Abertis Infraestructuras, S.A.

Financial Statements
for the year ended
31 December 2020 and
Directors' Report, together with
Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23).
In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Abertis Infraestructuras, S.A.,

Report on the Financial Statements

Opinion

We have audited the financial statements of Abertis Infraestructuras, S.A. (the Company), which comprise the balance sheet as at 31 December 2020, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2020, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2-a to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations 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 pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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.

Impairment test on goodwill	
Description	**Procedures applied in the audit**
The accompanying balance sheet includes goodwill amounting EUR 6,212 million that arose in the framework of the merger with Abertis Participaciones, S.A.U. described in Note 6. In this context, the Company performed an impairment test to assess the recoverable amount of this goodwill, which is prepared using valuation techniques based on the discounted cash flows as described in Note 7. The assessment of the recoverable amount of goodwill is a complex process that requires making estimates that include significant judgements and assumptions by the Company's management, all of which led us to determine the situation described to be a key matter in our audit.	Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the process to assess the recoverable amount of goodwill, as well as the performance of tests to verify that the aforementioned controls operate effectively. Also, we conducted substantive tests based on the obtainment of the impairment test carried out by the Company's management and verified the clerical accuracy of the calculations made, as well as evaluating the reasonableness of the main assumptions considered therein, basically those relating to future cash flow forecasts and discount rates. In addition, we involved our internal valuation specialists in the process to evaluate the assumptions and methodology used by the Company and, in particular, those related to the discount rates applied. We also analysed the reasonableness of the operating assumptions projected (primarily, traffic, tolls, operating costs and reinvestment disbursements).

Impairment test on goodwill	
Description	**Procedures applied in the audit**
	Furthermore, we reviewed the sensitivity analyses of the key assumptions, i.e., those with the greatest effect on the determination of the recoverable amount, performed by Company's management. Lastly, we checked that Note 7 to the accompanying financial statements contained the disclosures required by the applicable regulatory framework relating to the measurement of the recoverable amount of those assets and verified, in particular, the detail of the main assumptions used in the preparation of the impairment test and performed an analysis of the sensitivity to changes in the key assumptions used in the tests.

Impairment of ownership interests in Group companies and associates	
Description	**Procedures applied in the audit**
The Company has ownership interests in the share capital of Group companies and associates that are both listed and not listed on regulated markets, as detailed in Note 9 to the financial statements.	Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the process to assess the impairment of the investments in Group companies and associates, as well as tests to verify that the aforementioned controls operate effectively.

Impairment of ownership interests in Group companies and associates	
Description	**Procedures applied in the audit**
The measurement of the recoverable amount of those ownership interests requires the use of significant estimates and judgements by Company's management, both when choosing the valuation method and discounting future cash flows and when taking into consideration the key operating assumptions used for each method in question. As a result of the foregoing, as well as the significance of the investments held, which amounted to EUR 12,372 million at year-end, this matter was determined to be a key matter in our audit.	In particular, we obtained the measurement of the recoverable amount of the aforementioned ownership interests performed by the Company's management, and verified both the appropriateness of the valuation method used in relation to the investment held and the clerical accuracy of the calculations made. We also evaluated the reasonableness of the main assumptions taken into consideration in the calculations, mainly those referring to projected future cash flows and discount rates. In addition, we involved internal valuation specialists in the process to evaluate the assumptions and methodologies used by the Company and, in particular, those related to the discount rates applied. We also analysed the reasonableness of the operating assumptions projected (primarily, traffic, tolls, operating costs and reinvestment disbursements), as well as whether the assumptions included in the previous year's analysis were consistent with the actual operating data. Furthermore, we took into consideration the ability to pay dividends based on historical information and the potential restrictions under existing agreements that might prevent the payment of dividends in the future.

Impairment of ownership interests in Group companies and associates	
Description	**Procedures applied in the audit**
	Lastly, we checked that Note 9 to the accompanying financial statements contained the disclosures required by the applicable regulatory framework relating to the assessment of the recoverable amount of those assets and, in particular, the main assumptions used in the preparation of the impairment tests.

Other Information: Directors' Report

The other information comprises only the directors' report for 2020, the preparation of which is the responsibility of the Company's directors and which does not form part of the financial statements.

Our audit opinion on the financial statements does not cover the directors' report. Our responsibility relating to the information contained in the directors' report is defined in the audit regulations in force, which establish two distinct levels of responsibility in this regard:

a) Solely checking that certain information included in the Annual Corporate Governance Report, to which the Spanish Audit Law refers, has been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the directors' report is consistent with the financial statements, based on the knowledge of the entity obtained in the audit of those financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above was provided in the directors' report and that the other information in the directors' report was consistent with that contained in the financial statements for 2020 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit and Control Committee for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors 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 and Control Committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

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 the audit regulations in force 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 the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is on pages 8 and 9 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit and Control Committee

The opinion expressed in this report is consistent with the content of our additional report to the Audit and Control Committee of Abertis Infraestructuras, S.A. dated 9 March 2021.

Engagement Period

The Annual General Meeting held on 21 April 2020 appointed us as auditors for a period of one year from the year ended 31 December 2019.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the financial statements uninterruptedly since the year ended 31 December 2012.

DELOITTE, S.L.
Registered in ROAC under No. S0692

Ana Torrens Borrás
Registered in ROAC under No. 17762

9 March 2021

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with the audit regulations in force 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the use by the directors 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 fair presentation.

We communicate with the entity's Audit and Control Committee 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.

We also provide the entity's Audit and Control Committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the entity's Audit and Control Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and 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.

ABERTIS INFRAESTRUCTURAS, S.A.

Financial statements and management report
for the year ended 31 December 2020

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Balance sheets as at 31 December
(in thousands of euros)

ASSETS	**Notes**	**2020**	**2019**
NON-CURRENT ASSETS			
Intangible assets	7	**6,214,710**	**6,991,419**
Goodwill		6,211,868	6,988,351
Computer software		2,842	3,068
Property, plant and equipment	8	**6,091**	**6,928**
Land and buildings		3,304	3,384
Plant and other items of property, plant and equipment		2,787	3,544
Non-current investments in Group companies and associates	9	**12,371,916**	**11,662,329**
Equity instruments		12,371,916	11,662,329
Loans to Group companies	20-c	-	-
Non-current financial assets	10	**40,485**	**30,326**
Derivative financial instruments	11	39,314	29,146
Other financial assets		1,171	1,180
Deferred tax assets	17-d	**162,003**	**137,336**
TOTAL NON-CURRENT ASSETS		**18,795,205**	**18,828,338**
CURRENT ASSETS			
Trade and other receivables		**28,547**	**631,972**
Trade receivables from Group companies and associates	20-c	14,471	8,405
Sundry accounts receivable		13,289	993
Employee receivables		2	52
Current income tax assets	17-c	-	621,746
Other tax receivables		785	776
Current investments in Group companies and associates	9/20-c	**622,503**	**531,153**
Loans to companies		326,868	529,140
Other financial assets		295,635	2,013
Current financial assets	10	**71,787**	**68,654**
Derivative financial instruments	11	69,966	62,521
Other financial assets		1,821	6,133
Current prepayments and accrued income		**6**	**2**
Cash and cash equivalents	12	**891,340**	**1,651,130**
TOTAL CURRENT ASSETS		**1,614,183**	**2,882,911**
TOTAL ASSETS		**20,409,388**	**21,711,249**

These balance sheets should be read in conjunction with the Notes included on pages 10 to 135.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Balance sheets as at 31 December
(in thousands of euros)

EQUITY AND LIABILITIES	Notes	2020	2019
EQUITY			
Shareholders' equity	13	**3,896,631**	**5,860,160**
Share capital		2,734,696	2,734,696
Reserves		2,259,046	3,013,194
(Treasury shares)		(12,783)	(7,393)
Profit (Loss) for the year		(1,084,328)	119,663
Valuation adjustments		**(224,335)**	**(87,962)**
Hedges	11	(224,335)	(87,962)
TOTAL EQUITY		**3,672,296**	**5,772,198**
NON-CURRENT LIABILITIES			
Long-term provisions		**74,058**	**76,613**
Provisions for long-term employee benefit obligations	15	10,043	5,050
Other provisions	16	64,015	71,563
Non-current payables	14	**14,338,723**	**13,984,959**
Debt instruments and other marketable securities		10,001,933	9,475,703
Bank borrowings		4,325,780	4,400,462
Derivative financial instruments	11	11,004	108,788
Other financial liabilities		6	6
Non-current payables to Group companies and associates	20-c	**1,571,245**	**419,210**
Deferred tax liabilities	17-d	**168,291**	**185,320**
TOTAL NON-CURRENT LIABILITIES		**16,152,317**	**14,666,102**
CURRENT LIABILITIES			
Current payables	14	**169,557**	**893,708**
Debt instruments and other marketable securities		165,349	835,142
Bank borrowings		4,162	58,413
Lease liabilities		46	73
Derivative financial instruments	11	-	80
Current payables to Group companies and associates	20-c	**385,956**	**348,570**
Trade and other payables		**29,262**	**30,671**
Sundry accounts payable		23,049	23,290
Remuneration payable		3,267	3,600
Tax payables		730	1,350
Other payables		2,216	2,431
TOTAL CURRENT LIABILITIES		**584,775**	**1,272,949**
TOTAL EQUITY AND LIABILITIES		**20,409,388**	**21,711,249**

These balance sheets should be read in conjunction with the Notes included on pages 10 to 135.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of profit or loss for the years ended 31 December
(in thousands of euros)

STATEMENTS OF PROFIT OR LOSS	Notes	2020	2019
Revenue	18-a	**785,558**	**1,061,084**
Services		39,010	50,517
Revenue from investments in equity instruments of Group companies and associates	20-c	746,548	1,010,567
Other operating income		**5,071**	**2,697**
Non-core and other current operating income		5,071	2,697
Staff costs	18-b	**(27,457)**	**(29,482)**
Wages, salaries and similar expenses		(16,492)	(18,027)
Employee benefit and other costs		(10,965)	(11,455)
Other operating expenses		**(39,857)**	**(32,011)**
Outside services		(39,679)	(31,488)
Taxes other than income tax		(178)	(523)
Depreciation and amortisation charge		**(778,610)**	**(778,699)**
Impairment and gains or losses on disposals of non-current assets	18-c	**(795,662)**	**162**
Impairment and other losses		(795,662)	-
Gains or losses on disposals and other		-	162
PROFIT (LOSS) FROM OPERATIONS		**(850,957)**	**223,751**
Finance income	18-d	**53,527**	**76,205**
From marketable securities and other financial instruments		53,527	76,205
Group companies and associates	20-c	2,110	48,667
Third parties		51,417	27,538
Finance costs	18-d	**(357,620)**	**(239,143)**
On debts to Group companies and associates	20-c	(14,135)	(9,522)
On debts to third parties		(343,485)	(229,621)
Changes in fair value of financial instruments	18-d	**(21,187)**	**10,609**
Held-for-trading financial assets/liabilities and other		(21,187)	10,609
Exchange differences	18-d	**16,640**	**10,191**
FINANCIAL LOSS		**(308,640)**	**(142,138)**
PROFIT (LOSS) BEFORE TAX		**(1,159,597)**	**81,613**
Income tax	17-b	**75,269**	**38,050**
PROFIT (LOSS) FOR THE YEAR		**(1,084,328)**	**119,663**

These statements of profit or loss should be read in conjunction with the Notes included on pages 10 to 135.

Abertis Infraestructuras, S.A.

Statements of changes in equity for the years ended 31 December
(in thousands of euros)

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

	Notes	2020	2019
Profit (Loss) per statements of profit or loss		**(1,084,328)**	**119,663**
Income and expense recognised directly in equity		**(150,270)**	**(92,789)**
Arising from cash flow hedges	11	(200,373)	(123,719)
Arising from actuarial gains and losses and other	15-b	10	-
Tax effect		50,093	30,930
Transfers to profit or loss		**13,908**	**4,827**
Arising from cash flow hedges	11	18,543	6,436
Tax effect		(4,635)	(1,609)
TOTAL RECOGNISED INCOME AND EXPENSE		**(1,220,690)**	**31,701**

The accompanying statements of recognised income and expense should be read in conjunction with the Notes included on pages 10 to 135.

Abertis Infraestructuras, S.A.

Statements of changes in equity for the years ended 31 December
(in thousands of euros)

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Registered share capital	Reserves	(Treasury shares)	Profit (Loss) for the year	Valuation adjustments	TOTAL
2019 ENDING BALANCE	**2,734,696**	**3,013,194**	**(7,393)**	**119,663**	**(87,962)**	**5,772,198**
Total recognised income and expense	-	10	-	(1,084,328)	(136,373)	(1,220,691)
Distribution of prior year's profit	-	119,663	-	(119,663)		-
Transactions with shareholders:						
- Distribution of ordinary dividend [1]	-	(873,821)	-	-	-	(873,821)
- Treasury share transactions (net)	-	-	(5,390)	-	-	(5,390)
2020 ENDING BALANCE	**2,734,696**	**2,259,046**	**(12,783)**	**(1,084,328)**	**(224,335)**	**3,672,296**

(1) Net dividend corresponding to treasury shares, EUR 1,282 thousand.

These statements of changes in total equity should be read in conjunction with the Notes included on pages 10 to 135.

Abertis Infraestructuras, S.A.

Statements of changes in equity for the years ended 31 December
(in thousands of euros)

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Registered share capital	Reserves	(Treasury shares)	Profit for the year	Valuation adjustments	TOTAL
2018 ENDING BALANCE	**2,734,696**	**1,983,942**	**(156)**	**2,406,758**	**(13,659)**	**7,111,581**
Total recognised income and expense	-	-	-	119,663	(87,962)	31,701
Distribution of prior year's profit	-	2,406,758	-	(2,406,758)		-
Transactions with shareholders:						
- Distribution of ordinary dividend [1]	-	(872,274)	-	-	-	(872,274)
- Distribution of extraordinary dividend	-	(9,963,410)	-	-	-	(9,963,410)
- Treasury share transactions (net)	-	-	(7,237)	-	-	(7,237)
Merger (Note 6)	-	9,458,178	-	-	13,659	9,471,837
2019 ENDING BALANCE	**2,734,696**	**3,013,194**	**(7,393)**	**119,663**	**(87,962)**	**5,772,198**

(1) Net dividend corresponding to treasury shares, EUR 2,829 thousand

These statements of changes in total equity should be read in conjunction with the Notes included on pages 10 to 135.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of cash flows for the years ended 31 December
(in thousands of euros)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		**645,691**	**918,484**
Profit (Loss) for the year before tax		(1,159,597)	81,613
Adjustments for:			
Depreciation and amortisation charge	7 & 8	778,610	778,699
Impairment losses	18-c	-	-
Changes in provisions and allowances		-	-
Net gains or losses on derecognition and disposal of non-current assets	18-c	795,662	(162)
Finance income	18-d	(53,527)	(76,205)
Finance costs	18-d	357,620	239,143
Exchange differences	18-d	(16,640)	(10,191)
Changes in fair value of financial instruments	18-d	21,187	(10,609)
Uncollected income dividend		(292,816)	-
Changes in working capital:			
Trade and other receivables		(18,321)	(42,044)
Other current assets		(4)	64
Trade and other payables		(2,511)	(7,290)
Other non-current assets and liabilities		-	-
Other cash flows from operating activities:			
Interest paid		(383,695)	(258,825)
Interest received		74,655	105,884
Income tax recovered (paid)		584,598	112,885
Other amounts paid (received)		(39,530)	5,522
CASH FLOWS FROM INVESTING ACTIVITIES		**(1,201,829)**	**1,898,169**
Payments due to investment			
Group companies and associates	9	(1,955,296)	(249,156)
Intangible assets	7	(1,060)	(1,700)
Property, plant and equipment	8	(4)	(12)
Other financial assets		-	-
Other assets		-	(41,459)
Proceeds from disposal			
Group companies and associates	9	754,522	2,186,054
Property, plant and equipment	8	-	4,442
Other financial assets		9	-

These statements of cash flows should be read in conjunction with the Notes included on pages 10 to 135.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statements of cash flows for the years ended 31 December
(in thousands of euros)

	Notes	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		**(203,652)**	**(2,298,833)**
Proceeds and payments relating to equity instruments:			
Purchase of treasury shares	13-a	(5,390)	(7,237)
Disposal of treasury shares	13-a	-	-
Proceeds and payments relating to financial liability instruments:			
Issue	14		
Debt instruments and other marketable securities	14	1,482,605	6,067,181
Bank borrowings	14	1,700,000	1,217,237
Payable to Group companies and associates	20-c	1,324,992	302,324
Repayment and redemption of			
Debt instruments and other marketable securities	14	(1,561,300)	(564,100)
Bank borrowings	14	(1,830,027)	(7,950,892)
Payable to Group companies and associates	20-c	(179,718)	(1,139)
Other payables		(278,993)	(346,265)
Dividends and returns on other equity instruments paid:	13-b		
Dividends		(873,821)	(1,015,942)
Effect of foreign exchange rate changes		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(759,790)**	**517,820**
Cash and cash equivalents at beginning of year	12	1,651,130	1,133,310
Cash and cash equivalents at end of year	12	891,340	1,651,130

These statements of cash flows should be read in conjunction with the Notes included on pages 10 to 135.

NOTES TO THE FINANCIAL STATEMENTS FOR 2020

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Company") was incorporated in Barcelona on 24 February 1967. Its registered office is at Paseo de la Castellana, 39 (Madrid).

On 10 December 2018, the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U., the Parent's then majority shareholder with an ownership interest of 98.7%, approved the draft terms of merger by absorption of Abertis Participaciones, S.A.U. (the absorbed company) into Abertis Infraestructuras, S.A. (the absorbing company). These draft terms of merger were approved by both the Extraordinary General Meeting of Abertis Infraestructuras, S.A. and the sole shareholder of Abertis Participaciones, S.A.U. on 8 February 2019, were executed in a public deed on 14 March 2019 and were registered at the Madrid Mercantile Registry on 15 March 2019. The merger was effective for accounting purposes from 1 January 2019.

The company object of **Abertis** is the construction, upkeep and operation (or simply the upkeep and operation) of toll roads under concession arrangements; the management of road concessions in Spain and abroad; the construction of road infrastructure; the operation of service areas; ancillary activities for the construction, upkeep and operation of toll roads and service stations; and any other activity related to transport and communications and/or telecommunications infrastructure for the mobility and transport of people, goods and information, with such authorisation as might be required therefor. It also includes the preparation of studies, reports, projects and contracts, as well as the supervision and management of, and the provision of advisory services in relation to, the aforementioned activities.

The Company may carry on its company object, especially its concession activity, directly or indirectly through its ownership interests in other companies, subject, in this respect, to the legal provisions in force at any given time.

Abertis is the head of a group (see Note 9) engaging in the management of mobility and communications infrastructure, and currently operates in the toll road concessions sector.

Abertis is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the Abertis Group for 2020 were formally prepared by its directors at the Board of Directors Meeting held on 9 March 2021.

Also, the consolidated financial statements for 2019 were approved by the shareholders at the Annual General Meeting of Abertis Infraestructuras, S.A. held on 21 April 2020 and were filed at the Madrid Mercantile Registry.

Also, since 29 October 2018 the Company and the other Group companies have formed part of the Atlantia Group, the parent of which is Atlantia S.p.A. (with registered office at Via Antonio Nibby, 20, Rome, Italy), which is listed on the Italian Stock Exchange (Borsa Italiana) and, in turn, forms part of the group the parent of which is Edizione S.r.l (with registered office at Piazza del Duomo, 19, Treviso, Italy).

The main aggregates in those consolidated financial statements of Abertis Infraestructuras, S.A. and Subsidiaries for 2020, prepared in accordance with Final Provision Eleven of Law 62/2003, of 30 December, applying International Financial Reporting Standards as adopted by European Union Regulations, are as follows:

	2020
Total assets	46,557,546
Equity (attributable to the Parent)	5,643,614
Equity (attributable to non-controlling interests)	2,970,192
Consolidated operating income	4,053,648
Result for the year attributable to the Parent	(391,829)
Result for the year attributable to non-controlling interests	(122,957)

The figures contained in all the financial statements forming part of the annual financial statements (balance sheet, statement of profit or loss, statement of changes in equity, statement of cash flows) and in the notes to the financial statements are expressed in thousands of euros (the euro is the Company's presentation and functional currency), unless otherwise indicated.

2. BASIS OF PRESENTATION

a) Regulatory financial reporting framework applicable to the Company

The accompanying financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code, the Spanish Limited Liability Companies Law, the Law on structural changes to companies formed under the Spanish Commercial Code and all other Spanish corporate law.

- The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, Royal Decree 1159/2010, of 17 September and Royal Decree 602/2016, of 2 December, making certain amendments to the Spanish National Chart of Accounts, together with the rules approved by the Spanish National Securities Market Commission.

- The mandatory rules approved by the Spanish Accounting and Audit Institute (ICAC) in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, the Spanish Securities Market Law and the rules issued by the Spanish National Securities Market Commission.

- All other applicable Spanish accounting legislation.

b) Fair presentation

These financial statements, which were prepared on the basis of the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein. They were prepared by the Company's directors in order to present fairly its equity and financial position, the results of its operations, the changes in its equity and its cash flows in 2020, in accordance with the aforementioned legislation in force.

The Company's financial statements will be submitted for approval at the Annual General Meeting by the legally established deadline. The Company's directors consider that these financial statements will be approved without any changes.

The Company's financial statements for the year ended 31 December 2019 were approved by the shareholders at the Annual General Meeting held on 21 April 2020.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. The directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

d) Key issues in relation to the measurement and estimation of uncertainty

In preparing these financial statements, the Company's directors were required to make certain accounting estimates and to consider certain factors on the basis of which to make judgements. These estimates and judgements, which are assessed on an ongoing basis, are based on historical experience and other factors including expectations regarding future events that are considered to be reasonable in the circumstances.

The principal estimates and judgements made in preparing the financial statements related to:

- The assessment of the effects of the merger (see Note 1), which includes, inter alia: i) uniformity adjustments to the consolidated underlying carrying amount of the Group to which the Company belongs (see Notes 1, 6 and 9) for reporting under the regulatory financial reporting framework applicable to the Company (see Note 2-a above); ii) the purchase price allocation (PPA) in the business combination and, especially, the choice of the valuation models and key assumptions for determining the fair value of the assets acquired and liabilities assumed (see Note 6); and iii) the effect of the merger on the Company’s assets and liabilities (see Note 6).

- The useful lives of intangible assets and property, plant and equipment (see Notes 4.1, 4.2, 7 and 8).

- Any impairment of intangible assets and property, plant and equipment (see Notes 4.1, 4.2, 4.3, 7 and 8).

- The recoverable amount of equity investments in Group companies and associates and of the loans granted to them (see Notes 4.6 and 9).

- The fair value of derivative and other financial instruments (see Notes 4.7 and 11).

- The assumptions used in determining pension and other obligations to employees (see Notes 4.11 and 15).

- The estimate of the income tax expense, the method used to recognise deferred taxes and the recoverable amount of the deferred tax assets (see Notes 4.10 and 17).

- The evaluation of lawsuits, provisions, obligations and contingent assets and liabilities at year-end (see Note 4.12).

In making the principal estimates and judgements indicated above, the directors took into account both the effects that the covid-19-related health crisis had in 2020, for both the Company and its investees (see Note 9), and the uncertainties that the aforementioned circumstance gave rise to in making them, considering, where necessary, several future sensitised scenarios.

Although the estimates used were based on the best information available at the date of authorisation for issue of these financial statements, any change in estimates in the future would be applied prospectively from that time, and the effect of the change in the estimates would be recognised in the statement of profit or loss for the year in question.

e) Comparative information

The information relating to 2020 contained in these notes to the financial statements is presented for comparison purposes with that relating to 2019.

f) Changes in accounting policies

In 2020 there were no significant changes in accounting policies with respect to those applied in 2019.

g) Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2019.

h) Grouping of items

Certain items in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

3. PROPOSED ALLOCATION OF LOSS

The proposed allocation of the loss for 2020 that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

Basis of allocation (loss)	**(1,084,328)**
Allocation to:	
Unrestricted reserves	(1,084,328)
	(1,084,328)

Also, the Board of Directors proposes to pay a 2020 dividend of EUR 601,633 thousand out of unrestricted reserves, representing EUR 0.66 gross per outstanding share carrying dividend rights on the date of payment. This dividend includes the proportional amount that would correspond to the treasury shares currently held.

This Board of Directors resolution will be submitted for approval by the shareholders at the Annual General Meeting of **Abertis**.

The detail of the dividend for 2020 and 2019, not taking into account the extraordinary dividend of 2019, would be as follows:

	2020		2019	
Dividend	EUR/share (gross)	Accrued dividend	EUR/share (gross)	Accrued dividend
With a charge to unrestricted reserves	0.66	601,633	0.96	875,103
Total dividend	**0.66**	**601,633**	**0.96**	**875,103**

At 31 December 2020, no interim dividend had been paid out of the profit for 2020.

If on a dividend distribution date **Abertis** were to hold shares that did not carry dividend rights, the amount corresponding to those shares would be transferred to voluntary reserves.

4. ACCOUNTING POLICIES

The principal accounting policies used by the Company in preparing the financial statements for 2020 and 2019, in accordance with the regulatory financial reporting framework applicable to the Company described in Note 2-a, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are stated at acquisition or production cost less accumulated amortisation and any impairment losses, and their useful life is evaluated on the basis of prudent estimates.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable, as described in Note 4.3.

a) Goodwill

Goodwill represents the excess of the acquisition cost of a business combination, on the acquisition date, over the fair or market value of the identifiable net assets acquired in the transaction. Consequently, goodwill is only recognised when it has been acquired for consideration and corresponds to future economic benefits from assets that are not capable of being individually identified and separately recognised (see Note 6).

After initial recognition, goodwill is measured at cost, less any accumulated amortisation and any accumulated impairment losses recognised. Pursuant to the applicable legislation, goodwill is amortised on a straight-line basis over ten years.

Also, at least once a year it is assessed whether there is any indication that the related cash-generating units might have become impaired. If any such indication exists, the cash-generating units are tested for impairment using the methodology described below and, where appropriate, are written down.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

b) Computer software

Computer software relates mainly to the amounts paid for title to or the right to use computer programs, only when the software is expected to be used over several years.
It is stated at acquisition cost and is amortised on a straight-line basis over its useful life (between three and five years).

Staff costs and other expenses directly attributable to intangible assets are capitalised as part of the acquisition cost until the assets are ready for their intended use.

Computer software maintenance costs are charged to the statement of profit or loss for the year in which they are incurred.

4.2 Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production cost less the related accumulated depreciation and any impairment losses recognised, as described in Note 4.3.

Staff costs and other expenses directly attributable to property, plant and equipment are capitalised as part of the acquisition cost until the assets are ready for their intended use.

The costs of renewal, expansion or improvement of items of property, plant and equipment are capitalised to the asset only when this leads to increased capacity or productivity or to a lengthening of the useful lives of the property, plant and equipment and provided that it is possible to ascertain or estimate the carrying amount of the items that are derecognised because they have been replaced.

The costs of major repairs are capitalised and depreciated over the estimated useful life thereof, whereas recurring upkeep and maintenance costs are charged to the statement of profit or loss for the year in which they are incurred.

Depreciation of property, plant and equipment, except for land which is not depreciated, is calculated systematically using the straight-line method over the estimated useful life of the respective assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

	Depreciation rate
Buildings and other structures	2 - 8 %
Plant and other items of property, plant and equipment	5 - 30 %

When the carrying amount of an asset exceeds its estimated recoverable amount, its carrying amount is reduced immediately to its recoverable amount, and the impact is recognised in the statement of profit or loss for the year (see Note 4.3).

4.3 Impairment losses on non-financial assets

At each reporting date the Company assesses whether there is any indication that any of the assets may have become impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the higher of fair value less costs of disposal and value in use.

In assessing the recoverable amount of an asset, the estimated future cash inflows are discounted to their present value using a discount rate that reflects the long-term time value of money and the risks specific to the asset and, where applicable, any costs of disposal.

Where the asset does not generate cash flows that are independent from other assets (the case of goodwill), the Company estimates the recoverable amount of the cash-generating unit (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) to which the asset belongs. If a cash-generating unit becomes impaired, the carrying amount of any goodwill assigned to it is written down first, followed by that of the other assets in proportion to each asset's carrying amount with respect to the total carrying amount of the cash-generating unit.

Impairment losses (carrying amount of the asset higher than its recoverable amount) are recognised in the statement of profit or loss for the year.

With the exception of goodwill, the impairment losses on which are irreversible, at each reporting date, if the Company has recognised impairment losses on assets in prior years, it is assessed whether there are indications that such losses have ceased to exist or have been reduced and, where appropriate, the recoverable amount of the impaired asset is estimated.

An impairment loss recognised in prior periods is only reversed if there has been a change in the estimates used to determine the recoverable amount of an asset since the most recent impairment loss was recognised. If an impairment loss is reversed, the carrying amount of the related asset is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss for the year.

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:

a) Operating leases

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

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

At the reporting date, the main operating leases related to the properties at which the Company carries on its activities, and the Company had not contracted with tenants for significant minimum lease payments.

b) Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the statement of profit or loss for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

4.5 Cash and cash equivalents

For the purposes of determining the statement of cash flows, "Cash and Cash Equivalents" includes the Company's cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

4.6 Financial assets

As a general rule, financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary, the fees paid to tax advisers and other professionals relating to the acquisition of the investment are recognised directly in profit or loss.

The financial assets held by the Company are classified as:

a) <u>Loans and receivables</u>

Loans and receivables are 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.

"Loans and Receivables" relates mainly to:

- Loans granted to Group companies, associates and related parties, which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

- Deposits and guarantees, which are recognised at their nominal value, which does not differ significantly from their fair value.

- Trade receivables, which are measured at their face value, which approximates their fair value on initial recognition. This value is reduced, where necessary, by the corresponding allowance for doubtful debts (impairment loss on the asset) whenever there is objective evidence that the amount owed will only be partially collected or will not be collected at all, and this amount is charged to the statement of profit or loss for the year.

At each reporting date the necessary impairment losses are recognised if there is objective evidence that not all the amounts receivable will be collected.

b) Equity investments in Group companies, associates and jointly controlled entities

For these purposes, Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

They are measured at cost less any accumulated impairment losses and are adjusted, if they have been designated a hedge of net investment in a foreign operation, by the portion of the hedge that meets the criteria to be considered effective. However, where the Company holds an investment in the investee prior to its classification as a Group company, jointly controlled entity or associate, the cost of the investment is considered to be its carrying amount prior to its classification as such. Any previous valuation adjustments recognised directly in equity are retained in equity until the related investments are derecognised.

If there is objective evidence that the carrying amount of an investment is not recoverable, an impairment loss is recognised for the difference between its carrying amount and its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use, measured mainly as the amount expected to be received in the form of dividends from the investee. Unless there is better evidence of the recoverable amount, the impairment loss on these investments is estimated based on the value of the equity of the investee, adjusted by the amount of the unrealised gains on acquisition that continue to exist at the date of subsequent measurement. Impairment losses and any reversals of impairment losses are recognised in the statement of profit or loss for the year in which they arise.

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred.

The assets designated as hedged items are subject to hedge accounting measurement requirements (see Note 4.7).

