816	625
Other adjustments (net)		(284,306)	(264,738)
Change in provisions	Notes 8.2.1 & 11	(98,982)	(81,328)
Profit/(loss) for derecognition and disposal of financial assets		--	(31,102)
Financial income	Note 16.1	(474)	(446)
Dividends	Note 16.1	(276,178)	(220,628)
Finance costs	Notes 16.1 & 12.3	91,542	68,216
Translation differences		(214)	550
Changes in working capital		(144,675)	125,014
Other cash flows from operating activities:		117,204	(28,049)
Interest paid		(84,406)	(44,536)
Dividends received		216,127	50,078
Interest received		474	446
Collections/(payments) for tax on profit	Note 13	(14,991)	(34,038)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(116,337)	(422,907)
Payments for investments:		(117,075)	(457,421)
Group companies, associates and business units	Note 8.2.1	(106,889)	(450,000)
PPE and intangible assets		(10,186)	(7,421)
Receipts from divestments:		--	34,851
Group companies, associates and business units	Note 8.2.1	--	34,851
PPE and intangible assets	Note 5 and 6	--	--
Other receipts/(payments) from investment activities		738	(336)
CASH FLOWS FROM FINANCE ACTIVITIES		916,576	392,984
Receipts and (payments) from equity instruments:	Note 8.2.2	1,149,553	924,396
Acquisition		1,153,894	920,913
Disposal		(4,341)	3,484
Proceeds and (payments) from financial liability instruments:	Notes 12.1 & 12.2	(49,977)	(163,165)
- Issue of bonds and other negotiable securities		50,201	--
- Issue of bank borrowings		629,637	309,027
- Repayments and amortisation of bank borrowings		(596,815)	(459,192)
- Repayment and amortisation of bonds and other negotiable securities		(133,000)	(13,000)
Payments for dividends and returns on other equity instruments	Note 3	(191,819)	(171,778)
Cash flows from operations with treasury stock	Note 10.5	8,819	(196,470)
EFFECT OF EXCHANGE RATE FLUCTUATIONS		--	(550)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		708,324	(800)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD		479	1,280
CASH & CASH EQUIVALENTS AT YEAR'S END		708,803	479
COMPONENTS OF CASH AND CASH EQUIVALENTS AT YEAR'S END		708,803	479
Cash and banks		708,803	479
TOTAL CASH & CASH EQUIVALENTS AT YEAR'S END		708,803	479

Notes 1 to 19 to the financial statements are an integral part of the statement of cash flows for financial year 2019.



VERONICA LOZANO
TRADUCTORA-INTERPRETE JURADA DE INGLÉS
Nº. 10009

ACCIONA, S.A.

NOTES TO THE FINANCIAL STATEMENTS

1. Company Activities

Acciona, S.A. is the Parent Company of the Acciona group. It was established under the laws for the time being in force in Barcelona on 16 June 1916, for an indefinite period of time. Its registered office, tax office and main offices where it develops its activities are located at Avenida de Europa 18 in Alcobendas (Madrid). The Company is registered under the Spanish Classification for Business Activities (CNAE) with code number 6420. Acciona S.A. has shares listed on the Madrid and Barcelona stock exchanges.

The Company is the parent of a Group of companies that operate in different economic activity sectors, including most notably:

- Energy includes the electric business, encompassing the promotion, construction, operation and maintenance of renewable generation facilities and the sale of the energy produced. All the electricity generated by ACCIONA Energía is renewable.
- Infrastructure:
 - Construction: including infrastructures construction activities, as well as turn-key projects for power generation plants and other facilities.
 - Concessions: including the exploitation of mainly transport and hospital concessions.
 - Water: including the activities relating to the construction of desalination plants, water treatment plants and drinking water plants as well as the management of the entire water cycle, an activity that covers from the initial water collection, to its treatment, including desalination, to its purification and return to the environment after use. It also operates concessions for services related to 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 renewable 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 business of Real Estate, Bestinver (asset management), wineries and other businesses.



The Company may develop any and all activities to carry out and additional to the businesses above, and hold interests in other companies by way of investments.

The Company is the parent of a Group of subsidiaries and, in accordance with the regulations for the time being in force, it is under an obligation to prepare separate consolidated statements under the International Financial Reporting Standards adopted by

the European Union (IFRS-UE), which show the following consolidated key figures, in thousand euros:

Item	2019	2018
Total assets	17,349,187	14,937,593
Equity	3,640,689	3,495,138
Revenue	7,190,589	7,509,529
Consolidated profit attributable to the Parent	351,678	328,030

The individual and consolidated annual financial statements for 2019 were prepared by the Directors, at meeting of the Board of Directors held on 27 February 2020.

The individual and consolidated annual financial statements for 2018 were approved by the General Shareholders' Meeting of Acciona, S.A. held on 30 May 2019 and filed for deposit at the Madrid Companies Register.

2. - Bases of presentation of annual financial statements

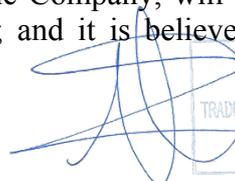
2.1. Financial reporting standards framework applicable to the Company

These annual financial statements were prepared by the Board of Directors in accordance with the financial reporting standards framework applicable to the Company, which is as established in:

- a) The Code of Commerce and any other mercantile legislation.
- b) General Accounting Plan as approved by Royal Decree 1514/2007.
- c) The mandatory standards approved by Instituto de Contabilidad y Auditoría de Cuentas (Spanish Accounting and Accounts Audit Institute) within the development of the General Accounting Plan and its supplementary regulations.
- d) Any other Spanish accounting regulations as applicable.

2.2. True and fair view

The annual financial statements for 2019 stated in thousand euros, the functional currency of the Company, were obtained from the accounting records of the Company and they are presented in accordance with the financial reporting standards framework applicable to the Company and specifically with the principles and criteria contained therein so as to show a true and fair view of the equity, financial position and results of the Company, and of cash flows as occurred in the year. These annual financial statements, as prepared by the Directors of the Company, will be submitted to the General Shareholders' Meeting, for approval; and it is believed that they will be approved as they stand.



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The annual financial statements for 2019 as prepared include the joint ventures (see Note 4.13 and Note 8.2.3) where the Company participates, by applying the proportional consolidation method, that is, through inclusion of the Company's participation share in the joint ventures, in terms of profit/(loss) and balance results, with balances for assets and liabilities being duly eliminated, as well as operations carried out between the Company and the joint ventures in the year.

2.3. Non-mandatory accounting principles applied

Only mandatory accounting principles in force at the date of preparation of these annual financial statements were applied. Additionally, the Directors prepared these annual financial statements taking into account all the accounting principles and standards as are mandatorily applicable and with a significant impact on said annual financial statements. All mandatory accounting principles were applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

For the preparation of these annual accounts, estimates were made by the Directors of the Company to measure some of the assets, liabilities, income, expenses and obligations appearing recorded therein. Basically, these estimates refer to:

- Assessment of possible losses due to impairment of certain assets, in particular for investments in group companies and associates showing signs of impairment. (See Note 4.3 and 4.5.1)
- The fair value of certain financial instruments. (See Note 4.5)
- The calculation of provisions and the evaluation of possible contingencies for legal and tax risks. (See Note 4.9)
- Tax results and the recoverability of deferred tax assets to be declared to the tax authorities in future, which served to record the different amounts related to corporate tax on these annual financial statements. (See Note 4.7)

Although these estimates were made on the basis of the best information available at the close of 2019, it may so happen that future events will make it necessary to change them (upwards or downwards) in the next few years. If so, it would be done prospectively.

2.5. Comparison of information

The information contained in these notes referred to financial year 2019 is disclosed, for comparative purposes, with the information on financial year 2018.

2.6. Grouping of items

Certain items on the Balance Sheet, the income statement, the statement of changes in equity or the statement of cash flows were grouped together to facilitate their understanding but, to the extent that it was significant, separate information was included in these Notes.



2.7. Changes in accounting criteria and correction of errors

In 2019 no significant changes took place in accounting criteria in respect of those applied in 2018.

When these annual financial statements for 2019 were prepared, no material error was found that led to restatement of the amounts included in the financial statements for financial year 2018.

2.8. Functional currency and reporting currency

The annual financial statements are presented in thousands of euros, rounded to the nearest thousand, which is the Company's functional and reporting currency.

3. Allocation of results

The proposed allocation of the results of financial year 2019 that the Board of Directors will submit to the General Shareholders' Meeting for approval is the following (in euros). This application is displayed against the application of the 2018 result approved by the General Shareholders' Meeting on 30 May 2019:

	2019	2018
Distribution base:		
Acciona, S.A. profit or loss	260,043,573.01	233,855,108.03
Application:		
To legal reserve	--	--
To statutory reserve	26,004,357.30	2,338,551.08
To capitalisation reserves	3,049,012.99	--
To voluntary reserves	19,792,088.67	39,697,064.45
Dividends	211,198,114.05	191,819,492.50
Total	260,043,573.01	233,855,108.03

The proposed allocation of the 2019 result contemplates the distribution of dividends of 3.85 euros per share.

The company may distribute dividends once the losses from previous years have been covered, 10% of the profit has been allocated to the legal reserve (up to 20% of the share capital) and any obligations specified in the Company's articles of association have been covered.

Under the Articles of Association the Company is under an obligation to allocate, if appropriate, 10% of net profit to the legal and statutory reserve, in such a manner that when the former is covered (20% of the share capital), the remaining amount resulting from such 10% must be allocated to the statutory reserve. This reserve is unrestricted.

The Board of Directors proposes that the capitalisation reserve established in Article 25 of Law 27/2014 of 27 November on Corporate Income Tax be charged to profit for the year, for an amount of 3,049,012.99 euros, equivalent to 10% of the amount of the increase in equity relating to the companies forming part of the tax group of which Acciona, S.A.

is the parent company. The foregoing provision entitles the Company to reduce its corporate income tax base by the same amount, up to a limit of 10% of the taxable income for the tax group for the year. If this limit is exceeded, the excess can be carried forward to the following two tax periods. In order to maintain the aforementioned tax benefit, this reserve must remain unavailable for a period of five years from the time the corresponding contributions are made.

4. Recognition and measurement standards

The recognition and measurement standards applied by the Company to the preparation of its financial statements, following the General Accounting Plan, were the following:

4.1. Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. Subsequently they are measured at their cost reduced by the relevant accrued amortisation and, if any, by impairment losses as occurred, in conformity with the criterion indicated in Note 4.3. These assets amortise on the basis of their useful life. When their useful life cannot be reliably estimated, they amortise in a period of 10 years.

a) Patents, licenses, trademarks and similar:

This account records the amounts paid for the acquisition of the property or the right to use the different manifestations of them (patents and trademarks), or for the expenses incurred as a result of the registration of the property developed by the company. Industrial property amortises by applying the straight-line method for a five-year period.

b) Software:

The Company records in this account the costs incurred in the acquisition and development of computer programs, including the development costs of web pages. Software maintenance costs are recorded on the income statement for the year in which they are incurred. Software amortises by applying the straight-line method for a four-year period.

c) Advances:

The Company records under this heading all actions aimed at the digital transformation of the company, which will result in greater and better use of technology to benefit the various administrative tasks and productive processes that are carried out within the Group. All actions recorded as such are currently being developed. Once this development process has finished, and the application produced is put into operation, the corresponding amount will be classified under "Computer Software", from which time it will start to be amortised.



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4.2. Property, plant and equipment

Property, plant and equipment is initially measured at the acquisition price and this is subsequently reduced by the relevant accrued depreciation and by impairment losses, if any, in accordance with the criterion mentioned in Note 4.3.

Upkeep and maintenance expenses concerning the different property, plant and equipment elements are recognised on the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The Company depreciates property, plant and equipment following the straight-line method, applying annual depreciation percentages based on the years of useful life estimated for the relevant assets (or the years of useful life left, whichever is the lower), according to the following detail:

	Depreciation percentage
Buildings	2% - 7%
Tools and fixtures & fittings	10% - 15%
Computer hardware	25% - 50%
Other PPE	10% - 20%

4.3. Value impairment of PPE and intangible assets

At the close of every year, the Company carries out an asset analysis to detect the existence of impairment losses that reduce the recoverable value of these assets to an amount lower than their carrying amount. This analysis is systematically performed for all goodwill or intangible assets with indefinite useful lives and for the remaining assets whenever there are objective indications that such losses could exist.

For the purposes of this analysis, known as an “impairment test”, the recoverable amount is determined as the fair value less estimated costs necessary for sale or the value in use, whichever is the higher. On the other hand, the procedures established by Management consist in calculating the value in use of the assets in question on the basis of the current value, discounted at rates representative of the Company’s cost of, of the estimated future cash flows to be obtained for the asset in question.

An impairment test is applied for each asset considered separately where possible or for the set of assets in question that make up the “cash generating unit”.

If a loss must be recognised for impairment of a cash generating unit where goodwill in whole or in part had been assigned, the carrying amount of goodwill corresponding to such unit is first reduced. If impairment exceeds the carrying amount, then, in proportion to their carrying amount, the carrying amount of the other assets in the cash generating unit is reduced, to the limit of their fair value less sale costs or their value in use or zero, whichever is the highest.



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Where an impairment loss subsequently reverses (which is not allowed specifically in the case of goodwill), the carrying amount of the asset or the cash-generating unit is increased to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount will not exceed the carrying amount that would have been determined had no impairment loss been recognised in previous years. The reversion of an impairment loss is immediately recognised as income.

As a result of the value impairment test applied, it was not necessary to allocate additional amounts to the impairments reflected on the financial statements for previous years (see Notes 5 and 6).

4.4. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The Company only has operating leases.

Operating lease

Expenses resulting from operating leases are charged to income in the year in which they are incurred.

Any amount received or paid when arranging an operating lease will be treated as early collection or payment to be recognised in results throughout the term of the lease, as the benefits from the leased asset are gradually transferred or received.

4.5. Financial instruments

4.5.1 Financial assets

Classification:

The financial assets usually held by the Company are classified under the following categories:

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. This category is comprised practically in its entirety of the assets recorded in "Trade and other accounts receivable" and "Loans and credits to companies" (both basically recorded with Group companies, Joint Ventures and associates).
- b) Held-to-maturity investments: Securities representing debt, with a fixed due date and collection of quantifiable amounts, traded on an active market and over which the Company expresses its intention and capacity to hold them until their due date.



- c) Investments in Group companies, Joint Ventures and Associates: Group companies are those on which the Company has direct control, or indirect control through subsidiaries that hold control, as established in article 42 of the Code of Commerce, or when companies are controlled by any means by one or more individual or body corporate acting jointly, or are managed on a unified bases through agreements or clauses in the Articles of Association.

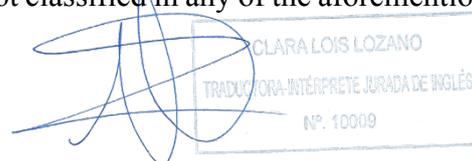
Control means the power to govern a company's financial and operating policies in order to obtain profit from the company's activities, considering for these purposes the voting rights held by the Company or third parties that are exercisable or convertible at the end of the accounting period.

Associates are considered to be those on which the Company, directly or indirectly through subsidiaries, has significant influence. Significant influence is the power to participate in decisions on a company's financial and operating policies, without there being a control structure or joint control over the same. When evaluating the existence of significant influence, the potential voting rights that may be exercisable or convertible at the end of each accounting period are considered, as well as considering the potential voting rights held by the Company or by another company.

Jointly-controlled entities are those that are jointly managed by the Company or by one or more Group companies, including parent entities or body corporates, and one or more third parties outside the group.

- d) Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial measurement:



Financial assets are initially recognised at the fair value of the consideration given plus the transaction costs as are directly attributable.

Investments in Group companies, Joint Ventures and Associates are initial recognised at cost, which is equivalent to the fair value of the consideration given, including the transaction costs incurred for investments in associates and jointly-controlled entities.

Subsequent measurement:

- a) Loans and accounts receivable are measured at their amortised cost.
- b) Held-to-maturity investments are measured at their amortised cost.
- c) Investments in the equity of group companies, joint ventures and associates are measured at their cost, reduced, if appropriate, by the accrued amount of impairment value adjustments. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment.

Impairment is calculated as the result of comparing the carrying amount of the investment with its recoverable value, understood as the value in use or the carrying amount less costs to sell, whichever is the higher.

In previous financial years reversals of impairment have been recognised to the extent that there is an increase in the recoverable value, with the limit being the carrying amount that the investment would have if the value impairment had not been recognised.

The loss or reversal of impairment is recognised on the income statement, except in the cases where it should be charged to equity.

- d) Available-for-sale financial assets are measured at their fair value, any changes in said fair value being recognised in Equity, until the asset is disposed of or its value is impaired (steadily or permanently), at which time the cumulative gains or losses previously recognised in Equity are recognised on the income statement. In this respect, it is considered that there is impairment (permanent) if the trading value of the asset has fallen by over 40% for one and a half years and has not recovered, or if the value has dropped over an extended period of time.

Investments in equity instruments the fair value of which cannot be reliably estimated are measured at their cost, less, if applicable, the cumulative amount of impairment value adjustments. In these cases, value adjustment is calculated in the same way as for investments in Group companies, joint ventures and associates and reversion of the adjusted value recognised in previous years is not possible.

A financial asset or group of financial assets is impaired and causes an impairment loss when there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset, and such event or events causing the loss have an impact on the estimated future cash flows from the asset or group of financial assets, which can be reliably estimated.

The Company follows the approach of recording suitable impairment allowances for loans and items receivable and debt instruments when a reduction or delay in the estimated future cash flows occurs, as a result of the debtor's insolvency.

In addition, value impairment occurs with regards to equity instruments when the carrying value of the asset can no longer be recovered as a result of prolonged declines or a significant fall in the fair value of such instruments.

The Company writes off financial assets when they mature or the rights over the related cash flows are transferred and the risks and benefits attached to their ownership have been substantially transferred.

Writing off a financial asset in its entirety implies recognising the results of the difference between the carrying amount and the sum of the consideration received, net

of transaction costs, including the assets obtained or liabilities assumed, and any profit or loss deferred in equity is recognised in the income statement.

Otherwise, the Company does not write off financial assets, and recognises financial liabilities in an amount equivalent to the consideration received, in transfers of financial assets where the risks and benefits attached to their ownership are retained.

4.5.2 Financial liabilities

Financial liabilities, including trade and other accounts payable that are not classified as held for sale or as financial liabilities at fair value with changes in the income statement, are initially recognised at their fair value less any directly attributable transaction costs, if applicable.

Debits and accounts payable are initially measured at the fair value of the consideration received, adjusted by any directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company de-recognises financial liabilities when the obligations giving rise to them cease to exist.

4.5.3 Equity instruments

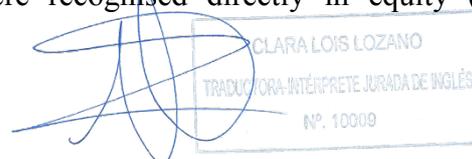
An equity instrument represents a residual investment in the Company's equity after all related liabilities are deducted.

Capital instruments issued by the Company are recognised in equity at the amount received, net of any cost for issue.

Treasury shares acquired by the Company in the year are recognised at the value of the consideration given in exchange, directly at lower value of equity. The results of purchase, sale, issue or retirement of own equity instruments are recognised directly in equity and no result is recognised on the income statement.

At 31 December 2019, Acciona, S.A. held 398,641 treasury shares representing 0.7267% of the share capital at the time. The acquisition cost of these shares amounted to 28,633 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 10.5).

At 31 December 2018, Acciona, S.A. held 2,902,115 treasury shares representing 5.0684% of the share capital at the time. The acquisition cost of these shares amounted to 199,616 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 10.5).



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4.6. Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be “foreign currency transactions” and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the close of the financial year, the cash assets and liabilities denominated in foreign currencies are translated to euros by applying the prevailing exchange rate at the balance sheet date. Any profit or loss as shown is directly recognised in the income statement for the financial year in which they occur.

4.7. Tax on profit

Profit tax expense or income comprises the portion that relates to current tax expense or income and the portion that relates to deferred tax expense or income.

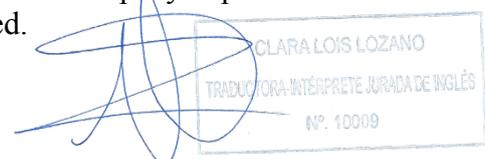
Current tax is the amount that the Company pays as a result of the tax settlements for tax on profit for a given financial year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carry-forwards from previous financial years effectively applied in the current financial year, result in lower current tax.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences which are identified as the amounts that are expected to be payable or recoverable and which arise from the differences between the carrying amounts of assets and liabilities and their fiscal value, and the negative tax bases pending carry-forward and credits for tax deductions that have not been fiscally applied. These amounts are recorded by applying the tax rate at which they are expected to be recovered or settled, to the temporary difference or credit in question.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets, however, are only recognised to the extent that it is considered likely that the Company will have future tax gains against which the deferred tax assets can be applied, and this shall be understood as being in a period of no more than 10 years, unless evidenced otherwise.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted and once the tax consequences that will result from the way in which the Company expects to recover the assets or settle the liabilities have been considered.



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The Company only offsets tax assets and liabilities against profit where it has a legally enforceable right, where these relate to taxes levied by the tax authority and the company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognised on the balance sheet under non-current assets or liabilities, irrespective of the date of realisation or settlement.

Deferred tax assets and liabilities arising from operations directly charged against or credited in equity accounts are also entered in the accounts with a balancing entry in equity.

At the close of every accounting period, recognised deferred tax assets are reassessed and the appropriate adjustments are applied thereto to the extent that there are doubts as to their future recoverability. Similarly, deferred tax assets not recognised on the balance sheet are reassessed at the end of each accounting period and are recognised to the extent that they are likely to be recovered through future tax gains.

Acciona, S.A. is allowed to apply the fiscal consolidation system for Corporate Tax, and it is part of the Fiscal Consolidation Group, where it is the Parent Company, under group number 30/96.

4.8. *Income and expenses*

Income and expenses are recognised following the accrual principle, that is, when the actual flow of goods and services represented by income and expenses takes place, regardless of the time when the cash or financial flow arising therefrom occurs. Income is measured at the fair value of the consideration received, with any discounts and taxes being deducted.

Ordinary income from the provision of services is recognised by taking into account the degree of completion of the provision at the balance sheet date, provided that the outcome of the transaction may be reliably estimated.

Interest received from financial assets is recognised by applying the effective interest rate method and dividends are recognised when the shareholder's right to receive them has been declared. In any event, interest and dividends from financial assets as accrued after the time of acquisition are recognised as income on the income statement. If the distributed dividends are unequivocally from earnings generated before the acquisition date as amounts above the profits made by the subsidiary company since acquisition have been distributed, then they reduce the investment carrying amount.



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4.9. Provisions and contingencies

When preparing the annual financial statements, the Directors of the Company distinguish between:

- a) Provisions: Balances payable covering present obligations arising from past events, the cancellation of which is likely to give rise to an outflow of resources, but which are undetermined as regards the cancellation amount and/or timing.
- b) Contingent Liabilities: Possible obligations that arise from past events, the future materialisation of which is conditioned by the occurrence or non-occurrence of one or more future events beyond the Company's control.

The annual financial statements contain all the provisions for which it is estimated that the probability of having to satisfy the obligation is higher than otherwise. Contingent liabilities are not recognised on the balance sheet but information is provided about them in the Notes, to the extent that they are not considered remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

4.10. Compensation for dismissal

According to the current employment legislation, companies are under an obligation to compensate employees when, under certain circumstances, their employment is terminated. Compensation for dismissal that can be reasonably quantified is registered as expense for the year when the decision about dismissal is taken. No provision for compensation for dismissal was recorded in these annual financial statements since such situation was not foreseen.

4.11. Equity elements of an environmental nature

Assets used on a lasting basis in the Company's activity, the main purpose of which is to minimise environmental impact and protect and upgrade the environment, including the reduction or elimination of future pollution, are considered assets of an environmental nature.

Given its nature, the Company's activity does not have a significant environmental impact.



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4.12. Share-based payments

The Company recognises, on the one hand, the goods and services received as an asset or an expense, depending on their nature, at the time of their acquisition and, on the other hand, the appropriate increase in net equity, if the transaction is settled with equity instruments, or the applicable liability if the transaction is settled with an amount based on the value of the equity instruments.

In the case of transactions settled with equity instruments, both the services rendered and the increase in net equity are measured at the fair value of the transferred equity instruments, referring to the date of the granting agreement. If they are settled in cash, the goods and services received and the related liability are recognised at the fair value of the latter, referred to the date on which the requirements for recognition are met.

4.13. Joint arrangements

The Company books its investments in Joint Ventures (JVs) recognising on the balance sheet proportionally, based on its share percentage, the portion of the assets jointly controlled and of the liabilities jointly incurred. In addition, the portion of income generated and expenses incurred by the joint business and related to the Company, and the expenses incurred in relation to its holding in the joint venture, are proportionally recorded on the income statement. Similarly, the share that relates to the Company in the amounts for items in the joint business is recorded on the statement of changes in equity and on the statement of cash flows.

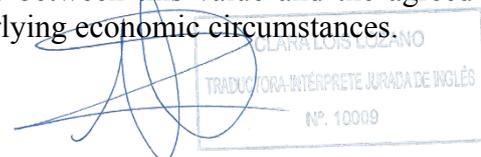
Joint arrangements are considered as those in which there is a contractual agreement or clauses in the articles of association to share control over an economic activity, in such a way that strategic decisions related to the activity, both financial and operational, require the unanimous consent of the Company and remaining parties.