4.7 Financial derivatives and hedge accounting

The Company uses derivative financial instruments to manage its financial risk arising mainly from fluctuations in interest rates and exchange rates (see Note 5). These derivative financial instruments, whether classified as hedges or not, are recognised at their fair value (on both initial recognition and subsequent measurement), which is the market value at the reporting date for quoted instruments, or using valuations based on an analysis of discounted cash flows using assumptions based mainly on the market conditions at the reporting date for unquoted derivative instruments.

At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items, as well as its risk management objectives and the strategy for undertaking various hedges. The Company also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged items.

The fair value of the derivative financial instruments is disclosed in Note 11.

The criteria used to account for these instruments are as follows:

a) <u>Fair value hedges</u>

Changes in the fair value of designated derivatives that meet the conditions to be classified as fair value hedges of assets or liabilities are recognised in the statement of profit or loss for the year under the same heading as the change in the fair value of the hedged asset or liability attributable to the hedged risk. These relate primarily to the derivative financial instruments arranged by the Company to convert fixed-rate borrowings into floating-rate borrowings.

b) Cash flow hedges

The effective portion of the gain or loss on the measurement of derivatives classified as cash flow hedges, net of the related tax effect, is recognised in equity under "Hedges" until the underlying matures or is sold or it is no longer probable that the transaction will take place, at which point the accumulated gains or losses recognised in equity are transferred to the statement of profit or loss for the year.

Any ineffective portion of the gain or loss on the remeasurement of derivatives is recognised directly in the statement of profit or loss for the year under "Changes in Fair Value of Financial Instruments".

These hedges relate mainly to derivative financial instruments arranged by the Company to convert floating-rate borrowings into fixed-rate borrowings.

c) Hedge of a net investment in a currency other than the euro

In order to reduce foreign currency risk, the Company may finance certain of its foreign investments in the same functional currency as that in which they are denominated. This is done by obtaining financing in the corresponding currency or by entering into cross currency interest rate swaps.

Hedges of net investments in foreign operations relating to subsidiaries, jointly controlled entities and associates are treated as fair value hedges of the foreign currency component.

Changes in the fair value of designated derivatives that meet the conditions to be classified as hedges of net investments in currencies other than the euro are recognised in the statement of profit or loss for the year under "Changes in Fair Value of Financial Instruments", together with any change in the fair value of the hedged investment in the subsidiary, jointly controlled entity or associate attributable to the hedged risk.

d) Derivatives that do not qualify for hedge accounting

If a derivative does not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the derivative are recognised directly in the statement of profit or loss for the year.

e) Fair value and fair value measurement techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Classification of derivative financial instruments as current or non-current items in the balance sheet depends on whether at year-end the hedging relationship expires at less than or more than one year.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

At 31 December 2020 (as in 2019), the Company had designated certain derivative financial instruments as hedges. In the case of the effective portion of cash flow hedges, changes in fair value were recognised in equity (net of the related tax effect), and in the case of the other hedges, such changes were recognised in the statement of profit or loss.

Changes in the fair value of the other derivatives arranged that did not meet all the aforementioned requirements to qualify for hedge accounting, irrespective of the type of instrument, were recognised in the statement of profit or loss.

4.8 Equity

The costs relating to the issue of new shares or options are recognised directly in equity as a reduction of reserves.

If treasury shares are acquired, they are recognised under "Treasury Shares", are deducted from equity and are measured at their acquisition cost (including any directly attributable incremental costs) without recognising any valuation adjustment.

When these shares are sold or reissued, any amount received is taken, net of directly attributable incremental transaction costs and of the related income tax effect, to equity.

4.9 Financial liabilities

This category includes trade and non-trade payables. These payables are classified as current liabilities unless the Company has the unconditional right to defer repayment of the debt for at least 12 months from the reporting date.

Trade payables maturing within 12 months where there is no contractual interest rate are stated, on both initial recognition and subsequent measurement, at face value when the effect of not discounting the cash flows is not material.

Borrowings are recognised initially at fair value, including the costs incurred in obtaining them. In subsequent periods, they are measured at amortised cost, i.e., any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if material, is recognised in profit or loss over the term to maturity of the debt using the effective interest rate.

If existing debts are renegotiated, it is considered that the terms of the financial liability are not substantially different when the lender in the new loan is the same as that which granted the initial loan, the characteristics of the financial liability are not significantly different from the initial liability and the present value of the cash flows, including any fees paid net of any fees received, is not more than 10% different from the discounted present value of the remaining cash flows of the original financial liability calculated using that same method.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.10 Income tax

The income tax expense (tax benefit) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Both the current and deferred tax expense (tax benefit) are recognised in profit or loss. However, the tax effect relating to items recognised directly in equity is also recognised in equity.

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts.

The recoverable amount of deferred tax assets is assessed when they arise, and at the end of each reporting period, based on the Company's earnings performance projected in its business plan and in that of the tax group to which the Company belongs.

The Company files consolidated income tax returns, forming part of the consolidated tax group the parent of which is Abertis HoldCo, S.A. In this connection, taking into consideration the private legal nature of the consolidation agreement, the companies included in the tax group recognise the related income tax refundable or payable for the year as accounts receivable from or payable to, respectively, Abertis HoldCo, S.A., as the parent of the tax group.

The income tax expense is determined by taking into account, in addition to the aforementioned parameters to be considered for the purposes of individual taxation, and the ICAC Resolution of 9 February 2016 establishing the rules for the recognition, measurement and preparation of financial statements to account for income tax, the following items:

- The permanent and temporary differences brought about by the elimination of results arising from the determination of the consolidated taxable profit or tax loss.
- The tax credits and tax relief of each company in the consolidated tax group; for these purposes, the tax credits or tax relief are allocated to the company that performs the activity or obtains the income required to qualify for the tax credit or tax relief.

- The portion of the tax losses reported by certain companies in the tax group that has been offset by the other companies in that group, as indicated above, gives rise to an account receivable from the parent of the tax group. The portion of the tax losses that has not been offset by other companies in the tax group is recognised by the company that incurred them as a deferred tax asset, as indicated above.

4.11 Employee benefits

Under the corresponding collective agreements, the Company has the following obligations to employees:

a) Post-employment obligations

- Relating to defined contribution employee benefit instruments (occupational pension plans and group insurance policies).

- Defined benefit obligations relating to bonuses or retirement benefits.

In relation to the defined contribution employee benefit instruments, the Company makes fixed contributions to a separate entity and does not have any legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The annual expense recognised is the contribution corresponding to the year.

Where the Company underwrites certain actuarial and investment risks, the liability recognised in the balance sheet is the present value of the obligations at the reporting date. Also, the asset recognised is the fair value of any plan assets at that date less any amounts relating to past service costs not yet recognised.

The projected unit credit method is used to determine both the present value of the defined benefit obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur, and are not presented in the statement of profit or loss but rather in equity in the statement of recognised income and expense.

Past service costs are recognised as an expense on a straight-line basis over the average period remaining until the date on which the employee's right to receive the benefits vests. However, where benefits are irrevocable immediately after the introduction of, or any change to, a defined benefit plan, the past service costs will be recognised immediately.

The coverage of obligations through contributions to an insurance policy in which the legal or constructive obligation to pay the benefits is retained constitutes, in any case, a defined benefit.

b) Other long-term benefits

The Company has obligations to certain employees in relation to a multi-year incentive plan tied to the degree of achievement of certain business and social responsibility objectives. The cost of the plan is charged to the statement of profit or loss as staff costs on an accrual basis based on the probability that the objectives established will be fulfilled.

c) Termination benefits

The Company recognises these benefits when it is demonstrably committed to terminate serving employees.

4.12 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation, whether legal, contractual or constructive, as a result of past events with respect to which it is probable that an outflow of resources will be required to settle the obligation and the amount thereof can be estimated reliably.

Provisions are measured at the present value of the disbursements expected to be required to settle the obligation. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Provisions for obligations maturing within one year for which the effect of discounting is not material are not discounted.

Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset, provided that it is virtually certain that reimbursement will be received.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognised, but rather are disclosed (see Note 19).

4.13 Classification of financial assets and liabilities as current or non-current items

In the balance sheet, financial assets and liabilities maturing within no more than 12 months from the reporting date are classified as current items and those maturing within more than 12 months are classified as non-current items.

4.14 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised in the statement of profit or loss when the right to receive payment has been established. However, if the dividends are paid out of profit earned unequivocally prior to the date of acquisition, they are not recognised as revenue, but rather the carrying amount of the related investment is reduced.

Pursuant to Ruling 2 of ICAC Official Gazette (BOICAC) no. 79, since the Company's object relates to that of a holding company, the dividend income it receives from the Group's investees and associates is recognised under "Revenue".

The Company centralises a portion of the financing transactions of the Group of which it is the parent and, therefore, the finance income associated with loans granted to the other investees is considered to be a component of the financial profit or loss so that it presents fairly the Company's operations.

4.15 Transactions in currencies other than the euro

Transactions in a currency other than the euro are translated to the Company's functional currency (the euro) using the exchange rates prevailing at the transaction date. The exchange gains and losses arising on settlement of these transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in a currency other than the euro are recognised in profit or loss.

4.16 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

For balance sheet presentation purposes, Group companies are considered to be both companies in the Group of which **Abertis** is the parent and companies controlled directly or indirectly by Edizione S.r.l. (see Note 1), associates are considered to be the associates of the companies controlled by Edizione S.r.l. and, lastly, related companies are considered to be companies that have significant influence over Abertis HoldCo, S.A., the Company’s majority shareholder, and over Edizione S.r.l. (see Note 13-a).

4.17 Activities affecting the environment

Each year, payments made in order to comply with legal environmental requirements are either recognised as an expense or as an investment, depending on their nature. The amounts capitalised are amortised over the years of useful life of the related asset.

Also, a provision for environmental contingencies and charges is recognised if there are obligations relating to the protection of the environment.

In view of the business activity carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

4.18 Mergers between Group companies

In mergers, spin-offs and non-monetary contributions between Group companies directly or indirectly involving the Parent of the Group or the parent of a subgroup and its subsidiary, the equity items contributed are measured at their carrying amount in the consolidated financial statements of the ultimate Spanish parent that formally prepared consolidated financial statements. In the event of a difference between the separate and consolidated carrying amounts, such difference would be recognised in a reserve account at the acquiree. All merger and spin-off transactions between Group companies are effective for accounting purposes from the beginning of the reporting period in which the transaction is approved, provided that this date is later than the date on which the companies had been included in the Group. Otherwise, such transactions are effective for accounting purposes from the date of their inclusion in the Group.

Also, and in accordance with the provisions of Royal Decree 1159/2010, of 17 September, in merger and spin-off transactions between companies which formed part of the same group prior to the beginning of the immediately preceding reporting period, information is not included on the effects for accounting purposes of the merger or spin-off on the comparative information.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The activities of the Company and of the Group of which it is the parent are exposed to various financial risks, namely foreign currency risk, interest rate risk, credit risk, liquidity risk and inflation risk. The Company uses derivative financial instruments to hedge a portion of these risks.

Financial risk management is controlled by the General Financial Department, subject to authorisation from the CEO of **Abertis**, in the framework of the corresponding risk policy approved by the Board of Directors.

a) <u>Foreign currency risk</u>

Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk on the net assets in the Company's transactions in currencies other than the euro is managed in accordance with the policies defined, using, where appropriate, borrowings denominated in the corresponding foreign currencies and/or cross currency interest rate swaps.

The foreign currency risk hedging strategy in the Company's investments in currencies other than the euro must comply with the interest rate and foreign currency risk policy.

b) <u>Interest rate risk</u>

The Company's interest rate risk arises from non-current borrowings.

The borrowings issued at floating rates expose the Company to interest rate risk on its cash flows, whereas the borrowings arranged at a fixed rate expose the Company to interest rate risks in relation to fair value.

The purpose of interest rate risk management is to achieve a balance in the debt structure that makes it possible to minimise volatility in the statement of profit or loss over a multi-year time horizon.

In this connection, based on various estimates and objectives regarding the debt structure, in order to manage the interest rate risk on the cash flows, hedging transactions can be carried out through the arrangement of derivative financial instruments consisting of floating-to-fixed interest rate swaps.

These swaps have the economic effect of converting borrowings bearing floating interest rates into borrowings bearing fixed rates, so the Company undertakes with other parties to exchange, at certain intervals, the difference between fixed interest and floating interest calculated on the basis of the main notional amounts arranged (see Note 11).

Furthermore, in order to meet the aforementioned objectives, the Company is also in a position to arrange fixed-to-floating interest rate swaps to hedge fair value interest rate risk.

c) Credit risk

Credit risk arises mainly from cash and cash equivalents, derivative financial instruments and deposits at banks and financial institutions, as well as other debts, including outstanding accounts receivable and committed transactions.

In this connection, in order to mitigate the aforementioned credit risk, the derivative transactions and spot trades are only performed with banks of proven creditworthiness acknowledged by international rating agencies. This creditworthiness, expressed by the rating categories of each entity, is reviewed periodically in order to actively manage counterparty risk.

The credit limits were not exceeded in the reporting periods. Also, despite the situation caused by covid-19, no losses are expected to arise from the default of any of the counterparties indicated, in view of their nature, as described above.

d) Liquidity risk

The Company manages its liquidity risk prudently, which entails ensuring the availability of sufficient financing through committed credit lines and the ability to settle market positions. The General Financial Department of **Abertis** aims to maintain financing flexibility by ensuring the availability of the committed credit lines.

In 2020 Abertis adopted a series of key measures aimed at maintaining proactive management of cash flows and ensuring the Group’s liquidity as a priority during the covid-19 crisis. Specifically, the Group has been working intensely on refinancing activities, extending the maturities of its debt, and has agreed on additional credit facilities with the banks with which it operates to improve the availability of its liquidity, and this improved liquidity enables it to address and cover its financial needs in the coming years.

e) Inflation risk

The revenue of most of the toll road concessions arises from tolls tied directly to inflation. Consequently, a scenario of increased inflation would lead, a priori, to an increase in the fair value of these projects.

In this connection, in relation to Royal Decree 55/2017, of 3 February, implementing Law 2/2015, of 30 March, on de-indexing of the Spanish economy, it is estimated that the aforementioned Royal Decree should not have any impact on the tolls applicable to the Spanish concessions operated by the Abertis Group, since, in general, the Royal Decree does not apply to concession arrangements already in force.

5.2 Fair value measurement

The fair value of the financial instruments traded in active markets is based on the market prices at the reporting date.

The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not traded on an active market is determined using valuation techniques. The Company employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date.

6. BUSINESS COMBINATIONS AND MERGERS

In 2020, there were no business combinations or mergers.

In 2019, it took place the merger between Abertis Infraestructuras, S.A. as detailed below.

a) Merger with Abertis Participaciones, S.A.U.

As described in Note 1, on 10 December 2018 the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. approved the draft terms of merger by absorption of Abertis Participaciones, S.A.U. (the absorbed company) into Abertis Infraestructuras, S.A. (the absorbing company). These draft terms of merger were approved by both the Extraordinary General Meeting of Abertis Infraestructuras, S.A. and the sole shareholder of Abertis Participaciones, S.A.U. on 8 February 2019, were executed in a public deed on 14 March 2019 and were registered at the Madrid Mercantile Registry on 15 March 2019, and the merger was effective for accounting purposes from 1 January 2019.

The merger of the two companies aimed to simplify the corporate structure, facilitating the allocation of resources and achieving a reduction in costs. The goal of the new Group policy was to achieve more efficient corporate management, expedite decision making and eliminate inefficiencies of the Group companies' managing bodies. The merger allowed for a reduction in operating costs and costs associated with corporate law and tax obligations, thereby leading to greater organisational efficiency and improving the Group’s results in Spain. The aforementioned merger was part of a concentration and simplification process that was based on the streamlining common to all concentration processes of this nature.

Taking the foregoing into account, the Boards of Directors of the merging companies considered that the downstream merger by absorption proposed, in which the subsidiary absorbs the parent, was the most appropriate structure for achieving the targets indicated above. The choice of a downstream merger rather than a direct merger was based on the consideration that, from the legal-factual and financial standpoint, it made no difference whether the merger option chosen was upstream or downstream; in both cases the resulting company would combine, in completely equivalent terms, the assets and liabilities of the absorbing company (Abertis Infraestructuras, S.A.) and of the absorbed company (Abertis Participaciones, S.A.U.). A downstream merger was chosen for technical reasons in order to simplify the formalities relating to the transaction. In particular, a downstream merger facilitated the process of obtaining authorisations and issuing notifications in relation to the merger with respect to the contracts and concessions to which the merged companies were parties.

In accordance with the provisions of Article 36 of the Spanish Law on structural changes to companies formed under the Spanish Commercial Code, the merger balance sheets were considered to be two companies' balance sheets as at 31 October 2018, and, therefore, as at a date subsequent to the first day of the third month preceding the date of the draft terms of merger. The aforementioned merger balance sheets were formally prepared by the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. on 10 December 2018, and were duly verified by the auditors of the financial statements of both companies, subsequent to their approval by both the Extraordinary General Meeting of Abertis Infraestructuras, S.A. and by Abertis HoldCo, S.A., as the sole shareholder of Abertis Participaciones, S.A.U., on 8 February 2019.

Also, the merger qualified for taxation under the special tax regime established in Chapter VII of Title VII of Spanish Income Tax Law 27/2014, of 27 November. In this connection, formal representations were given in relation to the following:

- The absorbed company did not have any depreciable assets at the merger date.

- The assets and liabilities contained in the most recent audited financial statements of the merged companies recognised at the merger date were those detailed in Appendix II to the 2019 financial statements.

- In the merger process no assets were transferred or debt instruments assumed in the transaction, or any type of contingent consideration that depended on future events.

- In relation to the tax benefits enjoyed by the acquiree, tax loss carryforwards generated at the acquiree in 2018 amounting to EUR 150 thousand were transferred to the acquirer.

Lastly, the merger was executed in a public deed on 14 March 2019 and was registered at the Madrid Mercantile Registry on 15 March 2019. This merger was effective for accounting purposes from 1 January 2019.

b) Purchase price allocation (PPA) and effect of the subsequent merger

As a result of the aforementioned merger and pursuant to Section 2.2, *"Mergers, spin-offs and non-monetary contributions of businesses"*, of Recognition and Measurement Standard 21 of the Spanish National Chart of Accounts, the assets and liabilities of the absorbed company were measured at their carrying amounts in the consolidated financial statements of the Group to which it belonged pursuant to the Rules for the Preparation of Consolidated Financial Statements.

In this connection, since the corporate transaction was a downstream merger (where the absorbing company for corporate law purposes was the acquiree for economic purposes and the absorbed company for corporate law purposes was the acquirer for economic purposes), these financial statements of Abertis Infraestructuras, S.A. reflect from 1 January 2019 the effects of the obtainment of control of the Abertis Group that took place on 31 October 2018 and, therefore, the fair values of the assets and liabilities of **Abertis** arising from the PPA performed, since the Company's assets and liabilities were recognised at their consolidated underlying carrying amount at 1 January 2019. The positive difference of EUR 9,471,837 thousand that arose from the application of the aforementioned approach was recognised, in accordance with the aforementioned accounting regulations, in a reserve account.

In this context, the determination of the effects of the merger between Abertis Participaciones, S.A.U. and the Company included, inter alia:

i) The adjustment of the measurement bases applied to the consolidated underlying carrying amount of the higher group to the regulatory financial reporting framework applicable to the Company (see Note 2-a above).

ii) The PPA in the business combination and, especially, the choice of the valuation models and key assumptions for determining the fair value of the assets and liabilities acquired.

iii) The effect of the merger on the value of the Company's assets and liabilities.

Uniformity of recognition and measurement:

The accounting policies applied by the Group (International Financial Reporting Standards as adopted by the European Union ("EU-IFRS")) were essentially the same as those applied by the Company; however, in order to adjust the consolidated underlying carrying amount to the regulatory financial reporting framework applicable to the Company, it was necessary to make certain uniformity adjustments, which included inter alia:

- Treatment of the finance costs of the concession operators to adapt the accounting treatment applied to the provisions of the rules adapting the Spanish National Chart of Accounts for concession operators approved by Ministry of Economy and Finance Order EHA/3362/2010, of 23 December 2010.

- The accounting treatment applied to certain financial assets and liabilities.

Purchase price allocation:

In the context of the authorisation for issue of the consolidated financial statements for 2018 of the Group of which **Abertis** was the Parent, the Group carried out a PPA. In this connection, the acquisition-date fair value of the assets and liabilities of the businesses acquired was determined basically using valuation techniques.

The measurement of the aforementioned fair value and the corresponding PPA were performed, as in other business combinations undertaken by **Abertis** in prior years, internally, without the involvement of an independent third-party valuer, since it was considered that, on the one hand, the standard (IFRS 3 Revised) did not require that PPA processes be performed by independent valuers and, on the other, an in-house team was available with sufficient knowledge and experience in the industry in which the acquired business operates and in PPA processes.

a) Intangible assets

Administrative concessions

The measurement method used was based on discounting cash flows. The cash flow projections obtained were prepared on the basis of the projected income and expenses (the main assumptions of which related mainly to the evolution of the volume of business, tolls and inflation) and of the projected investments, which were discounted to present value using a market discount rate (WACC) ranging from 5.0% to 11.4%. The detail of the main assumptions made was as follows:

	Traffic (ADT)	Average toll	WACC (EUR)
Spain	1.2% to 1.7%	1.7% to 2.2%	6.8%
France	1.4%	1.2% to 1.3%	5.0%
Italy	1.0%	0.0%	6.4%
Brazil	3.5%	3.9%	10.0%
Chile	3.2% to 4.5%	1.0% to 6.5%	7.1%
Puerto Rico	0.0% to 1.1%	1.0% to 3.5%	11.4%
India	6.9% to 7.5%	3.9% to 4.0%	10.0%

The most significant components of the discount rate applied (WACC) are summarised as follows:

i) Risk-Free Rate: the interest rate offered by long-term sovereign bonds. It was determined using updated market data at merger date and estimates of equilibrium levels (using standard econometric models) in which the interest rates should be located, thus adjusting the returns that were at low rates due to the significant influence of public debt purchases carried out by central banks;

ii) Enterprise Risk Premium (ERP): measures the additional risk that is demanded of equities over and above the return on risk-free assets. It was determined using a combination of historical approaches (ex post), backed by external publications and studies of series of past yields, and prospective approaches (ex ante), based on market publications, taking into account medium- and long-term profit expectations depending on the degree of maturity and development of each country; and

iii) Beta Coefficient: the multiplier of the market risk premium, considered as a systemic risk. It was estimated using series of historical prices of shares of comparable companies that were publicly traded, determining the correlation between the yield of the shares of the companies and the yield of the general index of the stock exchange of the country where those shares were listed. The main underlying data used in these calculations are obtained from external public sources of independent information of acknowledged prestige.

Relationships with customers

The relationships with customers identified were associated with electronic toll payment subscriptions, the valuation method being similar to that used for "Administrative Concessions".

b) Financial assets:

Receivables from public authorities

The valuation method used was based on the discounted cash flow method. The cash flow projections obtained were prepared on the basis of the estimates of net collections made by the related tax authorities, discounted at a market discount rate (WACC) of the countries concerned, ranging from 6.6% to 7.1%, coinciding with the rates used in the case of section a) above.

Investments in associates

The valuation method used was based on discounting the dividends received from investees at a market discount rate (cost of equity or "Ke") of the countries concerned, ranging from 6.6% to 8.6%, calculated using the methodology described in section a) above.

c) Non-current assets classified as held for sale

The valuation method used was based on the sale agreement entered into.

d) Borrowings

The valuation method used was based on the market value of the quoted liabilities and the fair value of unquoted liabilities was determined on the basis of valuation techniques. The Group employed a variety of methods and used assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk was taken into account.

Also, where appropriate, deferred tax assets and liabilities were recognised to reflect the tax effect of the remeasurement of the fair value of the aforementioned assets and liabilities with respect to their tax base.

Effect of the merger on the value of the Company's assets and liabilities.

The detail of the assets and liabilities included in the Company's accounting records is as follows (in thousands of euros):

	Abertis Participaciones, S.A.U.	**Effect of consolidated valuation and merger adjustment**	**Total assets and liabilities included**
1 January 2019			
Non-current investments in Group companies and associates	16,519,541	(16,519,541)	-
NON-CURRENT ASSETS	**16,519,541**	**(16,519,541)**	**-**
Cash and cash equivalents	54	-	54
CURRENT ASSETS	**54**	**-**	**54**
TOTAL ASSETS	**16,519,595**	**(16,519,541)**	**54**
Shareholders' equity	16,519,451	(7,061,273)	9,458,178
Valuation adjustments	-	13,659	13,659
EQUITY	**16,519,451**	**(7,047,614)**	**9,471,837**
Trade and other payables	144	-	144
CURRENT LIABILITIES	**144**	-	**144**
TOTAL EQUITY AND LIABILITIES	**16,519,595**	**(7,047,614)**	**9,471,981**

"Effect of Consolidated Valuation and Merger Adjustment" included both the effects arising from measuring the assets and liabilities at the value corresponding to them in the Group's consolidated financial statements (corresponding basically to the consolidated profit or loss generated by the Group companies from 1 November 2018 to 31 December 2018 including the uniformity adjustment described above) and the merger adjustment corresponding to the elimination of the investment in Abertis Infraestructuras, S.A. (absorbing company) held by Abertis Participaciones, S.A.U. (absorbed company) when the merger took place.

Effective for accounting purposes from 1 January 2019, the financial statements include the effect of the PPA detailed above on the value of the assets and liabilities of **Abertis** together with the effect of the unification of measurement bases described above. In this connection, since **Abertis** was the head of a group (see Note 9) and carried on its business activity, especially the concession business, indirectly through its ownership interests in other companies, the impact at 1 January 2019 of the aforementioned revaluation, as a result of the acquisition on 29 October 2018 (together with the impacts associated therewith from that date until 31 December 2018) was as follows:

	Consolidated carrying amount	**Carrying amount**	**Revaluation**
1 January 2019			
Intangible assets	7,767,501	2,667	7,764,834
Goodwill	7,764,834	-	7,764,834
Computer software	2,667	2,667	-
Property, plant and equipment	12,467	12,467	-
Non-current investments in Group companies and associates	13,731,403	11,755,165	1,976,238
Non-current financial assets	46,527	46,527	-
Deferred tax assets	127,136	37,391	89,745
NON-CURRENT ASSETS	**21,685,034**	**11,854,217**	**9,830,817**
CURRENT ASSETS	**2,265,468**	**2,265,468**	**-**
TOTAL ASSETS	**23,950,502**	**14,119,685**	**9,830,817**
Long-term provisions	86,563	86,563	**-**
Non-current payables	5,761,680	5,574,758	186,922
Non-current payables to Group companies and associates	360,501	278,462	82,039
Deferred tax liabilities	159,047	159,047	-
NON-CURRENT LIABILITIES	**6,367,791**	**6,098,830**	**268,961**
Current payables	830,593	746,538	84,055
Current payables to Group companies and associates	130,685	124,721	5,964
Trade and other payables	38,105	38,105	-
CURRENT LIABILITIES	**999,383**	**909,364**	**90,019**
TOTAL LIABILITIES	**7,367,174**	**7,008,194**	**358,980**
TOTAL NET ASSETS	**16,583,328**	**7,111,491**	**9,471,837**

In this connection, since the corporate transaction was a downstream merger (where the absorbing company for corporate law purposes was the acquiree for economic purposes and the absorbed company for corporate law purposes was the acquirer for economic purposes), these financial statements of Abertis Infraestructuras, S.A. reflect from 1 January 2019 the effects of the obtainment of control of the Abertis Group and, therefore, the fair values of the assets and liabilities of **Abertis** arising from the PPA performed, since the Company's assets and liabilities were recognised at their consolidated underlying carrying amount at 1 January 2019. The positive difference of EUR 9,471,837 thousand that arose from the application of the aforementioned approach was recognised, in accordance with the aforementioned accounting regulations, in a reserve account.

The goodwill that arose as a result of the merger is being systematically amortised over a period of ten years pursuant to the regulatory financial reporting framework applicable to the Company (see Note 4.1.) and is based on the existence of a single cash-generating unit which is the Abertis Group taken as a whole.

7. INTANGIBLE ASSETS

The detail of "Intangible Assets" and of the changes therein is as follows:

	Goodwill	Computer software	Total
At 31 December 2018			
Cost (*)	-	2,667	2,667
Accumulated amortisation	-	-	-
Carrying amount	**-**	**2,667**	**2,667**
2019			
Beginning carrying amount	-	2,667	2,667
Additions	7,764,834	1,700	7,766,534
Transfers	-	(235)	(235)
Amortisation charge	(776,483)	(1,064)	(777,547)
Ending carrying amount	**6,988,351**	**3,068**	**6,991,419**
At 31 December 2019			
Cost	7,764,834	4,132	7,768,966
Accumulated amortisation	(776,483)	(1,064)	(777,547)
Carrying amount	**6,988,351**	**3,068**	**6,991,419**
2020			
Beginning carrying amount	6,988,351	3,068	6,991,419
Additions	-	1,060	1,060
Amortisation charge	(776,483)	(1,286)	(777,769)
Ending carrying amount	**6,211,868**	**2,842**	**6,214,710**
At 31 December 2020			
Cost	7,764,834	5,192	7,770,026
Accumulated amortisation	(1,552,966)	(2,350)	(1,555,316)
Carrying amount	**6,211,868**	**2,842**	**6,214,710**

(*) The cost at 1 January 2019 is presented net of the accumulated amortisation at that date since it corresponds to the new cost of acquisition in the framework of the merger described in Note 6.

a) Goodwill

The merger of **Abertis** with Abertis Participaciones, S.A.U. in 2019 described in Note 6 gave rise to goodwill amounting to EUR 7,765 million. The related amortisation charge, based on the straight-line amortisation of the goodwill over ten years, totalled EUR 776 million.

As described in Note 4.1-a, in addition, at least once a year the Company assesses whether there is any indication that the cash-generating units might have become impaired. If any such indication exists, the cash-generating units are tested for impairment using the methodology described below and, where appropriate, are written down.

In this context, and in the framework of the impairment tests conducted for the purposes of the consolidated financial statements, the Company also tested the goodwill that arose in the merger process for impairment. To do so, it considered that the most appropriate methodology corresponded to the valuation of a projected finite period of five years (2021-2025) together with the estimation of a residual value of the Group of which it is the parent taken as a whole.

Before preparing the revenue and expense projections, the Abertis Group checked, inter alia, the changes in the most significant variables included in the impairment test for 2020, and the achievement of the key assumptions used in that test, against the results obtained in 2020, in order to assess any possible variances. In this regard, in 2020 the changes in the profit or loss from operations of the Group of which it is the parent were affected by the effects of the pandemic caused by Covid-19, which led to a fall in activity or average daily traffic (ADT) of the Group of -21.4%, thus affecting the operating projections considered in the impairment test. The detail of the activity decrease in 2020 is as follows:

	Activity (ADT)
España	-30.8%
Francia	-24.6%
Italia	-27.8%
Brasil	-7.5%
Chile	-25.9%
México	-12.0%
Puerto Rico	-20.6%
Argentina	-39.8%
India	-15.5%
Abertis	-21.4%

Based on the budgets and the most recent long-term projections of the Abertis Group, the preparation of the impairment test on goodwill at 31 December 2020 was based on:

- The cash projections obtained from the projection of income and expenses for the Abertis Group as a whole for 2021-2025 prepared by management and taken into consideration by the Board of Directors, which take into account recent historical developments. In this connection, the projection performed, the main assumptions in which are detailed in Note 9, include the potential effects associated with the covid-19 pandemic.

- To determine the terminal value, on the one hand, an increase of 2% was applied to the free operating cash flow after tax for the last projected year, i.e., 2025, and, additionally, a cash outflow was considered for investments to perpetuity equal to the amortisation charge for the aforementioned period.

The discount rate applied (WACC in euros) to the cash flow projections was 5.66% (5.78% in 2019) and has been determined in accordance to the methodology described in Note 6. In the case of the terminal value, the WACC applied was increased by 2%.

In relation to the result of the impairment test on goodwill, the recoverable amount obtained (determined based on fair value as indicated above) exceeds the carrying amount of the goodwill, which will make it possible to recover the carrying amount recognised at 31 December 2020 and, therefore, there is no need to recognise any impairment losses.

In addition, regarding the sensitivity analysis, the most relevant aspects are that it supports a minimum increase in the discount rate of about 75 basis points and, on the other hand, it would support a decrease in the projected annual cash flows of up to 100 basis points, and also shows a reasonable slack against more adverse future effects than those already contemplated in the impairment test as a consequence of the COVID-19 pandemic.

b) Other disclosures

At 31 December 2020, no significant intangible asset items were subject to ownership restrictions or had been pledged as security for liabilities.

The Company takes out all the insurance policies considered necessary to cover the possible risks to which its intangible assets are subject.

As described in Note 4.1, at year-end the Company tests its intangible assets to ascertain whether there are any indications of impairment in order to recognise any possible impairment losses.

8. PROPERTY, PLANT AND EQUIPMENT

The detail of "Property, Plant and Equipment" and of the changes therein is as follows:

	Land and buildings	**Plant and other items of property, plant and equipment**	**Total**
At 31 December 2018			
Cost (*)	10,396	11,891	22,287
Accumulated depreciation	(2,307)	(7,513)	(9,820)
Carrying amount	**8,089**	**4,378**	**12,467**
2019			
Beginning carrying amount	8,089	4,378	12,467
Additions	-	12	12
Disposals (net)	(4,582)	(52)	(4,634)
Transfers	-	235	235
Depreciation charge	(123)	(1,029)	(1,152)
Carrying amount	**3,384**	**3,544**	**6,928**
At 31 December 2019			
Cost	3,507	4,573	8,080
Accumulated depreciation	(123)	(1,029)	(1,152)
Carrying amount	**3,384**	**3,544**	**6,928**
2020			
Beginning carrying amount	3,384	3,544	6,928
Additions	-	4	4
Depreciation charge	(80)	(761)	(841)
Carrying amount	**3,304**	**2,787**	**6,091**
At 31 December 2020			
Cost	3,507	4,577	8,084
Accumulated depreciation	(203)	(1,790)	(1,993)
Carrying amount	**3,304**	**2,787**	**6,091**

(*) The cost at 1 January 2019 is presented net of the accumulated depreciation at that date since it corresponds to the new cost of acquisition in the framework of the merger described in Note 6 above.

The disposals in the year related mainly to the sale of a property owned by **Abertis** in Valencia and to all the rural properties recognised by the Company as a result of the merger with Aurea Concesiones de Infraestructuras, S.A. in 2003. All these properties were sold together for EUR 4,817 thousand, giving rise to a gain of EUR 162 thousand (see Note 18-c).

At 31 December 2020, "Land and Buildings" included EUR 615 thousand relating to the cost of land and EUR 2,892 thousand relating to the cost of buildings (2019: EUR 615 thousand and EUR 2,892 thousand, respectively). The accumulated depreciation relating to this heading corresponds in full to buildings.

a) Other disclosures

In 2020 and 2019 no impairment losses on separate items of property, plant and equipment were either recognised or reversed.

At 31 December 2020, no significant items of property, plant and equipment were subject to ownership restrictions or had been pledged as security for liabilities.

The Company takes out all the insurance policies considered necessary to cover the possible risks to which its property, plant and equipment might be subject.

9. INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The most significant information in relation to Group companies, jointly controlled entities and associates at the end of 2020 and 2019 is as follows:

	Balance at 31/12/19	**Additions (Charge for the year)**	**Disposals (Reductions)**	**Balance at 31/12/20**
Investments in Group companies and associates	11,662,329	1,955,296	(450,047)	13,167,578
Impairment losses	-	(795,662)	-	(795,662)
Total non-current	**11,662,329**	**1,159,634**	**(450,047)**	**12,371,916**
Loans to Group companies and associates and other financial assets	531,153	435,324	(343,974)	622,503
Total current	**531,153**	**435,324**	**(343,974)**	**622,503**

	Balance at 31/12/18	Merger (Note 6)	Additions (Charge for the year)	Disposals (Reductions)	Transfers	Balance at 31/12/19
Investments in Group companies and associates	8,645,034	758,792	20,252	(366,217)	2,604,468	11,662,329
Impairment losses (*)	(1,217,446)	1,217,446	-	-	-	-
Loans to Group companies and associates	4,327,577	-	-	(1,723,109)	(2,604,468)	-
Total non-current	**11,755,165**	**1,976,238**	**20,252**	**(2,089,326)**	**-**	**11,662,329**
Loans to Group companies and associates and other financial assets	389,713	-	244,083	(102,643)	-	531,153
Total current	**389,713**	**-**	**244,083**	**(102,643)**	**-**	**531,153**

(*) The historical impairment loss at 1 January 2019 is presented net of the investments in Group companies, as it relates to the new value in the framework of the merger described in Note 6 to these financial statements.

The detail of the direct and indirect ownership interests in Group companies and associates, together with the carrying amounts thereof, the breakdown of their equity and of the dividends received from them is presented in the Appendix.

a) Equity instruments

The main additions in 2020 relate to the following transactions:

- During the first half of 2020, a purchase agreement with Goldman Sachs Infrastructure Partners (GSIP) was completed for the acquisition of 51.26% of the Red de Carreteras de Occidente (Rco) Group, through Infraestructuras Viarias Mexicanas, S.A. de C.V. (Ivm), a company which was incorporated in 2019 and is owned 99.9% by Abertis Infraestructuras, S.A. and 0.1% by Abertis Internacional, S.A. After taking control, Abertis has completed the acquisition of an additional 1.86% of the capital stock of the Mexican highway group Red de Carreteras de Ocidente (Rco). In order to execute this purchase, in 2020 **Abertis** made contributions to Ivm amounting to EUR 1,382,397 thousand.
- Abertis USA HoldCo LLC was incorporated on 2 November 2020. Through this company, which is wholly owned by Abertis Infraestructuras, S.A., **Abertis** acquired 55.20% of the share capital of the Elizabeth River Crossings (Erc) Group. In order to execute this acquisition, **Abertis** made contributions totalling EUR 569,589 thousand.

- In 2019 capital was increased at Holding d'Infrastructures de Transport 2 (Hit 2) by EUR 5,925 thousand, of which EUR 2,800 thousand remained payable at 2019 year-end. This payment was made in full in 2020.

- On 27 January 2020, non-refundable monetary contributions totalling EUR 510 thousand were made to the investee Partícipes en Brasil, S.A., without giving rise to any change in the percentage of ownership held in this investee (51%). These contributions were made to finance the ordinary activities of Partícipes en Brasil, S.A. and its investees Partícipes en Brasil II, S.L. and Arteris, S.A.

The disposals in 2020 were due mainly to the following:

- On 28 December 2020, Holding d'Infrastructures de Transport S.A.S. performed a capital reduction of EUR 340,000 thousand, which was recognised with a credit to the ownership interest held therein.

- Reimbursements of contributions from Societat d'Autopistes Catalanes, S.A.U. for EUR 61,903 thousand which was recognised with a credit to the ownership interest held, since it was not a profit generated by the investee since its acquisition.

- Capital reduction of Autopistas Metropolitanas de Puerto Rico, LLC (Metropistas) for the amount of EUR 8,645 thousand, which has been recognised as a credit to the ownership interest held.

Lastly, in 2020 the hedge of net investments in foreign operations of Partícipes en Brasil resulted in a EUR 39,499 thousand reduction in the cost of the investment (2019: reduction of EUR 5,786 thousand). This change was recognised with a balancing entry in the statement of profit or loss for the year resulting from the exchange rate effect on the effective portion of the hedge, with the aforementioned impact offset by the effect of the hedges arranged (see Note 11).

As a result of the merger in 2019 between **Abertis** and Abertis Participaciones, S.A.U. referred to in Note 1 and the corresponding inclusion from 1 January 2019 of the consolidated amounts at that date (which included the effects of the obtainment of control of the Abertis Group by Atlantia), an increase of EUR 1,976,238 thousand was recognised at 1 January 2019 in "Investments in Group Companies and Associates".

Also, the main additions in 2019 were as follows:

- On 18 November and 18 December 2019, capital was increased at Holding d'Infrastructures de Transport 2 (Hit 2) by EUR 925 thousand and EUR 5,000 thousand, respectively, of which EUR 2,800 thousand remained payable at 2019 year-end.

- On 24 October 2019, the Mexican company Infraestructuras Viarias Mexicanas, S.A. was incorporated with a share capital of MXN 1,000, all of which remained payable at 31 December 2019. This investee is owned 99.9% by Abertis Infraestructuras, S.A. and 0.1% by Abertis Internacional, S.A.

The disposals in 2019 were due mainly to the reimbursements of contributions from the investees Abertis Telecom Satélites, S.A., Holding d'Infrastructures de Transport S.A.S., Inversora de Infraestructuras, S.L. (Invin), Autopistas Metropolitanas de Puerto Rico, LLC (Metropistas) and Autopistas del Sol, S.A. (Ausol) for amounts of EUR 196,071 thousand, EUR 110,000 thousand, EUR 23,800 thousand, EUR 16,425 thousand and EUR 14,135 thousand, respectively, which were recognised with a credit to the ownership interests held, since they did not correspond to profits generated by the investees since their acquisition.

The main transfers in 2019 related to the contributions made by the Company to the investees Abertis Autopistas España, S.A., Societat d'Autopistes Catalanes, S.A. and Abertis Infraestructuras Chile, S.p.A. for amounts of EUR 2,051,173 thousand, EUR 2,051,173, EUR 552,783 thousand and EUR 512 thousand, respectively, which were paid by through the conversion of a portion of the collection rights arising from the respective long-term loans granted to them.

Lastly, in 2019 the hedges of net investments in foreign operations relating to Inversora de Infraestructuras, S.L. (Invin), Partícipes en Brasil and Metropistas increased the cost of the investment by EUR 14,983 thousand in the case of Invin, reduced the cost of the investment by EUR 5,786 thousand in the case of Partícipes en Brasil and increased the cost of the investment by EUR 193 thousand in the case of Metropistas. These changes were recognised with a balancing entry in the statement of profit or loss for the year resulting from the exchange rate effect on the effective portion of the hedge, with the aforementioned impact offset by the effect of the hedges arranged (see Note 11).

b) Loans to Group companies and associates

The loans to Group companies and associates (see Note 20-c) mature as follows:

	31 December 2020							
	Current maturity	Non-current maturities						
	2021	2022	2023	2024	2025	Subsequent years	Total	Total
Loans and other financial assets - Group companies and associates	622,503	-	-	-	-	-	-	622,503

	31 December 2019							
	Current maturity	Non-current maturities						
	2020	2021	2022	2023	2024	Subsequent years	Total	Total
Loans and other financial assets - Group companies and associates	531,153	-	-	-	-	-	-	531,153

The short-term loans granted to Group companies and associates are automatically renewable on the basis of the cash needs of the corresponding Group companies and associates and are arranged on an arm's length basis.

The main changes in 2020 in the short-term loans to Group companies and associates related mainly to the taxation on a consolidated basis of the tax group of which the Company was the parent (see Note 20-c) and to dividends approved by the investees Abertis Autopistas España, S.A.U. (EUR 200,000 thousand), Inversora de Infraestructuras, S.L. (EUR 92,816 thousand) and Abertis Mobility Services, S.L. (EUR 806 thousand) at the end of 2020 that had not been collected at 2020 year-end (see Note 20-c).

The main changes in 2019 in the long-term loans to Group companies and associates, which cancelled the total amount recognised, were as follows:

- The reductions in the loans to Group companies and associates related mainly to the partial repayment (EUR 489,579 thousand) of the loan granted to Abertis Autopistas España, S.A.U., to the repayment of the full amount (EUR 480,389 thousand) of the loan granted to Abertis Telecom Satélites, S.A.U. and to the repayment of the full amount (EUR 753,012 thousand) of the loans granted to Inversora de Infraestructuras, S.L.

- The transfers related basically to the shareholder contributions totalling EUR 2,603,956 thousand made by Abertis Autopistas España, S.A.U. and Societat d'Autopistes Catalanes, S.A.U., which were subscribed by converting the collection rights held by **Abertis**, as described in Note 9-a above, into share capital.

c) Impairment

As described in Note 4.6, at year-end the Company tests the investments recognised and, where appropriate, their recoverable amounts, to ascertain whether there are any indications of impairment in order to recognise any possible impairment losses. In this connection, at each year-end the Company updates the estimates of future cash flows generated by its investments in Group companies and associates based, in turn, on the cash flow projections, prepared on the basis of the updated budgets and long-term plans, of each of the investees, the main assumptions of which relate to traffic, tolls, operating costs and investment expenditure. In this regard, in 2020 the estimates of the future cash flows from the various investments in Group companies and associates were affected by the covid-19 pandemic, as detailed in Note 7. In this context, the projections made include potential adverse effects associated with the covid-19 pandemic.

Based on the estimate of future cash flows, the recoverable amount of each investment is measured by discounting the expected cash flows for the shareholder, using a discount rate that reflects the cost of own capital based on a risk-free interest rate of the country in which the Company operates, adjusted by a risk premium for the business activity.

The main assumptions in the impairment tests performed at 31 December 2020 for the main investments held by the Company are as follows:

2020		Cumulative annual growth (2020 - end of concession)				
Cash-generating unit	Last projection year (concession term)	CPI	Tolls	Activity (ADT)	Expenses	Discount rate
Unae						
Socaucat						
Acesa [1]	2021	1.1%	(0.1%)	23.2%	1.5%	7.2%
Invicat [1]	2021	1.1%	(0.7%)	17.8%	1.9%	7.2%
Aucat	2039	1.9%	1.5%	1.3%	1.7%	7.2%
Iberpistas/ castellana	2029	1.8%	1.6%	1.8%	1.4%	7.2%
Avasa	2026	1.7%	1.5%	2.5%	0.6%	7.2%
Túnels	2037	1.9%	1.5%	1.3%	1.0%	7.2%
Spain						
HIT						
Sanef	2031	1.9%	1.3%	1.7%	1.5%	6.6%
Sapn	2033	2.0%	1.3%	1.6%	1.9%	6.6%
Bip&Go	2033	2.0%	-	-	5.7%	6.6%
France						
Abertis Internacional						
Austostrada A4	2026	1.4%	0.3%	0.9%	(0.3%)	7.5%
Italy						
Partícipes						
Arteris subgroup	2033-47	3.2%	2.9%	2.6%	1.1%	12.3%
Brazil						
Invin						
Rutas del Pacífico	2024	2.9%	3.0%	4.2%	4.5%	8.2%
Elqui	2022	2.6%	2.8%	16.6%	3.1%	8.2%
Andes	2036	3.0%	4.7%	2.7%	2.1%	8.2%
Libertadores	2026	2.9%	2.8%	3.5%	2.7%	8.2%
Sol	2021	2.7%	2.6%	41.5%	2.7%	8.2%
Autopista Central	2032	3.0%	2.6%	2.8%	4.4%	8.2%
Chile						
IVM						
Rco	2048	3.0%	2.6%	2.3%	1.0%	8.5%
Coviqsa	2026	3.1%	3.0%	3.2%	0.9%	8.5%
Conipsa	2025	3.1%	3.1%	2.4%	3.5%	8.5%
Cotesa	2046	3.0%	2.7%	2.2%	2.5%	8.5%
Autovim	2039	3.0%	2.5%	4.7%	2.0%	8.5%
Mexico						
Abertis USA HoldCo						
Erc	2070	2.0%	2.1%	0.8%	1.7%	7.0%
United States						
Metropistas	2061	2.0%	2.2%	0.9%	1.1%	12.4%
APR	2044	2.0%	1.1%	0.5%	8.5%	12.4%
Puerto Rico						

TTPL	2026	4.6%	4.1%	7.9%	2.6%	10.9%
TTPL and JEPL	2026	4.6%	4.3%	7.7%	2.4%	10.9%
India						

(1) Concessions expiring in 2021, so the accumulated growth percentages correspond to those of 2021, which, in the case of activity (IMD) and expenses, are highly affected by the impact of COVID-19 in 2020. In the case of Elqui, due 2022, increases in activity (IMD) and expenses affected by the expected recovery in 2021 and 2022 from the impact of COVID-19.

2019		Cumulative annual growth (2020 - end of concession)				
Cash-generating unit	Last projection year (concession term)	CPI	Tolls	Activity (ADT)	Expenses	Discount rate
Unae	2057	1.7%	1.8%	2.0%	-0.3%	6.8%
Socaucat	2040	1.7%	1.8%	2.0%	-0.3%	6.8%
Acesa	2021	1.7%	1.8%	2.0%	-0.3%	6.8%
Invicat	2021	1.7%	1.7%	1.7%	1.2%	6.8%
Aucat	2039	2.0%	1.8%	1.4%	2.5%	6.8%
Iberpistas/ castellana	2029	1.9%	2.1%	1.5%	0.7%	6.8%
Avasa	2026	1.9%	1.7%	1.5%	0.2%	6.8%
Túnels	2037	2.0%	1.8%	1.2%	1.8%	6.8%
Spain						
HIT	2034	1.8%	1.2%	1.5%	1.5%	6.6%
Sanef	2031	1.8%	1.2%	1.5%	1.5%	6.6%
Sapn	2033	1.8%	1.0%	1.5%	1.7%	6.6%
Bip&Go	2040	1.9%	-	-	2.9%	6.6%
France						
Abertis Internacional	2027	1.8%	1.6%	1.2%	-0.5%	9.7%
Austostrada A4	2026	1.8%	1.6%	1.2%	-0.5%	9.7%
Italy						
Partícipes	2048	4.0%	4.1%	3.2%	3.9%	10.1%
Subgrupo Arteris	2033-47	4.0%	4.1%	3.2%	3.9%	10.1%
Brazil						
Invin	2037	3.0%	1.9%	5.2%	2.0%	7.3%
Rutas del Pacífico	2024	3.0%	1.9%	5.2%	2.0%	7.3%
Elqui	2022	3.0%	3.8%	3.5%	-0.9%	7.3%
Andes	2036	3.0%	3.0%	4.2%	2.8%	7.3%
Libertadores	2026	3.0%	2.4%	4.2%	1.4%	7.3%
Sol	2021	3.0%	2.3%	2.8%	1.7%	7.3%
Autopista Central	2032	3.0%	3.0%	3.6%	3.7%	7.3%
Chile						
Metropistas	2061	1.4%	3.5%	1.1%	1.2%	12.2%
APR	2044	1.4%	1.2%	-0.4%	1.5%	12.2%
Puerto Rico						
TTPL	2026	4.1%	3.7%	7.5%	0.2%	12.2%
TTPL y JEPL	2026	4.1%	3.6%	7.6%	2.6%	12.2%
India						

The impairment tests conducted at 31 December 2020 disclosed impairment of EUR 389,751 thousand, EUR 229,896 thousand, EUR 75,246 thousand, EUR 69,606 thousand and EUR 31,163 thousand on the investments in the Group companies Abertis Autopistas España, S.A., Partícipes en Brasil, S.A., Abertis Internacional, S.A., Inversora de Infraestructuras, S.L. and Autopistas del Sol, S.A., respectively.

It was not necessary to recognise any impairment losses at 31 December 2019.

Measurement of the recoverable amount of Abertis Autopistas España, S.A.

In relation to the ownership interest held in Abertis Autopistas España, S.A. and the assessment of its recoverable amount, several aspects relating to the wholly-owned investees Autopistas Concesionaria Española, S.A. (Acesa) and Autopistas Aumar, S.A.C.E. (Aumar) must be taken into account:

a) Autopistas, Concesionaria Española, S.A. (Acesa)

Acesa operates the administrative concession for the construction, maintenance and operation of the following stretches of toll road: a) AP-7 La Jonquera - Salou, b) AP-2 Zaragoza - Mediterráneo and c) AP-2 Molins de Rei - El Papiol. Royal Decree 457/2006 approved the Agreement between the Spanish Government and Acesa to amend certain terms of this concession.

This Agreement envisages, inter alia, the building of an additional lane on certain stretches of the AP-7 toll road, implementing a closed-toll system and granting free transit and discounts in certain cases, as well as Acesa's waiver of its right to claim any possible indemnities as a result of the effect that the construction of second lanes on the N-II and CN-340 roads might have on traffic.

The Agreement establishes that the difference in revenue resulting from the variance between actual traffic and the amount of traffic specified in the Royal Decree until the end of the concession will be added to or subtracted from the investments made in the compensation account created to restore the economic and financial feasibility that was altered by the obligations assumed by Acesa. The adjusted amount in this compensation account will be received by the concession operator at the end of the concession, once the term of the concession has expired, if the economic and financial feasibility has not been restored.

The grantor thus secured the undertaking of the concession operator to carry out extension work not included in the concession arrangement, to waive any indemnity that it might be entitled to receive as a result of parallel roads and to give certain rebates and discounts. The grantor is not, however, required to make any payment for the projects and waivers, although it is required to assume a risk relating to the possibility that traffic might not exceed certain thresholds.

Previously, Royal Decree 457/2006 and the Agreement that it approved received favourable reports from the various technical services of the Ministry of Transports, Mobility and Urban Agenda (previously Ministries of Public Works and Finance) as well as from the Government Advisory Council. Although the latter acknowledged the unique nature of this contractual amendment based on the transfer of traffic risk, it expressly stated that it did not object to it on legal grounds.

Following its approval, the Agreement was interpreted in the same way by both parties and both the review by the Regional Government Office of the toll road concession operators of the Ministry of Public Works ("Administrative Review") and the audits of the financial statements of Acesa for 2006 until 2010 confirmed that the calculation of the compensation and the accounting treatment of the compensation account provided for in the Agreement were correct.

However, although the Administrative Review of 2011 recognised the amounts accrued in the year and the compensation balance payable to Acesa at 31 December 2011, calculated using the same methodology, it raised questions as to the interpretation of the compensation for guaranteed revenue arising from the decrease in traffic as a result of the economic downturn and proposed that a provision be recognised for this revenue until these issues were clarified. Acesa filed an administrative appeal to a superior administrative body against this Administrative Review, which was dismissed in 2015. The ruling dismissing the appeal filed stated that any Administrative Review of Acesa would be in line with the decision of the Government Advisory Council requested in the framework of the Administrative Review of 2013 described below ("2014 decision of the Government Advisory Council"). Therefore, this ruling meant, on the one hand, not considering the guaranteed traffic compensation (and the related interest cost) as an integral part of the Agreement and, on the other, the existence of certain discrepancies in relation to the accounting treatment of the investments made and the recognition of the related interest cost.

Acesa filed an appeal for judicial review at the Madrid High Court against that ruling which was upheld in full on 7 March 2017 and, therefore, rendered null and void the Administrative Review of 2011 and, in the same way as the 2006 decision of the Government Advisory Council (therefore contradicting the 2014 decision of the Government Advisory Council), held that the AP-7 Agreement was valid and effective for all purposes. The Ministry of Public Works filed a cassation appeal against this judgment at the Supreme Court, on which a judgment was handed down on 12 February 2020, upholding the cassation appeal by the Ministry of Public Works and thereby rendering null and void the judgment of 7 March 2017. The stance taken in the judgment was that the reviews by the Regional Government Office were acts merely for information purposes and not binding upon the concession operators and that the review of 2011 that held that the balances under the Agreement should be deemed to be an intangible asset and, therefore, the balance that should be paid to the concession operator would not be known until 31 August 2021, should be maintained. Acesa disputes this judgment and has initiated extraordinary proceedings in accordance with the law, on which a firm decision has not yet been handed down. It will also continue to recognise for accounting purposes the balances arising from Royal Decree 457/2006 as a financial asset in accordance with the applicable standards since it takes the view that the opinion and information from the 2011 to 2019 review issued by the Regional Government Office are incorrect and contrary to the Spanish and European accounting standards applicable to the company. Nevertheless, were the application of the Supreme Court's stance applied, it would not have any effect in the accompanying financial statements, as it would represent a mere reclassification of the underlying carrying amount yet to be amortised at 31 December 2020, in view of the guarantee recognised by the Spanish Cabinet as described below.

Also, the Administrative Review of 2012 did not include any recommendation to recognise a provision, although it did reiterate the matters referred to in the Administrative Review of 2011.

In the Administrative Review of 2013 Acesa was informed that the Ministry of Public Works had requested an opinion from the Government Advisory Council with a view to resolving the differences of interpretation raised in the Administrative Review of 2011 and raising the possibility of unilaterally modifying the agreement entered into with Acesa.

With respect to the 2014 Administrative Review, on 14 March 2018 the Madrid High Court upheld in full the accounting policy applied by Acesa in relation to the balance of the aforementioned Agreement. The Ministry of Transports, Mobility and Urban Agenda filed a cassation appeal against this judgment. On 19 January 2021, the Supreme Court has issued a judgment upholding the appeal filed by the Ministry, revoking the Sentence of the Madrid High Court considering that the balance of the Agreement approved by RD 457/2006 is an intangible asset in the terms expressed by the Delegation's review, but that this review is a mere opinion of an informative nature and in no case binding, companies being able to present it as they consider and in accordance with their auditors. In accordance with the aforementioned, the eventual application of the criteria set by the Court would not imply any impact on the accompanying financial statements. At the date of authorisation for issue of these financial statements, the actions to be taken against this pronouncement are in discussion.

With respect to the 2015 Administrative Review, as in relation to the 2014 Administrative Review, on 23 November 2018 the Madrid High Court upheld in full the accounting policy applied by Acesa in relation to the balance of the aforementioned Agreement. The Ministry of Transports, Mobility and Urban Agenda filed a cassation appeal against this judgment. On 26 January 2021, the Supreme Court has issued a judgment upholding the appeal filed by the Ministry, revoking the Sentence of the Madrid High Court considering that the balance of the Agreement approved by RD 457/2006 is an intangible asset in the terms expressed by the Delegation's review, but that this review is a mere opinion of an informative nature and in no case binding, companies being able to present it as they consider and in accordance with their auditors. In accordance with the aforementioned, the eventual application of the criteria set by the Court would not have any effect in the accompanying financial statements. At the date of authorisation for issue of these financial statements, the actions to be taken against this pronouncement are in discussion.

With respect to the 2016 Administrative Review, on 6 July 2020 the Madrid High Court passed a judgment upholding the reasoning of the Supreme Court judgment of 12 February 2020 in relation to the appeal against the review of Acesa's financial statements, thus rejecting the appeal by the concession operator filed before the Madrid High Court on 24 April 2018. Acesa filed a cassation appeal at the Supreme Court, on which a judgment had not yet been handed down at the date of authorisation for issue of these financial statements.

With respect to the 2017 Administrative Review, on 30 April 2019 Acesa filed the corresponding appeal for judicial review at the Madrid High Court, on which a judgment had not been handed down at the date of authorisation for issue of these financial statements.

With respect to the 2018 Administrative Review, on 7 August 2019 Acesa filed the corresponding appeal to a superior body, and received notification of its rejection by the Ministry on 30 November 2020. On 22 January 2021, the corresponding administrative-contentious judicial appeal will be filed at the Madrid High Court which, as of the date of formulation of these annual accounts, is pending resolution.

Also, it should be noted that on 13 August 2020 Acesa received the proposed Administrative Review of 2019, which is in line with the Administrative Reviews of 2014, 2015, 2016, 2017 and 2018 and, consequently, different stances were maintained with respect to the accounting treatment of the investments made and the related interest cost and tax effect (see Note 9-a).i). On 11 September 2020, Acesa filed the corresponding administrative appeal against that 2019 Administrative Review to a superior administrative body; however, at the date of authorisation for issue of these financial statements no decision had yet been handed down.

The Administrative Reviews of 2014, 2015, 2016, 2017, 2018 and 2019 confirmed the stance adopted in the 2014 decision of the Government Advisory Council, in relation to both the balance of the compensation and the investments made and the related interest cost. Acesa filed appeals to a superior administrative body against these Administrative Reviews; however, since these appeals were not expressly resolved by the Government by the corresponding deadline, Acesa filed appeals for judicial review. It should be noted that at the date of authorisation for issue of these financial statements, formal decisions had only been handed down in relation to the appeals against the 2016, 2017 and 2018 Administrative Reviews, which the Ministry rejected as it considered that the reviewed party had no right to appeal them, as they were non-binding mere opinions for information purposes, and Acesa filed against these administrative decisions the court appeals that it considered appropriate in defence of its lawful interests, either by filing new judicial remedies or expanding existing ones.

Moreover, in connection with the request submitted by the Ministry of Transports, Mobility and Urban Agenda to the Government Advisory Council within the framework of the Administrative Review of 2013 described above, in 2015 the Group was informed of the following opinions and reports issued at the request of the Ministry of Transports, Mobility and Urban Agenda:

i) Report from the Spanish State Legal Service as to whether the compensation formula could be revised ex officio in order to exclude the effect of the decrease in traffic resulting from the economic downturn and, if not, whether the Royal Decree and the Agreement could be amended unilaterally pursuant to the Spanish Toll Roads Law or the "rebus sic stantibus" clause.

The State Legal Service issued the requested report, stating that:

a) A review of the compensation formula governed by the Royal Decree and the Agreement was not warranted, since the amendment was contractually valid (as deemed by the 2006 opinion of the Government Advisory Council, insofar as it did not object on legal grounds to the exclusion of the risk corresponding to the concession operator) and because the four-year deadline for declaring it detrimental to the public interest had elapsed.

b) Unilaterally amending the Royal Decree and the Agreement which it approved would also not be warranted, either under the Toll Roads Law or under the "rebus sic stantibus" clause. Regarding the latter, the report stated that a decrease in traffic is not a wholly unforeseeable circumstance, given that the nature of this factor is to fluctuate and vary, especially over a period as lengthy as 16 years.

Accordingly, in 2014 the State Legal Service concluded, as had the Government lawyer for the Ministry of Transports, Mobility and Urban Agenda in 2006 and the opinion of the Government Advisory Council in 2006, that the Agreement approved by Royal Decree 457/2006 is valid and legally effective, and therefore it may not be unilaterally amended by the grantor.

ii) A new opinion from the Government Advisory Council, that concludes, among other aspects: (a) the concession operator does not have a vested right to the annual compensation balances and, consequently, any financial statements that include amounts accrued as a result of decreased toll road traffic should not receive a favourable review from the Regional Government Office for toll road concession operators; (b) the compensation system set forth in the Agreement does not cover possible compensation for decreases in toll road traffic other than decreases that are caused by the doubling of the N-II and CN-340 roads (which, in the opinion of the Government Advisory Council, has not occurred) and that exceed the maximum amount of the investments made; (c) since there has been no imbalance in the performance of the Agreement, the Agreement should not be unilaterally amended; and (d) in the case of the Agreement in question, the provisions set out in Directive 2014/23/EU of 26 February on the award of concession contracts must be taken into account.