Transactions, balances, income, expenses and reciprocal cash flows have been removed proportionally based on the share percentage held by the Company in the joint arrangement.

4.14. Related-party transactions

The Company carries out all its transactions with related parties on an arm's length basis. Additionally, the prices of operations with related parties are adequately supported, so the Directors of the Company consider that there is no risk that might lead to significant liabilities in future.

Transactions between group companies, except for those related to mergers, spin-offs and non-cash contributions to businesses are recognised at the fair value of the consideration given or received. The difference between this value and the agreed amount is recorded in accordance with the underlying economic circumstances.



4.15. *Current and non-current items*

Current assets are those associated with the Company's ordinary course of operations, which is usually considered to be one year, and also other assets for which the due date, disposal or realisation is expected to occur in the short term as from or after the close of the financial year, and cash and cash equivalents. Any other assets are classified as non-current.

In the same way, current liabilities are those associated with the Company's ordinary course of operations and in general all liabilities for which the due date or cancellation will take place in the short term. Otherwise, liabilities are classified as non-current.

4.16. *Disposable non-current assets and groups of elements held for sale*

The Company recognises under this heading disposable non-current assets or groups of elements at the carrying amount that will essentially be recovered through a sale transaction, rather than for their continued use. To classify disposable non-current assets or groups of elements as held for sale, these items must be available for immediate disposal in their current conditions, subject only to standard sale transaction terms; in addition, the derecognition of the asset must be considered to be highly likely.

Disposable non-current assets or groups of elements classified as held for sale do not amortise, but are valued at the carrying amount or at fair value less the sale costs, whichever is the lowest.

The company recognises initial and subsequent losses for value impairment of the assets classified in this category, charging it to the profit/(loss) of ongoing operations on the income statement, except in the case of discontinued operations. The losses of a CGU for value impairment are recognised by reducing the goodwill assigned to the CGU and then to the other non-current assets, pro-rata on the basis of the carrying amount of the assets. Impairment losses of goodwill are not recoverable.

Profit for increases in fair value less sale costs are recognised in profit/(loss) up to the limit of the accumulated impairment losses recognised in previous years, which is either measured at the fair value less sale costs or by the impairment losses recognised prior to the classification.

The Company measures non-current assets that are no longer classified as held for sale, or that cease to belong to a disposable group of elements, at the carrying amount before its classification less amortisation or depreciation that would have been recognised if it had not been classified as such, or the recoverable value at the re-classification date, whichever is the lowest. Valuation adjustments resulting from such re-classification are recognised in the profit/(loss) from ongoing operations.



4.17. Business combinations

Business combinations carried out after 1 January 2010 are recognised by applying the acquisition method established in Recognition and Measurement Standard 19 from the General Accounting Plan, as amended by article 4 of Royal Decree 1159/2010 which approves the standards for preparing consolidated financial statements and amends the General Accounting Plan.

The Company applies the acquisition method for business combinations except for mergers, spin-offs and non-cash contributions to business between group companies.

The acquisition date is the date on which the Company took over control of the business acquired.

The cost of the business combination is determined at the acquisition date by the sum of the fair values of the assets delivered, the liabilities incurred or assumed, the net equity instruments issued and any contingent consideration that depends on future events or compliance with certain conditions in exchange for control of the acquired business.

The cost of the business combination excludes any disbursement that is not part of the exchange for the acquired business. The costs related to the acquisitions are recognised an expense as they are incurred.

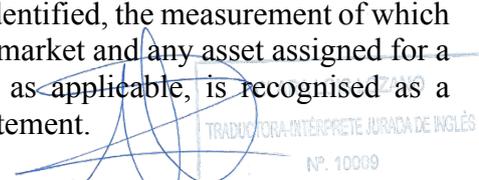
The costs of issuing equity instruments and liability instruments are recognised according to the measurement standards applied to these transactions.

The Company recognises the assets acquired and the liabilities assumed at their fair value on the acquisition date. The liabilities assumed include contingent liabilities to the extent that they represent present obligations arising from past events and their fair value can be measured reliably. Likewise, the Company recognises indemnification assets assigned by the seller at the same time and following the same measurement criteria as the acquired business item subject to indemnification, considering the risk of insolvency and any other contractual limitation on the indemnification amount as applicable.

The excess between the cost of the business combination and the net amount of the assets acquired and the liabilities assumed is recorded as goodwill.

After evaluating the amount of the cost of the business combination and the net amount of the assets acquired and the liabilities assumed, any negative difference would lead to a reduction in the value of the intangible assets identified, the measurement of which cannot be calculated by referencing it to an active market and any asset assigned for a contingent consideration and the residual value, as applicable, is recognised as a negative difference for the asset on the income statement.

For business combinations carried out in stages, the excess between the cost of the business combination plus the fair value of the previous share in the business acquired and the net amount of the assets acquired and the liabilities assumed is recorded as



goodwill. After evaluating the amount of the cost of the business combination plus the value assigned to the previous share and the net amount of the assets acquired and the liabilities assumed, any negative difference would lead to a reduction in the value of the intangible assets identified, the measurement of which cannot be calculated by referencing it to an active market, and any asset assigned for a contingent consideration and the residual value, as applicable, is recognised as a negative difference for the asset on the income statement. The Company recognises the difference between the fair value of the previous share in the business acquired and the carrying amount in profit/(loss), according to its classification. Furthermore, the Company reclassifies the amounts deferred in recognised revenue and expenses corresponding to the previous share to profit/(loss) for the activity.

The Company determines the fair value of the previous share by taking the cost of the business combination as the reference point.

4.18. Cash and other cash equivalents

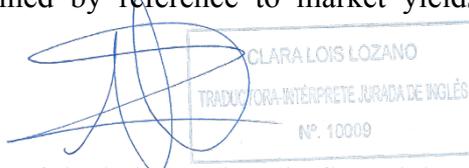
Cash and other cash equivalents include cash on hand and bank deposits on demand. Other investments in short-term highly liquid investments are also included under this concept provided they are easily convertible to given amounts of cash and that they are subject to an insignificant risk of changes in value. Investments with maturities of less than three months from the acquisition date are also included under this heading.

4.19. Defined contributions

The Company records the contributions to be made to defined contribution plans as employees render their services. The amount of contributions payable is recorded as an employee benefit expense and as a liability once any amounts already paid have been deducted. When the amounts paid exceed the accrued expense, only the corresponding assets are recognised to the extent to which such assets can be applied to the reductions of future payments or give rise to a cash refund.

If the contributions are to be paid in a period exceeding twelve months, these are discounted by a rate determined by reference to market yields on high quality corporate bonds.

5. Intangible assets



The movement in intangible assets of the balance sheet in financial years 2019 and 2018 was the following (in thousand euros):

	COST				ACCRUED AMORTISATION		
	Patents	Software	Ongoing intangible assets	Total cost	Patents	Software	Total amortisation
Balance at 31/12/2017	535	2,566		3,101	(535)	(2,566)	(3,101)
Additions or allocations	--	--	5,061	5,061	--	--	--
Balance at 31/12/2018	535	2,566	5,061	8,162	(535)	(2,566)	(3,101)
Additions or allocations	--	267	8,725	8,992	--	(44)	(44)
Balance at 31/12/2019	535	2,833	13,786	17,154	(535)	(2,610)	(3,145)

Total intangible assets	Cost	Amortisation	Total net
Balance at 31/12/2018	8,162	(3,101)	5,061
Balance at 31/12/2019	17,154	(3,145)	14,009

As indicated in Note 4.1, the additions to intangible assets correspond to the software developed within the Company's digital transformation process which were recorded as an expense due to their nature, and later activated in the income statement under the heading "work carried out by the Company for its assets".

At the close of 2019 and 2018, the Company had fully amortised intangible asset elements still in use, according to the following detail (in thousand euros):

Description	Carrying amount (gross)	Carrying amount (gross)
	2019	2018
Software	2,566	2,566
Patents	535	535
Total	3,101	3,101

6. Property, plant and equipment

The movement in the caption on the balance sheet in financial years 2019 and 2018, and the main information affecting this caption was the following (in thousand euros):

	COST					ACCRUED AMORTISATION			
	Land and buildings	Other plant/fix. & fittings	Other assets	Plant under assembly	Total cost	Land and buildings	Other plant/fix. & fittings	Other assets	Total amortisation
Balance at 31/12/2017	5,460	6,329	2,792	--	14,581	(301)	(5,589)	(1,979)	(7,869)
Additions or allocations	2,258	133	6	--	2,397	(113)	(449)	(64)	(626)
Removals	--	--	--	--	--	--	1	--	1
Balance at 31/12/2018	7,718	6,462	2,798	--	16,978	(414)	(6,038)	(2,043)	(8,495)
Additions or allocations	428	57	9	699	1,193	(482)	(271)	(18)	(771)
Removals	--	--	--	--	--	--	--	--	--
Balance at 31/12/2019	8,146	6,519	2,807	699	18,171	(896)	(6,309)	(2,061)	(9,266)

Total PPE	Cost	Amortisations	Total net
Balance at 31/12/2018	16,978	(8,495)	8,483
Balance at 31/12/2019	18,171	(9,266)	8,905

The Company has real property the value of which, by land and structures, at the close of 2019 and 2018, was as follows (in thousand euros):

Description	Carrying amount (gross) 31/12/2019	Carrying amount (gross) 31/12/2018
Land	4,466	4,466
Buildings	3,680	3,252
Total	8,146	7,718

The additions to property, plant and equipment under “Land and Buildings” mainly correspond to remodelling and adaptation works for offices spaces occupied by the Company in its own buildings or those under lease, which are included in the income statement under the caption "Work performed by the Company on its own assets".

At the close of 2019 and 2018, the Company had fully amortised/depreciated property, plant and equipment elements still in use, according to the following detail (in thousand euros):

Description	Carrying amount (gross) 31/12/2019	Carrying amount (gross) 31/12/2018
Fixtures and fittings	5,356	3,264
Other PPE	1,898	1,844
Total	7,254	5,108

There were no firm commitments to buy PPE at the close of 2019. And there were no firm commitments to sell PPE at 31 December 2019. At the date when these annual financial statements were prepared there were no special circumstances that affected the availability of PPE goods, such as litigation, embargo, fixed-term leasing or otherwise.

The Company’s policy is to take out insurance policies to cover the possible risks to which the various PPE elements are exposed. The Directors consider that the covers in place at the close of financial years 2019 and 2018 were adequate for the risks covered.

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7. Leases

At the close of 2019 and 2018, the Company had operating leases with the following regular payments under contract with the lessors, for the set of future years covered by the contracts currently in force (in thousand euros):

Operating leases Minimum regular payments	Nominal value	Nominal value
	2019	2018
Less than one year	282	2,555
Between one and five years	124	4,625
Over five years	--	--
Total	406	7,180

The amounts above do not include contingent payments such as a charge for common expenses, future increases based on the CPI, or future updates on rents agreed on contract.

The Company's leases do not have contingent charges and the annual rent is updated according to the CPI, if applicable.

As lessee, the most significant operating lease contracts held by the Company at 2019 year-end are those relating to rental vehicles. At 2018 year-end, the most significant contract related to the 22,510 square metre office building located at Avenida de Europa no. 18 Alcobendas (Madrid), which was leased to another Group company.



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8. Financial Assets

The following table shows the financial assets classified by class and category (in thousands of euros) at the end of 2019 and 2018:

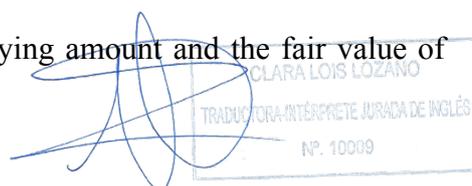
	2019		2018	
	Non-current	Current	Non-current	Current
Investments held to maturity				
Credits and other	340	--	682	--
Total	340	--	682	--
Loans and items receivable				
Credits	4,335	--	4,333	--
Deposits and guarantees	74	--	472	--
Trade and other accounts receivable	--	53,268	--	92,079
Trade receivables for sales and services	--	41,949	--	41,146
Other receivables	--	11,319	--	50,933
Total	4,409	53,268	4,805	92,079
Total Financial Assets	4,749	53,268	5,487	92,079

8.1. Long-term financial investments

The movement in the caption on the balance sheet in financial years 2019 and 2018, and the main information affecting this caption was the following (in thousand euros):

	Equity Instruments			Other long-term financial assets	Total
	Cost	Value impairment	Net carrying amount		
Balance at 31/12/2017	1,058	(1,058)	--	937	937
Additions	--	--	--	4,629	4,629
Removals	--	--	--	(79)	(79)
Balance at 31/12/2018	1,058	(1,058)	--	5,487	5,487
Additions	--	--	--	10	10
Removals	--	--	--	(748)	(748)
Balance at 31/12/2019	1,058	(1,058)	--	4,749	4,749

There are no significant differences between the carrying amount and the fair value of financial assets.



The remaining items included in “Other long-term financial assets” related to guarantees and deposits and to other long-term time period adjustments.

8.2. Group companies, Joint Ventures and associates

8.2.1 Long-term investments in Group companies, Joint Ventures and Associates

The movement in this caption on the balance sheet for 2019 and 2018 was the following (in thousand euros):

	Balance at 31/12/2017	Additions or allocations	Removals	Balance at 31/12/2018	Additions or allocations	Removals	Balance at 31/12/2019
Investment in group companies & associates	6,890,645	553,244	(64,056)	7,379,833	107,391	(502)	7,486,722
Impairment Investment in group companies & associates	(1,330,750)	(66,439)	114,390	(1,282,800)	--	92,421	(1,190,379)
Total Investments Net	5,559,895	486,805	50,334	6,097,033	107,391	91,919	6,296,343
Credits in group companies & associates	34,936	3,761	(2,587)	36,110	1,170	(733)	36,547
Impairment Credits in group companies & associates	(31,247)	--	1,720	(29,527)	--	--	(29,527)
Total Credits Net	3,689	3,761	(867)	6,583	1,170	(733)	7,020
Total Investments and Credits	5,563,584	490,566	49,466	6,103,616	108,561	91,186	6,303,363

There are no significant differences between the carrying amount and the fair value of financial assets.

Investments in Group companies, Joint Ventures and Associates:

In thousand euros

Total investments in Group companies, Joint Ventures and Associates:	Cost	Impairment	Total net
Balance at 31/12/2018	7,379,833	(1,282,800)	6,097,033
Balance at 31/12/2019	7,486,722	(1,190,379)	6,296,343

Details of investments in Group companies, Joint Ventures and Associates at 31 December 2019 and 2018 are provided in Appendix I.

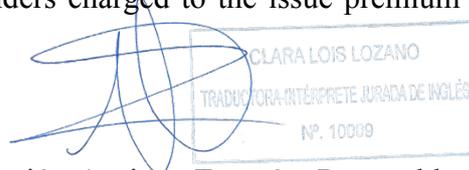
In 2019, the increases in "Investments in Group Companies" relate to the capital increase at Acciona Tecnología y Servicios, S.L. amounting to 1.7 million euros and to the acquisition of shares in another Group company of Acciona Producciones y Diseño S.A. for 6.7 million euros. The shareholding in both companies is of 100%.

In addition to the above, on 8 October 2019 the Company accepted the proposal made by its investee Nordex SE to subscribe the entire 10% capital increase at a price of €10.21

euros per share, representing a disbursement of 99 million euros. After the subscription, the shareholding rose from 29.9% to 36.27%. When the regulatory limit of 30% was exceeded, the Group was obliged to launch a takeover bid to all Nordex SE shareholders. The takeover bid was made at a price of €10.34 per share, calculated as the average price per share based on the market price of Nordex SE in the three months prior to launching the bid, as indicated by the German market regulator BaFin. The acceptance period for the takeover bid (initial period plus additional period) ended on 8 January 2020 and a total of 149,399 shares were accepted, representing 0.14% of the shareholding (see notes 9 and 19).

In 2018, the additions in Group companies mainly corresponded to a capital increase carried out in Corporación Acciona Infraestructuras S.A. amounting to 450 million euros and a non-cash contribution to the same company for the stakeholding that the Company held in Acciona Concesiones S.L. amounting to 103 million euros. The removals in 2018 related to a non-cash contribution made for the stakeholding in Acciona Concesiones S.L. as noted above, which was valued at 59 million euros. In addition, Consorcio Traza S.A. made a payment to its shareholders charged to the issue premium for the amount of 5 million euros.

Portfolio provisions



At the end of 2019, the Corporación Acciona Energías Renovables S.A. forecasts were revised, updating the impairment test of its activity based on the new forecasts, giving a value in use of 2,672 billion euros (2,580 billion euros in 2018), which led to a partial reversal of the provision for this shareholding of 92 million euros (36 million euros in 2018). This reversal is due to the improved outlook of macroeconomic variables in the countries where the company operates, as well as the containment of operating expenses.

The methodology used for calculating the value in use is through discounting the cash flows at a rate (WACC) which considers the risks inherent to the company's business as well as the different markets in which it operates. A cash flow projection that covers the average life of the existing generating facilities has been used for the discounting calculation, taking into account the income from the current rate schemes.

The WACC rate after taxes considered amounts to 5.96% and the sales growth used for the standardised period, which serves as the basis for calculating the terminal value (parameter "g"), has been estimated at 1.5%.

Similarly, a sensitivity analysis has been carried out on the main assumptions used. Thus, a variation of +/- 50 base points in the WACC would produce an additional impact on the impairment amount of -805 and +1,011 million euros, and a variation of +/- 50 base points in the sales growth rate in the standard period ("g") would result in an additional impact on the impairment amount of +900 and -719 million euros.

In relation to the shareholding in Nordex SE, a company whose shares are listed on the Frankfurt Stock Exchange, the impairment test places the value in use at 695 million euros, above the carrying amount of the investment, although it cannot be ignored that the stock price continues to be at levels below the carrying amount, and the sector is yet to come out of the readjustment process caused by the transformation of compensation schemes

applied to renewable energy generation businesses which some key markets have experienced. Therefore, the Company considers it prudent to continue 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 31 December 2019, the Company considers that such circumstances have not occurred, and therefore it maintains the impairment applied.

The methodology used for calculating the value in use is through discounting the cash flows at a rate (WACC) which considers the risks inherent to the company's business as well as the different markets in which it operates. A cash flow projection 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.

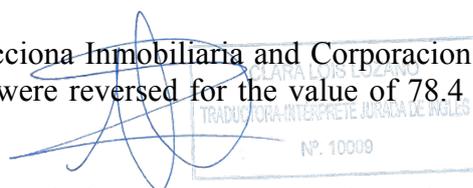
With regard to the growth of sales used for the standard period, which serves as a basis to calculate the terminal value ("g" parameter), a 1.5% growth has been estimated, despite the existence of growth prospects in the sector in which Nordex operates that support greater growth, among other reasons, due to the growing need for the replacement of conventional energies. However, given 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 7.2% 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 base points in the WACC would produce an additional impact on the impairment amount of -66 and +79 million euros, and a variation of +/- 50 base points in the sales growth rate in the standard period ("g") would result in an additional impact on the impairment amount of +64 and -54 million euros, which does not affect the impairment recorded to date.

Lastly, in relation to the shareholding in Acciona Inmobiliaria S.L., at 31 December 2019 the Company updated its impairment analysis, taking into account the valuations made by independent experts, and concluded that it was not necessary to recognise additional impairment losses on this shareholding other than those recognised in prior years.

At the close of financial year 2018, the Acciona Inmobiliaria and Corporacion Acciona Energías Renovables portfolio provisions were reversed for the value of 78.4 and 35.9 million euros, respectively.



The sale of Testa Residencial Socimi along with the improvement in the real estate asset valuations carried out by independent experts, as well as the market forecast for continuous growth in residential and tertiary sectors led the Directors of the Company to correct the value of the provisions recorded for the shareholding in this company based on the values from the aforementioned reports.

With respect to the investment in Nordex, S.E., and given that the subgroup's reference price continued to be low and remained below the net carrying amount throughout 2018, it was considered appropriate to update the impairment test at the end of 2018, by

reviewing the main hypotheses of the model in accordance with the latest information published by Nordex and using information from specialised sources in the sector.

According to the estimates made, the Company increased the impairment provision for this investment to 66 million euros at 31 December 2018.

The methodology used for calculating the value in use is through discounting the cash flows at a rate (WACC) which considers the risks inherent to the company's business as well as the different markets in which it operates. A cash flow projection that covers a period of five years (2019-2023) was 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 was determined based on a standard cash flow estimate.

a) Long-term credits to Group companies, Joint Ventures and Associates

Long-term credits to Group companies, Joint Ventures and Associates reflect mainly the following subordinate or participative credits granted to investees, all of them granted on an arm's length basis:

- A participative loan to Sociedad Concesionaria Puente del Ebro, S.A. for 3 million euros, with due date on 30 December 2033. The company is in liquidation and the loan fully provisioned.
- Subordinate loan to Infraestructuras y Radiales S.A for 26.5 million euros and due date in October 2021. The company is in liquidation and the loan fully provisioned.
- A subordinate loan granted to the Mexican company Hospital de León Bajío, S.A. de CV, for 149 million Mexican pesos (in euros: 7 million), including accrued and unpaid interest, and as part of the operation for financing given to this company for the construction and operation of the hospital of the same name. This loan has a single and final maturity on 10 October 2027, and accrues based on the TIEE rate plus a market margin.

Finance income at 2019 year-end from the loans included under this heading amounted to 423 thousand euros (382 thousand euros in 2018) and no further impairment was recognised.



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8.2.2 Short-term credits to Group companies, Joint Ventures and Associates, and other short-term financial assets

The movement in this caption on the balance sheet for 2019 and 2018 was the following (in thousand euros):

	Credits to group companies and Associates	Provision for impairment	Other Financial Assets	Total
Balance at 31/12/2017	11,881	(7,170)	33,750	38,462
Additions	150	--	182,707	182,856
Removals	(9,083)	7,170	--	(1,914)
Balance at 31/12/2018	2,947	--	216,457	219,404
Additions	374	--	255,644	256,018
Removals	--	--	(170,548)	(170,548)
Balance at 31/12/2019	3,321	--	301,553	304,874

There are no significant differences between the carrying amount and the recoverable value of the short-term credits to Group companies, Joint Ventures and associates and other financial assets.

Finance income from credits to group companies included under this heading amounted to 39 thousand euros at 2019 year-end (62 thousand euros in 2018).



During 2019 the main movements recorded under "Other Financial Assets" relate to:

- Dividends receivable, as follows:

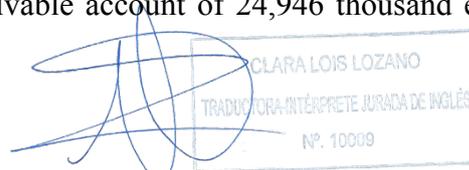
Breakdown of Dividends	
Acciona Financiación Filiales	100,000
Corporación Acciona Energías Renovables	75,000
Acciona Inmobiliaria	45,000
Corporación Acciona Infraestructuras	10,000
Acciona Producciones y Diseño	500
Grupo Bodegas Palacios 1894	100
Total dividends receivable	230,600

- Dividends accrued in 2018 and collected in 2019:

Breakdown of Dividends	
Corporación Acciona Energías Renovables	76,258
Acciona Inmobiliaria	39,102
Corporación Acciona Infraestructuras	22,080
Acciona Logística	12,520
Grupo Bodegas Palacios 1894	8,280
Acciona Financiación Filiales	7,393
Copane Valores	3,165
Hospital de León Bajío	1,751
Total dividends receivable	170,549

- Increases in the corporate tax receivable account of 24,946 thousand euros, totalling 70,953 thousand euros.

8.2.3 Joint ventures



At 31 December 2019 and 2018, the Company had the following percentage shares in Joint Ventures (JVs):

Name of Joint Venture	Activity	% Invest.	Location
Ineuropa Handling, U.T.E.	Airport services	80%	Sta.Cruz de Tenerife
Ineuropa Handling Alicante, U.T.E.	Airport services	80%	Madrid
Ineuropa Handling Madrid, U.T.E.	Airport services	80%	Madrid
Ineuropa Handling Mallorca, U.T.E.	Airport services	80%	Madrid
Pasarela Barajas, U.T.E.	Airport services	10%	Madrid

The Handling JVs are undergoing a liquidation process, after in financial year 2006 the licences to operate in the airports of Madrid, Alicante and Tenerife were not renewed and in financial year 2007 the activity of the other JVs whose concessions were held (Mallorca, Menorca and Ibiza) was transferred to the Acciona Group company Airport Services, S.A., 100% invested by Acciona, S.A. No materially adverse effect on the Company is expected from the liquidation process.