The new decision of the Government Advisory Council in 2014 expressly rendered its previous 2006 decision null and void. It justified, from a legal standpoint, its change of stance on the basis that the novation agreement to amend the Agreement does not permit the traffic risk to be transferred, that the regulated participating loans subsequently rendered the forecasts of guaranteed traffic set forth in the Agreement void, and that Directive 2014/23/EU of 26 February on the award of concession contracts requires the concession operator to assume the demand risk. Accordingly, it does not accept the compensation balance for guaranteed traffic, which at 31 December 2020 stood at in, excluding the related tax effect (31 December 2019: EUR 2,377 million).

However, the Government Advisory Council did emphasise that the concession operator could authorise for issue and approve its financial statements as it considered fit, although the review would be unfavourable if it continued to apply the same accounting policy, and that if the Ministry considers that the compensation account included the effect of the decrease in traffic it may amend Royal Decree 457/2006 and the Agreement it approved using administrative powers, including the application of the "rebus sic stantibus" clause.

Also, in relation to the foregoing and in view of the differing interpretations made by the parties, on 29 June 2015 a written request was submitted to the Spanish Cabinet through the Regional Government Office for toll road concession operators in Spain asking that it exercise its powers of interpretation regarding Acesa's concession arrangement, with respect to the correct understanding of the compensation clause included in the Agreement approved by Royal Decree 457/2006, in order to include the guaranteed traffic expressly agreed in the arrangement in the compensation account. In this connection, on 30 September 2015 Acesa filed an appeal for judicial review at the Supreme Court against the dismissal of the request submitted to the Spanish Cabinet due to administrative silence in relation to the query that had been filed.

As a result of the request submitted on 29 June 2015, the Regional Government Office for toll road concession operators in Spain initiated on 28 March 2017 a proceeding relating to the interpretation of the Agreement approved by Royal Decree 457/2006, and a reply brief was filed by Acesa and sent to the Government Advisory Council so that a decision could be handed down in in this regard. On 3 July 2017, the Spanish Cabinet announced that it had adopted a decision against the interpretation of the Agreement by Acesa. This decision confirms, therefore, the decision to reject the request for interpretation previously challenged at the Supreme Court and can only be perceived for legal purposes as being included in the obligation incumbent upon any government to decide on proceedings brought by the interested parties, since rejection by the administrative silence route does not release the Government from the obligation to comply with its duty to formally express a decision.

In view of the above, Acesa requested that the Supreme Court extend the appeal to the content of the decision formally expressed by the Spanish Cabinet, which was accepted by the Supreme Court, giving rise to the reopening of the initial submissions proceeding at the Court. In this connection, on 4 June 2019 the Supreme Court handed down a judgment whereby the solution was postponed until August 2021 (when Acesa's concession ends), taking the view that it was not appropriate to make any type of interpretation at this time but only at the end of the concession, thereby not expressly accepting the interpretation considered by the Ministry of Transports, Mobility and Urban Agenda. In any event, Acesa is, if possible, even more convinced after this of the soundness of its legal arguments, based on the Agreement itself that the granting authority and the concession operator signed for reasons of general interest.

With regard to the aforementioned decisions and the interpretation ruling issued by the Spanish Cabinet on 3 July 2017, it should be emphasised that the position of the State Legal Service-Government Legal Services Office is in line with the stance adopted in various external reports that the concession operator commissioned and made available to the grantor. These reports were issued by Government lawyers, lawyers of the Government Advisory Council and Parliament and jurists of recognised prestige and experience, such as Juan José Lavilla and José María Barrios (Clifford Chance), Benigni Blanco and Jesús Trillo-Figueroa (Iuris C.T.), Jordi de Juan, and Alicia de Carlos (Cuatrecasas Abogados and MA Abogados). The same stance was taken by the law firms Pérez-Llorca and Uría Menéndez in the legal report they issued at the request of CVC prior to the purchase of its package of shares in 2010. These reports also agreed with those issued by the Government lawyers and by members of various governing bodies of the Company, i.e., Ricard Fornesa, Mónica López-Monís and Josep María Coronas.

In addition, the accounting policies applied by the Company received a favourable report from the current auditors (Deloitte) as well as the previous auditors (PWC), and from other accounting experts of recognised prestige, such as Enrique Ortega (Gómez Acebo & Pombo) and Sergio Aranda and Tamara Seijo (PWC).

Also, the auditor's reports on the financial statements of Acesa for the years ended 31 December 2011, 2012, 2013 and 2014 were not modified.

Acesa emphasises that, in addition to the rigour of, and agreement between, the various public and private opinions issued previously, including those of the Government Advisory Council in 2006 and of the State Legal Service-Government Legal Services Office in 2014, Royal Decree 457/2006 expressly acknowledges that when it came into force "the configuration of the concession changed", based on the guaranteed traffic. Also, the participating loans referred to by the Government Advisory Council in its decision of 17 December 2014 and regulated by the Budget Laws did not refer to Acesa. There is no mechanism that enables the application thereof in its favour and they were unconnected with the effects of the Agreement. Furthermore, with respect to the 2014 Directive (also mentioned in the decision) it should be noted that its transposition into Spanish domestic legislation in 2017, under no circumstances, enables it to be applied retrospectively, an issue included in 2015 by Jordi de Juan, Alicia de Carlos and MA Abogados in their opinions, when they updated their reports in light of the new decision of the Government Advisory Council.

Despite the foregoing, considering that the stance of the Ministry of Transports, Mobility and Urban Agenda questions the guaranteed traffic compensation balance (and the recognition of the related interest cost), on which the parties have different interpretations, an impairment loss was recognised at Acesa in 2015, amounting to EUR 982 million at 31 December 2014 and the compensation ceased to be recognised in the investee's statement of profit or loss from 1 January 2015 onwards. This stance was maintained by the Group at the date on which these financial statements were authorised for issue and it is expected to continue to maintain it until the various court proceedings in progress have been resolved.

Lastly, in relation to the aspects of the balance on which the parties do not have differing interpretations regarding their validity, i.e., the investments made and the related interest cost, but with respect to which they do have differences regarding their accounting treatment, the treatment applied in previous years was maintained.

In any case and notwithstanding the impairment loss recognised in prior years by Acesa, **Abertis** understands that the legal grounds that have always supported the legal validity of the compensation balance remain sound. As it has always done, it will attempt to reach a solution with the Government which protects its interests and those of its shareholders and, if this is not possible, it will defend such interests as appropriate in all possible court instances.

Finally, during 2021, in regard to the formalities of the provisional liquidation of the AP-7 Agreement, the corresponding administrative processes will be followed as contemplated in "RD 457/2006".

b) Autopistas Aumar, S.A.C.E. (Aumar)

Although no receivables had been recognised for accounting purposes by Aumar at 31 December 2020 (as in prior years), it must be stated that on 18 February 2011 Aumar submitted a request to the Spanish Government for the restoration of the economic and financial feasibility of the AP7/AP4 concession which it managed as a result of the impacts on the economic basis of the contracts arising from the construction of roads running in parallel, which had not been subject to a waiver included in the Agreement approved by Royal Decree 457/2006 (see Note 9-a above), claiming damages that should include the amount for the loss of revenue from 2002 to the end of the concession in 2019.

After lodging appeals at various administrative and court instances, on 22 May 2019 an unfavourable judgment was received from the Supreme Court, against which Aumar submitted a motion for annulment at the Supreme Court which was not successful, and lodged an appeal for protection of constitutional rights at the Constitutional Court on the basis that the lack of grounds for the judgment handed down could violate its right to due process of law. This appeal for protection of constitutional rights was refused leave to proceed on 17 February 2020 and the company was notified of this on 26 February 2020.

d) Other disclosures

The Company does not have any obligations to its investees other than the financial investments made, with the exception of the matters discussed in Note 19 and the balances with those companies indicated in Note 20-c.

Lastly, it should be noted that various companies in which **Abertis** has direct and indirect ownership interests have financial debts that include certain guarantees for the lenders, which include pledges or promises to pledge the shares of those subsidiaries or the concession infrastructure operated by them for a total of EUR 6,260 million in 2020 (31 December 2019: EUR 4,372 million).

10. NON-CURRENT AND CURRENT FINANCIAL ASSETS

The detail, by category, of the financial assets is as follows:

	Loans, receivables and other investments		Derivative financial instruments	
	2020	2019	2020	2019
Derivative financial instruments (Note 11)	-	-	109,280	91,667
Other current and non-current financial assets	2,992	7,313	-	-
Total	2,992	7,313	109,280	91,667

None of the unmatured loans and receivables were renegotiated in 2020.

"Other Current and Non-Current Financial Assets" includes mainly settlements of interest receivable on interest rate hedges. These balances are stated at their nominal value, which does not differ significantly from their fair value.
The carrying amounts of the financial assets are denominated mainly in euros.

11. DERIVATIVE FINANCIAL INSTRUMENTS

The detail of the fair value of the derivative financial instruments at year-end is as follows:

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	-	11,004	-	108,868
Cross currency interest rate swaps and currency swaps:				
Cash flow hedges	-	-	31,247	-
Hedges of net investments in foreign operations	109,280	-	60,420	-
Derivative financial instruments	**109,280**	**11,004**	**91,667**	**108,868**

The Company has arranged cross currency interest rate swaps

The detail of the derivative financial instruments at 31 December, by type of swap, showing their notional or contractual values, expiry dates and fair values, is as follows:

31 December 2020	**Notional amount**	**2021**	**2022**	**2023**	**2024**	**2025**	**Subsequent years**	**Net fair value**
Cross currency interest rate swaps and currency swaps:								
Cash flow hedges	467,180	-	-	-	-	-	467,180	(11,004)
Hedges of net investments in foreign operations	215,000	135,000	80,000	-	-	-	-	109,280
	682,180	**135,000**	**80,000**	**-**	**-**	**-**	**467,180**	**98,276**

-

31 December 2019	Notional amount	2020	2021	2022	2023	2024	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	1,550,000	50,000	-	-	-	-	1,500,000	(108,868)
	1,550,000	**50,000**	**-**	**-**	**-**	**-**	**1,500,000**	**(108,868)**
Cross currency interest rate swaps and currency swaps:								
Cash flow hedges	1,917,534	1,450,354					467,180	31,247
Hedges of net investments in foreign operations	215,000	135,000	40,000	40,000	-	-	-	60,420
	2,132,534	**1,585,354**	**40,000**	**40,000**	-	**-**	**467,180**	**91,667**

a) Interest rate swaps

There were no amounts of notional principal of the interest rate swaps outstanding at 31 December 2020 (2019: EUR 1,550 million, with fixed interest rates ranging from 0.77% to 1.26%, with Euribor as the floating interest benchmark rate).

In December 2018 **Abertis**, in anticipation of future debt issues to be carried out pursuant to its business plan, arranged new interest rate swaps for a total of EUR 3,500 million, which were classified as hedges since the requirements for such classification were met given, inter alia, the highly probable nature of the hedged transactions, i.e., the issue of the bonds indicated. In 2019 a portion of these transactions was cancelled for an amount of EUR 2,000 million, leaving a total of EUR 1,500 million outstanding at 2019 year-end.

In 2020 all the transactions were settled for the aforementioned amount, EUR 1,500 million (EUR 600 million in February and EUR 900 million in June), and no transactions were outstanding at 2020 year-end.

The impact on the statement of profit or loss of the settlements of these derivative financial instruments is recognised under "Finance Income" or "Finance Costs" (see Note 18-d).

The amount recognised as a financial liability at 31 December 2020 with a balancing entry in the statement of profit or loss for the year in relation to the ineffective portion of the cash flow hedge and the change in the fair value of derivative financial instruments not classified as hedges was for a total amount of EUR -9,518 thousand (2019: EUR 0 thousand).

b) Cross currency interest rate swaps and currency swaps

Abertis arranged several cross currency interest rate swaps to hedge its investment in the Brazilian Arteris Group. These hedges have a nominal value of BRL 673,300 thousand and an equivalent euro value of EUR 215,000 thousand. These hedges expire between 2021 and 2022. In 2019 **Abertis** renewed hedges in Brazilian reais amounting to BRL 415,050 thousand (an equivalent euro value of EUR 135,000 thousand).

As described in Note 4.7-c, hedges of net investments in foreign operations relating to subsidiaries, jointly controlled entities and associates are accounted for as fair value hedges of the foreign currency component, i.e., the changes in fair value are recognised in profit or loss (see Note 18-d).

The amount recognised in this connection as net investment hedges instrumented in investments in Group companies under "Changes in Fair Value of Financial Instruments" in the statement of profit or loss (see Note 18-d) represented net finance income of EUR 9,361 thousand (2019: net finance cost of EUR 10,765 thousand), offset by the related increase in the investment (see Note 9-a).

Also, in 2020 the Company undertook the following hedges in order to hedge highly probable transactions:

- In November 2020 **Abertis** arranged hedges in US dollars amounting to USD 650,000 thousand (equivalent euro value of EUR 548,930 thousand), instrumented in various foreign currency forward rate agreements, to hedge the payment required for the acquisition of the Erc Group, which was considered highly probable. The acquisition became effective on 30 December 2020 and, consequently, the hedges were settled.

- Also, **Abertis** renewed a portion of its hedges in Mexican pesos outstanding at 2019 year-end and expiring in March 2020 for an amount of MXN 12,100,000 thousand (equivalent euro value of EUR 545,737 thousand) in order to hedge the payment required for the acquisition of the Rco Group, considered highly probable, which was published by the Company on 11 October 2019 and became effective together with the settlement of the full amount of the hedges in May 2020 (2019 year-end: MXN 32,100,000 thousand, and an equivalent euro value of EUR 1,450,354 thousand).

As a result of the aforementioned hedges, the EUR/USD and EUR/MXN translation differences amounting to EUR 112,783 thousand (EUR 150,378 thousand, not considering the tax effect) existing on settlement of the hedges were recognised under "Valuation Adjustments" in the accompanying balance sheet.

The amounts arising from the settlement of these derivative financial instruments are recognised under "Finance Income" or "Finance Costs" (see Note 18-d).

c) Other disclosures

With regard to the derivative financial instruments arranged by the Company in force at 31 October 2020 and 2019, the detail of the expected net settlements, excluding credit risk adjustments, over the coming years is as follows:

	31 December 2020			31 December 2019		
	2021	2022-23	Subsequent years	2020	2021-22	Subsequent years
Projected net settlements (*)	73,414	50,485	(27,006)	68,841	(6,062)	78,937

(*) Excluding adjustments for credit risk.

12. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December 2020 and 2019 is as follows:

	2020	2019
Cash on hand	18	21
Cash at banks	491,322	1,151,109
Bank deposits maturing within three months	400,000	500,000
Cash and cash equivalents	**891,340**	**1,651,130**

13. SHAREHOLDERS' EQUITY

a) Share capital, share premium and treasury shares

The detail of these line items and of the changes therein in 2020 and 2019 is as follows:

	Share capital	Treasury shares	Total
At 1 January 2019	**2,734,696**	**(156)**	**2,734,540**
Net change in treasury shares	-	(7,237)	(7,237)
At 31 December 2019	**2,734,696**	**(7,393)**	**2,727,303**
Acquisition of treasury shares	-	(5,390)	(5,390)
At 31 December 2020	**2,734,696**	**(12,783)**	**2,721,913**

Share capital

At 31 December 2020, the share capital of **Abertis** consisted of 911,565,371 fully subscribed and paid ordinary shares, all of the same class and series, represented by book entries, of EUR 3 par value each.

The shares of **Abertis** are represented by book entries and, according to the information available, at 31 December 2020 and 31 December 2019 the shareholdings that had given rise to the appointment of directors were as follows:

	2020	2019
Abertis HoldCo, S.A. (1)	98.70%	98.70%
	98.70%	**98.70%**

(1) Atlantia S.p.A. holds an ownership interest of 50% plus one share, Actividades de Construcción y Servicios, S.A. (ACS) holds an ownership interest of 30% and Hochtief Aktiengesellschaft holds an ownership interest of 20% minus one share.

During 2019, on 8 February 2019, the Extraordinary General Meeting of Shareholders of Abertis Infraestructuras, S.A. and the Sole Shareholder of Abertis Participaciones, S.A.U., approved the Common Project of Merger by absorption between Abertis Infraestructuras, S.A. (as the Absorbing Company) and Abertis Participaciones, S.A.U. (as Absorbed Company), which was executed in a public deed on 14 March 2019 and registered in the Madrid Mercantile Registry on 15 March 2019, being effective for accounting purposes from 1 January 2019. After the mentioned merger, Abertis HoldCo, S.A. directly held 98.7% of the share capital of **Abertis** (until then held indirectly through Abertis Participaciones, S.A.U.).

Treasury shares

Pursuant to the authorisations granted by the Annual General Meeting of 25 July 2018, at which the shareholders adopted, among other resolutions, a resolution to authorise the Board of Directors of the Company to acquire, by transfer of title and directly or indirectly through other companies, treasury shares of the Company for a maximum price of EUR 18.36 per share for a maximum period of five years, i.e., until 25 July 2023, in 2020 **Abertis** performed various share purchases.

As a result of the transactions carried out, the treasury shares held at 31 December 2020 represented 0.17% of the share capital of Abertis Infraestructuras, S.A. (2019 year-end: 0.08%).

In any case, the use of the treasury shares held at year-end will depend on such resolutions as might be adopted by the Group's governing bodies.

The changes in the treasury share portfolio in 2020 and 2019 were as follows:

	Number	Par value	Acquisition cost
At 1 January 2020	691,508	2,075	7,393
Acquisition	866,152	2,598	5,390
At 31 December 2020	**1,557,660**	**4,673**	**12,783**

	Number	Par value	Acquisition cost/Sales proceeds
At 1 January 2019	8,500	26	156
Acquisition	683,008	2,049	7,237
At 31 December 2019	**691,508**	**2,075**	**7,393**

b) Reserves

The detail of the reserves at 31 December 2020 and 2019 is as follows:

	2020	2019
Legal and bylaw reserves:		
- Legal reserve	594,229	594,229
	594,229	594,229
Other reserves:		
- Voluntary reserves	1,663,415	2,417,572
- Reserves for actuarial gains and losses	1,402	1,393
	1,664,817	2,418,965
	2,259,046	**3,013,194**

Legal reserve

Under Article 274 of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of a company's liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Except as mentioned above, 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 31 December 2020, (as in 2019 year-end) the balance of this reserve had reached the legally required minimum and exceeds the legally established 20% by EUR 47,290 thousand.

Merger reserve

The merger between Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. (see Notes 1 and 2) carried out in 2019 gave rise to a positive merger reserve of EUR 9,458,178 thousand, calculated as follows:

	Abertis Infraestructuras, S.A.	**Abertis Participaciones, S.A.U. (Note 6)**	**Effect of consolidated valuation and merger adjustment (Note 6)**	**Ending balance**
1 January 2019				
Shareholders' equity	**7,125,240**	**16,519,451**	**(7,061,273)**	**16,583,418**
Share capital	2,734,696	100,060	(100,060)	2,734,696
Other contributions of the sole shareholder	-	16,419,541	(16,419,541)	-
Reserves	1,983,942	-		1,983,942
Merger reserves	-	-	9,458,178	9,458,178
(Treasury shares)	(156)	-	-	(156)
Profit (Loss) for the year	2,406,758	(150)	150	2,406,758
Valuation adjustments	**(13,659)**	**-**	**13,659**	**-**
Hedges	(13,659)	-	13,659	-
TOTAL EQUITY	**7,111,581**	**16,519,451**	**(7,047,614)**	**16,583,418**

Based on the foregoing calculations, the positive merger reserve corresponded primarily to "Other Contributions of the Sole Shareholder" since, as described in Note 6, the "Effect of valuation in the consolidated financial statements" corresponding to the profits generated by Abertis Infraestructuras, S.A. companies since 1 November 2018 and not distributed until 31 December 2018 was not significant.

Also, it should be noted that in 2019 an extraordinary dividend of EUR 9,963,410 thousand was distributed, of which EUR 9,458,178 thousand were charged to the merger reserve (see Note 6), and EUR 505,232 thousand were charged to voluntary reserves.

Voluntary reserves

In 2020, in addition to the changes relating to the distribution of profit, of particular note is the negative impact on reserves of EUR 873,821 thousand (amount net of treasury shares) due to the distribution of the dividend.

In relation to the changes in 2019 and in addition to the changes relating to the distribution of profit, of particular note is the negative impact on reserves of EUR 491,573 thousand (amount net of treasury shares) due to the distribution of the aforementioned extraordinary dividend.

Dividends

On 21 April 2020, the Annual General Meeting of **Abertis** approved the payment of a dividend out of voluntary reserves of EUR 0.96 gross per share of Abertis Infraestructuras, S.A., representing EUR 875,103 thousand.

In this connection, and in the context of the situation at the time of the aforementioned General Meeting, characterised by the restrictions imposed to control the spread of Covid-19 and the economic crisis generated in this context, the shareholders at the Annual General Meeting resolved to divide the dividend payment into two tranches:

- A first tranche equal to 50% of the total amount of the dividend payable on 28 April 2020; and
- A second tranche for the remaining 50% of the total amount that would be payable at the end of 2020, subject to verification, before the end of November 2020, by the Board of Directors of the true impact of Covid-19 through a Rating Evaluation Service (RES) of Standard & Poor's confirming, at least, the current rating of the Company ("BBB-").

On 3 November 2020, **Abertis** announced, inter alia, that after having assessed that the payment of 50% of the remaining dividend was consistent with the interests of the Group, including the protection of the current rating level, it would be payable on 12 November 2020.

Also, on 19 March 2019 the Annual General Meeting of **Abertis** approved the payment of a dividend out of profit for the year of EUR 0.96 gross per share of Abertis Infraestructuras, S.A., representing EUR 875,103 thousand.

It also approved the payment of an extraordinary dividend out of reserves of EUR 10.93 gross per share of Abertis Infraestructuras, S.A., representing EUR 9,963,410 thousand. In relation to the aforementioned extraordinary dividend, **Abertis** complied with its payment obligation to Abertis HoldCo, S.A. by assuming Abertis HoldCo, S.A.'s contractual position of borrower, as its majority shareholder, in the following financing agreements: i) in the financing agreement totalling EUR 9,950,000 thousand, entered into on 23 October 2018 between Abertis HoldCo, S.A., as borrower, and the original lending entities (carrying amount at the date on which the debt was acquired, EUR 8,849,553 thousand); and ii) in the financing agreement amounting to EUR 970,000 thousand entered into on 27 December 2018 between Abertis HoldCo, S.A., as borrower, and certain original lending entities (carrying amount at the date on which the debt was acquired,: EUR 967,642 thousand). Following the acquisition of the debt by **Abertis**, the remaining dividend of EUR 146,215 thousand was paid in cash (EUR 17,150 thousand to Abertis HoldCo, S.A.).

Finally, the following dividends have been distributed in the last 5 years:

	Thousands of Euros				
	2020	2019	2018	2017	2016
With impact in the statement of profit or loss	-	-	875,103	206,313	136,814
With impact in reserves	875,103	9,963,410	-	585,992	586,164
Distributed dividends	**875,103**	**9,963,410**	**875,103**	**792,305**	**722,978**

14. NON-CURRENT AND CURRENT PAYABLES

The detail, by category, of the non-current and current payables is as follows:

	Accounts payable		**Derivative financial instruments**	
	2020	**2019**	**2020**	**2019**
Debt instruments and other marketable securities	10,167,282	10,310,845	-	-
Bank borrowings	4,329,942	4,458,875	-	-
Lease liabilities under finance leases	46	73	-	-
Derivative financial instruments (Note 11)	-	-	11,004	108,868
Other financial liabilities	6	6		
Total	**14,497,276**	**14,769,799**	**11,004**	**108,868**

The detail, by maturity, of the accounts payable at the end of each reporting period is as follows:

	31 December 2020							
	Current maturity	Non-current maturity						
	2021	2022	2023	2024	2025	Subsequent years	Total	Total
Debt instruments and other marketable securities	165,349	32,961	620,267	675,338	1,040,647	7,632,720	10,001,933	10,167,282
Bank borrowings	4,162	375,559	897,569	1,348,826	1,503,826	200,000	4,325,780	4,329,942
Obligations under finance leases	46	-	-	-	-	-	-	46
Other financial liabilities	-	-	-	-	-	6	6	6
Total	**169,557**	**408,520**	**1,517,836**	**2,024,164**	**2,544,473**	**7,832,726**	**14,327,719**	**14,497,276**

	31 December 2019							
	Current maturity	Non-current maturity						
	2020	2021	2022	2023	2024	Subsequent years	Total	Total
Debt instruments and other marketable securities	835,142	34,656	34,656	620,803	1,019,845	7,765,743	9,475,703	10,310,845
Bank borrowings	58,413	3,722	1,370,862	1,243,996	998,441	783,441	4,400,462	4,458,875
Lease liabilities under finance leases	73	-	-	-	-	-	-	73
Other financial liabilities	-	-	-	-	-	6	6	6
Total	**893,628**	**38,378**	**1,405,518**	**1,864,799**	**2,018,286**	**8,549,190**	**13,876,171**	**14,769,799**

The carrying amounts and fair values of the non-current payables are as follows:

	Carrying amount		Fair value	
	2020	2019	2020	2019
Bank loans	4,325,780	4,400,462	4,348,081	4,418,167
Debt instruments and other marketable securities	10,001,933	9,475,703	11,006,188	10,021,330
Other financial liabilities	6	6	6	6
	14,327,719	**13,876,171**	**15,354,275**	**14,439,503**

The financial liabilities are stated at their amortised cost. The fair values are measured using cash flows discounted at a rate based on a borrowing rate of 0.627% (2019: 0.986%) .

The Company's debts are denominated in euros, except for the 400 million denominated in pounds sterling detailed above.

The Company has the following undrawn credit facilities:

	2020	2019
Floating rate:		
- maturing at less than one year	300,000	-
- maturing at more than one year	3,020,000	2,650,000
	3,320,000	**2,650,000**

At 2020 year-end the Company had credit facilities with a limit of EUR 3,320 million (2019: EUR 2,650 million), of which EUR 300 million mature at less than one year and EUR 3,020 million mature at more than one year. At the end of 2019 no amount had been drawn down against the credit facilities.

Of the EUR 3,320 million of the credit facilities, EUR 1,595 million (2019: EUR 1,150 million) can be drawn down in euros or in other currencies (for the related equivalent amount). The credit facilities denominated in euros bear interest at Euribor plus a spread and the credit facilities denominated in currencies other than the euro bear interest at Libor plus a spread.

Various financing transactions carried out in 2020 provided new funds for **Abertis**, for a net amount of EUR 3,200 million, aimed at allowing it to service part of the debt maturing in 2020 (with debt totalling EUR 3,391 million being serviced and refinanced), increasing the Company's liquidity and optimising **Abertis's** debt maturity profile and borrowing costs, thereby strengthening its financial position. The transactions included most notably the following:

- Under the Euro Medium Term Note Programme (EMTN) approved by the Board of Directors on 26 February 2019 for a total maximum amount of EUR 7,000 million, registered with the Central Bank of Ireland (CBI) in Dublin on 6 March 2019. Subsequently, on 13 January 2020, the Board of Directors resolved to increase the total maximum amount of the EMTN programme to EUR 12,000 million.

  Abertis carried out new bond issues totalling EUR 1,500 million with the following breakdown of maturities and rates in 2020:

Issue date	Amount (EUR million)	Maturity	Coupon rate
February 2020	600	February 2028	1.25%
June 2020	900	March 2029	2.25%
Total	**1,500**		

- **Abertis** entered into new loan agreements with banks totalling EUR 420 million maturing in 2025 at a variable rate based on the Euribor plus the corresponding margin.

- Drawdowns were made against existing and new bilateral loans arranged in 2020 amounting to EUR 1,420 million, which includes the amount of the loans described above.

- Also, under the Euro Commercial Paper Programme (ECP) registered with the Central Bank of Ireland (CBI) in Dublin on 28 June 2019 for EUR 1,000 million, renewed in June 2020, **Abertis** issued commercial paper amounting to EUR 30 million, which had been settled at the balance sheet date.

- Also, bonds were redeemed for an aggregate nominal amount of EUR 920 million, EUR 344 million corresponding to an issue maturing in 2024, EUR 321 million corresponding to two issues maturing in 2025 and EUR 255 million corresponding to an issue maturing in 2026. The impact of these bond redemptions on profit for the year, as a result of the difference between the carrying amount of the debt and the redemption value, amounted to EUR 56 million.

- During 2020, EUR 250 million have been repaid corresponding to credit facilities drawn down in the year.

- Also, **Abertis** took steps to optimise the Group's liquidity and to reduce borrowing costs by renegotiating credit facilities amounting to EUR 2,425 million. Accordingly, at 31 December 2020 the average term of the total volume of credit facilities was 2.29 years.

In 2019 the main matters of note were as follows:

- Under the Euro Medium Term Note Programme (EMTN) approved by the Board of Directors on 26 February 2019 for a total maximum amount of EUR 7,000 million, registered with the Central Bank of Ireland (CBI) in Dublin on 6 March 2019, **Abertis** carried out new bond issues totalling EUR 5,867 million with the following breakdown of maturities and rates in 2019:

Issue date	Amount (EUR million)	Maturity	Coupon rate
March 2019	600	June 2024	1.50%
March 2019	1,000	September 2027	2.375%
March 2019	1,000	March 2031	3.00%
March 2019 (1)	467	November 2026	3.375%
July 2019	700	July 2025	0.625%
July 2019	600	July 2029	1.625%
September 2019	850	March 2028	1.125%
September 2019	650	March 2032	1.875%
Total	**5,867**		

(1) Relating to an issue of GBP 400 million with a pre-hedged coupon rate of 3.375% (2.11% considering the hedging detailed in Note 11).

- **Abertis** entered into new loan agreements with banks totalling EUR 1,250 million:

    - In January 2019 loans were arranged amounting to EUR 250 million maturing between 2024 and 2025. These loans had been drawn down at 2019 year-end.

    - In December 2019 new loan agreements for a total of EUR 1,000 million were executed, maturing between 2022 and 2025, against which no amounts had been drawn down at 2019 year-end.

  All the new bank borrowings were arranged at floating rates, calculated based on the corresponding Euribor rate plus a spread.

- Drawdowns totalling EUR 1,065 million were made against existing bilateral loans, with EUR 815 million drawn down at 31 December 2019, which included the amount of the loans arranged in January 2019 described above.

- Also, under the Euro Commercial Paper Programme (ECP) registered with the Central Bank of Ireland (CBI) in Dublin on 28 June 2019 for EUR 1,000 million, **Abertis** issued commercial paper amounting to EUR 150 million, which had been settled at the balance sheet date.

- Accordingly, in 2019 EUR 8,515 million were repaid, of which EUR 6,608 million corresponded to the early repayment of the debt assumed of its shareholder Abertis HoldCo, S.A. detailed above, EUR 1,190 million to the repayment of bilateral loans, EUR 364 million to the redemption on maturity of a bond that matured in October 2019, EUR 203 million to the repayment of credit facilities drawn down in the year and EUR 150 million to cater for of commercial paper maturities.