The table below shows, in thousand euros, the attributable balances corresponding to the JVs included in the financial statements of Acciona, S.A., at 31 December 2019 and 2018. All the Handling JVs are grouped together; their balances are of little significance as a result of the liquidation process indicated in the paragraph above (in thousand euros):

2019

ASSETS	Amount	LIABILITIES	Amount
TOTAL NON-CURRENT ASSETS	74	Capital and reserves	12
		TOTAL NET EQUITY	12
Cash and cash equivalents	879	Trade and other accounts payable	941
TOTAL CURRENT ASSETS	879	TOTAL CURRENT LIABILITIES	941
TOTAL ASSETS	953	TOTAL LIABILITIES	953

2018

ASSETS	Amount	LIABILITIES	Amount
TOTAL NON-CURRENT ASSETS	74	Capital and reserves	12
		TOTAL NET EQUITY	12
Cash and cash equivalents	879	Trade and other accounts payable	941
TOTAL CURRENT ASSETS	879	TOTAL CURRENT LIABILITIES	941
TOTAL ASSETS	953	TOTAL LIABILITIES	953

8.3. Information on the nature and risk level of financial instruments

Liquidity risk:

The Acciona Group manages the liquidity risk with prudence, keeping an adequate level of cash and negotiable securities and with the arrangement of credit facilities undertaken for a sufficient amount to support projected needs.

At 31 December 2019, the Group had a negative working capital for the amount of 2.254 billion euros (2.445 billion euros at 31 December 2018). As indicated in Note 1, the Company is the parent of a Group of companies that operate in different business activity sectors.

Current liabilities include financial debt to group companies amounting to 2.854 billion euros (1.792 billion euros in 2018) corresponding to loans and interest with group companies controlled by Acciona, S.A. which is the Parent Company, and in particular to Acciona Financiación Filiales S.A. where group financing is centralised (see Note 12.3).

At 31 December 2019, the Group, headed by Acciona S.A., showed gross operating profit (allocations to amortisation/depreciation, changes in provisions, impairments and results on disposal of assets and other gains and losses being discounted) of 1.347 billion euros (1.244 billion euros at 31 December 2018) and consolidated profit attributable to Acciona S.A. as the Parent of 352 million euros (328 million euros at 31 December 2018) (see Note 1). Additionally, in accordance with what is indicated in Note 16 to the consolidated financial statements of the Acciona Group, at 31 December 2019 the Group companies had cash and bank deposits for 2.149 billion euros and also unused additional financing for 2.131 billion euros (see Note 19 in the consolidated financial statements).



Taking all these facts into consideration, the Directors of the Company consider that the liquidity risk is quite reduced.

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 on-going basis and pairing them against financial asset and liability maturity profiles.

Interest rate risk

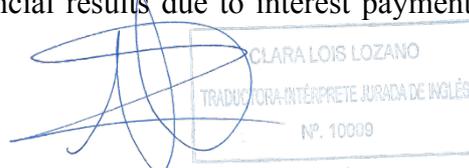
Bank borrowings engaged by the Company means that the Company is exposed to fluctuations in interest rates and this impact can be reduced on certain occasions by engaging derivative financial instruments for hedging. This risk is managed by the Group's Economic and Financial Department, with non-speculative hedge criteria being applied.

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Company's accounts, a simulation was performed which assumed a 50-basis point increase and decrease in interest rates at 31 December 2019.

This sensitivity analysis to upward or downward changes of 0.50% in floating Euribor / Libor interest rates gave rise to a sensitivity in the Group's income statement arising from an increase or decrease in financial results due to interest payment of 1,355 thousand euros at 31 December 2019.

Credit risk

Credit risk is the risk that the counterparty to a contract does not meet its obligations, giving rise to a financial loss for the Company. The Company has adopted a policy of only negotiating with group companies so this risk is practically remote.



9. Cash & Banks and other cash equivalents

Detail of the accounts in "Cash & Banks and other cash equivalents" at the close of 2019 and 2018 was as follows (in thousand euros):

	31/12/2019	31/12/2018
Cash and banks	708,803	479
Total	708,803	479

As of 31 December 2019, the Company, in compliance with German legislation on the acquisition of securities and takeover bids (WpÜG), had an amount of 708 million euros in a restricted disposal account as security for the payment obligations that may arise from the full acceptance of the takeover bid launched for Nordex SE. This amount was unavailable until after the end of the takeover bid acceptance period on 9 January 2020 (see notes 12.3 and 19).

10. Equity

10.1. Capital

At 31 December 2019, the share capital of the Company amounted to 54,857 thousand euros (57,260 thousand euros at 2018 year-end), represented by 54,856,653 shares with a face value of 1 euro each (57,259,550 at 2018 year-end), all of the same class, fully subscribed and paid up.

On 28 March 2019, a capital reduction of 2,402,897 euros was carried out against the Company's treasury shares, pursuant to the resolution adopted by the Board of Directors on 28 March 2018 (see note 10.5).

The table below shows, following the notifications received by the Company, the holders of significant direct and indirect interests in the share capital at 31 December 2019 and 2018:

	31/12/2019	31/12/2018
Tussen de Grachten, BV	29.02%	27.80%
Wit Europesse Investering, BV	26.10%	25.01%
La Verdosa, S,L,	5.78%	5.54%

10.2. Legal reserve

In accordance with the consolidated text of the Capital Companies Act, an amount equivalent to 10% of the year's profit must be applied to legal reserve until this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the capital already increased. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At the close of financial years 2019 and 2018, this reserve was fully set up.

10.3. Issue premium

The balance in the "Issue Premium" account was due to the capital increases with issue premium on different dates. The consolidated text of the Capital Companies Act expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to the use of said balance.

10.4. Other reserves

The main change in "Other reserves" in 2019 is due to the impact of the capital reduction indicated in Notes 10.1 and 10.5, and to the results of the treasury share transactions indicated in Note 10.5.

10.5. Treasury stock

The movement in treasury stock in 2019 and 2018 was the following, in thousand euros:

	Number of shares	Cost
Balance at 31/12/2017	45,702	3,145
Additions Liquidity Contract	971,942	70,675
Removals Liquidity Contract	(954,831)	(68,967)
Movements liquidity contract	17,111	1,708
Other additions	2,967,395	203,074
Other removals	(128,093)	(8,311)
Other movements	2,839,302	194,763
Balance at 31/12/2018	2,902,115	199,616
Additions Liquidity Contract	1,536,056	144,099
Removals Liquidity Contract	(1,545,975)	(144,035)
Movements liquidity contract	(9,919)	64
Capital reduction	(2,402,897)	(164,828)
Other additions	--	--
Other removals	(90,658)	(6,219)
Other movements	(90,658)	(6,219)
Balance at 31/12/2019	398,641	28,633

At 31 December 2019 and 2018, the Company had treasury stock in its power according to the following detail:

	No. of shares	Face value (euros)	Average acquisition price (euros)	Acquisition total cost (thousand euros)
Treasury stock at 31/12/2018	2,902,115	2,902,115	68.78	199,616
Treasury stock at 31/12/2019	398,641	398,641	71.83	28,633

On 02 July 2015 Acciona, S.A. reported subscription of a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. 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 increase the liquidity of transactions and the stability of the trading price. On 10 July 2017, Acciona, S.A. cancelled said liquidity contract and on the same date, the Company signed a new liquidity contract with the terms detailed in Circular 1/2017 of the Spanish National Securities Market Commission (CNMV) for the purposes of their acceptance as a market practice. The cash accounts and securities accounts that were associated with the cancelled liquidity contract and amounted to 44,328 shares and 3,539,114.85 euros were used to allocate cash and securities to the new liquidity contract, adjusting the amount in-cash to the trading value

of the shares assigned to the new contract, in accordance with the limits established in the new CNMV circular, which have been set at 44,328 shares and 3,340,000 euros.

In 2019, the positive result recorded in reserves from transactions with treasury shares carried out under the liquidity agreement amounted to 346 thousand euros.

In addition to the foregoing, the following movements were carried out:

- 81,983 shares were retired under the Share Delivery Plan and the “Variable Remuneration Replacement Plan” for Company Directors, recording a profit of 2,116 thousand euros in reserves.
- On 20 December 2019, and under the Performance Shares Plan, 8,675 shares were given to Executive Directors of the Company, which led to a profit being recorded in reserves amounting to 203 thousand euros.
- In connection with the resolution adopted by the Board of Directors on 27 March 2018, the planned capital reduction was carried out on 28 March 2019, by redeeming 2,402,897 shares, resulting in a negative adjustment of 162,425 thousand euros to the company’s reserves.

On 27 March 2018, Acciona S.A.’s Board of Directors established a time-scheduled share buy-back programme as approved by the shareholders at the Annual General Meeting held on 18 May 2017, under point six of the agenda (the “Buy-back programme”), and according to articles 2.2 and 2.3 of Delegated Regulation (EU) 2016/1052 of 8 March 2016, which complements Regulation (EU) No 596/2014 on market abuse with regards to technical regulation standards relating to the conditions applicable to buy-back programmes and stabilisation measures, and therefore the liquidity contract was temporarily suspended.

As noted above, the Company’s Board of Directors agreed to carry out a time-scheduled buy-back programme which could have affected a maximum of 2,862,978 shares, representing 5% of the share capital, the monetary amount of which would amount to a maximum 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 the end of financial year 2018, the positive result derived from operations with treasury shares under the liquidity contract has been recorded under the “reserves” heading for an amount of 427 thousand euros.

With regards to the remaining movements carried out with own shares in 2018 were as follows:

- 2,817,395 shares were acquired under the buy-back programme over own shares, equating to 4.92% of the share capital with a cost of 193,207 thousand euros.
- 150,000 shares for a value of 9,865 thousand euros were acquired and 119,418 shares were retired under the Share Delivery Plan and the “Variable Remuneration Replacement Plan” for Company directors, recording a loss of 231 thousand euros in reserves.

- On 20 December 2018, and under the Performance Shares Plan, 8,675 shares were given to Executive Directors of the Company, which led to a profit being recorded in reserves amounting to 70, thousand euros.

The profit reflected in the reserves caption in 2018 for these operations amounted to 265 thousand euros.

11. Provisions and contingencies

Detail of provisions on the balance sheet at 31 December 2019 and 2018, and the main movements in the financial year were as follows (in thousand euros):

Long-term provisions	Amount
Balance at 31/12/2017	125,502
Allocations	
Applications & reversions	(29,939)
Transfer to short-term	
Balance at 31/12/2018	95,563
Allocations	7,500
Applications & reversions	(5,574)
Balance at 31/12/2019	97,489

This caption includes provisions covering liabilities that could arise from various legal disputes, appeals, contested cases and obligations still unresolved at the close of the year.

The increase in the provision recorded for 2019 occurred after updating the exchange rate of the provision associated with a legal claim.



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12. Financial liabilities

The following table shows the financial liabilities classified by class and category (in thousands of euros) at the end of 2019 and 2018:

	2019		2018	
	Non-current	Current	Non-current	Current
Debits and items payable				
Debt instruments and other marketable securities	112,063	2,657	61,862	138,059
Bank borrowings	294,879	117,092	144,792	233,737
Other financial liabilities	15	--	7	--
Trade and other accounts payable	--	69,239	--	56,345
Suppliers and creditors	--	30,502	--	26,975
Other accounts payable	--	38,737	--	29,370
Total debits and items payable	406,957	188,988	206,661	428,141

12.1. Bank borrowings

The balance of short- and long-term bank borrowings (including accrued and unpaid interests) at the close of financial years 2019 and 2018 was as follows (in thousand euros):

	2019		2018	
	L/T	S/T	L/T	S/T
Bank borrowings	294,879	117,092	144,792	233,737

Detail at 31 December 2019 and 31 December 2018 by due date of the items in “Long-term bank borrowings” was as follows (in thousand euros):

2019.

	2021	2022	2023	2024	2025 and subsequent years	Total
Bank borrowings	90,476	49,881	65,381	--	89,141	294,879

2018.

	2020	2021	2022	2023	2024 and subsequent years	Total
Bank borrowings	54,077	90,715	-	-	-	144,792



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The table below shows the movements in bank borrowings in 2019 and 2018:

	Balance at 31/12/2017	Additions	Removals	Transfers	Balance at 31/12/2018	Additions	Removals	Transfers	Balance at 31/12/2019
L/T bank borrowings	316,527	--	--	(171,735)	144,792	155,391	--	(5,304)	294,879
S/T bank borrowings	210,029	309,026	(459,192)	171,735	231,598	260,492	(383,020)	5,304	114,374
Interest on borrowings	3,012	10,587	(11,460)	--	2,139	1,596	(1,017)	--	2,718
Total Bank Borrowings	529,568	319,613	(470,653)	--	378,529	417,479	(384,037)	--	411,971

During 2019, seven long-term loans worth 155 million euros were arranged. Three of these are fixed-rate loans and the rest are variable-rate loans. Maturities range from July 2023 to July 2026. Similarly, a 50 million euro loan maturing in 2019 was novated, now set to mature in 2022, and therefore a transfer was made in the Company's accounts from short to long term.

The additions in short-term bank borrowings correspond to finance for working capital, mainly in euros, with both fixed and variable remuneration and maturities of between one and three months. At the end of 2019, the balance is made up of 60 million euros from two short-term loans, and the remaining amount corresponds to the amounts of long-term loans expected to be repaid during 2020.

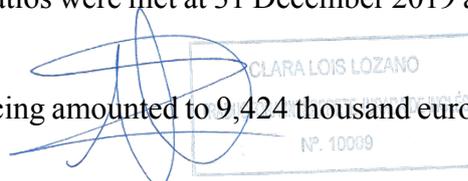
Included in the items mentioned above, the Company has been granted loans by the European Investment Bank of which, at the end of 2019, 49 million euros are pending repayment, 37 million euro of which will be repaid during 2020.

The bank borrowing arranged earn interest at fixed and floating interest rates (Euribor plus market margin), the cost of such remuneration oscillating from 0.72% to 4.379% based on the loan period.

The Company had credit policies available amounting to 90 million euros at the end of the financial year, which have not been drawn down.

The Company is under an obligation to meet certain economic and equity ratios related to the Group's consolidated accounts. These ratios were met at 31 December 2019 and 2018. Similarly, no default is expected for 2020.

The finance costs associated with this financing amounted to 9,424 thousand euros in 2019 (10,227 thousand euros in 2018).



At 31 December 2019 and 2018 none of the subsidiaries the financing of which Acciona, S.A. guarantees was in default of its financial obligations or any other obligation that could lead to early termination of its financial commitments.

In addition, in financial years 2019 and 2018, there were no defaults or any other non-payments of principal, interest or repayments in respect of interest bearing borrowings.

12.2. Debentures, bonds and negotiable securities

The balance of the accounts for short- and long-term debentures, bonds and negotiable securities at the close of 2019 and 2018 was as follows (in thousand euros):

	2019		2018	
	L/T	S/T	L/T	S/T
Debentures, bonds and negotiable securities	112,063	2,657	61,862	138,059

At 31 December 2019 and 2018, details of the issues making up the balance for this heading were as follows:

- Issue by Acciona, S.A. in April 2014 of simple bearer debentures through a private placement, in the amount of 62.7 million euros and maturing in 2024. The face value of each debenture is 100,000 euros and they accrue interest at 5.55% per annum with an annual coupon. At 31 December 2019, the balances recorded for these simple debentures on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the interest accrued, amounted to 62.1 and 2.4 million euros, respectively (61.9 and 2.4 million euros at 31 December 2018).

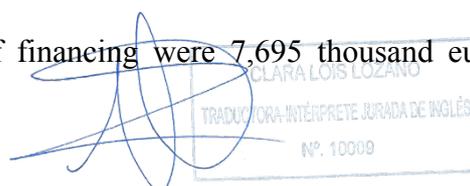
In October 2019, a bilateral bond worth 50 million euros was issued through a private placement and maturing in October 2034 with an annual coupon of 2.632% payable annually. At year-end, the balances recorded for this bond on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the interest accrued, amounted to 50 and 0.3 million euros, respectively.

- Fixed-interest securities issue programme - Euro Medium Term Note Programme (EMTN) for a maximum amount of up to 1.00 billion euros, which was renewed in 2015 by Acciona Financiación de Filiales, S.A., where Acciona S.A. is now the guarantor. In relation to this programme, the Group prepared a base leaflet that was approved by the Central Bank of Ireland. The securities issued under this programme may: accrue fixed or variable interest, be issued in euros or in another currency and at par, below par and premium and have different maturity dates. At 31 December 2019, the amounts charged to this EMTN programme have been cancelled (at the end of 2018, 138.1 million euros had been recorded in the current debentures and bonds account). These issues accrued annual interest ranging from 3.6% to 4.625%, payable on an annual basis.

The fair value of the debentures and bonds issued by Acciona S.A. amounts to 123 million euros.

At the close of the financial year there were no issues convertible into shares or issues granting rights or privileges that might, in the event of a contingency, make them convertible into shares of Acciona, S.A.

The finance costs associated with this kind of financing were 7,695 thousand euros (10,227 thousand euros in 2018).



12.3. Current and non-current payables to Group companies

The balance of current and non-current payables to Group companies at the close of financial years 2019 and 2018 was as follows:

	Balance at 31/12/2019	Balance at 31/12/2018
Loans and credits	99,179	--
Total non-current payables to Group Companies	99,179	--
Loans and credits	2,827,147	1,775,963
Interest on borrowings	26,381	16,447
Consolidated tax liabilities	279,530	535,075
Total current payables to Group companies	3,133,058	2,327,485

Most of the loans and credits are granted by Acciona Financiacion de Filiales S.A. (AFF), a company which is wholly-owned by Acciona S.A., which acts as the Group's financing company.

AFF has granted a long-term loan amounting to 99 million euros to enable the Company to subscribe and disburse the capital increase carried out for Nordex in October (see note 8.2) and has also granted a short-term credit facility amounting to 1.857 billion euros at the end of 2019 (1.493 billion euros in 2018). In addition, a short-term loan was signed in November 2019 with the same company for the amount of 708 million to meet the obligations that may arise from the takeover bid launched on its investee Nordex SE (see notes 8.2, 9 and 19).

The loans earn interest at 4% and have annual maturities which are automatically extended if no party decides otherwise.

The finance costs associated with the loans granted by Group companies amounted to 71.5 million euros in 2019 (47.8 million euros in 2018).

With regard to consolidated tax liabilities, the competent authorities have allowed the Company to apply the tax consolidation system for corporate income tax and value added tax. For this purpose, this heading includes the debts contracted for these concepts with the companies in the same tax group.



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12.4. Average period for payment to suppliers

The table below details the information required by Final Provision Two of Act 31/2014, of 3 December, as prepared following application of Resolution dated 29 January 2016 by the Spanish Accounting and Audit Institute. This information refers only to Spain, where this regulation is applicable:

Average payment period and payments made and outstanding at the closing date of the balance sheet	2019	2018
	Days	Days
Average period of payment to suppliers	43.87	45.18
Paid operations ratio	43.54	44.17
Unpaid operations ratio	59.07	58.60
	Amount (in thousand euros)	Amount (in thousand euros)
Total payments made	77,402	86,551
Total payments outstanding	1,665	6,511

The “Average period of payment to suppliers” refers to the time that elapses from delivery of goods or provision of services by a supplier to payment of the operation.

The “Average period of payment to suppliers” is calculated as the quotient whose numerator is the result of adding the paid operations ratio by the total amount of payments made to suppliers plus the operations outstanding ratio by the total amount of payments outstanding and whose denominator is the total amount of payments made and payments outstanding.

The “Paid operations ratio” is calculated as the quotient whose numerator is the sum of the products related to the amounts paid, by the number of payment days (calendar days elapsed as from the time when the period begins to run up to actual payment of the operation) and whose denominator is the total amount of payments made.

And the “Unpaid operations ratio” refers to the quotient whose numerator is the sum of the products related to the amounts outstanding, by the number of payment outstanding days (calendar days elapsed as from the time when the period begins to run up to the closing of annual accounts) and whose denominator is the total amount of payments outstanding.



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13. Public Entities and Tax matters

13.1. Current balances with Public Entities

Current balances with Public Entities at 31 December 2019 and 2018 were as follows (in thousand euros):

Balances receivable

Concept	2019	2018
Current tax assets	6,445	48,387
Inland Revenue – receivable for VAT	498	296
Total	6,943	48,683

Current tax assets show the projected amount to be returned for the 2019 tax form.

Balances payable

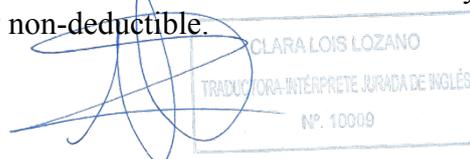
Concept	2019	2018
Withholdings	1,435	1,268
Social security bodies - payable	509	451
Inland revenue – Payable for VAT	508	1,121
Total	2,452	2,840

13.2. Reconciliation of the accounting result and the taxable base

Reconciliation between the accounting result and the separate tax base for Corporate Tax at 31 December 2019 and 2018 was as follows:

2019	Thousand euros		
	Increases	Decreases	Total
Accounting result before tax			219,046
Permanent adjustments to tax base	10,500	(377,187)	(366,687)
Temporary adjustments to tax base:	22,626	(909)	21,717
<i>Originated in the year:</i>	22,626		22,626
<i>Originated in previous years:</i>		(909)	(909)
Tax base			(125,924)

The positive permanent adjustments to the tax base for 2019 relate mainly to the reversal of the deductible portfolio provision under Royal Decree Law 3/2016. The negative permanent adjustments related to the exemption of dividends accounted for in the year and to a portfolio provision which was originally non-deductible.



Positive temporary adjustments relate mainly to provisions for long-term employee remuneration which have not been delivered. Negative temporary adjustments relate mainly to the application of other non-deductible provisions.

2018	Thousand euros		
	Increases	Decreases	Total
Accounting result before tax			196,821
Permanent adjustments to tax base	68,909	(396,850)	(327,940)
Temporary adjustments to tax base:	22,505	(17,508)	4,997
<i>Originated in the year:</i>	<i>15,013</i>		<i>15,013</i>
<i>Originated in previous years:</i>	<i>7,492</i>	<i>(17,508)</i>	<i>(10,016)</i>
Tax base			(126,123)

The positive permanent adjustments to the tax base in financial year 2018 mainly related to the depreciation of the share in Nordex, SE amounting to 66.4 million euros (see note 8.2.1), along with the consideration of other non-deductible expenses. The negative adjustments related to the exemption of dividends accounted for in the year and to the reversal of certain provisions which were originally non-deductible.

The positive temporary adjustments in 2018 corresponded to the reversal of portfolio provisions according to Royal Decree Law 3/2016 and the charges to provisions for long-term remuneration of staff. Negative adjustments are associated with the application of net excess non-deductible finance costs from 2016 and 2017 and other non-deductible provisions.

13.3. *Reconciliation between the accounting result and the expense for corporate tax*

Reconciliation between the accounting result and the expense for Corporate Tax at 31 December 2019 and 2018 was as follows (in thousand euros):

	2019	2018
Accounting result before tax	219,046	196,821
Tax charge at 25%	54,762	49,205
Impact permanent differences	(91,672)	(74,210)
Adjustments consolidated taxation (*)		(7,775)
Tax credits	(1,071)	(644)
Expense CT abroad		
Adjusted expenses for final tax and effect of fiscal reform (**)	(3,017)	(3,610)
Total recognised expenses for tax	(40,998)	(37,034)

(*) Includes the tax effect of the reversal of portfolio provisions in companies of the previous Tax Group at 2013 and adjusted as non-deductible on consolidation.

(**) This concept includes the differences between the final Corporate Tax for 2018 and the movement of the provision for long term taxes.

13.4. Breakdown of expense for corporate tax

Breakdown of expense/income for corporate tax in financial years 2019 and 2018 was as follows (in thousand euros):

	2019	2018
Current tax	(35,569)	(32,175)
Deferred tax	(5,429)	(4,859)
Total expense/(income) for tax	(40,998)	(37,034)

13.5. Recognised deferred tax assets

Detail of the balance in this account for financial years 2019 and 2018 was as follows (thousand euros):

Deductible temporary differences (Early taxes)	2019	2018
Provisions for liabilities and other adjustments	30,173	24,704
Tax credits pending and other	108,564	122,798
Tax credit for tax loss carryforwards	34,151	46,301
Total deferred tax assets	172,888	193,803

The estimated time to recover tax credits and tax deductions is 2 to 7 years, respectively.

Movements in financial year 2019 in relation to tax credits pending application, broken down by item and deadline for application, in thousand euros, were as follows:

Concept	2018	Additions	Removals	2019	Applic. deadlines
Tax credit for double taxation	--	4,622	(4,622)	--	Indefinite
Credit for reinvestment	23,147	--	--	23,147	+ 15 years
Credit for R&D&I	84,098	1,807	(6,729)	79,176	+ 18 years
Environment-related credits	1,066	--	--	1,066	+ 15 years
Other tax credits	11,919	2,308	(9,052)	5,175	+ 15 years
Total	120,230	8,737	(20,403)	108,564	

The deferred tax assets indicated above were recognised on the balance sheet as the Directors of the Company considered that, according to the best estimate about the Company's future results, the assets in question were likely to be recovered.

Corporate Tax Act 27/2014, of 27 November, eliminated, effective 1 January 2015, the deadline to offset tax loss carryforwards, which was set at 18 years, so this period is now unlimited.

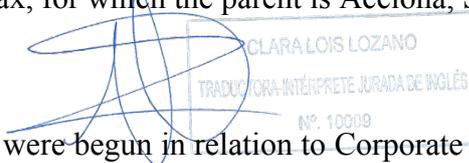
This Act also eliminated the deadline for offsetting double taxation credits pending application from previous years, so now the period is unlimited, as provided for in article 39 of Act 27/2014, which extended the general period to offset other deductions to 15 years, except for R&D+I which was extended to 18 years.

13.6. Years open to review by the tax authorities

As indicated in Note 4.7, Acciona, S.A. is allowed to apply the special tax system under the Corporate Tax regulations for tax groups, acting as the Parent. Fiscal group 30/96 includes the subsidiaries that meet the requirements set by the regulations in force.

Effective 1 January 2008, the Company decided to apply the special system for VAT Company Groups, as set forth in Chapter IX under Title IX of Act 37/1992, of 28 December, on Value Added Tax, for which the parent is Acciona, S.A.

Years subject to tax review:



On 10 March 2012, tax audits were begun in relation to Corporate Tax for 2007-2009 by the inspection services from the Central Office for High-Income Taxpayers, focusing both on Acciona, S.A., as the parent, and other subsidiaries. In addition to the review of the Tax Group's corporate tax for those years, the Company Group for VAT was under review for 2008 and 2009 and for other taxes for 2008 and 2009 of the Group companies subject to the tax review.

During these actions and on the occasion of the review of the withholdings effected on payment of dividends, this partial review was extended to financial years 2010, 2011 and 2012 and also included the reverse merger operation involving Grupo Entrecanales, S.A. and its subsidiaries taken over by Acciona, S.A. on 11 July 2011. The tax inspectors accepted the existence of valid economic grounds for the merger operation and its inclusion within the special tax system for mergers, spin-offs, contributions of assets and securities swaps.

The inspectors, for their part, queried the fulfilment of the requirements for application of the exemption in the payment of dividends for one of the non-resident shareholders, in particular, the requirements of holding the status of effective beneficiary, and this led to the signing of the contested tax assessments. On 3 and 17 July 2014, the Company lodged economic and administrative appeals at the Central Economic Administrative Court. On 29 May 2015, the Company reached an agreement with the shareholder that received the dividends so as to proceed to pay said amount, with settlement of the tax debt upon the shareholder's payment.

The other inspection actions concluded on 12 June 2014 with the signing of uncontested assessments for Corporate Tax for 2007-2009 and without any tax due, uncontested conclusions for VAT (without fine), as well as contested assessments for Personal Income Tax withholdings relating to compensation for dismissal. The Group companies lodged economic and administrative appeals at the Central Economic Administrative Court. On 19 October 2015, this Court notified dismissal of the claims filed by Acciona Construcción, confirming settlement of the assessments for withholdings for the 2008 to 2011 periods, as well as the relevant fine proceedings. On 3 December 2015, the company

filed appeal for judicial review at the National Appellate Court. On 3 April 2018, the National Appellate Court notified that the appeal related to the debts settled had been dismissed, but disciplinary proceedings had been annulled. A notice of a cassation appeal was submitted to the Supreme Court on 18 July 2018, which was declared inadmissible on 12 November 2018. On 11 December 2018, a motion for annulment of proceeding was presented before the Supreme Court, which was eventually ruled inadmissible on 11 January 2019.

On 21 May 2015, the Central Office of High-Income Taxpayers notified the start of inspection actions in relation to Corporate Tax for financial years 2010-2012, targeting Acciona, S.A., as the Parent Company of the Group, and several subsidiaries. The activities were concluded with the signing of a Corporate Tax conformity certificate for the Tax Group and the signing of the VAT settlement certificate without penalty, under the terms agreed in previous proceedings.

At 31 December 2019, the years that had not lapsed and that had not been reviewed were subject to review by the tax authorities, both for Corporate Tax and for the other main taxes applicable to the companies in the consolidated tax group. In general, the other Spanish consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable thereto.

As tax legislation can be interpreted in different ways, the outcome of the tax audits that could be conducted by the tax authorities in the future for the years subject to verification might give rise to tax liabilities which cannot be objectively quantified at the present time. However, the possibility of material liabilities arising in this connection additional to those already recognised is remote, and the directors of Acciona S.A. consider that the liabilities that might arise would not have a material effect on the equity of the Acciona Group.

13.7. Information to include in the Notes under application of sect. 42 of the consolidated text of the Corporate Tax Act, related to tax credits for reinvestment of extraordinary profit

The Corporate Tax legislation for the time being in force establishes various fiscal incentives with the purpose of promoting certain investments. The company applied the fiscal incentives provided for in said legislation.

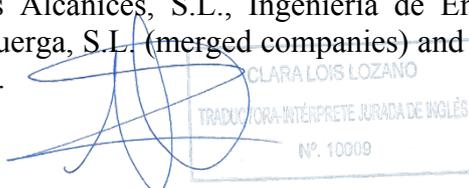
In financial years 2008, 2011 and 2014, Acciona, S.A., as the Parent, together with other subsidiaries in the Tax Group availed themselves of the tax credit for reinvestment of extraordinary income provided for by Article 42 of Royal Legislative Decree 4/2004 on the consolidated text of the Corporate Tax Act, regulated since 1 January 2015 by the Twenty-Fourth Temporary Provision of Act 27/2014. The Company's income qualifying for this tax credit amounted to 139,075, 71,341 and 3,726 thousand euros, respectively. The reinvestment took place in the same years in which capital gains were generated. The equity elements reinvested were as listed in the Corporate Tax regulations, that is, property, plant and equipment, intangible assets, investment property and securities representing shareholdings of no less than 5% in the share capital or capital and reserves of all types of companies. The extraordinary income was reinvested by the companies belonging to Tax Group 30/96.

Pursuant to sub-section 10 in section 42 of the consolidated text of the Corporate Tax Act, regulated by the Twenty-Fourth Temporary Provision of Act 27/2014, this information must be disclosed in the notes to the financial statements as long as the period for which the assets must be held, as established in sub-section 8 of section 42, is not fulfilled.

13.8. Information to include in the Notes to annual financial statements under application of section 86 of Corporate Tax Act 27/2014 on operations with preferential tax treatment.

In accordance with the provisions contained in section 86 of Corporate Tax Act 27/2014, certain Group companies applied the Special System for mergers, spin-offs, contribution of assets and securities swaps, for the operations detailed below, in which Acciona, S.A. took part as contributing company and as legal person and member.

- Merger with backdated effects 1 January 2008 of the companies Eólica de Belorado, S.L. and Energías del Cantábrico, S.L. (merged companies) and Eólica de Sanabria, S.L. (merging company).
- Merger with backdated effects 1 January 2008 of the company Explotaciones Eólicas Monte Endino, S.L. (merged company) and Corporación Eólica de Zamora, S.L. (merging company).
- Merger with backdated effects 1 January 2008 of the company Ensenada de Renovables, S.L. (merged company) and Corporación Eólica Manzanedo, S.L. (merging company).
- Merger with backdated effects 1 January 2008 of the company Corporación Eólica Palentina, S.L. (merged company) and Corporación Eólica de Barruelo, S.L. (merging company).
- Merger with backdated effects 1 January 2008 of the company Corporación Eólica del Duero, S.L. (merged company) and Sistemas Energéticos Valle del Sedano, S.A. (merging company).
- Merger with backdated effects 1 January 2008 of the companies Energía Cogeneración y Térmico, S.L., Argoras Energía, S.L. and Asturalter, S.L. (merged companies) and Terranova Energy Corporation, S.A. (merging company).
- Merger with backdated effects 1 January 2008 of the companies Yagonova, S.L., Parque Eólico de Fonteavia, S.L., Parque Eólica de Goa, S.L., Parque Eólico Celada III, S.L., Parque Eólico Celada V, S.L., Parque Eólico Encinedo, S.L., Parque Eólico El Cuadrón, S.L., El Endino Eólica, S.L., Parque Eólico de Angostillos, S.L., Eólicas de Montellano, S.L., Renovables de Valdeoléa, S.L., Corporación Eólica Los Alcañices, S.L., Ingeniería de Energía Renovable, S.A.U and Eólica de Pisuerga, S.L. (merged companies) and Ceólica Hispania, S.L. (merging company).

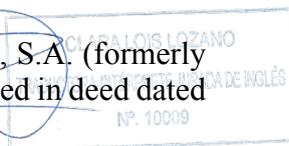


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- Merger with backdated effects 1 January 2008 of the company Sistemas Energéticos de Roa, S.L.U (merged company) and Parque Eólico Cinseiro, S.L. (merging company).
- Special non-cash contribution of assets effective 2 October 2008, by the company Acciona, S.A (contributing company) to the company Acciona Aparcamientos, S.L (acquiring company).
- Non-cash contribution of branch of activity with backdated effect 31 March 2008 by the company Acciona Biocombustibles, S.A. (contributing company) to the company Estación de Servicio Legarda, S.L (acquiring company).
- Special non-cash contribution of assets effective 1 October 2008, by the company Acciona Inmobiliaria, S.L (contributing company) to the company Valgrand 6, S.A.U. (acquiring company).
- Partial financial split of the shareholding in Acciona Windpower, S.A., with backdated effect 1 January 2008, by the company Acciona Energía, S.A. (transferor) to Corporación Acciona Windpower, S.L. (acquiring company).
- Partial financial split of the shareholding in Acciona Eólica de Galicia, S.A., with backdated effect 1 September 2008, by the company Ineuropa de Cogeneración, S.A.U. (transferor) to Corporación Acciona Energías Renovables, S.L.U. (acquiring company), documented in deed dated 16 January 2009.
- Non-cash contribution of shareholdings in Ceatesalas, S.L.U, Acciona Energía, S.A.U., KW Tarifa, S.A.U. Alabe Sociedad de Cogeneración, S.A.U. and Ineuropa de Cogeneración, S.A.U., by the company Acciona, S.A. (transferor) to Corporación Acciona Energías Renovables, S.L.U. (acquiring company), documented in deed dated 7 April 2009, and effective 1 January 2009 for accounting purposes.
- Merger effective 1 January 2009 of the companies Altai Hoteles Condal, S.L.U., Barcelona 2 Residencial, S.A.U., Construcciones Gumi, S.L., Gestión de Servicios y Conservación de Infraestructuras, S.L.U., Grupo Lar Gran Sarriá, S.L.U., Montaña Residencial, S.A.U. and Necsohenar, S.A.U. (merged companies) and the company Acciona Inmobiliaria, S.L.U. (merging company), documented in deed dated 7 August 2009.
- Merger of the company Caserío de Dueñas, S.A. and Hijos de Antonio Barceló, S.A. (merging company), documented in deed dated 17 September 2010 and with backdated effects 1 January 2010.
- Merger of the company AEPO, S.A.U. and Acciona Ingeniería, S.A. (formerly Ibérica de Estudios e Ingeniería) (merging company), documented in deed dated 24 September 2010 and with backdated effect 1 January 2010.



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- Merger of the companies Grupo Entrecanales, S.A, Servicios Urbanos Integrales, S.A., Tivafen, S.A.U. and Osmosis Internacional, S.A.U. (merged companies) and Acciona, S.A. (merging company), documented in deed dated 11 July 2011 and backdated effect 1 January 2011.
- Non-cash contribution of the shareholdings in Acciona Servicios Urbanos, S.L. and Corporación de Explotaciones y Servicios, S.A. by Acciona, S.A. to Acciona Service, S.L., documented in deed dated 31 March 2014 and backdated effect 1 January 2014.
- Partial split due to segregation of assets and liabilities of Acciona Agua, S.A. to Acciona Agua Servicios, S.L.U., documented in deed dated 30 June 2014 and backdated effect 1 January 2014.
- Merger of the company P.E. Topacios, S.A. and Alabe Sociedad de Cogeneración, S.A. (merging company), documented in deed dated 18 September 2014 and backdated effect 1 January 2014.
- Merger of the company C.E. de Puerto Llano, S.L. and Global de Energías Eólicas Al Ándalus, S.A. (merging company), documented in deed dated 18 September 2014 and backdated effect 1 January 2014.
- Merger of the company Eólica Gallega del Atlántico, S.L. and Eólica Breogán, S.L. (merging company), documented in deed dated 18 September 2014 and backdated effect 1 January 2014.
- Merger of the companies C.E. de Barruelo, S.L. and C.E. de Manzanedo, S.L. Puerto Llano, S.L. (merged companies) and Sistemas Energéticos Valle de Sedano, S.A. (merging company), documented in deed dated 18 September 2014 and backdated effect 1 January 2014.
- Merger of the company Toyonova, S.L. and Eurovento, S.L. (merging company), documented in deed dated 19 December 2014 and backdated effect 1 January 2014.
- Spin-off of the company Acciona Inmobiliaria, S.L. through segregation of the part of its corporate equity that comprises a branch of activity, , under the terms set forth in section 71 of Act 3/2009, of 3 April, on Structural Modifications to Mercantile Businesses, with the economic unit being transferred to the beneficiary company Acciona Real Estate, S.A.U., documented in deed dated 30 September 2015.
- Merger of the company Global de Energías Eólicas Al Ándalus, S.A. and Ceólica Hispania, S.L. (merging company), documented in deed dated 11 September 2015 and backdated effect 1 January 2015.
- Special non-cash contribution by Acciona, S.A. to Acciona Service, S.L., of the shareholdings in the companies Acciona Producciones y Diseño, S.A., Inetime,

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- S.A., Acciona Airport Services, S.A., Interurbano de Prensa, S.A., Acciona Forwarding, S.A. Transurme, S.A. and Paktivty, S.A., documented in public deed dated 14 July 2016.
- Merger of the companies Eólica de Sanabria, S.L., Eólica de Moncayo, S.L., Parque Eólico de Tortosa, S.L., Sistemas Energéticos El Granado, S.L. and Corporación Eólica Zamora, S.L. (merged companies) and the company Sistemas Energéticos Valle de Sedano, S.A. (merging company), documented in deed dated 8 September 2016 and with backdated effect 1 January 2016.
 - Special non-cash contribution by Acciona, S.A. to Corporación Acciona Infraestructuras, S.A., of the shareholdings in in Acciona Infraestructuras, S.A., Acciona Service, S.L and Acciona Agua, S.A., documented in public deed dated 2 December 2016.
 - Merger of the companies Acciona Energía Solar, S.L. and Acciona Solar Canarias, S.A. (merged companies) and the company Acciona Solar, S.A. (merging company) documented in deed dated 27 July 2017 and with backdated effect of 1 January 2017.
 - Special non-cash contribution by Acciona Service, S.L. to Acciona Aeropuertos, S.L. of the stakeholding in the company Acciona Airport Services, S.A., documented in public deed dated 28 July 2017.
 - Special non-cash contribution by Acciona, S.A. to Acciona Concesiones, S.L. of the stakeholdings in the companies Sociedad Concesionaria Novo Hospital de Vigo, S.A., Acciona Servicios Concesionales, S.L., Sociedad Concesionaria Hospital del Norte, S.A., Nova Darsena Esportiva de Bara, S.A., Autovía de los Viñedos, S.A., Sociedad Anónima Concesionaria de la Junta de Comunidades de Castilla La Mancha, Gran Hospital Can Misses, S.A. and Sociedad Concesionaria de la Zona Regable del Canal de Navarra, S.A., documented in public deed dated 21 December 2017.
 - Special non-cash contribution by Acciona, S.A. to Corporación Acciona Infraestructuras, S.A. of the stakeholding in Acciona Concesiones, S.L., documented in public deed dated 28 December 2018.

Pursuant to section 3 of article 86 of Act 27/2014 on the consolidated text of the Corporate Tax Act, the information required for operations carried out in previous years appears in the relevant separate notes to financial statements as approved.



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13.9. Information to include in the notes to financial statements under application of sect. 12.3 of the consolidated text of the Corporate Tax Act in relation to deduction for impairment losses on securities representing shareholdings in the capital of companies and 16th Temporary Provision of Act 27/2014, amended by Royal Legislative Decree 3/2016, of 2 December.

Royal Legislative Decree 3/2016, of 2 December, amended the 16th Temporary Provision of Corporate Tax Act 27/2016, which regulated the system to include in the taxable base impairment losses in investments in group companies, joint and associates (sect. 12.3 of the consolidated text of the Corporate Tax Act) deducted in tax periods commencing before 1 January 2013. This amendment established a minimum annual amount for reversion in five years (that is, 20% per year) of the balance at 31 December 2015, unless reversion on the recovery of capital and reserves of investees and/or collected dividends is higher than that amount.

The information required under the tax regulations in relation to amounts deducted, difference in the year of capital and reserves of investees, as well as amounts included in the taxable base and amounts pending inclusion is indicated below.

1. - Amounts that reversed in financial year 2018:

Investee	Reversion	Pending at 31/12/2018
MDC Airport Consult	190	379
Mostotal Warszawa	2,295	4,591
Infraestructuras y Radiales S.A.	4,086	8,173
Nova Darsena Sportiva de Bara, S.A.	251	502
Sociedad Conc.Puente del Ebro, S.A.	532	1,064
Ecología del Agua, S.A	4	7
Cía Tratamiento y Gestión Residuos Murcia	3	6
Parque Isla Mágica, S.A	130	259
Unión Deportiva Las Palmas	1	2



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2. - Amounts that reversed in financial year 2019:

Investee	Reversion	Pending at 31/12/2019
MDC Airport Consult	190	190
Mostostal Warszawa	2,295	2,295
Infraestructuras y Radiales S.A.	4,086	4,086
Nova Darsena Sportiva de Bara, S.A.	251	251
Sociedad Conc.Puente del Ebro, S.A.	532	532
Ecología del Agua, S.A	4	4
Cía Tratamiento y Gestión Residuos Murcia	3	3
Parque Isla Mágica, S.A	130	130
Unión Deportiva Las Palmas	1	1

3.- Year's difference in capital and reserves of the investee:

Investee	Cap.& reserves at 31/12/2018*	Cap.& reserves at 31/12/2019*	Difference Cap.& reserves
MDC Airport Consult	4,263	4,273	10
Mostostal Warszawa	8,139	8,000	(139)
Infraestructuras y Radiales S.A.	(41,613)	(41,613)	--
Nova Darsena Sportiva de Bara, S.A.	(1,735)	(1,730)	5
Sociedad Conc.Puente del Ebro, S.A.	(14,506)	(14,506)	--

* Cap.& reserves Adjusted to share percentage

14. Foreign currency

Detail of the main balances and transactions in foreign currency in financial years 2019 and 2018, measured at the closing exchange rate and average exchange rate, respectively, were the following:

	2019							
	MXN	USD	CAD	CLP	AUD	CHF	PLN	GBP
Loans granted to Group	7,020	--	--	--	--	--	--	--
Cash and banks	--	351	63	1	53	--	56	--
Trade payables	--	--	--	(13)	--	--	--	--
Trade payables to Group	--	--	(4)	--	--	--	--	--
Expenses for services received	(25)	(1,570)	(33)	(259)	(32)	(100)	--	(47)
Finance costs	--	(1,893)	--	--	(42)	--	--	(3)
Group financial income	487	10	--	--	--	--	--	--

2018

	MXN	USD	CAD	CLP	AUD	CHF	PLN	GBP
Loans granted to Group	6,927	--	314	--	--	--	--	--
Cash and banks	--	198	59	1	--	--	55	--
Trade payables	--	--	--	--	--	--	--	--
Trade payables to Group	--	--	(4)	--	--	--	--	--
Expenses for services received	--	(596)	(39)	--	--	413	--	80
Finance costs	--	(763)	(2)	--	--	--	(2)	(1)
Group financial income	382	--	--	--	--	--	--	--

15. Income and expenses

15.1. Net turnover



The Company, which heads its consolidated group, has basically developed activities typical of a holding company in 2019 and 2018, and, as such, it did not engage in any significant commercial activity, and, therefore, it does not have activity segments, so the figure for turnover on the income statement mainly related to the services rendered to Group companies and income from dividends received from the subsidiaries and financial income associated with the financing of the subsidiaries.

15.2. Personnel expenses

Detail of personnel costs at 31 December 2019 and 2018 was as follows (in thousand euros):

	2019	2018
Wages, salaries and similar	51,423	48,513
Welfare charges	11,387	11,511
Total	62,810	60,024

In financial years 2019 and 2018 “Wages, salaries and similar” included compensation for the amount of 875 and 1,897 thousand euros, respectively.

Breakdown of the balance in the account “Welfare charges” in 2019 and 2018 was as follows (in thousand euros):

	2019	2018
Social security paid by the company	5,008	4,034
Other welfare charges	6,379	7,477
Total	11,387	11,511

16. Operations and balances with group companies and associates

16.1. Operations with group companies and associates

Detail of operations with related parties in 2019 and 2018 was as follows (in thousand euros):

2019	Group companies	Associates	Total
Provision of services	75,334	240	75,574
Services received	(7,797)	(104)	(7,901)
Income from interest	462	--	462
Expenses for interest	(71,504)	--	(71,504)
Dividends	276,178	--	276,178

2018	Group companies	Associates	Total
Provision of services	65,095	880	65,975
Services received	(5,768)	(55)	5,823
Income from interest	444	--	444
Expenses for interest	(47,817)	--	47,817
Dividends	220,628	--	220,628

In 2019, the Company signed an agreement to assign future collection rights arising from various litigations of the Acciona Group. In June 2019, Acciona S.A. transferred the rights and obligations under this agreement to its investee Corporación Acciona Infraestructuras S.A. in respect of the litigation to which the latter is, or may be, a direct or indirect party.

16.2. Balances with group companies and associates

Balances with group companies and associates on the balance sheet at 31 December 2019 and 2018 were as follows (in thousand euros):

2019	Group companies	Associates	Total
Long-term investments:	5,641,528	661,835	6,303,363
Equity instruments (Note 8.2)	5,634,508	661,835	6,296,343
Cost	6,594,526	892,196	7,486,722
Provisions	(960,018)	(230,361)	(1,190,379)
Credits (Note 8.2)	7,020	--	7,020
Credits to companies	7,020	29,528	36,548
Provisions	--	(29,528)	(29,528)



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Accounts receivable	41,659	290	41,949
Short-term investments:	304,874	--	304,874
Credits to companies and other	3,321	--	3,321
Other financial assets	301,553	--	301,553
Non-current payables	(99,179)	--	(99,179)
Short-term debt	(3,133,058)	--	(3,133,058)
Trade payables	(1,427)	(809)	(2,236)

2018	Group companies	Associates	Total
Long-term investments:	5,540,368	563,248	6,103,616
Equity instruments (Note 8.2)	5,533,785	563,248	6,097,033
Cost	6,586,223	793,610	7,379,833
Provisions	(1,052,438)	(230,362)	(1,282,800)
Credits (Note 8.2)	6,583	--	6,583
Credits to companies	6,583	29,528	36,111
Provisions	--	(29,528)	(29,528)
Accounts receivable	41,146	--	41,146
Short-term investments:	219,404	--	219,404
Credits to companies and other	2,947	--	2,947
Other financial assets	216,457	--	216,457
Short-term debt	(2,327,485)	--	(2,327,485)
Trade payables	(2,448)		(2,448)

The amounts under “Other financial assets” correspond to dividends receivable (230,600 thousand euros in 2019 and 170,549 thousand euros in 2018) and the corporate tax receivable account (70,953 thousand euros in 2019 and 45,907 thousand euros in 2018), and the heading “Accounts receivable” related to invoices to group companies and associates under the concepts of management fees and expenses incurred. “Short-term debts with group companies” related mainly to balances from settlement of corporate tax of the companies the Parent Company of which is Acciona, S.A., in tax group 30/96 (Note 4.7 and Note 13.3), as well as loans received by Acciona, S.A.

16.3. Remuneration for the Board of Directors and Senior Management

ACCIONA, S.A. is the group’s parent company and its activity is limited to the management of shareholdings and to services to support its investees. Therefore, the remuneration of the Board of Directors and Senior Management must be interpreted from the Parent and subsidiaries perspective.

Operations with shareholders

In 2019 and 2018 there were no significant transactions involving a transfer of resources or obligations between the Parent Company or its Group companies and the Company's main shareholders.

Transactions with directors or executives

The Group's "related parties" are deemed to be, in addition to the subsidiaries, associates and jointly-controlled entities, the Company Management's "key personnel" (members of its Board of Directors and of senior management, and their close relatives) and the entities over which key management personnel may exercise control or significant influence. The transactions performed by the Group in 2019 and 2018 with its related parties are listed below, differentiating between the Company's significant shareholders, members of the Board of Directors and Managers, and other related parties. Related party transactions are made on terms equivalent to those in arm's length transactions that usually take place in a normal business relationship with Acciona, S.A. or the Group companies within the scope of the ordinary course of trade of these entities and under market conditions. These transactions consisted basically of:

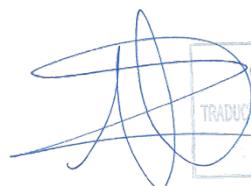
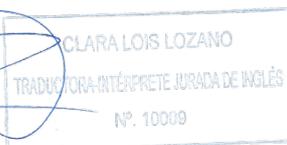


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Thousand euros					
31.12.2019					
Expenses and income	Significant shareholders	Directors and Executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Finance costs					
Leases					
Services received				131	131
Purchase of stock					
Other expenses					
Income:					
Financial income					
Dividends received					
Services provided				35	35
Sales of stock					
Other income					

Thousand euros					
31.12.2019					
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 provided					
Guarantees received					
Obligations acquired					
Dividends and other profits distributed					
Other transactions					

Thousand euros					
31.12.2019					
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					
Total balance payable					

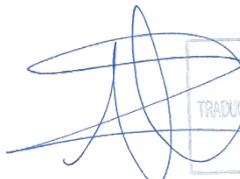



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Thousand euros					
31.12.2018					
Expenses and income	Significant shareholders	Directors and Executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Finance costs					
Leases					
Services received				102	102
Purchase of stock					
Other expenses					
Income:					
Financial income					
Dividends received					
Services provided				6,733	6,733
Sales of stock					
Other income					

Thousand euros					
31.12.2018					
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 provided					
Guarantees received					
Obligations acquired					
Dividends and other profits distributed					
Other transactions					

Thousand euros					
31.12.2018					
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					
Total balance payable					



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Remuneration and other benefits

A. Board of Directors

In 2019 the remuneration accrued by the members of the Company's Board of Directors, and taking into account that this remuneration is taken from the perspective of the Parent and its subsidiaries, totalled, in euros, the sum indicated in this Note.