- Also, **Abertis** took steps to optimise the Group's liquidity and to reduce borrowing costs by renegotiating credit facilities amounting to EUR 1,550 million. Accordingly, at 31 December 2019 the average term of the total volume of credit facilities was 2.20 years.

a) Bond issues and bank borrowings

The detail of the bond issues and non-current bank borrowings at 31 December 2020 is as follows:

Instrument	Initial nominal amount	Arrangement date	Maturity date	Currency	Interest rate	Amount drawn down at 31/12/20 (1)
Bonds	100,000	31/03/14	31/03/26	EUR	Fixed	100,000
Bonds	125,000	14/05/08	14/05/38	EUR	Fixed	125,000
Bonds	160,000	01/02/05	21/12/24	EUR	Floating	160,000
Bonds	250,000	19/03/14	19/03/24	EUR	Fixed	250,000
Bonds	467,000	27/03/19	27/11/26	GBP	Fixed	467,000
Bonds	500,000	17/11/16	27/02/27	EUR	Fixed	500,000
Bonds	600,000	27/03/19	27/06/24	EUR	Fixed	256,100
Bonds	600,000	15/07/19	15/07/29	EUR	Fixed	600,000
Bonds	600,000	20/06/13	20/06/23	EUR	Fixed	600,000
Bonds	650,000	26/09/19	26/03/32	EUR	Fixed	650,000
Bonds	700,000	15/07/19	15/07/25	EUR	Fixed	503,200
Bonds	700,000	27/06/14	27/02/25	EUR	Fixed	575,400
Bonds	850,000	26/09/19	26/03/28	EUR	Fixed	850,000
Bonds	1,000,000	27/03/19	27/09/27	EUR	Fixed	1,000,000
Bonds	1,000,000	27/03/19	27/03/31	EUR	Fixed	1,000,000
Bonds	1,150,000	20/05/16	20/05/26	EUR	Fixed	894,900
Bonds	600,000	07/02/20	07/02/28	EUR	Fixed	600,000
Bonds	900,000	30/06/20	29/03/29	EUR	Fixed	900,000
Loans	3,000,000	23/10/18	23/10/23	EUR	Floating	750,000
Loans	970,000	27/12/18	13/01/25	EUR	Floating	970,000
Loans	300,000	05/12/19	28/05/25	EUR	Floating	300,000
Loans	200,000	20/12/18	20/03/24	EUR	Floating	200,000
Loans	200,000	21/07/17	15/01/26	EUR	Floating	200,000
Loans	175,000	11/05/17	11/05/22	EUR	Floating	175,000
Loans	165,000	28/11/18	28/03/24	EUR	Floating	165,000
Loans	150,000	10/01/19	10/01/25	EUR	Floating	150,000
Loans	150,000	31/10/18	10/05/25	EUR	Floating	150,000
Loans	150,000	03/12/19	03/06/23	EUR	Floating	150,000
Loans	150,000	05/12/19	05/12/24	EUR	Floating	150,000
Loans	150,000	12/12/19	12/12/24	EUR	Floating	150,000
Loans	100,000	10/01/19	10/07/24	EUR	Floating	100,000
Loans	100,000	12/12/19	19/06/22	EUR	Floating	100,000
Loans	100,000	05/12/19	06/04/22	EUR	Floating	100,000
Loans	50,000	17/12/19	20/03/24	EUR	Floating	50,000
Loans	50,000	16/11/18	15/11/24	EUR	Floating	50,000
Loans	130,000	28/04/20	28/04/25	EUR	Floating	130,000
Loans	90,000	10/01/20	10/01/25	EUR	Floating	90,000
Loans	50,000	10/01/20	10/01/25	EUR	Floating	50,000
Loans	100,000	19/02/20	28/02/25	EUR	Floating	100,000
Loans	50,000	24/07/20	24/07/25	EUR	Floating	50,000

(1) Amount corresponding to the contractual cash flows, translated at the closing exchange rate or, where appropriate, the rate set in the associated hedge, which differ from their carrying amount due to the effect of applying the amortised cost criteria established in the applicable financial reporting framework, including the impact of the PPA after Atlantia obtained control of Abertis and the subsequent merger of Abertis with Abertis Participaciones explained in Note 6 above.

Also, at the end of 2020 69% (2019: 68%) of the borrowings bore a fixed interest rate or a rate fixed through hedges.

Lastly, it should be noted that in relation to the main financing agreements in force at 31 December 2020 no financial assets of amounts material with respect to these financial statements had been pledged as security for liabilities or contingent liabilities (as at the end of 2019).

There are no obligations or covenants associated with the financing agreements that at the date of these financial statements might give rise to the liabilities becoming immediately claimable by the lender.

In this regard, at the date of authorisation for issue of these financial statements, the clauses or obligations included in the bond issues and loans had been fulfilled. Also, a portion of the borrowings arranged by the Company, amounting to approximately EUR 10,684 million, includes covenants relating to changes in control, in relation to EUR 8,864 million of which the change of control must occur together with a material negative impact on the credit rating (loss of the "investment grade" category). In this regard, at the date of authorisation for issue of these financial statements, there had been no impact in relation to those covenants.

b) Rating

At the date of authorisation for issue of these financial statements **Abertis** had a long-term "BBB-" Investment-grade adequate capacity credit rating awarded by the international credit rating agency Standard and Poor's Credit Market Services Europe Ltd. Also, the short-term credit rating at that date was "A-3".

In addition, **Abertis** holds a long-term "BBB+" rating awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term "F3" rating.

15. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

Among the obligations to its employees, the Company has defined contribution pension obligations and sponsors an occupational pension plan.

Also, the Company has defined contribution and/or defined benefit pension obligations, instrumented in the form of insurance policies, as provided for in the legislation governing the externalisation of pension obligations.

"Long-Term Provisions - Long-Term Employee Benefit Obligations" on the liability side of the accompanying balance sheet includes EUR 0 thousand (2019: EUR 6 thousand) relating to the present value of the defined benefit pension obligations to the Company's employees instrumented in the form of insurance policies. The staff costs recognised in 2020 in relation to these obligations amounted to EUR 0 thousand (2019: EUR 0 thousand) (see Note 18-b).

Also, "Non-Current Financial Assets - Other Financial Assets" on the asset side of the accompanying balance sheet includes EUR 20 thousand (2019: EUR 14 thousand) relating to the fair value of the related plan assets. EUR 0 thousand (2019: EUR 0 thousand) were recorded under "Finance Income" in connection with the projected return on those assets.

The economic and actuarial information on the existing liability relating to the Company's pension obligations to its employees is as follows:

a) Defined contribution obligations

The staff costs recognised in the statement of profit or loss for the year in relation to defined contribution obligations totalled EUR 1,617 thousand (2019: EUR 1,633 thousand) (see Note 18-b).

b) Defined benefit obligations

Pension obligations are externalised through insurance policies, and the related provisions are not reflected in the balance sheet. However, the related balance sheet line item includes the hedging instruments (obligations and the related plan assets) in which the legal or constructive obligation to provide the benefits agreed upon is retained.

In relation to the Company's defined benefit obligations to its employees, the reconciliation of the beginning and ending balances of the actuarial value of these obligations is as follows:

	2020	2019
At 1 January	**6**	**6**
Current service cost (Note 18-b)	-	-
Actuarial (gains)/losses	(6)	-
Curtailments/settlements	-	
At 31 December	**-**	**6**

The reconciliation of the beginning and ending balances of the actuarial fair value of the related plan assets is as follows:

	2020	2019
At 1 January	**14**	**14**
Expected return on plan assets	-	-
Actuarial gains/(losses)	6	-
Curtailments/settlements	-	-
At 31 December	**20**	**14**

The actuarial assumptions (demographic and financial) used are the best estimates of the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2020	2019
Annual discount rate	0%	0.75%
Expected return on plan assets	0%	0.75%
Percentage salary increase	1.5%	2.00%
Mortality tables	PERM/F 2000 P	PERM/F 2000 P
Disability tables	IPA 0M77	IPA 0M77

The expected general rate of return on the plan assets is the discount rate used to calculate the obligation.

c) Other obligations

Together with the aforementioned obligations, the Company has obligations to its employees tied to the degree of achievement of certain business objectives. The change in these obligations includes mainly, the provision for the corresponding portion of the obligation associated with the "2019-2021 Incentive Plan" (see Note 20-a).

16. OTHER PROVISIONS

At 31 December 2020, **Abertis** had recognised provisions to cover the risks associated with its normal operations.

17. INCOME TAX AND TAX MATTERS

a) Tax-related disclosures

The Company files consolidated income tax returns as part of the tax group headed by Abertis Holdco, S.A. (until 2018 the head of the tax group was Abertis Infraestructuras, S.A).

Also, the Company files consolidated VAT returns as part of the tax group also headed by Abertis Holdco, S.A. (until 2018 the head of the tax group was Abertis Infraestructuras, S.A).

At 31 December 2020, the Company had open for review by the tax authorities all the taxes applicable to it for which the statute of limitations period had not expired at that date.

In this regard, in 2020, the Company, as the parent company of the group until 2018, has signed on a contested basis tax assessments in relation to the Corporate Tax for the years 2014 to 2016 and, in relation to the VAT of the month from June 2014 to December 2016. The Tax Group has filed the corresponding economic-administrative appeals against the aforementioned minutes, considering that there are legally contrasted arguments in favour of the application of the standard according to the Company's interpretation.

On the other hand, the tax assessments issued to the consolidated tax group in Spain, which were signed on a contested basis and appealed and are described in Note 13 to the separate financial statements for 2018, with respect to income tax at separate and consolidated level for 2010 to 2013 and with respect to the VAT of the group of entities of July 2011 to December 2013, were still pending resolution at the date on which these financial statements were signed.

In this regard, the Company considers that the proceedings associated with the tax assessments signed on a contested basis and the possible differences in the way current tax legislation is interpreted in relation to the years open for review will not have a significant impact reflected in these financial statements.

Also, the Company as the parent of the tax Group, has challenged in 2020 both the consolidated income tax returns and the instalment payments for 2016 to 2018 based on the possible unconstitutionality of both Royal Decree-Law 3/2016, which established the limitation on the prior years' tax losses offset to 25%, among other modifications, and Royal Decree-Law 2/2016 which increased the amount of the instalment payments. In 2020 the Constitutional Court issued a judgment dated 1 July 2020 stating the unconstitutionality of Royal Decree-Law 2/2016, which led to the acknowledgement thereof by the Tax Agency and the refund of the amounts claimed by the Group in relation to the instalment payments of 2016 and 2017, with the other years and items pending resolution in different instances at the date of authorisation for issue of these financial statements.

Also, it should be noted that in 2007 the European Commission initiated an investigation procedure against the Kingdom of Spain in relation to State aid relating to Article 12.5 of the former Consolidated Spanish Income Tax Law. In this connection, the Commission adopted Decision 2011/5/EC of 28 October 2009 (First Decision) on acquisitions within the EU and Decision 2011/282/EU of 12 January 2011 (Second Decision) on foreign shareholding acquisitions, stating that the deduction regulated by Article 12.5 constituted unlawful State aid. In addition to the foregoing, the Commission adopted Decision 2015/314/EU of 15 October 2014 (Third Decision) also classifying as State aid the deductions that applied under Article 12.5 of the Consolidated Spanish Income Tax Law in the case of indirect acquisitions (Third Decision). On 1 April 2015, **Abertis** filed an action for annulment at the General Court of the European Union against the Third Decision of the Commission, a proceeding that was immediately stayed by the Court until judgments had been handed down on the appeals filed by the Commission against two decisions of the General Court on the Decisions of 2009 and 2011 on this issue.

Since the appeals against the First and Second Decisions were upheld, in the first quarter of 2017 the General Court of the European Union ordered the end of the stay of all the actions for annulment against the Third Decision and the re-initiation of the proceedings affected, including that brought by Abertis. Therefore, on 24 March 2017 the European Commission lodged a defence with the General Court, following which **Abertis** lodged the related reply on 30 May 2017. At the end of this proceeding the General Court of the European Union must hand down a judgment analysing the solid legal grounds presented by **Abertis** against the Third Decision.

In this connection, on 15 November 2018 the General Court dismissed the appeals against the First and Second decisions of the Commission, upholding that the amortisation of goodwill for tax purposes constituted State aid incompatible with the internal market, although it confirmed the existence of legitimate expectations in the cases of acquisitions prior to 21 December 2007. A cassation appeal was filed against these judgments at the Court of Justice of the European Union, as a result of which the latter once again ordered the stay of the appeals against the Third Decision. The appeal filed by **Abertis** against the Third Decision is in progress at the same chamber of the General Court of the European Union, and the final outcomes of the appeals against the First and Second decisions do not prejudge the specific issues of a different nature raised by **Abertis** in its appeal against the Third Decision.

In any case, the resolution of this matter is not expected to have a negative impact on the Company’s equity because either it has returned the corresponding amount plus late-payment interest, or because it had already recognised a deferred tax liability associated with the goodwill deducted to date which has not yet been actually returned to the Spanish tax authorities.

On 14 March 2019, the merger of Abertis Infraestructuras, S.A. with Abertis Participaciones, S.A. (Sole-Shareholder Company), through the absorption in full of the latter by the former and the concomitant dissolution without liquidation of the latter, was executed in a public deed (see Note 6 of 2019 financial statements). This merger qualified for taxation under the special tax regime established in Chapter VII of Title VII of Income Tax Law 27/2014, of 27 November.

As a result of the merger by absorption, all the assets and liabilities of the absorbed company (and, therefore, all its rights and obligations) were transferred by universal succession to the absorbing company (see Note 6 of 2019 financial statements for the related detail and further information). The assets and liabilities acquired were included in the financial statements of the absorbing company at the carrying amounts and with the effects detailed in Note 6 of 2019 financial statements. The assets and liabilities received were valued for tax purposes at the tax base of the items delivered, which were the same as the carrying amounts described in the notes to the Company's financial statements for 2018.

On 30 December 2019, the merger of Inversora de Infraestructuras, S.L. with Abertis Infraestructuras Chile, Spa, through the absorption in full of the latter by the former and the concomitant dissolution without liquidation of the latter, was executed in a public deed (see Note 9-a of 2019 financial statements). This transaction had recourse to taxation under the special tax regime established in Chapter VII of Title VII of Income Tax Law 27/2014, of 27 November.

As a result of the merger by absorption, all the assets and liabilities of the absorbed company (and, therefore, all its rights and obligations) were transferred by universal succession to the absorbing company (see Note 9-a of 2019 financial statements for the related detail and further information).

In 2002, 2003 and 2004 the Company performed various corporate transactions to which the special tax regime provided for in Chapter VIII of Title VII of Legislative Royal Decree 4/2004 (in 2002 and 2003 Chapter VIII of Title VIII of the Spanish Income Tax Law) was applied. The information relating to these transactions is disclosed in the financial statements for 2002, 2003 and 2004. The transactions were as follows:

- The non-monetary contribution to Autopistas Concesionaria Española, S.A. (Sole-Shareholder Company) of the line of business relating to the toll road concessions operated by the Company (2002) and the capital increase at the investee Abertis Logística, S.A. subscribed by the Company through the non-monetary contribution of shares of various investees (2002).

- The capital increase at the Company, in order to perform the share exchange established as the means of consideration in the tender offer launched by the Company for the shares of Ibérica de Autopistas, S.A. (2002).

- The merger by absorption of Aurea, Concesiones de Infraestructuras, S.A. (2003) and Ibérica de Autopistas, S.A. (2004) into Abertis Infraestructuras, S.A. and the consequent dissolution without liquidation of the former two companies.

b) Income tax expense

The standard income tax rate for 2020 and 2019 was 25%.

The reconciliation of the accounting profit for the year to the taxable profit for income tax purposes for 2020 and 2019 is as follows:

2020	Profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Profit after tax for the year			(1,084,328)			136,382
Income tax expense for the year	-	-	(75,269)	-	-	45,461
Permanent differences	1,574,349	(752,424)	821,925	-	-	-
Temporary differences:						
- arising in the year	6,463	(74,115)	(67,652)	-	(181,837)	(181,837)
- arising in prior years	1,503	(63,213)	(61,710)	-	-	-
Total			**(467,034)**			**6**
Tax loss to be included in the consolidated tax base			**(467,028)**			

2019	Profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Profit after tax for the year			119,663			80
Income tax benefit for the year	-	-	(38,050)	-	-	26
Permanent differences	778,715	(1,013,523)	(234,808)	-	-	-
Temporary differences:						
- arising in the year	6,456	(74,115)	(67,659)	-	(106)	(106)
- arising in prior years	1,503	(113,039)	(111,536)	-	-	-
Total			**(332,390)**			**-**
Tax loss to be included in the consolidated tax base			**(332,390)**			

The main components of the income tax benefit for 2020 and 2019 are as follows:

	2020		
	Profit or loss	**Equity**	**Total**
Current tax	(118,749)	2	**(118,747)**
Deferred tax	42,382	45.459	**87,841**
Adjustments to income tax	-	-	**-**
Prior years' taxes/Other	1,098	-	**1,098**
Total	**(75,269)**	**45.461**	**(29,808)**

	2019		
	Profit or loss	**Equity**	**Total**
Current tax	(88,498)	-	**(88,498)**
Deferred tax	47,713	26	**47,739**
Adjustments to income tax	-	-	**-**
Prior years' taxes/Other	2,735	-	**2,735**
Total	**(38,050)**	**26**	**(38,024)**

The income tax expense or benefit reflected in the Company's statement of profit or loss is calculated using the following parameters:

- The permanent differences were considered to include mainly the dividends received from companies that meet the requirements provided for in Article 21 of the Spanish Income Tax Law (EUR 746,548 thousand), the amortisation of the goodwill that was recognised as a result of the merger by absorption of Abertis Participaciones that was not tax deductible for the Company (EUR 766,483 thousand), and the impairment losses on the investments in the equity of group companies (EUR 795,662 thousand).
- The consolidated tax group assumed the right to partially offset the tax loss incurred by the Company in 2020, and the resulting intra-Group account was recognised in the balance sheet. In this connection, as described in Note 4.10, the company has recognised an account receivable with the Group’s parent company for the amount of EUR 115,665 thousand.

- The 2020 deductions correspond to deductions for taxes paid abroad, amounting EUR 1,260 thousand, to the deduction for the reversal of temporary measures in accordance with the provisions of the Thirty-seventh Transitory Provision of the Law 27/2014, of November 27, of the Corporation Tax, amounting EUR 3 thousand and to deductions for donations for EUR 728 thousand.
- Taxes similar to income tax paid abroad and the adjustment to the income tax expense incurred in 2019 increased the income tax expense by EUR 1,098 thousand (2019: EUR 2,735 thousand).

The tax withholdings made amount to EUR 57 thousand and no pre-payments were made (2019: tax withholdings and pre-payments of EUR 19,942 thousand).

c) Current tax assets

At 31 December 2019, "Current Tax Assets" included the final amount to be recovered by **Abertis,** as the parent until 31 December 2018 of the Spanish consolidated tax group, in relation to income tax for 2018 totalling EUR 621,746 thousand (EUR 582,572 thousand estimated at 2018 year-end), associated mainly with the dividends received by the various companies and the gains obtained on the sale of Cellnex by Abertis Infraestructuras, S.A. This income is tax exempt but, in accordance with current legislation, it was considered taxable in the income tax prepayments made in 2018. This amount was collected in February 2020.

d) Deferred taxes

The detail of the deferred taxes is as follows:

	2020	2019
Deferred tax assets:	**162,003**	**137,336**
- Tax loss carryforwards	16,146	17,188
- Provisions for employee benefit obligations	8,245	6,932
- Other provisions	1,845	1,845
- Impairment of the ACDL/APDC/SPI investment portfolio	908	908
- Timing differences	63	78
- Inclusion of deductible impairment of financial assets	1,878	1,503
- Derivatives	79,275	41,629
- Revaluation of loans	51,633	67,240
- Credit for deductions	1.990	-
- Other	20	13
Deferred tax liabilities:	**(168,291)**	**(185,320)**
- Gains from transfer of concession operators	(70,734)	(70,734)
- Amortisation of financial goodwill	(62,998)	(77,821)
- Other	(34,559)	(36,765)
Net deferred tax liabilities	**(6,288)**	**(47,984)**

The changes in "Deferred Tax Assets" and "Deferred Tax Liabilities" in 2020 and 2019 were as follows:

	2020		2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	**137,336**	**(185,320)**	**37,391**	**(159,047)**
Amount charged/(credited) to profit or loss	(13,817)	(28,565)	100,532	(26,273)
Amount charged/(credited) to equity	37,648	7,811	-	-
Adjustments to income tax	-	-	-	-
Tax loss and tax credit carryforwards	948	-	(777)	-
Other amounts charged/(credited) (adjustment prior year's income tax)	(112)	37,783	190	-
At 31 December	**162,003**	**(168,291)**	**137,336**	**(185,320)**

In accordance with the criteria detailed in Note 4.10, each company in the tax group recognises in its balance sheet as at 31 December 2020 the deferred tax asset corresponding to the portion of the tax losses that had not been offset by the other tax group companies, as well as that corresponding to tax deductions not applied by the Group. In this regard, as of 31 December 2020, the Company has recorded a deferred tax asset in the amount of EUR 1,149 thousand for the part of the negative tax result not offset by the Group and an amount of EUR 1,990 thousand for deductions.

Also, each company in the tax group recognised in its balance sheet as at 31 December 2015 the deferred tax asset corresponding to the portion of the tax losses that had not been offset by the other tax group companies. In this regard, at 31 December 2015 the Company recognised a deferred tax asset of EUR 23,168 thousand (individual tax loss of EUR 92,673 thousand), which was increased by EUR 575 thousand in the definitive income tax return for 2015 filed in July 2016. At 31 December 2020, deferred tax assets of EUR 14,997 thousand had not yet reversed, after having credited to profit or loss at year-end, and in the final returns for 2016, 2017, 2018 and 2019 a joint amount of EUR 6,994 thousand, and after the regularization of EUR 1,752 thousand as a result of the additional compensation of negative tax bases derived from a procedure for the recovery of state aid from 2016 to 2018 that has been carried out to the Company.

At 31 December 2020, the tax group's tax loss carryforwards, after considering the EUR 4,865 thousand offset in the year, total EUR 550 million (corresponding to the tax loss incurred in 2015).

The deferred tax assets indicated above were recognised in the accompanying balance sheet because the Company's directors considered that, based on their best estimate of the consolidated tax group's future earnings and pursuant to Spanish Income Tax Law 27/2014 and the other applicable legislation, and the Resolution of 9 February 2016 of the Spanish Accounting and Audit Institute (ICAC), it is probable that these assets will be recovered. In this regard, the reforms approved in 2016 eliminated the time limit for offsetting tax losses, although certain limitations were placed on their offset, namely, 25% of the tax base prior to the offset in the case of the tax group of which the Company forms part.

The deferred tax liabilities recognised at 2020 year-end relate mainly to the tax effect associated with the amortisation of the financial goodwill pursuant to Article 12.5 of the former Spanish Income Tax Law.

In accordance with Article 3 of Royal Decree-Law 3/2016, as in 2018, the Company will include in its tax base for 2020 one-fifth of the amounts deducted in prior years in relation to the impairment for tax purposes of the ownership interests held in Terra Mítica. In this connection, **Abertis** reversed the total pending amount as of 31 December 2019 and recognised the generation of the corresponding deferred tax asset as it considered that this loss could be considered deductible for tax purposes on extinguishment of the investee.

Set forth below are the cumulative changes in the amounts deducted pursuant to the now repealed Article 12.3 of the Consolidated Spanish Income Tax Law:

Company	Total amounts deducted at 31/12/19	Inclusion of 1/5 deducted under Royal Decree-Law 3/2016	2019 income tax adjustment	Amounts to be recovered/ (included) at 31/12/20
TERRA MÍTICA	(1,502)	1,502	-	-

18. INCOME AND EXPENSES

a) Revenue

As indicated in Note 1, **Abertis** operates in the toll road concessions sector. As the parent of the Group, the Company's revenue relates mainly to dividends and the provision of services to Group companies (see Note 20-c).

The breakdown, by geographical market, of the Company's revenue in 2020 and 2019 is as follows:

	%	
Market	**2020**	**2019**
Spain	75.9	53.0
Rest of Europe	22.8	46.1
Latin America and USA	1.3	0.9
India	0.0	0.0
	100.00	**100.00**

b) Staff costs

The detail of the staff costs incurred in 2020 and 2019 is as follows:

	2020	2019
Wages and salaries	16,492	18,027
Social security contributions	2,207	2,443
Pension costs:		
- Defined contribution plans (Note 15-a)	1,617	1,633
Other obligations	5,000	5,000
Other	2,141	2,379
	27,457	**29,482**

The average number of employees, by category, in 2020 and 2019 was as follows:

	2020	2019
Permanent employees:		
- Directors	1	1
- Senior managers	12	16
- Middle management and junior managers	62	63
- Other employees	68	77
Temporary employees:	-	1
	143	**158**

Also, the Company's headcount at the end of 2020 and 2019, by gender, was as follows:

	2020			2019		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Permanent employees:						
- Directors	1	-	1	1	-	1
- Senior managers	10	2	12	12	1	13
- Middle management and junior managers	31	31	62	30	31	61
- Other employees	28	41	69	20	53	73
Temporary employees:	-	1	1	1	-	1
	70	**75**	**145**	**64**	**85**	**149**

The average number of employees at the Group in 2020 and 2019 with a disability equal to or greater than 33%, by category, was as follows:

	2020	2019
Permanent employees:		
- Directors	-	-
- Senior managers	-	-
- Middle management and junior managers	-	-
- Other employees	2	2
Temporary employees:	-	-
	2	**2**

Also, it should be noted that the shareholders at the Extraordinary General Meeting held on 10 December 2018 set the number of members of the Board of Directors of **Abertis** at five or nine. At 31 December 2020, the aforementioned Board of Directors consisted of five members, all of whom were male, with all the seats on the Board occupied.

c) Impairment and gains or losses on disposals of non-current assets

	2020	2019
Net change in impairment and other losses	(795,662)	-
Gains or losses on disposals of non-current assets	-	162
Total	**(795,662)**	**162**

"Net Change in Impairment and Other Losses" relates to the impairment loss recognised in relation to a portion of the ownership interests in Abertis Autopistas España, S.A.U, (EUR 389,751 thousand), Partícipes en Brasil, S.A. (EUR 229,896 thousand), Abertis Internacional, S.A. (EUR 75,246 thousand), Inversora de Infraestructuras S.L. (EUR 69,606 thousand) and Autopistas del Sol, S.A. (EUR 31,163 thousand) (see Note 9-c).

The balance of "Gains or Losses on Disposals of Non-Current Assets" in 2019 related to the net gain on the sale of a property and of several rural properties owned by **Abertis** (see Note 8).

d) Finance income and costs

The detail of the finance income and costs in 2020 and 2019 is as follows:

	2020	2019
Income from loans to Group companies and associates (Note 20-c)	2,110	48,667
Interest and other income	36,674	14,722
Income from settlement of derivative financial instruments	14,743	12,816
Finance income	**53,527**	**76,205**
Interest on loans from Group companies and associates (Note 20-c)	(14,135)	(9,522)
Interest on bank loans and other	(311,724)	(199,653)
Expenses arising on settlement of derivative financial instruments	(31,761)	(29,968)
Finance costs	**(357,620)**	**(239,143)**

"Interest on bank loans and other" includes the impact of the redemption of bonds in 2020 detailed in Note 14. This impact amounted to EUR 56 million.

The detail of "Changes in Fair Value of Financial Instruments" in 2020 and 2019 is as follows:

The detail of "Changes in Fair Value of Financial Instruments" in 2020 and 2019 is as follows:

	2020	2019
Gain/(Loss) on hedging instruments	(21,187)	10,609
	(21,187)	**10,609**

This line item includes mainly the net effects of the hedge accounting applied to net investments in foreign operations (see Notes 9-a and 11).

The detail, by class of financial instrument, of the exchange differences recognised in 2020 and 2019 is as follows:

	2020	2019
Transactions settled in the year:		
Loans and commercial transactions	1,459	(356)
	1,459	**(356)**
Outstanding and unmatured balances:		
Loans	15,181	10,547
	15,181	**10,547**
	16,640	**10,191**

e) Transactions in currencies other than the euro

The detail of the transactions performed in a currency other than the euro in 2020 and 2019 is as follows:

	2020	2019
Services received	14,029	1,138
Services rendered	5,391	4,486
Finance costs	14,526	12,995
Finance income	14,658	38,924

Pursuant to Royal Decree 1558/2012, of 15 November, the Company states that it complies with the disclosure obligation concerning assets and rights located abroad, through the individual recognition in subsidiary accounting documents of the assets and rights held abroad, which are duly identified and recognised in a manner consistent with the accompanying financial statements.

19. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

a) Contingent liabilities

At 31 December 2020, the Company had provided collateral and other guarantees to third parties amounting to EUR 55,071 thousand (2019: EUR 67,146 thousand), which relate mainly to guarantees provided by banks to the public authorities in connection with certain obligations (investments, operation of services, financing, taxes, etc.) assumed by the Company itself and by investees. No unforeseen significant liabilities are expected to arise as a result of these guarantees.

Also, the Company acts as guarantor in relation to the financing agreements entered into by Aulesa for EUR 26,547 thousand (2019: EUR 27,528 thousand) and Abertis Infraestructuras BV for an equivalent euro value of EUR 1,508,115 thousand (2019: EUR 264,015 thousand). The change in the guarantee for the financing agreements entered into by Abertis Infraestructuras BV relates to the latter’s issue on 24 November 2020 of perpetual subordinated bonds for a total aggregate amount of EUR 1,250 million secured by Abertis Infraestructuras, S.A.

Also, the Company acts as guarantor in relation to the operating agreements entered into by Emovis for EUR 46,723 thousand (2019: EUR 48,943 thousand) and by Eurotoll for EUR 4,633 thousand (2019: EUR 4,133 thousand).

b) Commitments and obligations

Lastly, as part of the agreement with the French Government for the "Plan Relance" for French toll roads, the shareholders of the French concession operators agreed to create a fund to develop infrastructure of a clearly environmental nature (“Fonds de Modernisation Ecologique des Transports”, FMET). In this regard, having obtained a 100% ownership interest in the French subgroup Hit/Sanef, the contribution of **Abertis** as the shareholder is estimated at around EUR 50 million, which will be paid as the various investment projects to be carried out are approved. In the year ended 31 December 2020, contributions of EUR 2,475 thousand were made in this connection (2019: EUR 2,875 thousand), and the accumulated contributions at 2020 year-end amount to EUR 10,275 thousand.

20. RELATED PARTY TRANSACTIONS

a) Directors and senior executives

The directors did not earn any remuneration in 2020 for their functions as directors, and only the CEO earned remuneration.

The comparability of the figures was affected by the amendment of the bylaws and of the directors' remuneration policy.

The detail of the remuneration received by the directors of **Abertis** in 2020, in accordance with the remuneration policy approved by the shareholders at the General Meeting of 3 April 2017, and of the amendments thereto approved by the shareholders at the General Meetings held on 10 December 2018, 19 March 2019 and 21 April 2020, is as follows:

- The serving and former members of the Board of Directors, for discharging the duties inherent to their status as directors of Abertis Infraestructuras, S.A., earned EUR 0 thousand (2019: EUR 0 thousand), and earned EUR 0 thousand as members of the Boards of Directors of other Group companies (2019: EUR 26 thousand).

- For performing senior management duties, the CEO earned EUR 2,015 thousand (2019: EUR 2,032 thousand), corresponding to annual fixed and variable remuneration and EUR 480 thousand (2019: EUR 480 thousand) in contributions to employee benefit schemes.

  Also, in the first half of 2019, EUR 1,200 thousand were paid to the CEO for the payment under the 2018-2020 Incentive Plan due to its replacement by the 2019-2021 Incentive Plan.

- Also, the CEO earned EUR 60 thousand (2019: EUR 60 thousand) as other remuneration in kind.

The remuneration in 2020 of the senior executives, understood to be the general managers and similar employees of **Abertis** who in that year carried out management duties while reporting directly to the Board of Directors, the Chairman or the CEO of Abertis Infraestructuras, S.A., totalled EUR 2,818 thousand (2019: EUR 2,612 thousand.

Also, in the first half of the last financial year 2019 EUR 1,077 thousand were paid for payment under the 2018-2020 Incentive Plan due to its replacement by the 2019-2021 Incentive Plan.

Moreover, the senior executives earned as other benefits contributions related to social welfare obligations and other remuneration in kind amounting to EUR 338 thousand and EUR 169 thousand, respectively (2019: EUR 281 thousand and EUR 170 thousand, respectively).

Also, in accordance with the Company's remuneration policy for 2019, 2020 and 2021, the Group has in place a new multi-year incentive plan named "ILP 2019-2021", tied to the degree of attainment of the targets in the Group's three-year plan for 2019-2021.

Lastly, it should be noted that pursuant to Royal Decree 602/2016, of 2 December, the information required in relation to the amount of the third-party liability insurance policies of **Abertis**'s directors for damage caused or omissions, which totalled EUR 235 thousand (2019: EUR 240 thousand), are disclosed.

b) Other disclosures concerning the Board of Directors

Pursuant to Article 229 of the Spanish Limited Liability Companies Law, the directors have not reported any direct or indirect conflict of interest that they (or any persons related to them) might have with the Company's interests.

c) Group companies and associates

The detail of the financial assets and liabilities, excluding equity instruments (see Note 9-b), held by the Company with Group companies and associates (see Note 4.16) is as follows:

	31 December 2020				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Atlantia	-	-	227	-	-
Abertis HoldCo	-	225,853	-	-	-
Abertis Aut. España	-	200,000	19	-	14,512
Acesa	-	-	(362)	-	12
Iberpistas	-	-	(8)	-	-
Castellana	-	-	(149)	-	-
Avasa	-	-	(154)	-	-
Aulesa	-	-	3	-	-
Societat Autopistes Catalanes	-	-	-	-	13,767
Aucat	-	-	(116)	-	1
Infraestructures Viàries de Catalunya	-	-	311	-	2
Túnel del Cadí	-	-	-	-	2
Hit	-	-	42	-	-
Sanef	-	-	2,791	-	7
Emovis	-	481	200	-	-
Abertis Mobility Services	-	806	148	-	-
Abertis Tel. Satélites	-	-	6	-	244,457
Abertis Finance BV	-	85,950	-	1,571,245	13,785
Abertis Internacional	-	-	-	-	99,438
Abertis Motorways	-	-	11	-	-
Invin	-	94,238	-	-	-
Vías Chile	-	-	66	-	-
Metropistas	-	56	7	-	-
Abertis Puerto Rico	-	-	120	-	-
Ausol	-	(13)	1,291	-	-

	31 December 2020				
	Financial assets			**Financial liabilities**	
	Loans and other financial assets		**Trade receivables from Group companies and associates**	**Payables**	
	Non-current	**Current**	**Current**	**Non-current**	**Current**
Gco	-	-	92		
Arteris	-	-	230	-	-
Eurotoll	-	15,132	46	-	-
A4 Mobility	-	-	321	-	-
A4 Holding	-	-	4,097	-	-
Abertis India Toll Road	-	-	555	-	-
Jadche, JEPL	-	-	367	-	-
Trichy, TTPL	-	-	791	-	-
Infraestructuras Viarias Mexicanas	-	-	921	-	(27)
Rco	-	-	(65)	-	-
Abertis USA HoldCo	-	-	2,663	-	-
Total	**-**	**622,503**	**14,471**	**1,571,245**	**385,956**

	31 December 2019				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Payables	
	Non-current	Current	Current	Non-current	Current
Abertis HoldCo	-	110,122	-	-	-
Abertis Aut. España	-	300,103	302	-	12,789
Acesa	-	-	-	-	1,608
Aumar	-	-	362	-	2
Iberpistas	-	-	-	-	60,445
Societat Autopistes Catalanes	-	41,240	-	-	1,978
Aucat	-	-	-	-	2
Infraestructures Viàries de Catalunya	-	-	-	-	7,983
Hit	-	-	45	-	-
Sanef	-	-	2,367	-	7
Emovis	-	3,050	47	-	52
Sapn	-	-	40	-	-
Túnel del Cadí	-	-	-	-	7
Abertis Mobility Services	-	-	131	-	1
Coviandes	-	-	2	-	-
Abertis Tel. Satélites	-	-	-	-	243,494
Abertis Finance BV	-	59,980	-	336,594	9,325
Abertis Internacional	-	-	-	82,616	10,044
Abertis Motorways	-	-	11		
Invin	-	1,421	-	-	-
Vías Chile	-	-	663	-	-
Metropistas	-	56	4	-	-
Abertis Puerto Rico	-	-	97	-	-
Ausol	-	(12)	204	-	-
Gco	-	-	55		

	31 December 2019				
	Financial assets			**Financial liabilities**	
	Loans and other financial assets		**Trade receivables from Group companies and associates**	**Payables**	
	Non-current	**Current**	**Current**	**Non-current**	**Current**
Arteris	-	-	262	-	-
Eurotoll	-	15,193	63	-	-
A4 Mobility	-	-	72	-	-
A4 Holding	-	-	2,173	-	-
Abertis India	-	-	-	-	833
Abertis India Toll Road	-	-	304	-	-
Jadche, JEPL	-	-	187	-	-
Trichy, TTPL	-	-	553	-	-
Infraestructuras Viarias Mexicanas	-	-	461	-	-
Total	**-**	**531,153**	**8,405**	**419,210**	**348,570**

(1) Balances in Chilean pesos translated to euros at the year-end exchange rate.

On 24 November 2020, intercompany borrowings amounting to EUR 1,250 million and maturing in 2026 were arranged between **Abertis** and Abertis Infraestructuras Finance, B.V. This debt is for the same amount of the issue of perpetual subordinated bonds by the aforementioned subsidiary on that same date. **Abertis** has non-current balances payable to Abertis Infraestructuras Finance, B.V. maturing in 2024 and 2039.

During January, 2021, Abertis Infraestructuras Finance, B.V. (Abertis Finance) has issued two perpetual subordinated bonds (“hybrid bonds”) secured by Abertis Infraestructuras, S.A. payable on January 26 and 27, 2021 for an aggregate amount of EUR 750,000 thousand, redeemable on or after the fifth anniversary of date of payment at the discretion of the issuer.

Abertis Infraestructuras, S.A. has provided a full, unconditional guarantee in relation to the issues launched by Abertis Infraestructuras Finance, B.V., as described in Note 19-a.

The loans and borrowings between Group companies accrue interest at market rates and are arranged under market conditions, which are therefore reasonably considered to be equivalent to those to which might be agreed on by independent parties.

Also, all the commercial transactions are performed on an arm's length basis.

The payables to Group companies and associates mature as follows:

31 December 2020

	Current maturities	Non-current maturities						
	2021	**2022**	**2023**	**2024**	**2025**	**Subsequent years**	**Total**	**Total**
Payable to Group companies and associates	385,956	5,964	5,964	111,510	3,611	1,444,196	1,571,245	1,957,201

31 December 2019

	Current maturity	Non-current maturities						
	2020	**2021**	**2022**	**2023**	**2024**	**Subsequent years**	**Total**	**Total**
Payable to Group companies and associates	348,570	5,964	88,580	5,964	112,822	205,880	419,210	767,780

The detail of the transactions performed by the Company in 2020 and 2019 with Group companies and associates (see Note 4.16) is as follows:

	31 December 2020				
	Income			Expenses	
	Services rendered and other income	Interest received	Returns on equity investments	Services received	Interest paid
Atlantia	227	-	-	-	-
Abertis Autop. España	1,893	204	326,727	42	-
Acesa	4,235	-	-	6	-
Aumar	160	-	-	(1)	-
Iberpistas	(7)	-	-	-	-
Castellana	890	-	-	-	-
Avasa	1,273	-	-	-	-
Aulesa	60	-	-	-	-
Societat d'Autopistes Catalanes	-	19	161,147	-	-
Aucat	778	-	-	33	-
Infraestructures Vìàries de Catalunya	1,398	-	-	(1)	-
Túnel del Cadí	-	-	-	5	-
HIT	-	-	160,000	-	-
Sanef	15,325	-	-	17	-
Emovis	314	484	-	4	-
Eurotoll	72	91	-	-	-
A. Puerto Rico	23	-	-	-	-
Metropistas	4	-	-	-	-
Gco	113	-	-	-	-
Ausol	1,885	-	1,251	-	-
Abertis Telecom Satélites	56	-	-	-	-
Vías Chile	3,773	-	-	-	-
Invin	99	-	92,816	-	-
Abertis Finance BV	-	1,312	-	-	14,135
Arteris	919	-	-	-	-
Partícipes en Brasil	98	-	-	-	-
Partícipes en Brasil II	98	-	-	-	-

	31 December 2020				
	Income			Expenses	
	Services rendered and other income	Interest received	Returns on equity investments	Services received	Interest paid
Abertis Mobility Services	300	-	4,607	-	-
A4 Mobility	321	-	-	-	-
A4 Holding	2,912	-	-	-	-
Abertis India Toll Road	251	-	-	-	-
Trichy, TTPL	238	-	-	-	-
Jadche, JEPL	180	-	-	-	-
Infraestructuras Viarias Mexicanas	461	-	-	-	-
Rco	2,107	-	-	-	-
Abertis USA HoldCo	2,663	-	-	-	-
Total	**43,119**	**2,110**	**746,548**	**105**	**14,135**

	31 December 2019				
	Income			Expenses	
	Services rendered and other income	Interest received	Returns on equity investments	Services received	Interest paid
Abertis Autop. España	2,214	16,781	467,001	19	-
Acesa	5,448	-	-	32	-
Aumar	3,366	-	-	4	-
Iberpistas	7	-	-	-	-
Castellana	1,223	-	-	-	-
Avasa	1,703	-	-	-	-
Aulesa	65	-	-	-	-
Societat d'Autopistes Catalanes	-	3,756	77,145	-	-
Aucat	1,075	-	-	6	-
Infraestructures Viàries de Catalunya	1,276	-	-	5	-
HIT	-	-	465,000	-	-
Sanef	19,458	-	-	(3)	-
Emovis	150	201	-	65	-
Eurotoll	60	132	-	-	-
Sapn	40	-	-	-	-
Túnel del cadí	-	-	-	15	-
A. Puerto Rico	97	-	-	-	-
Metropistas	3	-	-	-	-
Gco	110	-	-	-	-
Ausol	1,927	-	-	-	-
Coviandes	345	-	-	-	-
Abertis Motorways	-	123	-	-	-
Abertis Telecom Satélites	74	8,436	-	-	-
Vías Chile	6,463	-	-	-	-
Invin	99	17,970	1,421	-	-
Abertis Finance BV	-	1,267	-	-	9,522
Hispasat	565	-	-	-	-
Abertis Internacional	-	1	-	-	-
Arteris	896	-	-	43	-

	31 December 2019				
	Income			Expenses	
	Services rendered and other income	**Interest received**	**Returns on equity investments**	**Services received**	**Interest paid**
Partícipes en Brasil	97	-	-	-	-
Partícipes en Brasil II	97	-	-	-	-
Autostrada	(49)	-	-	-	-
Abertis Mobility	131	-	-	-	-
A4 Mobility	337	-	-	-	-
A4 Holding	4,150	-	-	-	-
Abertis India Toll Road	304	-	-	-	-
Trichy, TTPL	221	-	-	-	-
Jadche, JEPL	171	-	-	-	-
Infraestructuras Viarias Mexicanas	461	-	-	-	-
Total	**52,584**	**48,667**	**1,010,567**	**186**	**9,522**

d) Other related parties

Other related parties, as defined by the Spanish National Chart of Accounts, means those shareholders (in addition to the Group companies and subsidiaries mentioned in the preceding section) of Abertis Infraestructuras, S.A. with significant influence over the Company (see Note 4.16).

At 31 December 2020, as at 31 December 2019, the significant shareholders of **Abertis** were Atlantia, ACS and Hochtief, as described in Note 13-a.

Also, at 31 December 2020, as at 31 December 2019, **Abertis** did not have any balances with related entities corresponding to: (i) bond issues, loans and credit lines received; (ii) financial swaps arranged; (iii) financing of retirement obligations; (iv) assets purchased and services received; (v) obligations and contingencies; or (vi) other items.

In addition to the dividends paid to shareholders, the breakdown of the balances and transactions with significant shareholders is as follows:

i) Bond issues, loans and credit lines received, obligations and contingencies

At 31 December 2020, as at 31 December 2019, **Abertis** had not issued any bonds and had not arranged any loans or guarantee lines with related entities.

In 2020, as in 2019, no finance income received from, or finance costs paid to, related entities were recognised.

ii) Financial swaps arranged

At 31 December 2020, as at 31 December 2019, the Company had not arranged any financial swaps with related banks in connection with foreign currency and/or interest rate hedges.

iii) Financing of employee benefit obligations

In 2020 (as in 2019) the Company did not make any contributions to insurance policies that the Group may have arranged with any related entity in order to meet the defined benefit obligations to the Group's employees. Also, no plan assets were held in relation to these policies in either of those years.

iv) Assets purchased and services received

In 2020 (as in 2019) no assets were purchased from related parties.

Lastly, in 2020 services amounting to EUR 227 thousand were received from related entities (2019: EUR 13 thousand).

21. EVENTS AFTER THE REPORTING PERIOD

As of the date of preparation of these consolidated financial statements, there have been no significant events after the reporting period in addition to the two issues of perpetual subordinated bonds for a total amount of EUR 750 million described in Note 20-c.

22. OTHER DISCLOSURES

a) Fees paid to auditors

In 2020 the fees for financial audit and other services provided by Deloitte, S.L. amounted to EUR 389 thousand and EUR 531 thousand, respectively (2019: EUR 365 thousand and EUR 505 thousand, respectively).

Also, the fees billed by other companies that use the Deloitte name in relation to tax counselling and other services rendered to the Company amounted to EUR 66 thousand and EUR 0 thousand, respectively (2019: EUR 30 thousand and EUR 0 thousand, respectively).

b) Amendment or termination of agreements

There has been no conclusion, amendment or early termination of any agreement between the Company and any of its shareholders or directors, or any person acting on their behalf, in relation to transactions outside the ordinary course of the Company's business operations or transactions not performed on an arm's length basis.

c) Disclosures on the periods of payment to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July.

The following information is required by Additional Provision Three of Law 15/2010, of 5 July, amended by Final Provision Two of Law 31/2014, of 3 December, amending the Spanish Limited Liability Companies Law to improve corporate governance, in accordance with the ICAC Resolution of 29 January 2016 on disclosures to be included in the notes to financial statements in relation to the average period for payment to suppliers in commercial transactions, published in the Official State Gazette on 4 February 2016:

	2020	2019
Average period of payment to suppliers (no. of days)	25	28
Ratio of transactions settled (no. of days)	26	29
Ratio of transactions not yet settled (no. of days)	20	18
Total payments made	36,200	33,516
Total payments outstanding	2,560	3,672

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers that, because of their nature, are trade creditors for the supply of goods and services.

23. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

(in thousands of euros)

Direct investments in Group companies and associates

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit for the year	Dividends received
				Net value	%				
Abertis Infraestructuras Finance, B.V.	Prins Bernhardptin, 200 1097JB Amsterdam (Netherlands)	Financial Services	Deloitte	-	100%	18	1,205,547	3,403	-

Operation of toll roads:

Company	Registered office	Line of business	Auditor	Net value	%	Share capital	Reserves (*) (interim dividend deducted)	Profit for the year	Dividends received
Abertis Autopistas España, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Study, development and construction of civil infrastructure works	Deloitte	2,842,948	100%	551,000	1,601,331	299,792	326,727
Societat d'Autopistes Catalanes, S.A.U.	Av. Parc Logístic, 12-20 08040 Barcelona	Construction, maintenance and operation of toll roads under concession	Deloitte	1,344,351	100%	1,060	1,219,908	25,355	161,147
Abertis Motorways UK, Ltd. (1)	Hill House, 1 Little New Street, London EC4A 3TR (United Kingdom)	Holding of shares	Deloitte	27,326	100%	11,123	12,159	1,762	-
Autopistas de Puerto Rico y Compañía, S.E. (APR) (1)	Montellanos Sector Embalse San José San Juan de Puerto Rico 00923 (Puerto Rico)	Infrastructure concession company	Deloitte	-	100%	2,476	(29,625)	5,686	-

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Conversion of amounts in foreign currencies at the year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2020
(in thousands of euros)

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit for the year	Dividends received
				Net value	%				
Inversora de Infraestructuras S.L. (INVIN)	Paseo de la Castellana, 39, 28046-Madrid	Holding of shares	Deloitte	1,677,145	71.84%	163,416	580,677	29,840	92,816
Concesionaria Vial de los Andes, S.A. (COVIANDES) (1)	Avenida calle 26 59-41. Piso 9 (edificio CCI). Santafé de Bogotá (Colombia)	Infrastructure concession company	Deloitte	3,720	40.00%	6,520	11,624	1,412	1,251
Autopistas del Sol, S.A. (AUSOL) (1) and (2)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	Toll road concession company	Deloitte	43,515	31.59%	20,073	72,705	5,871	-
Holding d'Infrastructures de Transport, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Holding of shares	Deloitte	4,068,972	100%	1.062.268	(53,971)	219,645	160,000
Holding d'Infrastructures de Transport 2, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Holding of shares	Deloitte	9,849	100%	10.935	(238)	(12)	-

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(in thousands of euros)

Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit for the year	Dividends received
				Net value	%				
Abertis Mobility Services, S.L.	Avinguda Pedralbes, 17 08034 Barcelona	Design, development, implementation and maintenance of technological solutions for transport infrastructure management	Deloitte	39,760	100%	1.003	26,408	4,191	4,607
Constructora de Infraestructura Vial, S.A.S. (1)	Avenida calle 26 59-41. Piso 9 (edificio CCI). Santafé de Bogotá (Colombia)	Construction	Deloitte	5,846	40.00%	12	10,057	1,963	-
Autopistas Metropolitanas de Puerto Rico, LLC (1)	City View Plaza 500, Torre 1 Carretera 165 Núm. 48 Guaynabo, P.R. 00968 (Puerto Rico)	Toll road concession company	Deloitte	312,532	51.00%	362,671	(73,167)	(7,765)	-
Sociedade Para Participação em Infraestructura, S.A. (1)	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	Concession operation	Deloitte	-	51.00%	3,531	(3,024)	(27)	-
Partícipes en Brasil, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Holding of shares	Deloitte	681,187	51.00%	41,093	1,289,713	(185,879)	-

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Company	Registered office	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit for the year	Dividends received
				Net value	%				
Abertis Internacional, S.A.	Paseo de la Castellana 39, 28046 Madrid	Construction, maintenance and operation of toll roads under concession	Deloitte	311,519	100%	33,687	356,101	(207,715)	-
Infraestructuras Viarias Mexicanas, S.A. de CV	Oso 127 Int.104, Colonia del Valle, Del. Benito Juárez, C.P. 03104, Mexico City (Mexico)	Holding of shares	-	-	99.9%	1,392,355	-	(683)	-
Abertis USA HoldCo LLC	152 TUNNEL FACILITY DR, PORTSMOUTH, VA - 23707-1802	Holding company	-	569,589	100%	566	-	(2.091)	-

Telecommunications:

Company	Registered office	Line of business	Auditor	Net value	%	Share capital	Reserves (*) (interim dividend deducted)	Profit for the year	Dividends received
Abertis Telecom Satélites, S.A.	Paseo de la Castellana, 39, 28046-Madrid	Holding (satellite telecommunications)	Deloitte	293,659	100%	242,082	48,419	(63)	-
				12,371,916					**746,548**

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Indirect ownership interest

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Through Abertis Autopistas España:								
Autopistas, Concesionaria Española, S.A. (ACESA)	Avda. Parc Logístic 12-20. 08040 Barcelona	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	319,489	415,848	264,558
Autopistas AUMAR, S.A. Concesionaria del Estado (AUMAR)	Paseo de la Alameda, 36 Valencia	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	213,596	211,538	(1,727)
Iberpistas, S.A. Concesionaria del Estado	Autopista AP-6 PK57 San Rafael Segovia	Toll road concession operator	Deloitte	100%	Abertis Autopistas España, S.A.	54,000	443,428	(46,442)
Areamed 2000, S.A.	Avda. Diagonal, 579-587 5ª planta Barcelona	Operation of service areas	Other auditors	50.00%	Abertis Autopistas España	2,070	5,468	(2,817)
BIP & Drive E.DE., S.A.	C/ Serrano 45 Planta 2, Local A, 28001, Madrid	Marketing of tags	Other auditors	35.00%	Abertis Autopistas España	4,613	4,977	1,631
Grupo Concesionario del Oeste, S.A. (GCO) (1) and (3)	Ruta Nacional nº7, km25,92 Ituzaingó (Argentina)	Toll road concession operator	Deloitte	48.6%	Acesa	36,338	36,229	(33,271)

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Autopista C-16, Km 41. Barcelona	Toll road concession operator	Deloitte	23.72%	Acesa	83,411	516,311	16,768
Ciralsa, S.A.C.E. (4)	Av. Maisonnave, 41 Alicante	Construction, upkeep and operation of toll roads	Deloitte	25.00%	Aumar	-	-	-
Castellana de Autopistas, S.A.C.E.	Autopista AP-6 PK57 San Rafael Segovia	Toll road concession operator	Deloitte	100%	Iberpistas	100.500	37.286	44.236
Autopistas de León, S.A.C.E. (AULESA)	Ctra. Santa María del Páramo s/n Villadongos del Paramo, León	Toll road concession operator	Deloitte	100%	Iberpistas	34.642	(31.617)	(2.308)
Autopistas Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n 48410 Orozco. Vizcaya	Toll road concession operator	Deloitte	100%	Iberpistas	237.095	(175.858)	34.947
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203 P.K. 0,280. Madrid	Toll road concession operator	Deloitte	50.00%	Iberpistas	21,039	51,246	14,361

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Alazor Inversiones, S.A. (4)	Carretera M-50, Km 67,5 Area de Servicio la Atalaya Villaviciosa de Odón. Madrid	Holding company	Deloitte	31.22%	Iberpistas	-	-	-
Infraestructuras y Radiales, S.A. (IRASA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Administration and management of infrastructure	Deloitte	30.00%	Iberpistas/Avasa	-	-	-
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	Upkeep and maintenance of toll roads	Deloitte	25.00%	Trados 45	553	27	54
Accesos de Madrid, C.E.S.A. (4)	Carretera M-50, Km 67,5 Area de Servicio la Atalaya Villaviciosa de Odón. Madrid	Toll road concession operator	Deloitte	31.22%	Alazor Inversiones	-	-	-
Autopista del Henares, S.A.C.E. (HENARSA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Toll road concession operator	Deloitte	30.00%	Infraestructuras y Radiales	-	-	-
Erredosa Infraestructuras , S.A. (ERREDOSA) (4)	Carretera M-100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	Administration and management of infrastructure	Deloitte	30.00%	Infraestructuras y Radiales	-	-	-

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Through Societat Autopistes Catalanes:								
Autopistes de Catalunya, S.A. (AUCAT)	Avda. Parc Logístic 12-20. 08040 Barcelona	Toll road concession operator	Deloitte	100%	Societat d'Autopistes Catalanes, S.A. sole-shareholder company	96,160	74,673	52,056
Infraestructures Viàries de Catalunya, S.A. (INVICAT)	Avda. Parc Logístic 12-20. 08040 Barcelona	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte	100%	Societat d'Autopistes Catalanes, S.A. sole-shareholder company	92,037	18,561	74,928
Túnels de Barcelona i Cadí concesionaria de la Generalitat de Catalunya, S.L.	C. de Vallvidrera a San Cugat BV- 1462 Km 5,3 Barcelona	Toll road concession operator	Deloitte	50.01%	Infraestructuras Viàries de Catalunya, S.A.	60	180	1,655
Through Abertis Motorways UK Ltd (1):								
Road Management Group Ltd (RMG)	Cannon Place 78 Cannon Street London EC4N 6AF (UK)	Toll road concession operator	Other auditors	33.33%	Abertis Motorways UK Limited	28,180	15,528	(4,046)

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Through Vías Chile e Inversora de Infraestructuras (1):								
Vías Chile, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Promotion, upkeep and operation of all manner of construction projects	Deloitte	80.00%	Invin	106,964	280,425	73,921
Gestora de Autopistas, S.A. (GESA)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Management, upkeep and operation of roads, dual carriageways and toll roads	Deloitte	80.00%	Vías Chile	1,252	478	1,097
Sociedad Concesionaria del Elqui, S.A. (Elqui)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.00%	Vías Chile	77,415	18,621	14,588
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.00%	Vías Chile	84,189	32,580	22,357
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.00%	Vías Chile	40,680	(58,303)	(401)

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Operavias, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Upkeep, management and operation of transport infrastructure	Deloitte	80.00%	Vías Chile	4,852	1,496	9,021
Sociedad Concesionaria Autopista Los Libertadores, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.00%	GESA / Vias Chile	18,727	46,188	5,057
Sociedad Concesionaria Autopista del Sol, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concession operator	Deloitte	80.00%	GESA / Vias Chile	22,895	19,730	2,225
Sociedad Concesionaria Autopista Central, S.A.	San Bernardo 1145, comuna San Bernardo 8071144 (Chile)	Toll road concession operator	Deloitte	80.00%	Vías Chile	87,968	20,086	58,472

Through Holding d'Infrastructures de Transport, S.A.S. (1):

SANEF, S.A. (Sociétés des Autoroutes du Nord-Est de la France)	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road concession operator	Deloitte	100%	Holding d'Infrastructures de Transport, S.A.S.	53,090	782,479	463,373

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SAPN, S.A. (Société des Autoroutes Paris-Normandie)	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Toll road concession operator	Deloitte	99,97%	Sanef	14,000	229,884	159,123
Sanef Aquitaine, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Management and operation of toll roads	Deloitte	100%	Sanef	500	59	520
Bip&Go, S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Electronic toll device distributor	Deloitte	100%	Sanef	1	(1,671)	7,728
A'lienor, S.A.S.	35 rue du Valentin 64121 Serres-Castet (France)	Toll road concession operator	Deloitte	35.00%	Sanef	167,446	(53,029)	(616)
Leonord, S.A.S.	Immeuble First Part Dieu - 2 avenue Lacassagne - 69003 LYON, (France)	Management of operating contracts	Other auditors	35.00%	Sanef	697	25	139
Leonord exploitation, S.A.S.	Chemin de la Belle Cordière, 69300, Caluire-et-Cuire (France)	Management of operating contracts	Deloitte	85.00%	Sanef	40	12	-
SE BPNL	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Maintenance, operation and upkeep of roads	Deloitte	100%	Sanef	40	119	325
Routalis, S.A.S.	11, avenue du Centre 78280 Guyancourt. (France)	Management of terrestrial transport infrastructure	Deloitte	30.00%	Sapn	40	4	969

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Sanef 107.7 SAS	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	Sound broadcasting service operator	Deloitte	100%	Sanef	15	1,272	191
Through Abertis Mobility Services (1):								
Eurotoll, S.A.S.	35, rue Camille Desmoulins CS 40199 92130 Issy les Moulineaux (France)	Processing of toll transactions	Deloitte	100%	Abertis Mobility Services	3,300	1,689	360
Emovis, S.A.S.	86, rue Henry Farman, 92130 Issy-les-Moulineaux, France	Toll systems operator and provider	Deloitte	100%	Abertis Mobility Services	11,782	12,448	4,295
Eurotoll Central Europe zrt	H-1152 Budapest Szentmihalyi ut 137 (Hungary)	Processing of toll transactions	Deloitte	100%	Eurotoll	17	180	218
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15, (Ireland)	Toll road operator	Deloitte	100%	Emovis SAS	-	728	964
Emovis Operations Mersey Ltd	Hornbeam House, Hornbeam Park, Hookstone Road, Harrogate, (UK)	Toll road operator	Deloitte	100%	Emovis SAS	-	2,949	486

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Emovis Technologies US, Inc.	The Corporation Trust Incorporated, 2405 York Road, Suite 201, Lutherville Timonium, Maryland 21093-2264, US	Toll systems provider	Deloitte	100%	Emovis SAS	1	(15,133)	(121)
Emovis Technologies UK Limited	7th Floor, 20 St Andrew Street, London, EC4A 3AG,	Upkeep of toll road systems	Deloitte	100%	Emovis SAS	145	717	15
Emovis Technologies Chile, S.A.	El Rosal 4557 Huechuraba Santiago (Chile)	Upkeep of toll road systems	Deloitte	100%	Emovis SAS	583	(100)	(21)
Emovis Technologies, d.o.o.	Lovacki put 1a HR-21000 Split (Croatia)	Toll systems provider	Deloitte	100%	Emovis SAS	313	540	218
Emovis Technologies Ireland Limited	c/o David Ebbs & co, 31 Westland Square, Dublin 2 (Ireland)	Upkeep of toll road systems	Deloitte	100%	Emovis SAS	-	525	28
Emovis Technologies BC, Inc	1050 West Georgia Street 15th Floor, Vancouver (Canada)	Upkeep of toll road systems	Deloitte	100%	Emovis SAS	-	1,112	15
Emovis Operations Leeds (UK)	St John Offices Albion Street Leeds LS2 8LQ (UK)	Toll road operator	Deloitte	100%	Emovis SAS	-	8,778	1,156
Emovis Technologies Québec, Inc.	3700-800 Place Victoria Montreal Quebec H4Z1E9 (Canada)	Toll road systems operator	Deloitte	100%	Emovis SAS	-	(116)	22

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Emovis TAG Limited (UK)	St John Offices Albion Street Leeds LS2 8LQ (UK)	Marketer of Tags in the UK	Deloitte	100%	Emovis SAS	-	518	445
Tolling Operations Puerto Rico, Inc.	Industrial Operations Puerto Rico, Inc Industrial Minillas, número 111 carr.174, Ste.1 - Bayamón, 00959 (Puerto Rico)	Toll systems provider, upkeep of toll systems and toll operator	Other auditors	100%	Emovis SAS	815	-	-
Trans- Canada Flow Tolling Inc.	1200, Waterfront Centre, 200 Burrard Street, Vancouver BC V6C3L6 (Canada)	Toll road operator	Other auditors	50.00%	Emovis SAS	-	1	(1)
Emovis Operations Puerto Rico, Inc.	The Corporation Trust Incorporated, 2405 York Road, Suite 201, Lutherville Timonium, Maryland 21093-2264, US	Toll systems operator	Deloitte	100%	Emovis Technologies US, Inc.	1	401	123

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Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Through Abertis Internacional:								
Abertis India, S.L.	Paseo de la Castellana, 39, Madrid	Holding company	Deloitte	100%	Abertis Internacional	16,034	136,117	(32,921)
Abertis India Toll Road Services, LLP	Express Towers, 3rd Floor, Nariman Point, Mumbai - 400 021, India	Holding company	Deloitte	100%	Abertis Internacional/Abertis India	2,064	(942)	136
Trichy Tollway Private Limited (TTPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concession operator	Other auditors	100%	Abertis India	23,233	(20,202)	321
Jadcherla Expressways Private Limited (JEPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concession operator	Other auditors	100.00%	Abertis India	25,334	(4,488)	3,453
Abertis Italia, S.r.l.	Via Flavio Gioia 71, Verona	Holding company	Deloitte	100%	Abertis Internacional	341,000	321,006	1,100
A4 Holding, S.p.A.	Via Flavio Gioia 71, Verona	Holding company	Deloitte	90.03%	Abertis Italia	134,110	424,823	613
Autostrada Bs Vr Vi Pd, S.p.A.	Via Flavio Gioia 71, Verona	Toll road concession operator	Deloitte	90.03%	A4 Holding, S.p.A.	125,000	430,033	20,073

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Serenissima Partecipazioni, S.p.A.	Via Flavio Gioia 71, Verona	Construction and maintenance	Deloitte	90.03%	A4 Holding, S.p.A.	2,314	50,648	7,136
A4 Trading, S.r.l	Via Enrico Fermi 4, Verona	Parking facility maintenance and development consulting services	Deloitte	90.03%	A4 Holding, S.p.A.	3,700	4,539	840
Globalcar Services, S.p.A.	Via Enrico Fermi 4, Verona	Lease of vehicles	Deloitte	90.403%	A4 Holding, S.p.A.	2,000	4,244	752
A4 Mobility, S.r.l.	Via Flavio Gioia 71, Verona	Maintenance, operation and upkeep of infrastructure	Deloitte	90.03%	A4 Holding, S.p.A.	100	34,315	7,401
Pedemontana Veneta, S.p.A. (5)	Verona (VR) Via Flavio Gioia 71	Infrastructure management	Other auditors	28.74%	Autostrada Bs Vr Vi Pd S.p.A.	6,000	(383)	-
G.R.A. di Padova, S.p.A. (5)	Venezia (VE) Viale Ancona 26	Infrastructure management	Other auditors	30.52%	Autostrada Bs Vr Vi Pd S.p.A.	2,950	(945)	-
C.I.S. S.r.l. in liquidazione - in concordato preventivo (5)	Vicenza (VI) Contra Gazzolle 1	Construction and maintenance	Other auditors	22.71%	A4 Holding, S.p.A.	5,237	(6,687)	-
Mulhacen, S.r.l.	Via Flavio Gioia 71, Verona	Preparation of insolvency agreement proposals.	Deloitte	90.03%	A4 Holding, S.p.A.	10	14,002	(13,930)

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Conversion of amounts in foreign currencies at the year-end exchange rates.