According to article 31 of Articles of Association, the remuneration for Directors will consist in a fixed annual allocation determined for their membership of the Board of Directors and any Committees on which each Director may sit. The amount of the remuneration to be paid by the Company to the Directors as a whole for belonging to the Board of Directors and its Committees will be that determined for this purpose by the General Meeting of Shareholders. Once established, this amount shall remain in force until such time as it may be amended, and the Board of Directors may reduce the amount in the financial years where this is considered convenient.

The Board of Directors determines the exact amount to be paid within that limit and its distribution among the different Directors, with consideration being given to the functions and responsibilities of each member, sitting on the Board's committees and any other unbiased circumstances considered relevant by the Board.

Regardless of the provisions contained in section above, the remuneration deriving from membership of the Board of Directors shall be compatible with any other remuneration (fixed salary; variable bonuses depending on the attainment of business, corporate and/or performance goals; compensation for removal of the Director for reasons other than the failure to perform his or her duties; welfare systems; deferred remuneration items) that, following a proposal by the Appointments and Remuneration Committee and by resolution passed by the Board of Directors, could correspond to the Director for the performance of other functions in the Company, be they senior management executive functions or otherwise, apart from those of joint supervision and decision-taking carried out as mere members of the Board.

Following a resolution adopted by the General Shareholders' Meeting with the legally required scope, Executive Directors may also be remunerated through the delivery of shares or share option rights, or by means of any other remuneration referenced to the value of the shares. Furthermore, art.

55 of the Regulations for the Board of Directors establishes that the Board determines the system for distributing the remuneration for Directors within the framework established in the Articles of Association.

The decision must take into account the report issued for the purpose by the Appointments and Remuneration Committee.

The Board of Directors shall strive to ensure that the Directors' remuneration is moderate and in line with that paid on the market in companies of a similar size and business activity, with preference for those formats relating a significant portion of the remuneration to their dedication to Acciona.

The system for remuneration of independent directors will strive to serve as a sufficient incentive for their dedication without compromising their independence.

The remuneration of external directors representing substantial shareholders for their performance as Directors must be proportional to that of other Directors and shall not represent any favoured treatment in the form of remuneration of the shareholder(s) designating them. The remuneration system will establish similar remuneration for comparable functions and dedication.

As regards remuneration of executive directors, article 55 bis of the Regulations establishes that the Board of Directors must try and ensure that the remuneration policies in force at each time include for variable remuneration necessary technical safeguards to make sure that such remuneration is in line with the professional performance of its beneficiaries and does not arise simply from the general trend of markets or of the company's business sector or from other similar circumstances. The remuneration of directors must be transparent.

On 18 May 2017, the General Shareholders' Meeting approved the Directors Remuneration Policy for the years 2018-2020, without prejudice to the fact that amendments introduced by the Policy shall apply to remuneration accrued from the date the Policy was approved.

The Remuneration Policy approved at the Meeting and according to Article 31.2 of the Articles of Association of Acciona: a) the maximum amount of remuneration payable per year to the directors in aggregate for their duties as such is 1,700,000 euros; b) except where the General Shareholders' Meeting establishes otherwise, the distribution of the remuneration among the directors will be decided by the Board of Directors, having consideration for the functions and responsibilities of each director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant.

At its meeting on 30 May 2018, the Board of Directors resolved, at the proposal of the Appointments and Remuneration Committee, to set new amounts for membership of the Board of Directors and its Committees, which from this date are as follows: a) Executive directors shall not receive remuneration for their membership of the Board of Directors, and therefore their remuneration shall be that which corresponds to their executive functions; b) if an executive committee ceases to exist then the remuneration for membership to such a committee is removed; c) the remuneration for membership of non-executive directors to the board is set at 100,000 euros; d) the remuneration for membership to the Committees is changed, which is set at 70,000 euros for the audit committee, 55,000 euros for the appointments and remunerations committee, and 50,000 euros for the sustainability committee; e) the additional remuneration for holding the position of Independent Coordinating Director is set at 30,000 euros; and f) the additional remuneration for chairing the committees is set at 18,000 euros for the audit committee, 11,000 for the appointments and remunerations committee, and 8,000 euros for the sustainability committee.

After a detailed analysis of the remuneration received at international companies and those included on the IBEX 35 index, the Appointments and Remuneration Committee

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considered the remuneration to be in line with what was paid on the market in companies of a similar size in the same business area, that similar remuneration was paid for comparable functions and dedication and, without compromising independence, remuneration is an adequate incentive for the engagement of directors in the different committees.

The total remuneration paid to the members of the Board for discharging their duties as Company directors in 2019 amounted to 1,492,000 euros (1,407,000 euros in 2018). This amount is broken down in thousand euros, by member of the Board of Directors, in the following way:

	Fixed remuneration	Remuneration for membership of Board Committees	Total 2019	Total 2018
Mr. Daniel Entrecanales Domecq	100	58	158	154
Mr. Jerónimo Marcos Gerard Rivero	100	55	155	117
(**) Mr. Jaime Castellanos Borrego	--	--	--	87
(**) Mr. Fernando Rodés Vila	--	--	--	60
Mr. José Manuel Entrecanales Domecq	--	--	--	29
Mr. Juan Ignacio Entrecanales Franco	--	--	--	29
Mr. Juan Carlos Garay Ibargaray	100	172	272	250
(**) Ms. Belén Villalonga Morenés	41	--	41	86
Mr. Javier Entrecanales Franco	100	50	150	149
Mr. Javier Sendagorta Gómez del Campillo	100	55	155	89
Ms. Ana Sainz de Vicuña Bemberg	100	82	182	145
Ms. Karen Christiana Figueres Olsen	100	70	170	126
Mr. José María Pacheco Guardiola	100	50	150	86
(*) Sonia Dulá	59	--	59	--
Total			1,492	1,407

(*) Directors joining the Board in 2019.

(**) Directors leaving the Board in 2018 or 2019.

The remuneration in cash paid to Directors for the performance of senior management executive functions and for being members of the Board was 5,111 and 4,799 thousand euros in 2019 and 2018, respectively. In addition, they have received remuneration in kind amounting to 102 and 53 thousand euros in 2019 and 2018, respectively.

In 2019, 8,675 shares with deferred delivery were assigned to executive directors and therefore 8,675 shares remain pending delivery. The amount or gross profit of the shares delivered was 799 and 665 thousand euros in 2019 and 2018 respectively, equivalent to the market value at the date of delivery.

The Independent director Sonia Dulá is a Non-executive director and Chairman of the Board of Directors of the companies in the Bestinver subgroup following her appointment on 22 July 2019. Only the position at Bestinver, S.A. is remunerated, and the amount accrued in 2019 for the period in office is 45 thousand euros.

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 indisputably 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.
- f) Consolidation conditions. The beneficiary of the Savings Plan shall be the Company under the following two situations:
If the participant is removed from the position of Executive Director of Acciona due to resignation for voluntary causes. If the participant is removed from the position of Executive Director for breaching their duties or for an act or omission that harms the Company, or is sentenced with a final verdict issued by a judicial authority.
In these cases, the participants shall lose all economic rights accumulated in the Savings Plan and therefore, may not receive any benefit arising from the Plan.

The contributions to the Savings Plan in 2019 and 2018 in favour of the Executive Directors came to 4,913 and 5,013 thousand euros. These contributions in 2019 included 100% of the fixed annual salary and an additional amount arising from extraordinary contributions to the Savings Plan related to part of the variable remuneration in 2018.

The accumulated value at 31 December 2019 of the savings systems with non-consolidated economic rights of Executive Directors amounted to 23,293 thousand euros.

No obligations have been entered into in connection with pensions with respect to former and current members of the Board of Directors. Nor have any advances, credits or guarantees been given in favour of the members of the Board of Directors, except as indicated in this note.

In financial years 2019 and 2018 the directors of the Parent did not receive any remuneration for being members of other boards and/or senior management of Group Companies.

The total remuneration of members of the board of directors of Acciona, S.A., including remuneration for executive functions, was 7,503 and 6,864 thousand euros in 2019 and 2018, respectively.

B. Senior Management

Senior Management includes those people forming the top two levels of the Acciona group's management and the Corporate Internal Audit Director. This classification is for information purposes only and without prejudice to their specific employment relationship.

The remuneration of the Company's General Managers and people discharging similar duties, excluding those who are simultaneously members of the Board of Directors (whose remuneration is disclosed above), and bearing in mind that this remuneration is taken from the perspective of the Parent Company and subsidiaries, in 2019 and 2018 is summarised as follows:

Type of remuneration	2019	2018
Number of people	37	40
Remuneration (thousand euros)	22,659	23,864

The figures for 2019 appearing as remuneration included the amounts related to compensation paid to the executives that left the company every year, for termination of their employment relationship, as well as the money settlement for differences in the options exercised during the year.

The civil liability premium for directors and executives as paid in 2019 amounted to 1,345 thousand euros.

Plan for delivery of shares and performance shares



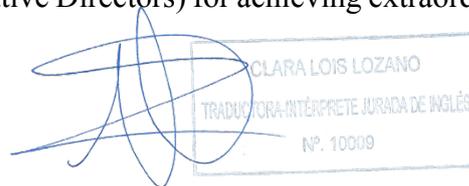
The General Shareholders' Meeting held on 24 June 2014 approved the following agreement:

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 boost their motivation in the attainment of higher value and long-term stability for the group, and consolidate their loyalty and permanence in the Group.

Pursuant to that authority, on 26 February 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. In addition, and making use of the approval of the General Shareholders' Meeting on 18 May 2017, following a proposal from the Appointments and Remuneration Committee, the Board of Directors approved an additional amendment to the Plan Regulations at their meeting held on 14 December 2017 with the aim of adapting it to corporate governance best practices regarding deferral, malus and clawback on the variable remuneration of executive directors, and to the principles and guidelines contained in the Directors Remuneration Policy approved by the General Shareholders' Meeting. In addition, the duration of the Plan is extended for an additional two years (i.e. up to and including 2021) only for directors (excluding Executive Directors), and subject to the full discretion of the Board of Directors and after a report from the Appointments and Remuneration Committee, the possibility to assign and deliver extraordinary Acciona shares is also introduced for multi-year periods (a minimum of three (3) years) to one or several Beneficiary Directors (other than Executive Directors) for achieving extraordinary results.

The main characteristics are as follows:



A) Purpose of the Plan:

The purpose of the 2014 Plan for Delivery of Shares and “Performance Shares” is to remunerate management, including the Executive Directors of Acciona in such a manner as to boost the attainment of strategic business objectives to the benefit of the Company’s shareholders, and the loyalty and permanence of executives.

B) Strategic indicators and objectives to achieve

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

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.

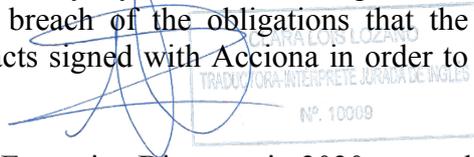
Permanence condition: Delivery of the shares finally allocated to Executive Directors is dependent on the fact that the Executive Director has not ceased to perform his/her senior management duties in Acciona or its Group for reasons attributable to the Director in question, according to the terms set out in the Plan Regulations.

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

The actual share delivery date in accordance with the provisions in the preceding sections shall be determined by the Board of Directors and in any case, it shall be done after the General Shareholders' Meeting of the year in which the shares are to be delivered has taken place. Delivery of 20% of the shares that the Executive Directors have a right to receive shall be subjected to a minimum deferral period of one (1) year, and its accrual shall be subject to their permanence as an Executive Director as detailed in the Regulations, and on there not being any causes that in the opinion of the external auditors could lead to a material restatement of the Acciona Group's consolidated financial statements, as determined by the Board of Directors following a proposal by the Appointments and Remuneration Committee, except when this arising from an amendment to accounting standards.

Shares delivered in 2017 are subject to an option for Acciona to buy them back: Treasury shares delivered to Executive Directors in 2017 (in relation to financial years 2014, 2015 and 2016) have been subjected to Acciona's right to buy them back, a right that can be exercised if the Executive Director acquiring the shares ceases to perform his/her senior management duties in Acciona or its group before 31 March 2020 for breach of his/her contractual obligations or resignation of his/her own free will.

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 shares and/or amounts paid when the corresponding calculations had been done based on data which has been proven to be manifestly misstated, and (ii) return the shares and/or 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.



With regards to shares to be delivered to Executive Directors in 2020, as applicable, and only in respect of the number of Shares equating to two times the annual fixed remuneration, these shares 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, until three (3) years have passed since the shares were allocated.

Executive Directors may however contribute shares which have been delivered to them to companies controlled or owned by the Executive Director. In these cases, Acciona shall adopt the necessary guarantees, including real guarantees, to ensure compliance with the

provisions of the Regulations, and in any case, the beneficiary company receiving the shares which is controlled or owned by the Executive Director, must do so within reason and is bound to comply with the guarantees or limitations granted in favour of Acciona.

C.2. – Group’s Executives

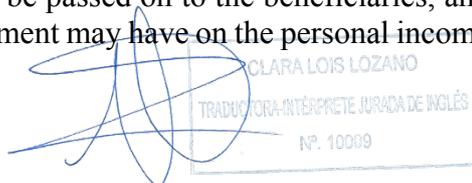
For the other beneficiaries that are not executive directors, the Board of Directors will approve, upon considering proposal by the Appointments and Remuneration Committee, the amount for separate variable remuneration to be paid through delivery of the Acciona’s treasury shares allocated for each financial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

The 2014 Plan does not provide for 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 the payment on account of the 2014 Plan performance shall not be passed on to the beneficiaries, and the Company shall assume the tax cost that this payment may have on the personal income tax of the beneficiaries with the established limits.

D) Number of shares available for the Plan



Initially, the maximum number of shares that could be allocated to the Beneficiaries in application of the 2014 Plan was fixed at 258,035, although it could be increased by resolution of the General Shareholders’ Meeting.

In this respect, the General Shareholders’ Meeting held on 11 June 2015, 10 May 2016, 18 May 2017 and 30 May 2018 agreed to increase the maximum number of shares available for the “2014-2019 Plan for Delivery of Shares and Performance Shares” by 100,000 for each year, without affecting later increases if so proposed by the Board of Directors and approved by the General Shareholders’ Meeting.

At the close of 2019 the maximum number of shares that could be delivered to implement the Plan, was 468,192, after 28,956 were used in 2019 for delivery to executives other than Executive Directors, and 8,675 shares for Executive Directors which corresponded to the deferred delivery agreed in 2017. Without prejudice to the foregoing, 8,675 shares are pending delivery of the 26,025 which were assigned in 2017 to have a delivery deferred for a period of three years on a straight-line basis in implementation of the Plan.

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:

Aim: 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).

Purpose: To offer discretionally the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares to certain Acciona and its group's executives, according to a swap equation to be determined each year. Since 2015 and to date, 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, corresponding to the incentive and not to the portion of the shares related to the replaced remuneration as per the amendment approved on 29 February 2016 by the Board of Directors, 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 Acciona 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.

Shareholders Plan

The Board of Directors, following proposal by the Appointments and Remuneration Committee, with the purpose of facilitating participation in the company's shareholdings, approved on 28 February 2017 a new Plan that makes it possible to redistribute part of the variable and/or fixed money remuneration with the limit of 12,000 euros per year through delivery of shares in the Company in accordance with the current regulatory framework, which is favourable in terms of the fiscal treatment of this type of plan.

The plan is voluntary and it offers all employees with fiscal residence in Spain the opportunity of participating in the company's results by becoming shareholders. This Plan does not affect executive directors as their relationship is mercantile and not based on an employment contract. The shares were measured at the closing quotation price on 29 March 2019.

Finally, the number of shares delivered to Beneficiaries other than executive directors (44 Beneficiaries), under the **Plan for Delivery of Shares /Performance Shares**, in consideration of their dedication and performance in financial year 2019, was 28,956 shares at the fair value of 2,474 thousand euros.

Given that this plan accrues on a three-year basis, one third of the fair values mentioned above is reflected in "Staff costs" on the accompanying income statement at 31 December. The other two thirds will be recognised on the income statements for financial years 2020 and 2021.

Finally, in application of the **Replacement Plan**, 16,211 shares in the Company were delivered in 2019, at the fair value of 1,610 thousand euros, to 30 executives of Acciona and its Group, in payment of part of their variable remuneration in cash in 2018.

The Company determined the fair value of the goods and services received by reference to the fair value of the equity instruments assigned.

The "Plan for delivery to Senior Management" replaced by the plan described in the paragraphs above established the replacement of shares with stock option rights for Acciona, S.A. ordinary shares. The options granted one year as part of the Plan could be exercised, in whole or in part, in one go or more, within the three-year period from (a) 31 March of the third calendar year following the year when they were allocated and (b) 31 March of the third year following the start of the period (the "Exercising Period"). The movement in 2019 in the number of options and weighted average of the prices to exercise the stock options was the following:



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2019	N° of options	Strike Price - Weighted Average (in euros)
Existing at the start of the financial year	3,300	62.84
Awarded during the period	--	
Cancelled during the period	--	
Exercised during the period	3,300	89.90
Lapsed during the period	--	
Existing at the end of the period	--	
Susceptible of being exercised at the end of the period	--	

There are no options that are susceptible of being exercised at the end of the period.

Detail of the individuals who held Senior Management positions in the Group (taking the Parent and subsidiaries into account as Senior Management) in 2019 was as follows:

Name or registered name	Position(s) held
Alcázar Viela, Jesús	General Manager Latin America - Infrastructure
Ancín Viguiristi, Joaquín	General Manager Engineering & Construction - Energy
Arilla de Juana, Carlos	Operations General Manager - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Manager
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	General Manager - Office of the Chairman
Castilla Cámara, Luis	CEO - Infrastructures
Castillo García, Joaquín	Development Area General Manager - Energy
Claudio Vázquez, Adalberto	Contract Management and Studies Area General Manager - Infrastructure
Corella Hurtado, Olga	Finance Area General Manager - Infrastructure
Corral Fernandez, Nicolás	Area General Manager - Service
Cruz Palacios, Juan Manuel	Labour Relations and OSH General Manager - Infrastructure
Díaz-Caneja Rodríguez, José Luis	Area General Manager - Water
Ezpeleta Puras, Arantza	General Manager – Technology & Innovation
Fajardo Gerez, Fernando	Infrastructure Area General Manager - Australia and Asia
Fernández López, Roberto	Corporate Resources Area General Manager - Infrastructure
Fernández-Cuesta Laborde, Raimundo	General Manager – Market Area and Relations with Investors
Figueroa Gómez de Salazar, José Julio	Area General Manager – Legal Services
Gutiérrez Abarquero, David	Area General Manager - Economic Oversight and Tax Matters
Jiménez Serrano, Ramón	Area General Manager - Industrial
Marín García, Diego	Area General Manager – Concessions
Martínez Sánchez, Juan Manuel	Area General Manager - Corporate Security
Mateo Alcalá, Rafael	CEO - Energy
Mollinedo Chocano, José Joaquín	General Manager - Institutional Relations, Sustainability and Brand
Moreno Lorente, Huberto José	Area General Manager – Construction
Muro-Lara Girod, Juan	General Manager - Strategy and Corporate Development
Otazu Aguerri, Juan	Production Area General Manager - Energy
Pan de Soraluce Muguiro, Andrés	CEO - Real Estate
Rego Prieto, Oscar Luis	Procurement Area General Manager - Infrastructure
Rodríguez Hernández, José Luis	Area General Manager – Other Businesses and Investees
Santamaría-Paredes Castillo, Vicente	Area General Manager – Compliance
Silva Ferrada, Juan Ramón	Area General Manager – Sustainability
Soto Conde, Antonio	Area General manager - Grupo Bodegas Palacio 1894
Tejero Santos, José Ángel	General Manager - Economic and Financial Area
Terceiro Mateos, José Manuel	General Manager of Corporate Economic Management Area
Vega-Penichet Lopez, Jorge	General Secretary
Vicente Pelegrini, Justo	Area General Manager – Construction Spain

Detail of the individuals who held Senior Management positions in the Group (taking the Parent and subsidiaries into account as Senior Management) in 2018 was as follows:

Name or registered name	Position(s) held
Alcázar Viela, Jesús	General Manager – Acciona Infrastructure - Latin America
Ancín Viguiristi, Joaquín	General Manager – Acciona Energy – Engineering & Construction
Antúnez Cid, Isabel	General Manager – Acciona Property
Arilla de Juana, Carlos María	General Manager - Economic and Financial Area
Beltrán Núñez, Raúl	Internal Audit Manager
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	General Manager - Office of the Chairman
Castilla Cámara, Luis	CEO - Acciona Infrastructure
Castillo García, Joaquín	Area General Manager - Acciona Energy Development
Claudio Vázquez, Adalberto	Area General Manager - Acciona Infrastructure Contract Management and Studies
Corella Hurtado, Olga	General Manager - Acciona Infrastructure - Economic Control Area
Cruz Palacios, Juan Manuel	General Manager - Acciona Infrastructure - Labour Relations, OHS and Sustainability
Díaz-Caneja Rodríguez, José Luis	Area General Manager - Acciona Water
Ezpeleta Puras, Arantza	General Manager – Technology & Innovation
Fajardo Gerez, Fernando	Area General Manager - Acciona Infrastructure – Australia and South-East Asia
Farto Paz, José María	Area General Manager - Acciona Infrastructure – Galicia
Fernández López, Roberto	Area General Manager - Acciona Infrastructure - Corporate Resources
Figueroa Gómez de Salazar, José Julio	Area General Manager – Legal Services
Gutierrez Abarquero, David	Area General Manager – Fiscal
Jiménez Serrano, Ramón	Area General Manager – Acciona Industrial and Acciona Service
Mateo Alcalá, Rafael	CEO - Acciona Energy
Mollinedo Chocano, José Joaquín	General Manager - Institutional Relations, Sustainability and Brand
Moreno Lorente, Huberto José	General Manager – Acciona Infrastructure - Construction Area
Muro-Lara Girod, Juan	General Manager – Corporate Development and Relations with Investors
Otazu Aguerri, Juan	Production Area General Manager - Acciona Energy
Quero Gil, Mario	Area General Manager – Trasmediterránea
Rego Prieto, Oscar Luis	Procurement Area General Manager - Acciona Infrastructure
Rodríguez Hernández, José Luis	Area General Manager – Other Businesses and Investees
Santamaría-Paredes Castillo, Vicente	Area General Manager – Compliance
Silva Ferrada, Juan Ramón	Area General Manager – Sustainability
Soto Conde, Antonio	Area General manager - Grupo Bodegas Palacio 1894
Tejero Santos, José Ángel	Area General Manager - Economic Oversight and Finance
Terceiro Mateos, José Manuel	Area General Manager - Acciona Infrastructure - Economics and Finance
Vega-Penichet Lopez, Jorge	General Secretary
Vicente Pelegrini, Justo	Area General Manager - Acciona Construction - Spain, Portugal and Africa



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16.4. Other information relating to Directors. Statement regarding conflicts of interest

Pursuant to Article 229 of Royal Legislative Decree 1/2010, of 2 July, whereby the consolidated text of the Capital Companies Act was approved, at 31 December 2019 and 2018, according to the information available to the Company and notified by Directors and their related parties, they were not involved in any situations of conflict, whether direct or indirect, with the Company's interests.

17. Environment-related information

Given the activities it develops, the Company has no liabilities, expenses, assets, provisions or contingencies of an environmental nature that could be material in relation to the Group's equity, financial position and results. For this reason, no specific disclosures are contained in these notes.

18. Other disclosures

18.1. Personnel



The average number of employees in financial years 2019 and 2018, by category, was as follows:

Categories	2019	2018
Management and supervisors	154	141
Qualified technical personnel	170	149
Clerical and support personnel	52	56
Other employees	3	1
Total	379	347

Distribution by gender in the course of 2019 and 2018, broken down by category at the close of the year, was as follows:

Categories	2019		2018	
	Men	Women	Men	Women
Management and supervisors	95	59	91	50
Qualified technical personnel	80	90	74	75
Clerical and support personnel	19	33	19	37
Other employees	2	1	1	--
Total	196	183	185	162

3.96 % of the group's headcount had a disability equal to or over 33%, mostly under the category of clerical and support personnel, in financial year 2019.

3.86 % of the group's headcount had a disability equal to or over 33%, mostly under the category of clerical and support personnel, in financial year 2018.