(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Conferedaz. Autostrade S.p.A. in liquidazione	Verona (VR) Via Flavio Gioia 71	Construction and maintenance	Other auditors	22.51%	A4 Holding, S.p.A.	50	-	-

Through Partícipes en Brasil (1):

PDC Participações, S.A.	Avda Presidente Juscelino Kubitschek, 510. 12º Andar. São Paulo. (Brazil)	Operation of concessions	Deloitte	51.00%	Partícipes en Brasil, S.A.	95,483	(37)	(13)
Partícipes en Brasil II, S.L.	Paseo de la Castellana 39, Madrid	Construction, upkeep and operation of toll roads under concession arrangements, or just their upkeep and operation and, generally, the management of road concessions in Spain and abroad	Deloitte	51.00%	Partícipes en Brasil, S.A.	3	846,136	(178,453)
Arteris Brasil, S.A.	Avda Presidente Juscelino Kubitschek, 510. 12º Andar. São Paulo. (Brazil)	Holdings of non-financial institutions	Deloitte	41.97%	Partícipes en Brasil II/ PDC Participações, S.A.	800,792	331,204	21,721

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Conversion of amounts in foreign currencies at the year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2020
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Arteris Participações, S.A.	Avda Presidente Juscelino Kubitschek, 510. 12º Andar. São Paulo. (Brazil)	Holding company	Deloitte	41.97%	Arteris Brasil, S.A.	11,586	(9,317)	9,780
Autovias, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	20,029	9,086	(186)
Centrovias Sistemas Rodoviários, S.A.	Rodovia Washington Luis, KM 216,8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	15,502	9,918	9,961
Concessionária de Rodovias do Interior Paulista, S.A.	Rodovia Anhanguera - SP 330 km 168 - Pista Sul - CEP 13602-040 (city) Araras - (state) SP. (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A./ Arteris Participações, S.A.	20,338	(2,358)	23,901
Vianorte, S.A.	Rodovia Atílio Balbo - SP 322 - km 327,5 - Praça Pedágio - Sertaozinho - SP - CP 88 - CEP - 14173 - 000. (Brazil)	Concession and operation of dual carriageway in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	16,873	5,066	(1,045)

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Conversion of amounts in foreign currencies at the year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2020
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
ViaPaulista, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Construction and operation of a dual carriageway	Deloitte	41.97%	Arteris Brasil, S.A.	221,085	(1,487)	14,401
Autopista Planalto Sul, S.A.	Avda. Afonso Petschow no. 4040 - Bairro Industrial - Rio Negro - CEP 83880-000 - (Brazil)	Construction and operation of a dual carriageway	Deloitte	41.97%	Arteris Brasil, S.A.	171,763	(39,082)	(4,483)
Autopista Fluminense, S.A.	Avda.Sao Gonçalo, nº 100, un 101 Bairro Boa Vista - Sao Gonçalo Shopping - RJ - CEP 24466-315 (Brazil)	Construction and operation of a dual carriageway	Deloitte	41.97%	Arteris Brasil, S.A.	162,358	(30,445)	(7,519)
Autopista Fernão Dias, S.A.	Rodovia BR-381, km 850,5 - Pista Norte - CEP 37550-000 - Bairro Ipiranga - Pouso Alegre - MG (Brazil)	Construction and operation of a dual carriageway	Deloitte	41.97%	Arteris Brasil, S.A.	232,272	(44,961)	(6,134)

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(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Autopista Régis Bittencourt, S.A.	Rodovia SP 139, nº 226, Bairro Sao Nicolau - CEP 11900-000 - Registro - SP (Brazil)	Construction and operation of a dual carriageway	Deloitte	41.97%	Arteris Brasil, S.A.	150,198	(3,220)	(4,973)
Autopista Litoral Sul, S.A.	Avenida Santos Dumont, nº 935 - Edifício Neogrid - Bairro Santo Antônio - CEP 89218-105 - Joinville - SC (Brazil)	Construction and operation of a dual carriageway	Deloitte	41.97%	Arteris Brasil, S.A.	211,469	(20,918)	1,400
Latina Manutenção de Rodovias Ltda.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Construction and repair of dual carriageways in São Paulo (Brazil)	Deloitte	41.97%	Arteris Brasil, S.A.	12,175	-	262
Through Infraestructuras Viarias Mexicanas:								
Red de Carreteras de Occidente, S.A.B de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Infraestucturas Viarias Mexicanas	97,756	(32,552)	(1,307)
Prestadora de Servicios RCO, S. de R. L. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Red de Carreteras de Occidente	-	(1,685)	3,915

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(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
RCO Carreteras, S. de R.L. de C.V.	Autopista Guadalajara - Zapotlanejo Km. 9+000, C.P. 44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Red de Carreteras de Occidente	205	637	26
Concesionaria de Vías Irapuato Querétaro, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Red de Carreteras de Occidente	50,241	57,247	16,465
Concesionaria Irapuato La Piedad, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Red de Carreteras de Occidente	10,830	13,058	(1,738)
Concesionaria Tepic - San Blas, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Red de Carreteras de Occidente	11,073	2,036	31
Autovías de Michoacán, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Deloitte	53.12%	Red de Carreteras de Occidente	25,966	233	22

Through Abertis USA:

Virginia Tollroad TransportCo LLC	152 Tunnel Facility Dr, Portsmouth, Virginia 23707, USA	Holding company	Other auditors	55.20%	Abertis USA HoldCo	1,024,901	-	(2,320)
Elisabeth River Crossings Holdco, LLC	152 Tunnel Facility Dr, Portsmouth, Virginia 23707, USA	Toll road concession operator	Other auditors	55.20%	Virginia Tollroad TransportCo	157,633	-	-

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Conversion of amounts in foreign currencies at the year-end exchange rates.

Abertis Infraestructuras, S.A.

Appendix to the notes to the financial statements for 2020
(in thousands of euros)

Company	Registered office	Line of business	Auditor	% of indirect ownership	Holder of indirect ownership interest	Share capital	Reserves (*) (minus interim dividend)	Profit (Loss) for the year
Elisabeth River Crossings Opco, LLC	152 Tunnel Facility Dr, Portsmouth, Virginia 23707, USA	Toll road concession operator	Other auditors	55.20%	Elisabeth River Crossings Holdco	157,633	(126,041)	-

(*) Including valuation adjustments and excluding non-controlling interests.
(1) Information in accordance with IFRSs.
(2) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2020 was ARS 59.03. At year-end, the market price was ARS 72.30. 49.92% of the voting rights are held.
(3) The shares of Gco are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2020 was ARS 25.68. At year-end, the market price was ARS 29.0.
(4) Information not available at 31 December 2020.

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Conversion of amounts in foreign currencies at the year-end exchange rates.

MANAGEMENT REPORT FOR 2020

1. Situation of the entity

Abertis in 2020

Abertis is one of the world's leading toll road management groups in terms of kilometres managed, with more than 8,700 km of high-capacity, quality roads in 16 countries in Europe, the Americas and Asia, of which close to 8,400 kilometres are managed directly.

Abertis is the benchmark toll road operator in countries such as Spain, Chile and Brazil, and has a notable and significant presence in France, Italy, Puerto Rico, Argentina, Mexico and the US. The Group also has interests in the management of more than 200 km of roads in France and the UK.

Thanks to the internationalization strategy implemented by the Group in recent years, 78% of **Abertis**' revenue currently comes from outside Spain, most notably from France, Brazil, Chile, Mexico and Italy. In this connection, the acquisitions of the Red de Carreteras de Occidente ("RCO") group, located in Mexico, and Elizabeth River Crossings ("ERC"), located in the US, were completed in the year.

Abertis Infraestructuras, S.A. is the Parent of a Group in which in some cases it is the sole shareholder and in others it is the majority shareholder of the companies heading the various lines of business and geographical markets in which the Group operates. The structure of the **Abertis** Group at 31 December 2020 is summarised as follows:

España	Francia	Italia	Brasil	Chile	Mexico	USA	Puerto Rico	Argentina	India	UK	Irlanda
Acesa	Sanef	Abertis Italia	Arteris	Gesa	Farac	Abertis USA	Metropistas	GCO	Abertis India	RMG	Emovis Op. Ireland Ltd.
Aucat	Sapn	A4 Holding	Intervias	Elqui	Coviqsa	ERC	APR	Ausol	JEPL	Dartford Crossing	Emovis Tech. Ireland Ltd.
Invicat	Routalis	Autostrada BsVrViPd	Litoral Sul	Rutas	Conipsa	Emovis Technologies US, Inc.			TTPL	Mersey Gateway	
Iberpistas	Aliénor	Serenissima Partecipazioni	Planalto Sul	Autopista del Sol	Cotesa				Abertis India Toll Road Services		
Castellana	Emovis	A4 Trading	Fluminense	Autopista Los Andes	Autovim .						
Avasa	Eurotoll	A4 Mobility	Fernao Dias	Autopista Libertadores							
Aulesa			Régis Bittencourt	Autopista Central							
Túnels de Barcelona i del Cadí			Via Paulista								
Autema			Arteris Participações								

The detail of the Group companies directly and indirectly owned by **Abertis** at 31 December 2020 and of the related percentages of ownership is shown in the Appendix I to the financial statements.

Since 29 October 2018 **Abertis** and the other Group companies have formed part of the Atlantia Group, the parent of which is Atlantia, S.p.A. (with registered office at Via Antonio Nibby, 20, Rome, Italy), which, in turn, belongs to the group headed by Edizione, S.r.I. (with registered office at Piaza del Duomo 19, Treviso, Italy).

Milestones in 2020

January- March

- **Abertis** launches an issue of eight-year bonds totalling EUR 600 million.
- Spain renews the agreement with UNESCO so that Castellet castle, the headquarters of the Abertis Foundation, can continue to house the International Centre for Mediterranean Biosphere Reserves.
- The Group activates a plan to address the coronavirus (COVID-19) pandemic and to keep all of its toll roads around the world in service at all times, thus ensuring the safety of all its stakeholders.

April- June

- **Abertis** and GIC close the deal for the purchase of 72% of Red de Carreteras de Occidente in Mexico.
- The General Meeting of **Abertis** approves the payment of a dividend of EUR 875 million, 50% of which will be paid on April 28th and the remaining 50% by the end of the year, subject to verification of the impacts of COVID-19 by the Board of Directors.
- **Abertis** issues nine-year bonds for a total amount of EUR 900 million.
- **Abertis** successfully places a EUR 600 million seven-year bond issue of its French subsidiary HIT.

July - September

- **Abertis** successfully places a EUR 600 million nine-year bond issue of its French subsidiary HIT.
- Arteris, the Abertis Foundation and Unicef launch the COVID-19-related "Geraçao que move" road safety project in Brazil.
- The Carbon Disclosure Project initiative raises the climate change rating awarded to **Abertis** to a B.
- Arteris formalises its adherence to the United Nations Global Compact in Brazil.

October- December

- **Abertis** and John Hancock complete the acquisition of 100% of the concession operator Elizabeth River Crossings in the US.
- **Abertis**, in cooperation with IBM, launches the Garage project to develop more innovative, safer and eco-friendly toll roads.
- The Board of Directors of **Abertis** approves payment of the remaining 50% of the dividend and a new financial policy to promote growth and protect the rating. Specifically, an annual dividend level of EUR 600 million is established, to be paid in 2021 and 2022, as well as a programme to issue hybrid bonds totalling EUR 2,000 million in the medium term.
- **Abertis**, through Abertis Infraestructuras Finance B.V., successfully places a hybrid bond issue amounting to EUR 1,250 million. The objective set in the new financial policy was met by means of this issue and an additional issue in January 2021.
- Emovis wins new innovative traffic management projects in Puerto Rico and Qatar.

- Participation in rolling out Spain's Sustainable Development Strategy in conjunction with the Spanish Network of the Global Compact

Strategic approach

The current Strategic Plan, the Road Tech and Road Safety strategic programmes and the CSR Master Plan constitute the main elements of the **Abertis** Group's strategic approach, and together set out the strategic and operational targets.

Following the successful completion of the previous Strategic Plan, the Group is executing the plan for 2019-21, which aims to create value on the basis of the following pillars: (i) financial flexibility, (ii) efficiencies and (iii) growth.

i) Financial flexibility

Abertis' strategy is to optimise its investment portfolio. To do this, the Company seeks to obtain control of all its investees, and dispose of its investments in any investees over which it cannot gain control, in order to fully consolidate all its ownership interests.

In this connection, in June 2020 **Abertis** sold the 19.67% stake it held in Alis, S.A.

Maintain a solid financial position, with a strong investment grade rating and access to attractive long term funding sources, as well as a sound liquidity.

ii) Efficiencies

The Group currently has in place its third efficiencies plan, defined for the period from 2018 to 2021, which estimates the achievement of cumulative savings of EUR 650 million, concentrated mainly in the businesses in France, Brazil, Italy and Spain. This plan seeks to maximise synergies and obtain value added through the contributions of all the shareholders in the technology, operations and engineering areas; it is focussed on improving EBITDA through an optimization of operating expenses, staff costs and revenue.

iii) Growth

Abertis drives growth through two lines of action:

- Growth based on existing assets (organic).
- New growth (inorganic).

In relation to organic growth, the aim is for **Abertis** to consolidate itself as the benchmark operator in the countries in which it is present, by obtaining new projects, creating value and negotiating compensation through toll increases and/or concession term extensions.

In relation to inorganic growth, the aim is to harness the synergies arising from market presence and the areas of responsibility of Atlantia and ACS/Hochtief. Also, Abertis is open to exploring greenfield projects, provided that they are in financially stable countries with a robust legal framework.

Finally, entry into countries with high growth potential, located in regions such as South and Central America will be studied.

In May 2020, **Abertis** completed the acquisition of 51.26% of the RCO group, being increased in July 2020 by an additional 1.86% (up to a total of 53.12%). RCO is currently one of the main operators in Mexico, managing 875 km through five concessions, which expire between 2025 and 2048.

In November 2020, **Abertis** entered into an agreement to acquire 55.20% of the Elizabeth River Crossings (“ERC”). The related authorizations were ultimately obtained, and the acquisition was thereby confirmed, in December 2020. ERC currently manages two tunnels and a toll road, spanning a total of 6 km, through one concession which expires in 2070.

Following completion of these transactions, **Abertis** is present in 16 countries; this will substantially increase its average concession term, since RCO ends in 2048 and ERC is now the concession with the longest term, ending in 2070.

2. Corporate governance

The structure of the governing bodies and the decision-making process constitute other strengths of the Group. This structure is described in detail in the Annual Corporate Governance Report (ACGR), which forms part of this management report.

The governance model is based on the Board of Directors and its committees, the Audit Committee and the Nomination and Remuneration Committee, and the top priorities are excellence in good governance, promoting sustainability and good corporate governance practices.

The Board is composed of the following members:

- Marcelino Fernández Verdes. Chairman.
- Francisco José Aljaro Navarro. CEO.
- Carlo Bertazzo. Director.
- Fabio Cerchiai. Director.
- Pedro José López Jiménez. Director.

Miquel Roca Junyent holds the position of Secretary of the Board of Directors.

3. Compliance and risk management

Ethics and compliance

Abertis is fully committed to carrying on its activities with integrity, transparency, and complying, in any case, with the applicable legislation. The Group's business units are endowed with their own ethics and criminal prevention committees, as well as, their compliance functions.

The Group has a standardized crime prevention model. In what is a new development, significant progress has been made in the monitoring of the degree of implementation of this model at the Group, performed by Abertis' compliance function, since it has been automated by means of the Governance, Risk & Compliance corporate tool. In addition, in 2020 the model was improved in order to guarantee the following:

- Technical competencies and ethical attitudes of the directors and employees overseeing the compliance model in each business unit.
- Monitoring of the compliance of the controls mitigating legal risks.
- Types, formats and frequency of training in the compliance area.
- Traceability of whistleblowing management by all the Ethics and Crime Prevention Committees of the Abertis Group.
- The non-existence of reprisals in the event of internal complaints made in good faith.
- The appraisal of the annual performance of the Group employees that are subject to performance review, in accordance with ethical values.
- The obtainment of international certification ISO 37001 by all the Group's business units.

It is also worth highlighting the inclusion of Red de Carreteras de Occidente (RCO) in the **Abertis** Group's standardized crime prevention model, as well as the improvement in the integration of the Internal Audit, Corporate Development, Legal/M&A Advisory and People functions with **Abertis**' compliance function.

Risk control

The Group is exposed to various risks inherent to the various countries in which it operates that may prevent it from achieving its objectives. Therefore, **Abertis** has implemented a risk management model, approved by the Board of Directors in the discharge of its duties, applicable to all business units and corporate units in all the countries in which it carries on its business activities.

The **Abertis** Group's risk management model aims, among other objectives, to ensure the achievement of the Group's main objectives, the main risks that may affect the achievement of these objectives and the corresponding control measures being as follows:

Type of risks	Main risks	Control measures
Governance and reputational risks	• Loss of reputation. • Governance model. • Loss of talent, succession in key positions.	• Crisis management model. • Formalization of roles and responsibilities. • Management of people and talent.
Environment-related and regulatory risks and risks arising from the specific nature of the Group's businesses.	• Decreases in demand due to the economic situation in certain countries. • Creation of alternative infrastructure. • Risks arising from the integration of acquisitions. • Changes and restrictions in mobility. • Regulatory and socio-political changes. • Catastrophe risks. • Change in concession terms and conditions and/or restoration of economic feasibility.	• Internationalization and selective growth policy and Investment Committees. • Cooperation with public authorities. • Monitoring of changes in the contractual and legal framework. • Coordination to ensure adequate compliance with the local legislation in force and pre-emption of legislative changes. • Insurance coverage.
Financial risks	• Foreign currency risk. • Liquidity risk. • Cash flow interest rate risk. • Debt refinancing risk and credit rating changes. • Breach of financial commitments and debt repayment obligations.	• Monitoring of interest rate and exchange rate management policy. • Monitoring and extension of debt maturities and scrutiny of potential impacts on credit rating. • Sensitivity analysis.
Industrial risks	• Customer and employee safety. • Risks associated with adaptation and rapid response to technological changes in operating systems and to the emergence of new technologies. • Information systems security. • Construction project control risks. • Correct infrastructure maintenance and infrastructure quality risks. • Talent training and retention risks. • Supplier dependence. • Environmental risks.	• Specific control policies, procedures, plans and systems for each business area. • Investment programme monitoring and control (OPEX and CAPEX Committees). • Road safety, operation and management system improvement plans (traffic, tunnels). • Risk monitoring and analysis and implementation of a corporate insurance programme. • Environmental management systems. • Business continuity plans.
Financial reporting, fraud and compliance risk	• Integrity and security of financial reporting and transactions. • Manipulation of information, corruption and misappropriation fraud. • Contingencies, ongoing inspections and appeals. • Compliance with legislation, internal regulations and contractual obligations. • Code of ethics.	• Internal Control over Financial Reporting (ICFR) system organisation and supervision model. • Compliance model in place at the Group. • ISO 37001 certification (implemented in Spain, under way in the rest of the Group). • Adoption of the Code of Good Tax Practices. • Annual declaration of compliance with the code of ethics.

2020 was marked by the health emergency caused by COVID-19, which, declared to be a global pandemic, has affected all the Group's businesses, although to a varying degree of intensity and with varying time impacts.

The availability of the service provided by our concessions has been uninterrupted throughout the pandemic since it is an essential service. Therefore, it has been necessary to implement and monitor exceptional measures to ensure the continuity of operations whilst fully guaranteeing the safety of our employees and users.

The management of all of **Abertis**' business units has centred on and prioritized the identification of emerging risks and the changes in assessment of existing ones, affected by the COVID-19 crisis. These risks have been clearly identified and assessed, together with the controls and action plans implemented in the short term to mitigate exposure, and measures have been adopted to strengthen our resilience capacity. In this connection, a COVID-19 Crisis Coordination Committee has been created to monitor the continuity and safety of operations in all the businesses in which the Group operates.

This committee meets on a regular basis to share Best Practices and to anticipate any required risk mitigation measures. The objective is to monitor the risks, together with the protocols and actions to be performed, in order to guarantee the continuity of operations.

4. Value creation in 2020

Changes in business performance and balance sheet

The financial statements of **Abertis** reflect the consequences of its investment and head of group activity, both from the point of view of the balance sheet (investments and financing) and the income statement (contributions via dividends from the different subsidiaries companies and costs of the financing and structure).

The balance sheet of **Abertis** is formed, basically, by the portfolio of shareholdings in companies as well as by the financing necessary for its acquisition through own funds and indebtedness.

Due to its investment activity, and mainly in the concession businesses, **Abertis** is exposed to regulatory and financial risks: foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management programme takes into account the uncertainty in the financial markets and seeks to minimise the potential adverse effects on the Group's overall profitability by establishing financing and hedging policies consistent with the nature of its businesses.

During the year different financing operations have been carried out that have meant new resources for **Abertis** for a net amount of EUR 3,200 million, destined to meet part of the debt maturities that have occurred during the year 2020, in which has been amortized and refinanced debt amounting to EUR 3,391 million, to improve liquidity of the Company and optimize the profile of maturities and costs of **Abertis** debt, thus strengthening its financial position, among which are:

- Under the Euro Medium Term Note Programme (EMTN) registered with the Central Bank of Ireland (CBI) in Dublin on 6 March 2019, **Abertis** carried out new bond issues totalling EUR 1,500 million.

- The arrangement of new loan agreements with banks totalling EUR 420 million.

- The drawdown of a total of EUR 1,000 million against existing bilateral loans.

In 2020, **Abertis** repaid EUR 3,391 million of its debt, of which EUR 1,500 million correspond to the early repayment of the debt assumed by it of its shareholder Abertis HoldCo, S.A., EUR 50 million to the maturity of a bilateral loan, EUR 1,561 million to the repayment of bonds, EUR 250 million to the repayment of credit facilities drawn against in the year and EUR 30 million to the maturity of commercial paper.

Also, **Abertis** took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating in 2020 credit facilities amounting to EUR 2,425 million (2019: EUR 1,550 million). Accordingly, the volume of the credit facilities of Abertis Infraestructuras, S.A. at 31 December 2020 totalled EUR 3,320 million (2019: EUR 2,650 million).

The profit and loss account includes basically the incorporation of the results generated in the different Group companies through the dividend policy, the financial income from the financing granted, the costs derived from the corporation structure, the financial costs derived from the indebtedness as well as the linear amortization in 10 years of the goodwill surfaced after the merger of Abertis Infraestructuras S.A. and Abertis Participaciones, S.A.U. last year 2019.

Main investments

Total investment by the Group in 2020 amounted to EUR 2,594 million and related primarily to inorganic growth (81% of the total investment), mainly in respect of:

- Acquisition of 53.12% of the Red de Carreteras de Occidente (RCO) group.
- Acquisition of 55.2% of Elizabeth River Crossings (ERC).

The Group's purpose in undertaking these transactions is to offset almost all of the impact of the expiry of the Aumar concession agreement and, at the same time, to diversify its operations into two new geographical areas: Mexico and USA.

The Group invested EUR 397 million in expansion in 2020, accounting for 15% of total Group investment, mainly in:

- Increasing the capacity of the toll roads, particularly those located in Brazil (EUR 174 million) and in France to improve and extend the network (EUR 132 million).

In this regard, Sanef is continuing to improve its network in the framework of the agreement reached with the French government in prior years to implement the "Plan Relance" with respect to French toll roads. This plan provides for improvements to the toll road network in exchange for an extension of the concession arrangements (two years for Sanef and three years and eight months for Sapn).

In the case of Arteris, work to extend and improve the toll roads is continuing, particularly with respect to the concessions that depend on the Federal State. Of note in 2020 were the road surface recovery work and the "Contorno de Florianópolis" construction project at Litoral Sul, in accordance with the provisions of the respective concession arrangements.

With respect to the concessions in São Paulo State, progress is being made in the new ViaPaulista concession with respect to the initial road recovery work and the construction of operational bases and toll plazas. Operations were expected to commence at the end of the year.

In addition to the investments in inorganic growth and the extension of the average life of its portfolio, **Abertis** also placed emphasis on the expansion of its toll road capacity.

Credit quality management

Abertis has a credit rating assigned by the rating agencies Standard and Poor's and Fitch Ratings.

At the date of formal preparation of these financial statements **Abertis** holds a long-term "BBB-" investment grade-adequate credit quality rating awarded by the international credit rating agency Standard and Poor's Credit Market Services Europe Ltd. Also, the short-term credit rating at the same date was "A-3".

In addition, **Abertis** holds a long-term "BBB" rating awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term "F3" rating.

Abertis's policy is to maintain an Investment-grade credit rating.

5. Safe and innovative highways

As one of the world's leading toll road operators, **Abertis** manages its infrastructure under four basic principles that interact with each other and make up its industrial model: road safety, the pursuit of intelligent solutions to boost efficiency and travelling comfort, innovation and the harnessing of the benefits provided by new technologies and a focus on all the Group's stakeholders.

Road safety

Road Safety

Abertis places maximum priority on maximising road safety, which it works towards through the global "Road Safety" programme. Through this programme, transversal teams from all disciplines and geographical areas work together at the Group to guarantee knowledge and application of the best practices in road safety on **Abertis**'s toll roads.

Abertis's Road Safety programme encompasses more than 60 years of knowledge and experience in the construction and management of toll roads, complying with the most stringent international standards. Thus, the Group follows the most widely recognized policies and procedures in the industry in order to ensure road safety in all areas of its activity.

The Group invests in intelligent engineering and technology to ensure that its customers have the best experience possible when traveling on its toll roads.

Abertis applies advanced construction and management practices, and cooperates with worldwide benchmark institutions and organizations with a global vision: to achieve the objective of zero fatalities on **Abertis**'s toll roads.

Road Tech

Abertis has identified that the management of future mobility will pose significant challenges, but also great opportunities. For this reason, the company develops the "Road Tech" strategic program, in which road infrastructure and new technologies converge, with the ambition to turn the Group into the platform for safer, smarter and more sustainable mobility.

At **Abertis**, innovation extends in many areas. On the one hand, through the analysis of how new mobility trends can impact our traditional business. On the other, through the commitment to a new line of business, based on Mobility as a Service (MasS, for its acronym in English), which moves the focus of mobility from the mode of transport to the person, which understands mobility as a point-to-point service, with new and different needs.

With the "Road Tech" programme, **Abertis** promotes projects aimed at meeting new mobility challenges, such as electric, connected or autonomous vehicles. The Road Tech programme is based on the following pillars:

- Solutions for intelligent toll roads and integrated mobility. The subsidiaries in Spain, France and Italy are participating in the European C-Roads project for cooperative transport and autonomous driving systems, to find advanced vehicle-to-infrastructure communication solutions applied to mobility and the application of the Internet of Things to monitor the state of the infrastructure, as well as to improve service and optimise operations.

- Solutions for connected and autonomous vehicles, such as the project to deploy cooperative intelligent transport systems for exchanging information on traffic conditions, or the Inframix European project studying the coexistence of connected and conventional vehicles on toll roads.

- Solutions for electric vehicles, with the development of electric charging points in the toll road network.

Research and development activities

The Company has not carried out proper research and development activities.

6. Environmental contribution

The information on the environmental contribution is presented in the statement of non-financial information in the integrated annual report attached to this management report.

7. Human capital

The information on human capital is presented in the statement of non-financial information in the integrated annual report attached to this management report.

8. Other disclosures

In accordance with Article 49 of the Spanish Commercial Code and 262 of Capital Companies Law, the management report contains the status of non-financial information. This report has been prepared in accordance with current legislation and with the international standards of non-financial SRS accountability promoted by the Global Reporting Initiative (GRI) in its exhaustive version.

The annual corporate governance report and the corporate social responsibility report, which are part of the management report, can be found in the appendices at the end of this report, and are also available on the website of the **Abertis** Group.

Use of financial instruments

In 2020 and 2019 **Abertis** maintained its policy regarding the use of financial instruments described in Note 11 to the accompanying financial statements.

Treasury shares

During the year the operations with treasury shares detailed in Note 13.a of the attached annual report have been carried out.

Events after the reporting period

There were no events after the reporting period other than those indicated in Note 21 to the consolidated financial statements.