18.2. Auditor's fees

In financial years 2019 and 2018, the fees for financial statement auditing services and other services provided by the Acciona, S.A.'s auditor, KPMG Auditores, S.L. or by companies belonging to the KPMG network have been the following:

	Services provided by the main auditor		Services provided by other audit firms	
	2019	2018	2019	2018
Auditing services	629	849	--	--
Other verification services	247	247	795	404
Total auditing and related services	876	1,096	795	404
Tax advisory services	80	80	308	91
Other services	324	761	2,764	2,692
Total Professional Services	404	841	3,072	2,783

The fees for the services provided by the audit firm KPMG Auditores, S.L. for the financial statements amounted to 629 thousand euros in 2019 (849 thousand euros in 2018), for other verification services including limited reviews of interim financial statements, comfort letter services relating to securities, and the review of section F of the Internal Control System for Financial Information report amounted to 247 thousand euros in 2019 (247 thousand euros in 2018), and for other services including the reports on agreed-upon procedures for the certification of financial ratios amounted to 5 thousand euros in 2019 (5 thousand euros in 2018).

Information relating to non-audit services provided by KPMG Auditores, S.L. to companies controlled by Acciona, S.A. for the year ended 31 December 2019 and 2018 is included in the consolidated financial statements of Acciona, S.A. and subsidiaries at 31 December 2019.

19. Events after the reporting period



On 9 January 2020, the acceptance period and the additional acceptance period of the Nordex, SE takeover bid ended (see note 8.2). The takeover bid was accepted for a total of 149,399 shares representing 0.14% of the share capital at a price of 10.34 euros per share which was settled on 13 January 2020 for a total of 1,544 thousand euros.

In addition to the foregoing, the Company cancelled the loan it had arranged with its investee Acciona Financiación de Filiales S.A. for 708 million euros, which had been pledged to the German authorities to meet the obligations arising from acceptance of the takeover bid (see Notes 9 and 12.3).

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APPENDIX I



GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. considered as Group companies according to Standard 13 on the Preparation of Annual Accounts of the General Accounting Plan, and the information thereon at 31 December 2019, were the following (amounts in thousand euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVESTMENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SUBSCRIBED CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	DIVIDENDS REC.	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
ACCIONA AIRPORT SERVICES FRANKFURT, GMBH	GERMANY	SERVICES	A	5,636.8	--	5,636.8	100.00%	0.00%	100.00%	2,500.0	4,627.2	893.2	-104.7	197.2	--	--	--
ACCIONA FINANCIACIÓN FILIALES S.A.	MADRID	OTHER ACTIVITIES	A	411,826.0	--	411,826.0	100.00%	0.00%	100.00%	100,000.0	82,413.2	532,733.9	-709.1	105,114.9	-100,000.0	--	--
ACCIONA INMOBILIARIA, S.L.	MADRID	OTHER ACTIVITIES	A	1,434,453.6	-462,391.5	972,062.1	100.00%	0.00%	100.00%	45,000.0	285,192.3	555,322.5	12,331.0	60,086.6	-45,000.0	--	--
ACCIONA LOGÍSTICA, S.A.	MADRID	OTHER ACTIVITIES		326,888.2	-194,122.9	132,765.3	100.00%	0.00%	100.00%	--	75,699.6	58,456.9	911.4	-42.2	--	--	--
ACCIONA PRODUCCIONES Y DISEÑO S.A.	MADRID	OTHER ACTIVITIES	A	6,671.5	--	6,671.5	100.00%	0.00%	100.00%	500.0	1,051.8	5,619.6	2,885.3	2,559.6	-500.0	--	--
CENTRO DE SERVICIOS COMPARTIDOS DE ACCIONA SL	MADRID	OTHER ACTIVITIES		1,703.0	--	1,703.0	100.00%	0.00%	100.00%	--	3,406.0	--	628.6	110.0	--	--	--
APODERADA CORPORATIVA GENERAL, S.A.	MADRID	OTHER ACTIVITIES		60.1	-152.3	-92.2	100.00%	0.00%	100.00%	--	60.1	-490.3	-0.0	-19.5	--	--	--
APODERADA GENERAL DE SERVICE, S.A.	MADRID	OTHER ACTIVITIES		18,719.8	-18,433.8	286.0	100.00%	0.00%	100.00%	--	206.2	-14.2	-1.0	0.1	--	--	--
BESTINVER GESTION S.C.I.I.C., S.A.	MADRID	OTHER ACTIVITIES	A	0.0	--	0.0	0.01%	99.99%	100.00%	0.7	330.6	11,532.2	51,671.9	38,706.8	-24,090.0	--	--
BESTINVER PENSIONES G.F.P., S.A.	MADRID	OTHER ACTIVITIES	A	0.0	--	0.0	0.00%	100.00%	100.00%	0.2	1,204.0	3,587.6	10,125.0	7,593.7	-5,052.0	--	--
BESTINVER SOCIEDAD DE VALORES, S.A.	MADRID	OTHER ACTIVITIES	A	0.0	--	0.0	0.01%	99.99%	100.00%	--	4,515.0	4,956.7	-65.2	-52.6	--	--	--
BESTINVER, S.A.	MADRID	OTHER ACTIVITIES	A	6,112.9	--	6,112.9	100.00%	0.00%	100.00%	43,077.6	6,207.0	24,711.8	-1,372.5	44,140.3	-43,406.6	--	--
CIRTOVER, S.L.	MADRID	OTHER ACTIVITIES		3.1	-3.1	--	100.00%	0.00%	100.00%	--	3.0	91.6	--	0.0	--	--	--
COEFISA, S.A.	SWITZERLAND	OTHER ACTIVITIES		710.8	--	710.8	100.00%	0.00%	100.00%	--	784.5	521.1	-30.9	-274.1	--	10.3	--
COMPañIA INTERNACIONAL DE CONSTRUCCIONES	PANAMA	OTHER ACTIVITIES		1,353.4	--	1,353.4	100.00%	0.00%	100.00%	--	--	--	--	--	--	--	--
COPANE VALORES, S.L.	MADRID	OTHER ACTIVITIES		55,778.7	--	55,778.7	100.00%	0.00%	100.00%	--	2,382.5	53,872.7	-0.0	710.8	--	--	--
CORPORACIÓN ACCIONA ENERGÍAS RENOVABLES, S.L.	MADRID	ENERGY	A	2,917,223.8	-245,328.0	2,671,895.8	100.00%	0.00%	100.00%	75,000.0	329,250.6	2,007,585.6	-68.0	88,357.1	-75,000.0	--	--
CORPORACIÓN ACCIONA INFRAESTRUCTURAS S.L.	MADRID	CONSTR. & ENGINEER		1,313,295.7	--	1,313,295.7	100.00%	0.00%	100.00%	10,000.0	92,503.0	1,223,010.8	18,019.7	13,566.1	-10,000.0	-8.7	--
DREN, S.A.	MADRID	OTHER ACTIVITIES		1,335.5	--	1,335.5	100.00%	0.00%	100.00%	--	1,001.6	-102.6	-10.0	767.7	--	--	--
ENTIDAD EFINEN, S.A.	MADRID	OTHER ACTIVITIES		4,507.6	-2,936.7	1,570.9	100.00%	0.00%	100.00%	--	183.1	1,387.6	-0.2	-0.2	--	--	--
FINANZAS DOS, S.A.	MADRID	OTHER ACTIVITIES		6,625.9	-5,168.6	1,457.3	100.00%	0.00%	100.00%	--	691.0	777.1	-0.2	10.9	--	--	--
FINANZAS Y CARTERA DOS, S.A.	MADRID	OTHER ACTIVITIES		159.7	-38.8	120.8	100.00%	0.00%	100.00%	--	34.3	86.3	--	0.0	--	--	--
FINANZAS Y CARTERA UNO, S.A.	MADRID	OTHER ACTIVITIES		15.0	-12.2	2.8	100.00%	0.00%	100.00%	--	5.4	-3.0	-6.4	-4.8	--	--	--
GESTION DE RECURSOS CORPORATIVOS, S.L.	NAVARRA	OTHER ACTIVITIES		3.4	-3.4	--	100.00%	0.00%	100.00%	--	5.0	-11.2	--	-0.6	--	--	--
GRUPO BODEGAS PALACIO 1894, S.A.	MADRID	OTHER ACTIVITIES	A	31,709.7	--	31,709.7	100.00%	0.00%	100.00%	100.0	26,294.1	23,568.5	699.8	618.2	-100.0	--	--
HOSPITAL DE LEON BAJO, S.A. DE C.V.	MEXICO	CONCESSIONS	A	2,901.3	--	2,901.3	98.00%	2.00%	100.00%	--	2,960.4	20,426.1	5,632.6	3,960.3	--	-5,555.8	--
NECSO ENTRECANALES CUBIERTAS MEXICO,SA. DE CV	MEXICO	CONSTR. & ENGINEER	A	9.9	-9.9	--	0.00%	100.00%	100.00%	--	27,519.8	-20,236.7	22,945.5	26,312.5	--	-7,025.1	--
S.C. A2 TRAMO 2, S.A.	GUADALAJARA	CONCESSIONS	A	14,876.0	-13,527.3	1,348.7	100.00%	0.00%	100.00%	--	14,876.0	-7,182.4	6,075.3	2,706.4	--	--	--
Socdad. empresarial de financiación y comercio, S.L	MADRID	OTHER ACTIVITIES		138.2	-138.2	--	100.00%	0.00%	100.00%	--	14.5	217.2	--	-3.3	--	--	--
TIBEST CUATRO, S.A.	MADRID	OTHER ACTIVITIES		13,522.8	--	13,522.8	100.00%	0.00%	100.00%	--	11,195.1	4,155.8	--	129.4	--	--	--
TICTRES, S.A.	MADRID	OTHER ACTIVITIES		18,249.3	-17,717.0	532.3	100.00%	0.00%	100.00%	--	2,701.6	-2,196.2	-0.2	-32.0	--	--	--
TOTAL GROUP COMPANIES				6,594,491.7	-959,983.7	5,634,507.9				276,178.4	977,318.4	4,503,278.1	129,557.6	395,219.5	-303,148.6	-12,579.4	--

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young

ACCIONA S.A.

NOTES TO THE FINANCIAL STATEMENTS

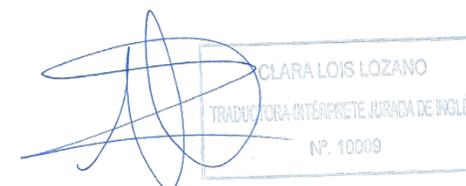
JOINT VENTURES, ASSOCIATES AND OTHER

The subsidiaries of ACCIONA, S.A. considered as joint ventures and associates according to Standard 13 on the Preparation of Annual Accounts of the General Accounting Plan, and the information thereon at 31 December 2019, were the following (amounts in thousand euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVESTMENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SUBSCRIBED CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	DIVIDENDS REC.	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
CONSORCIO TRAZA, S.A.	ARAGON	CONCESSIONS	D	6,647.2	--	6,647.2	16.60%	0.00%	16.60%	--	575.0	-5,497.4	2,544.8	-4,413.9	--	--	5,607.7
CONSTRUCTORA NECSO SACYR CHILE	CHILE	CONSTR. & ENGINEERING		0.0	-0.0	--	0.01%	49.99%	50.00%	--	17.8	-1,194.7	--	-52,000.0	--	1,033.7	--
INFRAESTRUCTURAS RADIALES, S.A.	MADRID	CONCESSIONS		25,895.9	-25,895.9	--	22.50%	2.50%	25.00%	--	11,610.2	-398,253.3	--	--	--	--	--
NORDEX SE**	GERMANY	ENERGY	B	852,960.6	-197,772.8	655,187.9	36.27%	0.00%	36.27%	--	96,982.0	608,934.0	-42,213.0	-76,535.0	--	-9,796.0	--
S.C. PUENTE DEL EBRO, S.A.	ARAGON	CONCESSIONS		6,692.5	-6,692.5	--	50.00%	0.00%	50.00%	--	13,385.0	-31,783.4	-231.2	-353.9	--	--	--
TOTAL JOINT VENTURES, ASSOCIATES AND OTHERS				892,196.3	-230,361.2	661,835.1					122,570.0	172,205.3	-39,899.5	-133,302.8		-8,762.3	5,607.7

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young

(**) Corresponds to the last periodic public information issued by Nordex, S.E. on the Frankfurt stock exchange on 30 September 2019



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

ACCIONA S.A.

NOTES TO THE FINANCIAL STATEMENTS

GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. considered as Group companies according to Standard 13 on the Preparation of Annual Accounts of the General Accounting Plan, and the information thereon at 31 December 2018, were the following (amounts in thousand euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVESTMENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SUBSCRIBED CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	DIVIDENDS REC.	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
ACCIONA AIRPORT SERVICES FRANKFURT, GMBH	GERMANY	SERVICES	A	5,636.8	--	5,636.8	100.00%		100.00%	--	4,627.2	4,298.7	-870.8	-554.0	--	--	--
CORPORACIÓN ACCIONA ENERGÍAS RENOVABLES, S.L.	MADRID	ENERGY	A	2,917,223.8	-337,679.0	2,579,544.8	100.00%		100.00%	76,258.3	329,250.6	1,999,112.4	39.1	84,731.5	-76,258.3	--	--
ACCIONA FINANCIACIÓN FILIALES	MADRID	OTHER ACTIVITIES	A	411,826.0	--	411,826.0	100.00%		100.00%	7,392.9	82,413.2	436,512.6	-566.1	122,918.0	-7,392.9	--	--
ACCIONA INMOBILIARIA, S.L.	MADRID	OTHER ACTIVITIES	A	1,434,453.6	-462,391.5	972,062.1	100.00%		100.00%	39,102.7	285,192.3	550,279.7	-17,218.7	44,146.9	-39,102.7	--	--
GESTION DE RECURSOS CORPORATIVOS, S.L.	NAVARRA	OTHER ACTIVITIES		3.4	-3.4	--	100.00%		100.00%	--	5.0	-10.6	-0.0	-0.6	--	--	--
BESTINVER, S.A.	MADRID	OTHER ACTIVITIES	A	6,112.9	--	6,112.9	100.00%		100.00%	50,077.5	6,010.0	4,066.2	-1,064.6	50,918.6	-50,078.0	--	--
BESTINVER GESTION S.C.I.I.C., S.A.	MADRID	OTHER ACTIVITIES	A	0.0	--	0.0	0.01%	99.99%	100.00%	0.8	330.6	11,165.9	63,039.7	45,987.0	-32,560.0	--	--
BESTINVER PENSIONES G.F.P., S.A.	MADRID	OTHER ACTIVITIES	A	0.0	--	0.0	0.00%	100.00%	100.00%	0.1	1,204.0	3,320.4	9,793.7	7,345.3	-4,052.0	--	--
BESTINVER SOCIEDAD DE VALORES, S.A.	MADRID	OTHER ACTIVITIES	A	0.0	--	0.0	0.01%	99.99%	100.00%	--	4,515.0	5,093.1	-175.1	-136.4	--	--	--
CORPORACIÓN ACCIONA INFRAESTRUCTURAS S.L.	MADRID	CONSTR. & ENGINEERING		1,313,295.7	--	1,313,295.7	100.00%		100.00%	22,080.4	92,503.0	1,220,563.8	32,850.7	24,533.8	-22,080.4	-4.8	--
COMPañIA INTERNACIONAL DE CONSTRUCCIONES	PANAMA	OTHER ACTIVITIES		1,353.4	--	1,353.4	100.00%		100.00%	--	1,114.4	5,012.1	--	-217.4	--	838.9	--
CIRTOVER, S.L.	MADRID	OTHER ACTIVITIES		3.1	-3.1	--	100.00%		100.00%	--	3.0	91.7	-0.3	-0.2	--	--	--
COEFISA, S.A.	SWITZERLAND	OTHER ACTIVITIES		710.8	--	710.8	100.00%		100.00%	--	784.5	541.4	-37.9	8.3	--	-60.3	--
COPANE VALORES, S.L.	MADRID	OTHER ACTIVITIES		55,778.7	--	55,778.7	100.00%		100.00%	3,164.6	2,382.5	53,872.7	-0.0	727.3	-727.3	--	--
CENTRO DE SERVICIOS COMPARTIDOS DE ACCIONA SLDREN, S.A.	MADRID	OTHER ACTIVITIES		3.0	--	3.0	100.00%		100.00%	--	--	--	--	--	--	--	--
APODERADA CORPORATIVA GENERAL, S.A.	MADRID	OTHER ACTIVITIES		60.1	-152.3	-92.2	100.00%		100.00%	--	60.1	-472.2	-0.0	-18.1	--	--	--
ENTIDAD EFINEN, S.A.	MADRID	OTHER ACTIVITIES		4,507.6	-2,936.7	1,570.9	100.00%		100.00%	--	183.1	1,387.8	-0.3	-0.2	--	--	--
NECSO ENTRECANALES CUBIERTAS MEXICO,SA. DE CV	MEXICO	CONSTR. & ENGINEER	A	9.9	-9.9	--	0.00%	100.00%	100.00%	--	27,519.8	-1,035.1	-21,457.5	-19,201.6	--	-7,565.2	--
FINANZAS Y CARTERA UNO, S.A.	MADRID	OTHER ACTIVITIES		15.0	-12.2	2.8	100.00%		100.00%	--	5.4	-2.6	-0.4	-0.4	--	--	--
FINANZAS Y CARTERA DOS, S.A.	MADRID	OTHER ACTIVITIES		159.7	-38.8	120.8	100.00%		100.00%	--	34.3	86.5	-0.3	-0.2	--	--	--
FINANZAS DOS, S.A.	MADRID	OTHER ACTIVITIES		6,625.9	-5,168.6	1,457.3	100.00%		100.00%	--	691.0	766.3	-0.4	10.8	--	--	--
GRUPO BODEGAS PALACIO 1894, S.A.	MADRID	OTHER ACTIVITIES	A	31,709.7	--	31,709.7	100.00%		100.00%	8,279.5	26,294.1	23,574.7	705.3	586.3	-586.3	--	--
HOSPITAL DE LEON BAJIO, S.A. DE C.V.	MEXICO	CONCESSIONS	A	2,901.3	--	2,901.3	98.00%	2.00%	100.00%	1,750.8	2,960.4	23,506.6	4,581.2	-34.1	--	-6,625.7	--
INANTIC, S.A.	MADRID	OTHER ACTIVITIES		70.0	-70.0	--	100.00%		100.00%	--	210.4	-211.7	-0.2	0.2	--	--	--
APODERADA GENERAL DE SERVICE, S.A.	MADRID	OTHER ACTIVITIES		18,719.8	-18,433.8	286.0	100.00%		100.00%	--	206.2	-12.4	-3.6	-1.8	--	--	--
S.C. A2 TRAMO 2, S.A.	GUADALAJARA	CONCESSIONS	A	14,876.0	-13,527.3	1,348.7	100.00%		100.00%	--	14,876.0	-8,785.8	11,142.6	4,382.9	--	--	--
ACCIONA LOGÍSTICA, S.A.	MADRID	OTHER ACTIVITIES		326,888.2	-194,122.9	132,765.3	100.00%		100.00%	12,519.9	75,699.6	57,065.8	-80.0	13,910.9	-12,519.9	--	--
Socdad .empresarial de financiacion y comercio, S.L	MADRID	OTHER ACTIVITIES		138.2	-138.2	--	100.00%		100.00%	--	14.5	217.5	-0.3	-0.3	--	--	--
TIBEST CUATRO, S.A.	MADRID	OTHER ACTIVITIES		13,522.8	--	13,522.8	100.00%		100.00%	--	11,195.1	3,992.5	-1.4	163.3	--	--	--
TICTRES, S.A.	MADRID	OTHER ACTIVITIES		18,249.3	-17,717.0	532.3	100.00%		100.00%	--	2,701.6	-2,169.3	-0.3	-26.9	--	--	--
TOTAL GROUP COMPANIES				6,586,190.2	-1,052,404.8	5,533,785.5				220,627.7	973,988.4	4,391,524.8	80,665.5	380,380.2	-245,357.8	-13,417.1	--

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young



 CLARA LOIS LOZANO

 TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS

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ACCIONA S.A.

NOTES TO THE FINANCIAL STATEMENTS

JOINT VENTURES, ASSOCIATES AND OTHER

The subsidiaries of ACCIONA, S.A. considered as joint ventures and associates according to Standard 13 on the Preparation of Annual Accounts of the General Accounting Plan, and the information thereon at 31 December 2018, were the following (amounts in thousand euros):

NAME	LOCATION	DIVISION	AUDITOR (*)	INVESTMENT	PROVISION	NET CARRYING AMOUNT	DIRECT	INDIRECT	TOTAL SHAREHOLDING	DIVIDENDS RECEIVED	SUBSCRIBED CAPITAL	RESERVES	OPERATING PROFIT/(LOSS)	ATTRIBUTED RESULT	DIVIDENDS REC.	TRANSLATION DIFFERENCES	NON-CONTROLLING INTERESTS
CONSTRUCTORA NECSO SACR CHILE	CHILE	CONSTR. & ENGINEERING		0.0	-0.0	--	0.01%	49.99%	50.00%	--	17.8	-1,194.7	--	--	--	1,025.8	--
NORDEX SE**	GERMANY	ENERGY	B	753,941.6	-197,772.8	556,168.8	29.90%	--	29.90%	--	96,982.0	706,987.0	-46,064.5	-52,000.0	--	-27,152.4	--
S.C. PUENTE DEL EBRO, S.A.	ARAGON	CONCESSIONS		6,692.5	-6,692.5	--	50.00%	--	50.00%	--	13,385.0	-31,841.9	-159.6	58.5	--	--	--
INFRAESTRUCTURAS RADIALES, S.A.	MADRID	CONCESSIONS		25,895.9	-25,895.9	--	22.50%	2.50%	25.00%	--	23,220.4	-796,506.6	--	--	--	--	--
CONSORCIO TRAZA, S.A.	ARAGON	CONCESSIONS	D	7,078.8	--	7,078.8	16.60%	--	16.60%	--	575.0	3,177.4	2,039.1	-7,355.9	--	--	5,287.4
TOTAL JOINT VENTURES, ASSOCIATES AND OTHERS				793,608.8	-230,361.2	563,247.6				--	134,180.2	-119,378.7	-44,185.1	-59,297.4	--	-26,126.6	5,287.4

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young

(**) Corresponds to the last periodic public information issued by Nordex, S.E. on the Frankfurt stock exchange on 30 September 2018


CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10000

ACCIONA, S.A.
DIRECTORS' REPORT – FINANCIAL YEAR 2019

ACCIONA, S.A. is the Acciona Group's Parent Company and its activity is limited to the management of shareholdings and to services to support its investees. Therefore, this Directors' Report must be interpreted from the perspective of the Parent Company and its subsidiaries.

ACCIONA reports in accordance with the International Financial Reporting Standards (IFRS) under a corporate structure that comprises three divisions:

- Energy includes the electric business, encompassing the promotion, construction, operation and maintenance of renewable generation facilities and the sale of the energy produced. All the electricity generated by ACCIONA Energía is renewable.
- Infrastructure:
 - Construction: including infrastructure construction activities, as well as turn-key projects for power generation plants and other facilities.
 - Concessions: including the exploitation of mainly transport and hospital concessions.
 - Water: including the activities relating to the construction of desalination plants, water treatment plants and drinking water plants as well as the management of the entire water cycle, an activity that covers from the initial water collection, to its treatment, including desalination, to its purification and return to the environment after use. It also operates concessions for services related to 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 renewable 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 business of Real Estate, Bestinver (asset management), wineries and other businesses.

The Alternative Performance Measures or APMs used in this report by ACCIONA Group are listed and defined below:



EBITDA or the gross operating profit: is defined as operating income before depreciation and amortisation and variations in provisions, that is, it shows the operating result of the Group. It is calculated by taking the following items of the consolidated income statement: "Revenue", "Other income", "changes in inventories of finished goods and work in progress", "cost of good solds", "personnel expenses" and "other operating expenses".

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 business operative decisions made by the different division's top management and are detailed in the information note by segments.

Net Debt: shows the Group's debt, in net terms, deducting cash and current financial assets. 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 balance sheet current and non-current "leasing liabilities".

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: shows the relationship 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 realized portion that is accounted for in "net revenue" and adding or subtracting "other variations" that correspond to forex adjustments and modifications to the initial contracts.



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Gross Ordinary Capex: is defined as the change in the balance of property, plant & equipment, intangible assets, financial assets and real estate property, corrected by:

- Amortisation, and impairment of assets during the period
- Results on non-current assets
- Variation due to forex fluctuations

When dealing with changes in the consolidation perimeter, net capex is defined as the net outflow/inflow of used/sourced resources in the purchase/sale of net assets.

Net Ordinary Capex: is defined as the Gross Ordinary Capex +/- change in “other payables” 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 Cashflow: Net Ordinary Capex, subtracting divestments, +/- change in Real Estate inventories.

Operating Cashflow: 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 take financial, operational or planning decisions. They are also used to evaluate the performance of the Group and its subsidiaries.

Management considers 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.

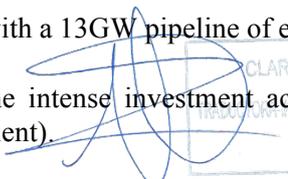


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Executive Summary

Key Highlights of the period:

- ACCIONA generated revenues of €7.191 billion, 4.2% less than 2018. Energy reduced its revenues by 9.5% mainly due to lower production, and lower income from the construction of turn-key projects for third parties. Infrastructure revenues are maintained practically flat (-0.5%) as the Water division compensates the lower volume of the Construction business. Other Activities reduced revenues by 7.8% due to the sale of Trasmediterránea in 2018.
- EBITDA increased to €1.357 billion, 9.0% higher than last year. On a like for like basis, EBITDA increased by 13.2%¹.
- The Energy division improved its EBITDA by 13.7%:
 - In Spain, the Generation business EBITDA fell by 1.7% mainly due to the disposal of CSP assets and the lower hydro production.
 - The International Generation business grew by 14.4% mainly driven by the contribution of the new operating assets.
 - This figure has also been affected by the first implementation of the IFRS16.
- EBITDA for the Infrastructure division grew by 2.9%, due to a large extent to the increase of Construction, which includes the global settlement agreement of Sidney Light Rail and despite the changes in the perimeter (the early termination of ATLL from the 1st of March 2019 and the disposal of Rodovia do Aço).
- Other Activities' EBITDA decreased by 2.6% as a consequence of the lower contribution of Bestinver, partially compensated by Real Estate.
- Attributable net profit grew to €352 million, 7.2% higher than 2018. Net profit grew by 60.3% excluding the result of corporate transactions in 2018.
- Net Ordinary Capex amounted €1.031 billion in 2019. The Energy division invested €509 million in new renewable capacity, with 835MWs under construction at the end of the year and exceeding 10GWs of total installed capacity (8GWs consolidated). In addition, a 10% capital increase was subscribed in Nordex for €99 million. Infrastructure capex includes €281 million in the Sydney Light Rail concession. The group invested an additional €210 million in real estate, including the Mesena project.
- ACCIONA strengthens its high capacity for growth with a 13GW pipeline of energy projects and an EPC backlog of ~€8,000 billion.
- Net financial debt reached €5.317 billion due to the intense investment activity and the application of the IFRS16 (+€402 millions of adjustment).


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Income Statement Data

<i>(Million Euros)</i>	Jan-Dec 19	Jan-Dec 18	Chg. %
Revenues	7,191	7,510	-4.2%
EBITDA	1,357	1,245	9.0%
EBT	545	509	7.1%
EBT - ex. corp. trans.	545	377	44.5%
Attributable net profit	352	328	7.2%
Net profit - ex. corp. trans.	352	219	60.3%

¹ Excluding the contribution of deconsolidated assets (CSP business in Spain, Trasmediterránea and the concession Rodovia do Aço in Brasil), the early termination of ATLL and eliminating the effect of the IFRS16, which came into force in 2019).

ACCIONA S.A.
NOTES TO THE FINANCIAL STATEMENTS

Balance Sheet Data and Capital Expenditure

(Million Euros)	31-Dec-19	31-Dec-18	Chg. %
Attributable Equity	3,421	3,289	4.0%
Net debt	4,915	4,333	13.4%
Net debt including IFRS16	5,317		n.a.
Net debt/EBITDA (incl. IFRS 16)	3.92x	3.48x	12.6%

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. %
Net Ordinary Capex	1,031	726	42.4%
Net Investment Cashflow	1,241	(594)	n.a.

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Operating Data

	31-Dec-19	31-Dec-18	Chg. %
Infrastructure backlog (Million euros)	11,391	10,846	5.0%
Average workforce	39,699	38,544	3.0%

	31-Dec-19	31-Dec-18	Chg. %
Total capacity (MW)	10,117	9,627	5.1%
Consolidated capacity (MW)	8,053	7,585	6.2%
Total production (GWh) (Jan-Dec)	22,991	22,087	4.1%
Consolidated production (GWh) (Jan-Dec)	18,712	18,605	0.6%
Bestinver's assets under management (Million euros)	6,790	5,476	24.0%

Consolidated Income Statement

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Revenues	7,191	7,510	(319)	-4%
Other revenue	684	462	222	48%
Changes in inventories of finished goods and work in progress	16	44	(27)	-63%
Total Production Value	7,891	8,015	(124)	-2%
Costs of goods sold	(2,021)	(2,170)	149	7%
Personnel expenses	(1,599)	(1,486)	(113)	-8%
Other expenses	(2,915)	(3,114)	199	6%
EBITDA	1,357	1,245	112	9%
Depreciation and amortisation	(586)	(610)	24	4%
Provisions	(71)	(29)	(42)	n.a.
Impairment of asset value	(4)	(11)	7	63%
Results of non-current assets	13	163	(150)	92%
Other gains or losses	(10)	--	(9)	n.a.
EBIT	699	757	(59)	-8%
Net financial result	(230)	(293)	63	22%
Exchange differences (net)	9	3	7	n.a.
Change in financial investment provisions	(2)	--	(2)	n.a.
Income from associates booked by equity method	63	42	21	50%
Profit and loss from changes in fair value of financial instruments	5	--	5	n.a.
Profit from Continuing Activities	545	509	36	7%
Income tax	(147)	(136)	(11)	-8%
Profit / (loss) from Continuing Activities	398	372	25	7%
Non-controlling interests	(46)	(44)	(1)	-3%
Attributable Net Profit	352	328	24	7%

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In order to facilitate the analysis, a simplified income statement is included where the results of corporate transactions are separated from the total:

(Million euros)	Jan-Dec 19			Jan-Dec 18			Chg. excluding corporate transactions (%)
	Result of excluding corporate transactions	Result of corporate transactions	Total	Result of excluding corporate transactions	Result of corporate transactions	Total	
Revenue	7,191	-	7,191	7,510	-	7,510	-4.2%
Cost of goods sold, expenses and other income	(5,834)	-	(5,834)	(6,265)	-	(6,265)	6.9%
EBITDA	1,357	-	1,357	1,245	-	1,245	9.0%
Depreciation and amortisation	(586)	-	(586)	(610)	-	(610)	3.9%
Provisions, results non-current assets	(72)	-	(72)	(9)	132	122	n.a.
EBIT	699	-	699	626	132	757	11.7%
Net financial result	(230)	-	(230)	(293)	-	(293)	21.5%
Income from associates booked by the equity method	63	-	63	42	-	42	49.5%
Other financial results	13	-	13	2	-	2	n.a.
Profit / (loss) from Continuing Activities	545	-	545	377	132	509	44.5%
Income tax	(147)	-	(147)	(113)	(23)	(136)	-30.0%
Profit / (loss) from Continuing Activities	398	-	398	264	109	372	50.7%
Non-controlling interests	(46)	-	(46)	(44)	-	(44)	-3.1%
Attributable Net Profit	352	-	352	219	109	328	60.3%

Additionally, here included is the information on the effects of the perimeter change, as well as the implementation of the IFRS16, in order to make the comparison between the two exercises:

(Million euros)	Revenues			EBTIDA			EBT excl. corp. transactions		
	Jan-Dec 19	Jan-Dec 18	Chg.(€)	Jan-Dec 19	Jan-Dec 18	Chg.(€)	Jan-Dec 19	Jan-Dec 18	Chg.(€)
Total Reported	7,191	7,510	(319)	1,357	1,245	112	545	377	168
CSP	-	(43)	43	-	(29)	29	-	(3)	3
Rodovia do Aço	-	(24)	24	-	(9)	9	-	2	(2)
ATLL	(22)	(161)	139	(9)	(94)	85	(9)	(17)	115
Trasmediterránea	-	(160)	160	-	(4)	4	-	7	(107)
Total changes in the scope of consolidation	(22)	(388)	366	(9)	(136)	127	(9)	(12)	3
IFRS16	-	-	-	(93)	-	(93)	5	-	5
Total (like for like)	7,169	7,122	47	1,255	1,108	146	541	366	175



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Revenue

<i>(Million euros)</i>	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Energy	1,997	2,206	(209)	-9.5%
Infrastructure	5,034	5,059	(25)	-0.5%
Other activities	361	392	(31)	-7.8%
Consolidation adjustments	(201)	(147)	(54)	-36.4%
TOTAL Revenues	7,191	7,510	(319)	-4.2%

Revenues decreased by 4.2% to €7.191 billion, due to a combination of the following factors:

- The decrease in Energy revenues (-9.5%), mainly due to the reduction from the construction of turn-key projects for third parties (Puerto Libertad in 2018), the lower hydro production and the disposal of the CSP business in Spain.
- Slight decrease in the Infrastructure business revenues (-0.5%), with Water business compensating the lower volume of the Construction business.
- The decrease in revenues from Other Activities (-7.8%), mainly due to the disposal of Trasmediterránea in the second quarter of 2018.

EBITDA

<i>(Million Euros)</i>	Jan-Dec 19	% EBITDA	Jan-Dec 18	% EBITDA	Chg. €m	Chg. %
Energy	845	62%	743	60%	102	13.7%
Infrastructure	431	32%	419	34%	12	2.9%
Other activities	84	6%	86	7%	(2)	-2.6%
Consolidation adjustments	(3)	n.m.	(3)	n.m.	(0)	-1.6%
EBITDA Total	1,357	100%	1,245	100%	112	9.0%
<i>Margin (%)</i>	18.9%		16.6%			+2.3pp

Note: EBITDA contributions calculated before consolidation adjustments.

FY 2019 EBITDA increased by 9.0% to €1.357 billion. Broken-down into business lines, Energy increased by 13.7%, Infrastructure's EBITDA grew by 2.9% and Other Activities contributed with an EBITDA of €84 million, representing a 2.6% decline compared to last year.

EBIT

EBIT amounted to €699 million vs. €757 million in 2018. The latter included the result of the corporate transactions closed during 2018, which contributed €132 million.



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Earnings Before Tax (EBT)

<i>(Million Euros)</i>	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Energy	284	179	106	59.0%
Infrastructure	201	137	64	46.3%
Other activities	62	63	(2)	-2.5%
Consolidation adjustments	(2)	(2)	(0)	1.8%
EBT - ex. corp. trans.	545	377	168	44.5%
Results from corporate transactions	-	132	(132)	n.a.
BAI Total	545	509	36	7.1%
Margin (%)	7.6%	6.8%		+0.8pp

Note: In 2019, the Corporate Unit in charge of the treasury centralising system has generated a financial margin that has been attributed among the various divisions in accordance with financing necessities, aiming to facilitate its year on year comparison; the information by segment for 2018 has been reformulated.

EBT increased by 7.1%, driven by the growth in EBITDA and the reduction in depreciation and financial expenses.

Attributable Net Profit

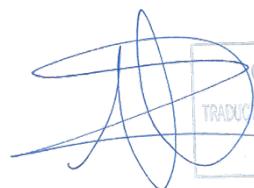
Attributable net profit reached €352 million, 7.2% higher than the 2018 result. If we eliminate the effect of these corporate transactions in 2018, the Ordinary Net Profit grew by 60.3% during 2019.



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Consolidated Balance Sheet and Cashflow

<i>(Million euros)</i>	31-Dec-19	31-Dec-18	Chg. €m	Chg. %
Property, Plant & Equipment and Intangible assets	7,703	7,451	252	3.4%
Rights of use	409	--	409	n.a.
Financial assets	1,327	1,209	118	9.8%
Goodwill	233	198	35	17.6%
Other non-current assets	1,638	1,143	495	43.3%
NON-CURRENT ASSETS	11,311	10,002	1,309	13.1%
Inventories	1,248	914	334	36.5%
Accounts receivable	2,091	1,701	390	22.9%
Other current assets	352	425	(73)	-17.2%
Current financial assets	199	178	20	11.4%
Cash and cash equivalents	2,149	1,717	431	25.1%
CURRENT ASSETS	6,038	4,936	1,102	22.3%
TOTAL ASSETS	17,349	14,938	2,412	16.1%
Share capital	55	57	(2)	-4.2%
Reserves	3,043	3,104	(60)	-1.9%
Profit attributable to equity holders of the Parent Company	352	328	24	7.2%
Own securities	(29)	(200)	171	85.7%
EQUITY ATTRIBUTABLE TO THE PARENT	3,421	3,289	132	4.0%
NON-CONTROLLING INTERESTS	219	206	14	6.7%
EQUITY	3,641	3,495	146	4.2%
Interest-bearing borrowings	5,296	4,080	1,216	29.8%
ST leasing liabilities	347	--	347	n.a.
Other non-current liabilities	1,904	1,789	115	6.4%
NON-CURRENT LIABILITIES	7,547	5,869	1,678	28.6%
Interest-bearing borrowings	1,966	2,149	-183	-8.5%
ST leasing obligations	55	--	55	n.a.
Trade payables	2,604	2,459	145	5.9%
Other current liabilities	1,536	966	570	59.0%
CURRENT LIABILITIES	6,162	5,574	588	10.5%
TOTAL LIABILITIES AND EQUITY	17,349	14,938	2,412	16.1%



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(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg.(€m)	Chg.(%)
EBITDA	1,357	1,245	112	9.0%
Financial results	(197)	(226)	29	12.9%
Working capital	(33)	(200)	167	83.5%
Other operating cashflow	(227)	(153)	(74)	-48.6%
Operating cashflow	899	665	234	35.2%
Net Ordinary Capex	(1,031)	(726)	(305)	-42%
Divestments	--	1,420	(1,420)	-100%
Investment property (*)	(210)	(100)	(110)	n.a.
Net Investment Cashflow	(1,241)	594	(1,835)	n.a.
Share buy-back programme	(0)	(196)	196	n.a.
Debt derivatives	(42)	13	(55)	n.a.
Forex	(14)	12	(26)	n.a.
Dividend	(192)	(172)	(20)	-11.7%
Perimeter changes and other	7	(25)	31	n.a.
Financing/other cashflow	(241)	(368)	127	-34.5%
Change in net debt decrease / (increase)	(582)	892	(1,474)	n.a.

Note: 2019 Real Estate investment net of real estate assets sales (€63 million)

Attributable Equity

ACCIONA's attributable equity as of 31st December 2019 stood at €3.421 billion, 4.0% higher than 31st December 2018.



Change in Net Financial Debt

	31-Dec-19		31-Dec-18		Chg. €m	Chg. %
	Amount	Total	Amount	Total		
Project debt	1,304	18%	1,540	25%	(236)	-15.3%
Corporate debt	5,958	82%	4,689	75%	1,269	27.1%
Total interest-bearing debt	7,262	100%	6,229	100%	1,034	16.6%
Cash + Current financial assets	(2,347)	--	(1,896)	--	(451)	-23.8%
Net financial debt:	4,915	--	4,333	--	582	13.4%
Net financial debt incl. IFRS 16	5,317	--	--	--	n.a.	n.a.

Net debt as of 31st December 2019 grew to €4.915 billion (€5.317 billion including the IFRS16 effect), an increase of €582 million compared to December 2018. This variation is a result of a combination of the following factors:

- Operating Cashflow of €899 million.
- Net Investment Cashflow of -€1.241 billion, including real estate investment of €272 million

- Financing Cashflow and Others, which reached -€241 million, including the distribution of a dividend amounting to €192 million

Financial gearing has evolved as follows:

(Million Euros)	31-Dec-19	31-Dec-18
Gearing (Net Debt/Equity) (%)	146%	124%

Capital Expenditure

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. (€m)	Chg. (%)
Energy	608	554	54	9.7%
New energy capacity	509	554	(45)	-8.2%
Nordex capital increase	99	--	99	n.a.
Infrastructure	372	145	227	156.7%
Construction	45	22	23	102.2%
Concessions	268	4	264	n.a.
Water	15	58	(42)	-73.3%
Services	44	61	(17)	-27.7%
Other activities	52	27	25	90.0%
Net Ordinary Capex	1,031	726	305	42.0%

Note: 2019 Concessions figure includes the sale of concessional assets (€20 million)

In 2019 the net ordinary capex across ACCIONA's various divisions grew to €1.031 billion, a 42.0% increase on the amount invested during 2018.

The Energy division invested €509 million in the construction of new capacity, mainly wind technology, highlighting the San Gabriel and Almeyda projects in Chile, Palmas Altas in USA and Santa Cruz y San Carlos in Mexico. As of December 2019 there were 835MW under construction. Additionally, €99 million were provided to subscribe Nordex's 10% capital increase.

Regarding Infrastructures, €372 million were invested, including €281 million from the global settlement reached with the client on the Sydney Light Rail concession.

Capex in Other Activities amounted to €52 million in the period, not including the investment in real estate.



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Results by Division

Energy

<i>(Million Euros)</i>	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Generation	1,435	1,442	(6)	-0.4%
Spain	766	854	(88)	-10.3%
International	670	588	82	13.9%
Development, Construction & Other	970	963	7	0.7%
Consolidation adjustments and other	(408)	(199)	(210)	-105.5%
Revenues	1,997	2,206	(209)	-9.5%
Generation	868	821	47	5.7%
Spain	433	441	(8)	-1.7%
International	435	380	55	14.4%
Development, Construction & Other	4	(31)	34	111.9%
Consolidation adjustments and other	(27)	(47)	21	43.7%
EBITDA	845	743	102	13.7%
<i>Generation Margin (%)</i>	<i>60.5%</i>	<i>56.9%</i>		
EBT	284	179	106	59.0%
<i>Generation Margin (%)</i>	<i>19.0%</i>	<i>18.2%</i>		

ACCIONA Energy revenues decreased by 9.5% compared to 2018. EBITDA grew reaching €845 million (+13.7%), mainly due to:

- In Spain, the Generation business EBITDA fell by 1.7% mainly due to the disposal of CSP assets and the lower hydro production. The average price obtained in the portfolio has been lower in 2019 compared to 2018, in an environment of lower wholesale prices (€47.7/MWh vs. €57.3/MWh in 2018).
- The International Generation business grew by 14.4% mainly driven by the contribution of the new operating assets.
- The effect of IFRS16, which requires that lease expenses be accounted for below the EBITDA line (depreciation and financial expenses).

Over the last 12 months, consolidated installed capacity increased by 469MWs. The international portfolio increased by 471MWs (334MWs of wind capacity in the USA and Chile and 138MWs in PV in Ukraine and Chile).

At an operational level, consolidated production in the year reached 18,712GWh, in line with the same period last year (+0.6%). In the Spanish market, it decreased by 5.1%, mainly driven by the lower hydro output. International assets showed a 7.7% growth in production, due to the new capacity that has come into operation during 2019 despite the lower load factor of the capacity that was already operating.



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Breakdown of Installed Capacity and Production by Technology

31-Dec-19	Total		Consolidated		Net	
	Installed MW	Produced GWh	Installed MW	Produced GWh	Installed MW	Produced GWh
Spain	5,678	12,784	4,453	9,870	5,015	11,211
Wind	4,740	10,639	3,516	7,725	4,080	9,085
Hydro	873	1,720	873	1,720	873	1,720
Solar Thermoelectric	--	--	--	--	--	--
Solar PV	3	4	3	4	3	4
Biomass	61	421	61	421	59	402
International	4,439	10,207	3,600	8,842	3,047	6,831
Wind	3,236	8,561	3,034	8,019	2,272	5,798
Mexico	740	2,457	740	2,457	544	1,822
USA	866	2,179	791	1,948	607	1,402
Australia	435	1,234	371	1,083	312	866
India	164	396	164	396	135	326
Italy	156	257	156	257	104	171
Canada	181	483	141	373	94	249
South Africa	138	330	138	330	51	121
Portugal	120	309	120	309	75	191
Poland	101	244	101	244	67	163
Costa Rica	50	267	50	267	32	174
Chile	234	273	234	273	219	235
Croatia	30	82	30	82	20	55
Hungary	24	51	--	--	12	25
Solar PV	1,138	1,533	502	710	732	957
Chile	308	461	308	461	308	461
South Africa	94	208	94	208	35	76
Portugal	46	96	--	--	20	42
Mexico	405	408	--	--	202	204
Egypt	186	319	--	--	78	134
Ukraine	100	40	100	40	89	40
Solar Thermoelectric (USA)	64	113	64	113	43	76
Total Wind	7,977	19,201	6,550	15,744	6,353	14,883
Total other technologies	2,140	3,791	1,504	2,968	1,710	3,159
Total Energy	10,117	22,991	8,053	18,712	8,062	18,042

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Infrastructure

<i>(Million Euros)</i>	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Construction	3,430	3,545	(115)	-3.2%
Concessions	78	108	(30)	-27.7%
Water	758	639	119	18.6%
Services	824	800	24	3.0%
Consolidation adjustments	(56)	(33)	(23)	-70.1%
Revenue	5,034	5,059	(25)	-0.5%
Construction	289	227	61	26.8%
Concessions	33	49	(16)	-32.0%
Water	66	113	(47)	-41.4%
Services	43	30	13	45.4%
EBITDA	431	419	12	2.9%
<i>Margin (%)</i>	8.6%	8.3%		
EBT	201	137	64	46.3%
<i>Margin (%)</i>	4.0%	2.7%		

ACCIONA's Infrastructure revenues reached €5.034 billion, (-0.5% vs 2018). EBITDA increased by 2.9% and stood at €431 million.

Infrastructure Backlog

<i>(Million euros)</i>	31-Dec-19	31-Dec-18	Chg. %	Weight (%)
Construction	6,506	6,015	8.2%	57%
Water	3,974	3,779	5.2%	35%
Services	911	1,052	(13.4%)	8%
Total	11,391	10,846	5.0%	100%

<i>(Million Euros)</i>	31-Dec-19	31-Dec-18	Chg. %	Weight (%)
EPC (Const. and Water)	8,047	7,126	12.9%	71%
Services	911	1,052	(13.4%)	8%
Water O&M	2,433	2,668	-8.8%	21%
Total	11,391	10,846	5.0%	100%

<i>(Million Euros)</i>	31-Dec-19	31-Dec-18	Chg. %	Weight (%)
Spain	3,558	3,589	(0.8%)	31%
International	7,832	7,257	7.9%	69%
Total	11,391	10,846	5.0%	100%

The Infrastructure backlog increased by 5.0%. During 2019, more than €4.7 billion in new EPC projects has been awarded, highlighting Waste to Energy projects, new desalination plants, bridges and railway lines construction.



A. Construction

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Revenues	3,430	3,545	(115)	-3.2%
EBITDA	289	227	61	26.8%
<i>Margin (%)</i>	8.4%	6.4%		

Revenues decreased by 3.2% and stood at €3.430 billion, due to the fact that some of the large international projects are reaching more mature stages in their production curves or they have already been delivered, and despite the revenues related to the agreement reached with the client in the Sydney Light Rail project. EBITDA stood at €289 million.

B. Concessions

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Revenues	78	108	(30)	-27.7%
EBITDA	33	49	(16)	-32.0%
<i>Margin (%)</i>	42.5%	45.1%		

Concessions revenues and EBITDA fell to €78 million and €33 million respectively, partially explained by the sale of Rodovia do Açõ.

C. Water

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Revenues	758	639	119	18.6%
EBITDA	66	113	(47)	-41.4%
<i>Margin (%)</i>	8.7%	17.7%		

Water revenues increased by 18.6% due to the construction of new desalination plants beginning in the Middle East. In spite of that, EBITDA decreased by 41.4% to €66 million, due to the early termination of ATLL's water concessions from the 1st of March 2019.

D. Services

(Million Euros)	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Revenues	824	800	24	3.0%
EBITDA	43	30	13	45.4%
<i>Margin (%)</i>	5.2%	3.7%		

This activity has grown as a result of the increase of the urban services business.



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Other activities

<i>(Million Euros)</i>	Jan-Dec 19	Jan-Dec 18	Chg. €m	Chg. %
Real estate	141	84	57	67.6%
Bestinver	99	102	(4)	-3.6%
Corp. and other	122	205	(84)	-40.7%
Revenue	361	392	(31)	-7.8%
Real Estate	20	9	12	136.7%
Margin (%)	14.3%	10.1%		
Bestinver	62	72	(10)	-14.2%
Margin (%)	63.0%	70.7%		
Corp. and other	1	5	(4)	-74.5%
EBITDA	84	86	(2)	2.6%
EBT	62	63	(2)	2.5%

A. Real Estate

Revenues increase as a result of 412 residential units being completed during 2019.

The Real Estate business EBITDA reached €20 million, compared to €9 million last year.

B. Bestinver

Lower contribution from Bestinver due to slightly lower average AUMs (€6.047 billion vs €6.151 billion in FY 2018) and product mix.

At the end of 2019, the funds under management grew by 24.0% to €6.790 billion, including the consolidation with the funds under management of Fidentiis.



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MATERIAL INFORMATION, DIVIDEND AND SHARE DATA

Significant communications to the stock market

- **11 January 2019: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 11/10/2018 and 10/01/2019, both inclusive**
 - On 29 October 2018 (Relevant information 254438), the operational phase under the Liquidity Contract was reactivated after its temporary suspension under the Buy-Back Programme.

- **28 March 2019: ACCIONA executes its capital reduction agreement**
 - ACCIONA's Board of Directors executes its capital reduction agreement for an amount equal to 2,402,897 euros through the amortisation of 2,402,897 own shares acquired through a buy-back programme.
 - After the share capital reduction and amortisation of own shares, the Company's articles of association consider a share capital of 54,856,653 euros, divided into 54,856,653 shares of 1 euro nominal value each, fully subscribed and paid-up within the same class and in one series.

- **11 April 2019: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 11/01/2018 and 10/04/2019, inclusive**
 - Detailed information about the operations relevant to the seventh quarter of the mentioned contract (from 11th January 2019 to 10th April 2019, both included).

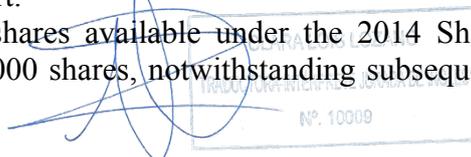
- **15 April 2019: ACCIONA officially announces and submits the proposal of the Annual General Meeting**
 - ACCIONA's Board of Directors has convened the Shareholders Annual General Meeting for 29 May 2019 on first call and 30 May 2019 on second call (it being expected that it will be held on second call).

- **30 May 2019: Approval of Agreements adopted by the Ordinary General Shareholders Meeting**

At the Ordinary General Shareholders' Meeting held on the 30th May 2019, the following agreements, among others, were adopted:

 1. To approve ACCIONA, S.A.'s individual annual accounts for 2018, as well as the consolidated annual accounts of the Group for the same period.
 2. To approve the management of the Board of Directors, managers and attorneys of the Company during 2018, as well as the management reports presented by the Board of Directors
 3. To approve the allocation of the results of the 2018 financial year set out in the approved annual accounts. The payment of a gross dividend of €3.5 per share will be paid on July 1st, 2019

 4. To re-elect Mr. Juan Carlos Garay Ibargaray as Independent External Director. To appoint Sonia Dulá as Independent External Director.
 5. To approve the 2018 Sustainability Report.
 6. To increase the maximum number of shares available under the 2014 Share Performance and Delivery Plan by 100,000 shares, notwithstanding subsequent



- increases if proposed by the Board of Directors and approved by the General Meeting of Shareholders
7. To authorise the announcement, where relevant, of Extraordinary General Meetings of the Company with a minimum of fifteen (15) days' notice, pursuant to article 515 of the Spanish Companies Act
 8. To approve, on a consultative basis, the Annual Report on the Remuneration of Directors for the 2018 financial year
 9. Information about the changes introduced in the Board of Directors Regulations
 10. To delegate to the Board of Directors the broadest powers of implementation, interpretation, remedy and execution of the resolutions adopted by this General Meeting, with the express authorisation for the powers to be exercised by the Directors or the Secretary designated by the Board of Directors
- **30 May 2019: ACCIONA reports on the dividend payment of €3.5 gross per share and payment date on 01/07/2019**
 - ACCIONA reports that the €3.5 per share gross dividend approved by the Annual General Shareholders Meeting shall be paid on July 1st, 2019, through the agents of Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores.
 - **30 May 2019: ACCIONA reports on the replacement of the Audit Committee president.**
 - As a result of the resolutions adopted by the Board of Directors, ACCIONA reports that, due to the mandatory term of four years having elapsed, Mr. Juan Carlos Garay Ibargaray has been replaced by Ms. Ana Sáinz de Vicuña Bemberg as President of the Audit Committee with effects from today.
 - **21 June 2019: ACCIONA reports on the cessation of payment rights of its stake in ATLL**
 - In relation with the claim between ATLL Concesionaria de la Generalitat de Catalunya, S.A. and the Catalan Government (Generalitat de Catalunya) deriving from the annullability of the award of the contract for the management of water supply “en alta” Ter-Llobregat declared by the Cataluña Superior Justice Court and confirmed by the Supreme Court, ATLL Concesionaria, in which ACCIONA holds a 76.05% share, has assigned any future payment rights derived from the Claim for a price equal to; (i) a fixed and unconditional amount of €170 million; and (ii) a contingent amount based on the amount finally awarded by the Catalan Government and/or the Courts.



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- **24 June 2019: ACCIONA reports on the exact dates and amount of the dividend payment**
 - ACCIONA reports on the payment of its 2018 dividend, as approved by the Annual General Shareholders Meeting. The payment of the dividend shall be processed through agents of Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores.
 - The €3.5 per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of 3.52256082 euros per share due to the direct treasury stock adjustment.

- **02 July 2019: ACCIONA Construcción S.A. has launched a Takeover Bid for 49.9% of the share capital of Mostostal Warszawa**
 - ACCIONA informs that its subsidiary, ACCIONA Construcción S.A. has launched a Tender Offer for the acquisition of shares representing 49.91% of the share capital of Mostostal Warszawa S.A. Currently, ACCIONA Construcción, S.A. holds shares representing 50.09% of the share capital of Mostostal. The shares of Mostostal are traded in the Warsaw Stock Exchange.
 - The Tender Offer has been launched for a total of 9,981,267 shares of Mostostal for a total price of PLN 34,435,371 (€8,120,401).
 - The purpose of the Tender Offer, if successful, is to achieve 100% of the total number of the shares of Mostostal and carry out a delisting of Mostostal shares on the Warsaw Stock Exchange.

- **11 July 2019: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 11/04/2019 and 10/07/2019, inclusive**
 - Detailed information about the operations relevant to the eighth quarter of the mentioned contract (from 11 April 2019 to 10 July 2019, both included).

- **22 July 2019: BESTINVER buys Fidentiis and strengthens its position as the Spanish market leading independent financial group**
 - Bestinver, the ACCIONA group's asset management firm, has closed the acquisition of Fidentiis, a leading financial firm in Spain, specialised in South European capital markets. Bestinver will stay focused on asset management expanding its services with analysis and equity brokerage, capital markets and mergers and acquisitions. Sonia Dulá will assume Bestinver's non-executive presidency, Enrique Pérez-Pla will be its CEO and Beltrán de la Lastra will continue as investments director. This operation is subject to the approval of CNMV, which is expected to be completed by 2019.



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- **26 August 2019: ACCIONA, through its subsidiary Acciona Construcción, S.A., and after the completion of the subscription period for the Tender Offer launched for Mostostal Warszawa, S.A., has acquired 2,407,655 shares, and now holds a 62.13% of the share capital**
 - ACCIONA informs on the completion of the subscription period for the Tender Offer launched by Acciona Construcción, S.A. for the acquisition of shares traded with the Warsaw Stock Exchange and representing 49.91% of the share capital of Mostostal Warszawa, S.A. Acciona Construcción, S.A., has acquired 2,407,655 shares, for a price of PLN 4.5 (€1.03) per share, and now holds a total of 62.13% of the share capital in Mostostal. The total amount disbursed for the shares after the Tender Offer is PLN 10,834,448 (€2,478,201).

- **08 October 2019: ACCIONA fully subscribes Nordex 10% capital increase and, upon exceeding the legal threshold of 30%, submits a public tender offer to all outstanding shareholders at €10.32 per share**
 - ACCIONA, SA has accepted Nordex SE's proposal to subscribe 9,698,244 new shares issued as a consequence of the corporate capital increase agreed, at €10.21 per share, i.e., a total of €99,019,071.20.
 - With this capital increase, ACCIONA shall hold 38,695,996 shares of Nordex representing 36.27% of its corporate capital.
 - Upon exceeding the legal threshold of 30%, ACCIONA is legally bound to submit a public tender offer at the volume weighted average price (vwap) of the last three months.
 - ACCIONA has announced on the German market the submission of a public tender offer to all outstanding shareholders of Nordex against a cash consideration of €10.32 per share.

- **11 October 2019: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 11/07/2019 and 10/10/2019, inclusive**
 - Detailed information about the operations relevant to the ninth quarter of the mentioned contract (from 11th July 2019 to 10th October 2019, both included).

- **18 November 2019: German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") has approved the Offer Document submitted by the Company, in relation to the Public Takeover Offer (the "Offer") launched for the entirety of the shares of NORDEX, SE, for a price of EUR 10.342 cash per share**
 - Following the approval of the Offer Document, the Acceptance Period is initiated for a term of thirty (30) days, running from 18th November 2019 to 18th December 2019.
 - Once the Acceptance Period is finalised, and after completion of the formalities required under German law, an additional two week acceptance period will commence, running from the 24th of December 2019 to the 6th of January 2020.

- **19 December 2019: Acciona increases its Australian presence through the acquisition of the ongoing Lendlease Engineering business**
 - ACCIONA has entered into an agreement with Lendlease, the Australian property and infrastructure group, to acquire part of the portfolio of its subsidiary of Lendlease Engineering.

ACCIONA S.A.

NOTES TO THE FINANCIAL STATEMENTS

- The transaction, valued at AU\$180 million (€110 million), includes a substantial fleet of plant and equipment as well as the project-related workforce and Lendlease Engineering's business development teams. The deferred consideration is payable as follows: one-third upon completion, a further third at the end of 2020, and the rest in June 2021.

- **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, 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 reports on the transactions of the Liquidity Contract for periods ranging from 11/10/2019 and 10/01/2020, inclusive**
 - Detailed information about the operations relevant to the tenth quarter of the mentioned contract (from 11th October 2019 to 10th January 2020, both included).



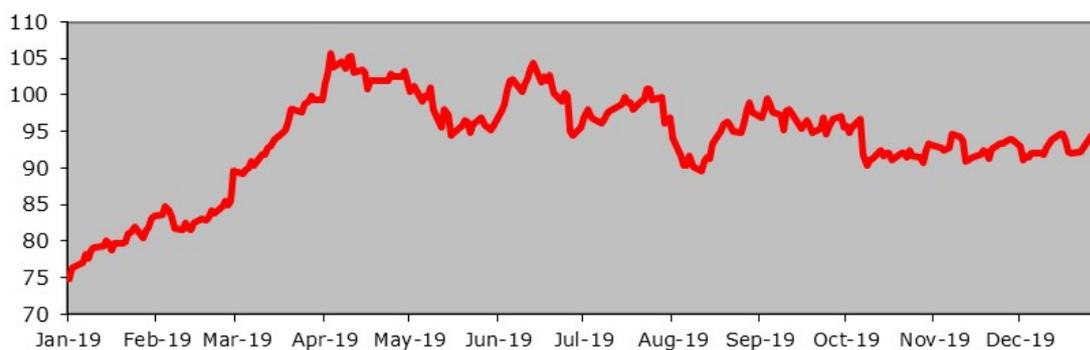
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Dividend

On 28 February 2019 the ACCIONA's Board of Directors proposed the distribution of a dividend of €192.0m (€3.50 per share) charged to the results of the 2018 fiscal year, approved on the 30 May 2019 in the General Shareholders Meeting.

Share data and share price performance

ACCIONA Share Price Evolution (€/share)



Key Share Data

	31-Dec-19
Price at 31 December 2019 (€/share)	93.80
Price at 29 December 2018 (€/share)	73.90
Low in FY 2019 (02/01/2019)	74.80
High in FY 2019 (04/04/2019)	105.70
Average daily trading (shares)	98,735
Average daily trading (€)	9,261,880
Number of shares	54,856,653
Market capitalisation at 29 December 2019 (€ millions)	5,178


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Share Capital Information

As of 31 December 2019, 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 31st December 2019, amounted to 398,641 shares, which represent 0.73% of the share capital.

The changes in treasury shares in financial year 2019 were as follows:

	2019		2018	
	Number of shares	Cost	Number of shares	Cost
Opening balance	2,902,115	199,616	45,702	3,146
Additions	1,536,056	144,099	971,942	70,675
Retirements	(1,545,975)	(144,035)	(954,831)	(68,967)
Liquidity contract movements	(9,919)	64	17,111	1,708
Other additions	--	--	2,967,395	203,073
Other removals	(2,493,555)	(171,047)	(128,093)	(8,311)
Other movements	(2,493,555)	(171,047)	2,839,302	194,762
End balance	398,641	28,633	2,902,115	199,616

Research and development expenses

The information relating to this heading is set out in Acciona S.A. and subsidiaries Director's Report at 31 December 2019.

Events after the reporting period

As mentioned in note 33 of these consolidated financial statements, the acceptance period and the additional acceptance period of the takeover bid for NORDEX SE ended on 9 January 2020. The takeover bid was accepted for a total of 149,399 shares representing 0.14% of share capital at a price of 10.34 euros per share which was settled on 13 January 2020 for a total of 1,544 thousand euros.

On 7 February, Acciona confirmed that it had reached an agreement with the Brazilian consortium Move and the government of the State of São Paulo (Brazil) to transfer the concession contract for line 6 of the city's metro system. The closure of the operation is subject to various conditions precedent being met.



Main Risks associated with the ACCIONA Group's business activities

The risk scenarios considered in the Acciona Risk Management System have been classified into seven groups: **financial, strategic, operational, unforeseeable, environmental, social and compliance**, with the first two groups identified by the Group's executives as those presenting a higher risk profile.

1. Financial and Economic Risks:

Mainly fluctuations in exchange rates, interest rates and financial markets, liquidity, cash flow, late payment or loss of clients.

In order to mitigate the exchange rate risk, Acciona engages currency derivatives (mainly exchange-rate hedging instruments) to cover significant future transactions and cash flows in line with the tolerated risk thresholds. Note 20 to the financial statements for 2019 includes detail of current and non-current assets and liabilities and of net equity at 31 December 2019 in the main currencies in which the Group operates.

Interest rate risk is particularly material with regard to the funding of infrastructure projects, in concession contracts, in the construction of wind farms or solar plants and other projects where the variation in interest rates may have a strong impact on their profitability. It is mitigated by hedging transactions through the engagement of derivatives. (Mainly interest rate swaps, IRS) and by the increase in project financing with fixed-rate corporate financing.

As regards credit and liquidity risks, the Group negotiates operations exclusively with solvent third parties and requires sufficient assurances to mitigate the risk of financial losses in the event of any default.

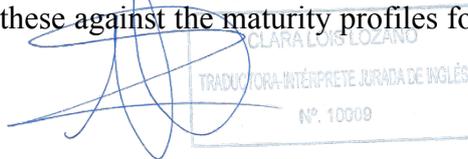
Together with a suitable level of reserves, it also constantly monitors the forecasts and the current levels of cash flows to match these against the maturity profiles for financial assets and liabilities.

2. Strategic Risks:

They are risks that have the consequences of reducing the growth of the company and failing to meet the objectives due to inability to respond to a dynamic and competitive environment. These risks include organisational changes, investments and divestments, threats from competitors, economic, political and legal changes, and the impact of new technologies or research and development.

Acciona minimises this type of risk through its own strategy and business model by applying adequate sectoral and geographic diversification of its businesses; the performance of exhaustive market research, surveys of competitors and the countries in which its activities are carried out; as well as through the encouragement of Research and Development.

Risks derived from conduct that is contrary to ethics and integrity. The markets in which Acciona operates could be exposed to risks of an ethical nature that go against the



principles of integrity and respect in existing legislation. Acciona has put in place a Code of Conduct which establishes the basic principles and commitments that all directors and employees of the divisions as well as suppliers and third parties in contact with these companies must fulfil and respect when carrying out their activities. There is a whistle blowing channel, communicated at all levels of the Organisation, to enable information to be passed on, with guarantees of confidentiality, regarding any irregular conduct relating to accounting, supervision and auditing as well as any other non-compliance or breach of the behaviour promulgated in the Code.

3. Operational Risks:

They are risks concerning processes, people and products. They are related to regulatory, legal and contractual compliance, control systems and procedures, the supply chain, auxiliary services, information systems, employee productivity and the loss of key personnel.

In each business area, specific systems are established to cover all the business requirements, to systematise and document processes, and to manage quality, operations, planning and financial control.

In order to mitigate the risks in the procurement process, controls have been established to favour free competition and transparency in the processes and to avoid violating Acciona's commitment to ethical behaviour in these processes. Acciona mitigates the main risks in its supply chain related to economic, environmental and labour matters by carrying out a thorough analysis of its critical suppliers.

4. Unforeseeable Risks:

They are risks related to damage caused to company assets and civil liability risks that could negatively impact the company's performance, including criminal acts of a cyber nature.

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.

5. Environmental Risks:

These are the risks associated with the company's contribution to climate change through greenhouse gas emissions, waste management, natural resource use and energy efficiency.



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6. Social Risks:

These are the risks associated with human rights, labour standards in the supply chain, health and safety in the workplace, and the relationship with communities to obtain a social license to operate.

7. Compliance Risks:

These refers to a set of rules or principles that define ethical behaviour, rights, responsibilities and expectations among different stakeholders in corporate governance.

Acciona established a Crime Prevention and Anti-Corruption Model following the reform of the Spanish Penal Code. A Criminal Risk Map has been developed since then with the aim of fully integrating the regulatory control system and so that the controls introduced are perfectly aligned and audited.

Social, environmental and governance risks are identified and assessed so that Acciona can improve its sustainability performance, improve its response to multiple scenarios and changing environments, and improve confidence among its stakeholders.

In addition, Acciona has a Corporate Management System for Environmental Crises. This system includes measures to be followed and the allocation of responsibilities and resources necessary for the adequate management of a crisis situation following any incident occurring at facilities owned or operated by the Company and leading to consequences for the environment.

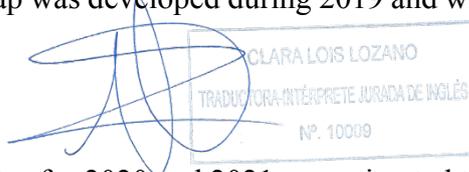
As regards the **tax risks** faced by the Group, these are basically procedures, communication with business areas that may lead to an inadequate technical analysis, changes in tax regulations or administrative and jurisprudential criteria, as well as the reputational risk arising from tax decisions that may damage the Group's image and reputation. Acciona has defined a tax risk management policy for such issues which is based on a suitable control environment, a risk identification system, and a continuous monitoring and improvement process on the effectiveness of the established controls. A Pilot Project on the Tax Risk Map was developed during 2019 and will be integrated into the Group's Risk Map.

Foreseeable Evolution

Worldwide economic growth rates for 2020 and 2021 are estimated to be 3.3% and 3.4% respectively, which is lower than the initial estimates provided by the last WEO report^[1], which had originally predicted 3.4% and 3.6% growth, respectively.

This is mainly due to the negative performance of the economy in certain emerging markets, in particular India, leading to a revision of the expected growth for the next two years and including, where appropriate, the impact of greater social unrest. The current

^[1] International Monetary Fund *Global Perspectives on World Economy, update on the last WEO report* (Davos: 2019), available at: <https://www.imf.org/es/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>



impact of the Chinese economy on the rest of the world as a result of the rapid spread of the coronavirus must also be discerned. China accounts for 17% of world GDP, and contributes a third of the world's growth, hence a slowdown in Chinese growth could affect the global growth expected for 2020. In contrast, a turning point in global macroeconomic data is somewhat approaching, driven by a shift in manufacturing activity and international trade, by a general reorientation towards accommodative monetary policy, intermittently optimistic news about US-China trade negotiations and greater certainty of Brexit happening with an agreement.

Emerging signs of stabilisation reinforced attitudes in financial markets, and stocks in the largest advanced economies remained high during the last quarter of the year. Currency fluctuations between September and early January reflected a general improvement in risk attitudes and the easing of trade tensions. The most notable movement was the appreciation of the British pound (4% since September) in the face of perceived reduced risks of an exit from the European Union without an agreement.

With regards to advanced economies, growth is expected to stabilise at 1.6% in 2020-21. In the United States and Japan, moderate growth is projected, from 2.3% in 2019 to 2% in 2020 (1.7% in 2021) in the former case, marked by a return to a neutral fiscal stance and the entrenched attitude of the financial markets. In Japan, a shift is expected from an estimated 1% in 2019 to 0.7% in 2020, due to the fiscal stimulus measures adopted in December 2019. In the euro area, growth is expected to rebound by one percentage point in 2020, to 1.3% (1.2% in 2019). The projections for Germany and Spain have been revised downwards due to the impact of a sharper than expected slowdown in domestic demand and exports in 2019. In the United Kingdom a smooth exit from the European Union is forecast for 31 January, followed by a gradual transition to a new economic relationship (1.4% in 2020 with a potential rise to 1.5% in 2021).

Within the group of emerging market economies, growth is forecast to rise to 4.4% in 2020 (3.7% in 2019). In the case of Asia, a slight increase is expected, to 5.8% in 2020 and 5.9% in 2021 (5.6% in 2019). This cut is marked by the downward revision of the projection for India, although growth in the Asian country is expected to improve in 2020 and 2021, thanks to fiscal and monetary stimulus and the moderate level of oil prices. On the other hand, unresolved disputes over economic relations between the United States and China can be expected to decrease China's growth more broadly from the estimated 6.1% in 2019 to a projected 6% in 2020 (5.8% in 2021).

Within the European framework, growth in the emerging economies is expected to strengthen to around 2.5% in 2020-21 (1.8% in 2019) thanks to continued strong growth in Central and Eastern Europe, a rebound in activity in Russia, and the economic recovery underway in Turkey.

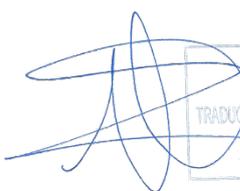
In Latin America, growth is expected to recover in the next two years, from 0.1% in 2019 to 1.6% in 2020 (2.3% in 2021) with decreases in Mexico due to continued weak investment, and in Chile, affected by social tension. On the positive side, Brazil's growth improved after the pension reform was approved and supply disruptions in the mining sector disappeared. Despite the above, geopolitical tensions (particularly between the United States and Iran) and civil conflicts continue to mark the growth of several economies in the region.

Growth estimates in the Middle East and Central Asia regions are set at 2.8% in 2020 (3.2% in 2021) following the OPEC+ decision in December to extend oil supply restrictions. In Sub-Saharan Africa, growth is expected to rise to 3.5% over the next two years (3.3% in 2019), marked by downward projections for South Africa, which is suffering from a significant deterioration in public finances, and for Ethiopia, where public sector consolidation is expected to affect growth.

Sustainability events

Non-financial information

- ACCIONA has published information about its sustainability performance for FY 2018 in its **Non-Financial Information Statement of the 2018 Consolidated Directors' Report and the 2018 Sustainability Report**, both have been approved with the favourable vote of 99.94% of the capital with voting rights in attendance at the Shareholders Meeting.
- For the seventh year running, ACCIONA published its **Integrated Report**, in which it explains the keys for the company's value generation in the short, medium and long term.
- ACCIONA has published a new **section on 'Sustainable Finance'**. This section contains the financial operations that directly contribute to the achieving of goals on the sustainable agenda and to the objectives of improving the sustainability of the company. It also contains the new Green Funding Framework-reviewed by Sustainalytics with an independent second opinion (SPO).
- ACCIONA is the first company that publishes the degree of alignment to the demanding parameters set by the **European Commission on Taxonomy of low carbon activities**, related to the activity of its different businesses - CAPEX, Sales and EBITDA -.



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Sustainable finance

- ACCIONA closes its **first syndicated loan linked to sustainability goals (ESG syndicated Loan)** for €675 million. The interest rate will be adjusted according to the company's environmental, social and governance (ESG) performance.
- The company closes its **first loan linked to sustainability goals in Chile** with Santander bank. This USD30 million loan has a final interest rate that will be adjusted according to the company's environmental, social and governance (ESG) performance.
- ACCIONA and CaixaBank sign the **first Green Letter of Credit in the European market** for USD129 million. This financial instrument directs investment to sustainable projects such as the supply of photovoltaic panels to Puerto Libertad plant in Mexico.

Outstanding initiatives within the Sustainability Master Plan 2020

- For the third consecutive year, **ACCIONA has achieved carbon neutrality**, by offsetting the 100% of the CO2 emissions that could not be reduced, by the acquisition of emission reduction certificates.
- **The Social Impact Methodology has been implemented** with transversal responsibility within the different business's of the company in **124** energy, construction, water, industrial and services projects, in **27 countries**.
- Over **1,000 employees participated in the Volunteer Day in June**. They taught sustainability workshops to over 16,000 students aged 6 to 10 in 18 countries.
- At the **United Nations Climate Action Summit in New York in September**, ACCIONA adhered to various initiatives to accelerate the fight against the climate emergency led by the United Nations Global Compact (Business Ambition for 1.5°), Carbon Pricing Leadership Coalition (CPLC) of the World Bank Group (Carbon Pricing and Competitiveness) among others.
- ACCIONA's corporate foundation (acciona.org) expands its **'Luz en Casa Amazonia'** project to bring electricity to more than 5,000 people from some 30 rural indigenous communities in the Peruvian Amazon.
- For the fifth consecutive year, ACCIONA revalidated its position as the most "green" power generation company in the world according to the **"New Energy Top 100 Green Utilities"** ranking prepared annually by Energy Intelligence, an independent consultant specialising in energy markets.
- Within the framework of COP25, held in Madrid in December 2019, ACCIONA announced its commitment to reduce, before 2030, 60% of both direct and consumed energy emissions, as well as 47% of its value chain emissions. A goal validated by the **Science Based Target (SBTi)** initiative which has rated it as the most advanced of those approved so far.



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Average period of payment to suppliers and Corporate Social Responsibility

To the effects of the provisions in article 262.1 of Royal Legislative Decree 1/2010, of 2 July, whereby the consolidated text of the Capital Companies Act is approved, the information on the average period for payment to suppliers is contained in Note 12.4 to the financial statements. In addition, and in conformity with recommendation 55 of the Code of Good Governance of Listed Companies, it is hereby indicated that the aspects related to Corporate Social Responsibility are discussed in the Sustainability Report.

Annual Corporate Governance Report

The Annual Corporate Governance Report is available in its entirety on the National Securities Market Commission website (www.cnmv.es) and on the Company's website (www.acciona.es).

In addition, the Annual Corporate Governance Report will be notified to the National Securities Market Commission as a Material Event.

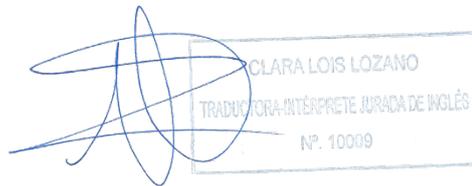


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Doña Clara Lois Lozano, Traductora-Intérprete Jurada de inglés número 10009 nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que sigue es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia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

En Madrid, a 13 de mayo de 2020

Firmado.



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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 13th day of May 2020

Signed.



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