Foreseeable evolution

During the year 2021, it is expected to continue developing the strategic plan of **Abertis** corresponding to the period 2019-21, focused on the creation of value through three pillars:

i) Growht

The Group will continue to focus its efforts on international growth by seeking new asset acquisition opportunities and extending existing concessions in exchange for fresh investments. Its aim is to make up for the loss of revenue due to the expiry of certain concessions (Acesa and Invicat expire in August 2021), replacing them with other assets with more solid prospects, and to continue to extend the average life of the Group's concession portfolio.

In this regard, the Abertis Group will continue to analyse any future opportunities that arise at medium and at long term, particularly in its traditional markets (Europe and the Americas).

ii) Financial flexibility

In 2021 the Group will continue to work on maintaining a sound financial structure with a high average debt maturity and a policy to minimise exposure to financial risks.

iii) Efficiency

The Group will continue to make progress in the area of efficiency, building on the efforts made in recent years, not just at corporate level but also at the various business units. Specifically, it will follow the lines of action defined in the efficiency plan spanning the period to 2021, which focuses on improving EBITDA by optimising operating expenses, staff costs and revenue.

In parallel to the implementation of the financial plan, the Group will continue to roll out actions within the framework of the road safety and innovation programmes, aimed at responding to current challenges concerning more sustainable, safe and innovative mobility.

In 2021 the Abertis Group plans to start defining a new sustainability strategy, aligned with current challenges and the Group's commitments in Spain and abroad. The direct involvement of the stakeholders in the new materiality analysis, the completion of the project to define science-based carbon reduction targets, and participation in the UN Global Compact SDG Ambition Initiative in 2021 (a programme to aid achievement of the SDGs by 2030) will enable work to begin on defining this new sustainability strategy.

The evolution of the pandemic and the resulting mobility restrictions in the various markets will affect the trend in traffic levels in 2021, although the Group will continue to work, as it did in 2020, on guaranteeing the level of service over its entire toll road network.

ANNEX: ANNUAL CORPORATE GOVERNANCE REPORT

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Madrid, 9 March 2021

ANNUAL CORPORATE GOVERNANCE REPORT FOR OTHER ENTITIES -OTHER THAN SAVINGS BANKS, STATE BUSINESS ENTITIES AND PUBLIC ENTITIES- THAT ISSUE SECURITIES MARKETABLE ON OFFICIAL MARKETS

ISSUER'S PARTICULARS

END DATE OF REFERENCE FINANCIAL YEAR 31/12/2020

CIF: A08209769

Company Name:

ABERTIS INFRAESTRUCTURAS, S.A.

Registered office:

PASEO DE LA CASTELLANA, 39 MADRID

A. OWNERSHIP STRUCTURE

A.1. Detail of the entity's most significant shareholders or unitholders at year-end:

Name or corporate name of shareholder or unitholder	% of share capital
ABERTIS HOLDCO, S.A.	98.70

Company the shareholders of which are Atlantia, S.p.A., which holds an ownership interest of 50% plus one share; Actividades de Construcción y Servicios, S.A. (ACS), which holds an ownership interest of 30%; and Hochtief A.G., which holds an ownership interest of 20% minus one share.

A.2. Indicate any relationships of a family, commercial, contractual or corporate nature existing between the significant shareholders or unitholders, insofar as they are known to the entity, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related parties	Type of relationship	Brief description
No data		

A.3. Indicate any relationships of a commercial, contractual or corporate nature existing between the significant shareholders or unitholders and the entity, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related parties	Type of relationship	Brief description
No data		

A.4. Indicate any restriction (in the bylaws or legislation or of any other nature) on the transfer of securities or voting rights. In particular, indicate the existence of any type of restriction that could hamper acquisition of control of the company through the purchase of its shares in the market, and those prior authorisation or communication regimes which are applicable to the company under industry legislation in relation to the acquisition or transfer of its financial instruments:

[ ] Sí
[√] No

B. GENERAL MEETING OR EQUIVALENT BODY

B.1. List the quorums for convening the General Meeting or equivalent body established in the bylaws. Describe how these differ from the system of minimum quorums established in the Spanish Limited Liability Companies Law (LSC) or in the applicable legislation.

The bylaws increased the quorums established in Articles 193 and 194 of the LSC.

Article 17 of the Company's bylaws establishes that the General Meeting, whether annual or extraordinary, is deemed to be validly convened at first call when the shareholders attending in person or by proxy hold at least eighty per cent (80%) of the subscribed share capital with voting rights plus two (2) shares.

The General Meeting is deemed to be validly convened at second call when the shareholders attending in person or by proxy hold at least fifty per cent (50%) of the subscribed share capital with voting rights.

The quorums for convening the General Meeting indicated in Article 17 of the bylaws are applicable irrespective of the matters to be addressed at the Meeting.

However, Article 193 of the LSC establishes that the General Meeting of a public limited liability company is deemed to be validly convened at first call when the shareholders attending in person or by proxy hold at least twenty-five per cent (25%) of the subscribed share capital with voting rights, and that it is deemed to be validly convened at second call regardless of the capital of the attendees.

Article 194 of the LSC establishes the qualified quorum for convening the General Meeting in special cases, such as capital increases or reductions and any amendments to the Company bylaws, issues of debt instruments, the removal or limitation of new share pre-emption rights, etc., which will require at first call the attendance of shareholders in person or by proxy holding at least fifty per cent (50%) of the subscribed share capital with voting rights, and at second call at least twenty-five per cent (25%) of such capital.

B.2. Explain the system for adopting corporate resolutions. Describe how this differs from the system established in the LSC or in the applicable legislation.

Article 18 of the Company bylaws establishes that the resolutions are adopted by an absolute majority of the shares attending the General Meeting in person or by proxy, with one vote per share, except for the resolutions that must be approved by a greater majority in accordance with the Spanish Limited Liability Companies Law.

Also, Article 18 establishes a series of cases called "Reserved Matters", indicating that approval of the resolutions relating to these matters requires, in any case, the affirmative vote of at least sixty-five per cent (65%) plus one (1) share of the subscribed share capital with voting rights. These Reserved Matters are as follows:

(i) amendment of the bylaws, including, but not limited to, any amendment of the structure of the managing body or of the number of members thereof, or any increase, reduction, variation or other change in the share capital

(ii) the issuance of any security, equity instrument or equity-related instrument, or of any other synthetic security or instrument (such as, among others, convertible debentures);

(iii) any merger, spin-off, segregation, transfer of assets and liabilities en bloc, international relocation of registered office or any other structural changes, except when such transactions only affect the Company and wholly-owned investees;

(iv) a request for admission to listing, the launch of a public offering or the subscription of all or a portion of the shares of the Company or of a controlled company;

(v) the distribution of dividends and/or reserves, when not performed at all times in line with the dividends policy approved by the Company's Board of Directors, and the approval of the amendment of the Company's dividends policy;

(vi) any M&A transaction (i.e. acquisitions, sales or capital investments in assets or investments in projects) the amount of which, in aggregate terms for an annual period, exceeds eighty million euros (EUR 80,000,000);

(vii) the approval or amendment of the financial or dividends policy of the Company and its Group; and

(viii) any related-party transaction.

However, Article 201 of the LSC establishes that the corporate resolutions of public limited liability companies are adopted by means of a simple majority of the votes of the shareholders attending the General Meeting in person or by proxy. In this case, the majority required by the Company's bylaws is an absolute majority, while that established by the LSC is a simple majority.

Also, Article 201 of the LSC establishes that, for the resolutions referred to in Article 194 of the LSC (qualified quorum for convening the General Meeting in special cases described in the preceding section), if the capital attending or represented by proxy exceeds fifty per cent (50%), the resolution may be adopted by means of an absolute majority. However, the affirmative vote of two thirds of the share capital present in person or by proxy at the General Meeting is required when at second call there are shareholders in attendance representing twenty-five per cent (25%) or more, but less than fifty per cent (50%), of the subscribed share capital with voting rights.

B.3. Briefly indicate the resolutions adopted at the General Meetings or other equivalent bodies in the year to which this report refers, and the percentage of votes with which the resolutions were adopted.

One Annual General Meeting was held in 2020.

The resolutions adopted at the Annual General Meeting held on 21 April 2020 were as follows:

First point of the agenda: Both the separate and consolidated financial statements for 2019 and the respective directors' reports, which had been verified by the Company's auditors, were approved. The financial statements included the balance sheets, statements of profit or loss, statements of changes in equity, statements of cash flows and the notes to the financial statements, which disclosed a profit of EUR 119,663,142.74 in the separate financial statements.

This resolution was adopted by the affirmative votes of 99.9901% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Second point of the agenda: The proposed distribution of profit for the year ended 31 December 2019 was approved, together with the payment of an extraordinary dividend with a charge to voluntary reserves amounting to EUR 875,102,756.16, representing EUR 0.96 gross per share then existing and outstanding entitled to receive the dividend on the date of payment.

This amount was divided into two tranches: The first was equal to 50% of the full amount of the dividend and the date of payment was 28 April 2020. The second tranche, for the outstanding 50% of the total amount was payable on 12 November 2020, following verification by the Board of Directors of the true impact of COVID-19 by means of an RES (Rating Evaluation Service) provided by Standard & Poors confirming at minimum the Company's present rating.

The first point of this resolution was adopted by the affirmative votes of 99.9901% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares) and the second was adopted by the affirmative votes of 99.8465%.

Third point of the agenda: The Company's non-financial information statement was approved, together with that of the consolidated Group, for the year ended 31 December 2019.

This resolution was adopted by the affirmative votes of 99.9274% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Fourth point of the agenda: Management of the Company's Board of Directors in 2019 was approved.

This resolution was adopted by the affirmative votes of 99.9901% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Fifth point of the agenda: The ratification and appointment of Fabio Cerchai as a Company director was approved.

This resolution was adopted by the affirmative votes of 99.9900% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Sixth point of the agenda: The appointment of Deloitte, S.L., with taxpayer identification number B-79104469 and registered office at Plaza de Pablo Ruiz Picasso no. 1, Torre Picasso, 28020 Madrid, as auditor of the Company and of its consolidated Group for 2020 was approved, both for the separate and the consolidated financial statements, for the period of one year, i.e. for 2020.

This resolution was adopted by the affirmative votes of 99.9901% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

CONTINUE IN SECTION G.1.

B.4. Indicate whether, at the General Meetings or meetings of equivalent bodies held in the year, there was any point of the agenda that was not approved by the shareholders.

At the General Meeting held in 2020 there was no point in the agenda that was not approved by the shareholders.

B.5. Indicate the address of, and how to access, the corporate governance information page on the entity's website.

The section entitled "The Group" on the www.abertis.com website provides the information on corporate governance.

The information on the website is provided in Spanish and English.

B.6. Indicate whether meetings of the different unions have been held, if any, of the holders of securities issued by the entity, the purpose of the meetings held in the year referred to in this report and main agreements adopted.

There are no syndicates of holders of securities issued by the Company and, therefore, no such meetings were held.

C. ENTITY MANAGEMENT STRUCTURE

C.1. Board of Directors or managing body

C.1.1 Give details of the maximum and minimum number of directors or members of the managing body as established in the bylaws:

Maximum number of directors/members of the managing body	9
Minimum number of directors/members of the managing body	5
Number of directors/members of the managing body set by the General Meeting or Assembly	5

The bylaws do not establish a maximum or minimum number of members of the Board of Directors, but simply establish in Article 21 that the Board of Directors shall be formed by five or nine members.

C.1.2 Fill in the following table on the members of the Board or managing body, and their status:

Name or company name of director/member of the managing body	Representative	Most recent date of appointment
MARCELINO FERNÁNDEZ VERDES		10/12/2018
FRANCISCO JOSÉ ALJARO NAVARRO		10/12/2018
CARLO BERTAZZO		10/12/2018
FABIO CERCHIAI		25/09/2019
PEDRO JOSÉ LÓPEZ JIMÉNEZ		10/12/2018

C.1.3 Identify any Board or managing body members who hold office as directors, representatives of directors or executives at other entities forming part of the entity's group:

Name or company name of director/member of the managing body	Company name of group company	Position
FRANCISCO JOSÉ ALJARO NAVARRO	SANEF, S.A.	DIRECTOR
FRANCISCO JOSÉ ALJARO NAVARRO	PARTÍCIPES EN BRASIL II, S.L.	DIRECTOR ACTING SEVERALLY
FRANCISCO JOSÉ ALJARO NAVARRO	A4 HOLDING, S.P.A.	DIRECTOR
FRANCISCO JOSÉ ALJARO NAVARRO	INVERSORA DE INFRAESTRUCTURAS, S.L.	CHAIRMAN
FRANCISCO JOSÉ ALJARO NAVARRO	ARTERIS, S.A.	DIRECTOR
FRANCISCO JOSÉ ALJARO NAVARRO	VÍAS CHILE, S.A.	CHAIRMAN
FRANCISCO JOSÉ ALJARO NAVARRO	SOCIEDAD CONCESIONARIA AUTOPISTA CENTRAL, S.A. (*)	DIRECT SHAREHOLDER
FRANCISCO JOSÉ ALJARO NAVARRO	PARTÍCIPES EN BRASIL, S.A.	CHAIRMAN
FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTAS METROPOLITANAS DE PUERTO RICO, LLC	CHAIRMAN
FRANCISCO JOSÉ ALJARO NAVARRO	HOLDING D'INFRASTRUCTURES DE TRANSPORT 2, S.A.S. (HIT 2)	CHAIRMAN
FRANCISCO JOSÉ ALJARO NAVARRO	HOLDING D'INFRASTRUCTURES DE TRANSPORT, S.A.S. (HIT)	CHAIRMAN
FRANCISCO JOSÉ ALJARO NAVARRO	RED DE CARRETERAS DE OCCIDENTE, S.A.B. DE C.V. (**)	CHAIRMAN

Observations

(*) Until 23/04/20
(**) From 04/06/20

C.1.4 Fill in the following table with the information relating to the number of female directors sitting on the Board of Directors and its committees, as well the changes in this connection in the last four years:

	Number of female directors							
	Year 2020		Year 2019		Year 2018		Year 2017	
	No.	%	No.	%	No.	%	No.	%
Board of Directors	0	0.00	0	0.00	0	0.00	6	40.00
Audit and Control Committee		0.00		0.00		0.00	1	20.00
Appointments and Remuneration Committee		0.00		0.00		0.00	3	60.00

C.1.5 Indicate whether the company has diversity policies in relation to its managing and oversight bodies with regard to matters such as, for example, age, gender, disabilities and professional training and experience. Small and medium enterprises, in accordance with the definition in the Spanish Audit Law, must report, at least, the gender diversity policy that they have put in place.

[√] Yes
[ ] No
[ ] Partial policies

If "yes", describe this diversity policy, its objectives, the related measures, the manner in which it has been applied and the outcome of its implementation in the year. Also, the specific measures adopted by the managing body and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors must be indicated.

The director selection and appointment policy approved by the Board of Directors on 15 December 2015 provides that the selection of candidates as directors shall be based on a prior analysis of the Company's needs, which must be conducted by the Board of Directors with the assistance of and a report from the Nomination and Remuneration Committee, if such a committee exists, with a view to including different professional and management experience and competencies, and promoting diversity of knowledge, experience and gender, considering the weighting of the various activities conducted by Abertis, and taking into account areas or sectors that require specific development.

C.1.6 Complete the following table relating to the aggregate remuneration earned in the year by the directors or members of the managing body:

Type of remuneration	Thousands of euros	
	Company	Group
Fixed remuneration	1,200	
Variable remuneration	815	
Attendance fees		
Other remuneration		
TOTAL	2,015	

C.1.7 Identify any senior executives who are not also directors or executive members of the managing body and indicate the total remuneration paid to them during the year:

ANDRÉ ROGOWSKI	CFO
JOSEP MARIA CORONAS GUINART	GENERAL SECRETARY
MARTÍ CARBONELL MASCARÓ	CHIEF PLANNING AND CONTROL OFFICER
JORGE FERNÁNDEZ MONTOLÍ	CHIEF TECHNICAL OFFICER
ANTONI ENRICH GRAU	DIRECTOR OF PEOPLE
GEORGINA FLAMME PIERA	DIRECTOR OF CORPORATE REPUTATION AND COMMUNICATION
ANNA BONET OLIVART	GENERAL MANAGER, AUTOPISTAS ESPAÑA
ARNAUD QUEMARD	GENERAL MANAGER, SANEF
GONZALO ALCALDE RODRÍGUEZ	GENERAL MANAGER, A4 HOLDING
ANDRÉ DORF	GENERAL MANAGER, ARTERIS
ANDRÉS BARBERIS MARTÍN	GENERAL MANAGER, VÍAS CHILE
DEMETRIO JAVIER SODI CORTÉS	GENERAL MANAGER, RCO (MÉXICO)
DAVID SULLIVAN	GENERAL MANAGER, ERC (USA)
JULIÁN FERNÁNDEZ RODÉS	GENERAL MANAGER, METROPISTAS
FRANCESC SÁNCHEZ FARRÉ	GENERAL MANAGER, AUSOL AND GCO
ESTEBAN PÉREZ	DEPUTY GENERAL MANAGER, AUSOL AND GCO
JOSEP QUILES PÉREZ	GENERAL MANAGER, ABERTIS INDIA
CHRISTIAN BARRIENTOS RIBAS	GENERAL MANAGER, ABERTIS MOBILITY SERVICES
ROSANA RAMÍREZ BIGORDA	INTERNAL AUDIT
ANNABEL CASAHUGA MONTSERRAT	CHIEF COMPLIANCE OFFICER

Total remuneration for senior executives (thousands of euros)	7,767

Observations

The total remuneration indicated includes the remuneration earned in the year by certain senior executives who no longer held such office at 31/12/20. The senior executives concerned are only those who hold such status at 31/12/20.

C.1.8 Indicate whether the bylaws or Board Regulations set a limited term of office for the directors or members of the managing body:

[√] Sí
[ ] No

Maximum term of office (years)	3

C.1.9 Indicate whether the separate and consolidated financial statements presented for authorisation for issue by the Board or managing body have been certified beforehand:

[√] Sí
[ ] No

Indicate, as appropriate, the person(s) who certified the entity's separate and consolidated financial statements for authorisation for issue by the Board or managing body:

Name	Position
FRANCISCO JOSÉ ALJARO NAVARRO	Chief Executive Officer
ANDRÉ ROGOWSKI	Chief Financial Officer
JOSEP MARIA CORONAS GUINART	General Secretary

C.1.10 Explain any mechanisms established by the Board or managing body to prevent qualified auditor's reports on the separate and consolidated financial statements prepared by it from being submitted at the General Meeting or equivalent body.

The Board of Directors ensures that the Company’s financial statements and those of its Group are prepared in accordance with generally accepted accounting principles and standards in order to avoid a qualified auditor's report being issued thereon.

Also, the Board of Directors holds regular meetings with the Company's external auditors to avoid discrepancies in the policies to be used in preparing the financial statements.

C.1.11 Is the secretary of the Board/managing body a director?

[ ] Sí
[√] No

If the secretary is not a director, complete the following table:

Name or company name of secretary	Representative
MIQUEL ROCA JUNYENT	

C.1.12 Indicate any mechanisms established to preserve the independence of the external auditor, financial analysts, investment banks and rating agencies, including details on how the legal provisions have been implemented in practice.

The Board of Directors receives information on matters which may jeopardise the external auditor's independence. Also, the Board oversees that the remuneration of the auditors for their work does not compromise its quality or independence. In particular, the Board must ensure that the Company and the external auditor comply with the legislation in force on the provision of non-audit services, the restrictions on the concentration of auditors' business, and in general, any other legislation on auditors' independence.

The Company, on an annual basis, receives from the auditors or audit firms written confirmation of their independence vis-à-vis the Company or entities directly or indirectly related to it, in addition to information on additional services of any kind rendered and the related fees received from these entities by the aforementioned auditors or audit firms, or persons or entities related to them pursuant to the provisions of the Spanish Audit Law.

The governing bodies pay particular attention to ensuring that the independence of any financial analysts, investment banks or rating agencies the Company might engage in the normal course of its business is not compromised.

C.2. Committees of the Board or managing body

C.2.1 List the committees of the Board or managing body:

Committee name	No. of members
Audit and Control Committee	3
Appointments and Remuneration Committee	3

C.2.2 Give details of the committees of the Board or managing body, their members and the proportion of executive, proprietary, independent and other non-executive directors forming part of them (entities that do not have the legal form of a limited liability company shall not fill in the category of director in the corresponding table, and in the text section shall explain the category of each director based on their legal treatment and the manner in which they meet the conditions for forming the Audit and Appointments and Remuneration committees):

Audit and Control Committee		
Name	Position	Category
PEDRO JOSÉ LÓPEZ JIMÉNEZ	CHAIRMAN	
MARCELINO FERNÁNDEZ VERDES	MEMBER	
CARLO BERTAZZO	MEMBER	

% executive directors	0.00
% proprietary directors	100.00
% independent directors	0.00
% other non-executive directors	0.00
Number of meetings	4

Observations

This section requires that the members of the Audit and Control Committee be identified, together with their status as executive, proprietary, independent or non-executive directors, which do not exist in non-listed companies such as Abertis Infraestructuras, S.A. For this reason, the space for "category" should be left blank.

Explain the functions entrusted to this committee and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

The Audit and Control Committee has the following responsibilities and functions:

a) Informing the Annual General Meeting on questions raised in relation to matters for which the committee is responsible and, in particular, on the audit findings, explaining how the audit has contributed to the integrity of the financial information and the function performed by the committee in that process.

b) Supervising the effectiveness of the Company's internal control, internal audit and risk management systems, and discussing with the auditors the significant weaknesses in the internal control system disclosed in the performance of the audit, all of which should be performed without breaching their independence. For these purposes, audit committees can, where appropriate, submit recommendations or proposals to the governing body with deadlines for the follow-up thereof.

c) Supervising the preparation and presentation of the required financial information and submitting recommendations or proposals to the governing body aimed at safeguarding the integrity of such information.

d) Submitting to the Board of Directors proposals for the selection, appointment, re-election and replacement of the auditor -and taking responsibility for the selection process within the meaning of Articles 16.2, 16.3, 16.5 and 17.5 of Regulation

(EU) No 537/2014, of 16 April- and the terms and conditions of the engagement, and regularly obtaining information on the audit plan and the execution thereof, in addition to safeguarding the auditor's independence in the performance of its duties.

e) Establishing the pertinent relationships with the external auditors in order to receive information on any matters that might threaten their independence, for analysis by the Committee, and any other matters related to the financial audit process and, where appropriate, authorisation for services other than prohibited services, pursuant to Articles 5.4 and 6.2.b) of Regulation (EU) No 537/2014, of 16 April, and to Section 3 of Chapter IV of Title I of Spanish Audit Law 22/2015, of 20 July, on the independence regime, as well as any other communications provided for in audit legislation and standards. In any event, each year the external auditors will be required to furnish a statement of their independence with respect to the entity or entities related directly or indirectly to the Company, as well as detailed information on each of the additional services of any kind rendered and the related fees received from these entities by the external auditor or by any persons or entities related thereto, in accordance with Spanish audit legislation.

f) Issuing annually, prior to the issue of the auditor's report, a report expressing an opinion on whether the independence of the auditors or audit firms has been jeopardised. In any event, this report must contain a reasoned valuation of each and every one of the aforementioned additional services rendered, as referred to in the foregoing point, taken on an individual basis and as a whole, other than statutory audit services and in relation to the independence regime or the audit regulations.

g) Reporting, beforehand, to the Board of Directors on all the matters envisaged in the law, in the bylaws and in the Board Regulations and in particular in relation to:

1. the financial information that the Company must periodically disclose;

2. the creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens; and

3. transactions with related parties.

Identify any directors who are a member of the Audit Committee and have been appointed taking into consideration their knowledge and experience in matters relating to accounting, audits or both, and provide information about the date on which the chairperson of this committee was appointed.

Name of experienced directors	PEDRO JOSÉ LÓPEZ JIMÉNEZ, MARCELINO FERNÁNDEZ VERDES AND CARLO BERTAZZO
Date of Appointment	26/11/2019

Appointments and Remuneration Committee		
Name	Position	Category
FABIO CERCHIAI	CHAIRMAN	
CARLO BERTAZZO	MEMBER	
PEDRO JOSÉ LÓPEZ JIMÉNEZ	MEMBER	

% executive directors	0.00
% proprietary directors	100.00
% independent directors	0.00
% other non-executive directors	0.00
Number of meetings	2

Observations

This section requires that the members of the Nomination and Remuneration Committee be identified, together with their status as executive, proprietary, independent or non-executive directors, which do not exist in non-listed companies such as Abertis Infraestructuras, S.A. For this reason, the space for "category" should be left blank.

Explain the functions entrusted to this committee, including any additional functions to those provided for by law, and describe the procedures and rules governing the organisation and functioning thereof. For each of these functions, indicate the most significant actions taken in the year and how the committee has put into practice each of the functions attributed to it, whether under the law, company bylaws or other corporate resolutions.

The Nomination and Remuneration Committee has the following responsibilities and functions:

a) Evaluating the skills, knowledge and experience required of the Board of Directors. For these purposes, it shall define the roles and capabilities required of the candidates to fill each vacancy, and shall decide the time and dedication necessary for them to perform their duties effectively.

b) Establishing a target level of representation of the gender with the lowest representation on the Board of Directors and issuing guidelines on how to achieve that target.

c) Proposing to the Board of Directors the appointment of independent directors through co-optation or their submission for approval by the Annual General Meeting, and proposing the re-election or removal of these directors by the Annual General Meeting.

d) Informing the Board of the appointment of the other directors through co-optation or their submission for approval by the Annual General Meeting, and proposing the re-election or removal of these directors by the Annual General Meeting.

e) Reporting the proposals for the appointment and removal of senior executives and proposing the basic terms and conditions of their contracts.

f) Examining or organising the succession of the Chairperson and the chief executive of the Company and, if applicable, submitting proposals to the Board of Directors in order to ensure a smooth and well-planned handover.

g) Making proposals to the Board of Directors regarding the remuneration policy for directors and general managers or those who discharge senior executive functions reporting directly to the Board, executive committees or chief executives, and regarding individual remuneration and the other contractual conditions of the executive directors, ensuring compliance therewith.

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Give details of the transactions performed between the entity or group entities and the shareholders, cooperative members, holders of proprietary rights or any other type of right holder at the entity:

Name or corporate name of significant shareholder	Name or corporate name of the group company or entity	Nature of relationship	Type of transaction	Amount (thousands of euros)
ABERTIS HOLDCO, S.A.	ABERTIS INFRAESTRUCTURAS, S.A.	Shareholder	Dividends and other profit distributed	863,767
ABERTIS HOLDCO, S.A.	ABERTIS INFRAESTRUCTURAS, S.A.	Shareholder	Other: Balances receivable	225,853
COBRA INSTALACIONES Y SERVICIOS, S.A.	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO	Commercial	Purchases of goods (finished goods and work in progress)	2,630
COBRA INSTALACIONES Y SERVICIOS, S.A.	AUTOPISTA VASCO-ARAGONESA, CONCESIONARIA ESPAÑOLA, S.A.	Commercial	Property, plant and equipment purchases	1,343
COBRA INSTALACIONES Y SERVICIOS, S.A.	TÚNELS DE BARCELONA I CADÍ CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA, SA	Commercial	Property, plant and equipment purchases	1,044
AUTOGRILL COTÉ FRANCE SAS	SANEF (SA)	Commercial	Provision of services	1,020
TELEPASS, S.P.A.	SANEF (SA)	Commercial	Provision of services	82,375
TELEPASS, S.P.A.	SANEF (SA)	Commercial	Balances receivable for services provided, sales made	4,413
TELEPASS, S.P.A.	SOCIETE DES AUTOROUTES PARIS NORMANDIE -SAPN- (SA)	Commercial	Provision of services	7,880
TELEPASS, S.P.A.	BIP & GO (SAS)	Contractual	Receipt of services	1,100
ABERTIS HOLDCO, S.A.	ABERTIS INTERNACIONAL, S.A.	Shareholder	Other: Balances receivable	17,538
AUTOSTRADE TECH, S.P.A.	OPERAVÍAS, S.P.A.	Commercial	Provision of services	1,714
ABERTIS HOLDCO, S.A.	ABERTIS AUTOPISTAS ESPAÑA, S.A.	Shareholder	Other: Balances receivable	6,060
ABERTIS HOLDCO, S.A.	AUTOPISTAS, CONCESIONARIA ESPAÑOLA, S.A.	Shareholder	Other: Balances payable	28,977
ABERTIS HOLDCO, S.A.	AUTOPISTES DE CATALUNYA, S.A., CONCESIONARIA DE LA GENERALITAT DE CATALUNYA	Shareholder	Other: Balances payable	2,161
ABERTIS HOLDCO, S.A.	IBERPISTAS, S.A.	Shareholder	Other: Balances receivable	9,527
ABERTIS HOLDCO, S.A.	CASTELLANA DE AUTOPISTAS, S.A. CONCESIONARIA DEL ESTADO	Shareholder	Other: Balances payable	3,357
ABERTIS HOLDCO, S.A.	AUTOPISTA DE LEÓN, S.A. CONCESIONARIA DEL ESTADO	Shareholder	Other: Balances receivable	1,102
ABERTIS HOLDCO, S.A.	INFRAESTRUCTURES VIARIES DE CATALUNYA, S.A., CONCESIONARIA DE LA GENERALITAT DE CATALUNYA	Shareholder	Other: Balances receivable	6,557
ABERTIS HOLDCO, S.A.	INFRAESTRUCTURES VIARIES DE CATALUNYA, S.A., CONCESIONARIA DE LA GENERALITAT DE CATALUNYA	Shareholders	Other: Balances payable	3,242
ABERTIS HOLDCO, S.A.	ABERTIS TELECOM SATÉLITES, S.A.	Shareholder	Other: Balances receivable	44,952
AUTOGRILL ITALIA, S.P.A.	AUTOSTRADA BS VR VI PD, S.P.A.	Commercial	Provision of services	2,735
AUTOSTRADE TECH, S.P.A.	A4 MOBILITY S.R.L.	Contractual	Receipt of services	1,897
AUTOSTRADA DEL BRENNERO, S.P.A.	SERENISSIMA PARTECIPAZIONI S.P.A	Shareholder	Other: dividends received	1,511
AUTOSTRADE PER L'ITALIA, S.P.A.	AUTOSTRADA BRESCIA VERONA VICENZA PADOVA S.P.A.	Commercial	Balances receivable for services provided, sales made	54,205
AUTOGRILL ITALIA, S.P.A.	AUTOSTRADA BRESCIA VERONA VICENZA PADOVA S.P.A.	Commercial	Balances receivable for services provided, sales made	4,.981

D.2.Give details of the transactions performed between the entity or group entities and the directors or members of the managing body or executives of the entity.

Name or company name of the directors or executives	Name or company name of the related party	Relationship	Nature of transaction	Amount (thousands of euros)
No data				

D.3. Give details of the intra-group transactions

Company name of group company	Brief description of the transaction	Amount (thousands of euros)
No data		

Observations

Based on the information reported by the companies, there are no significant transactions with other Group companies that are not eliminated on consolidation and do not form part of the Company's normal course of business.

D.4. Give details of the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the entity or its group and its directors, members of the managing body or executives.

Articles 28 et seq. of the Board Regulations contain specific obligations regarding the duty of loyalty and information on shares of the Board members in the Company itself or on ownership interests held by them in other non-Group companies. In particular, the duty of loyalty obliges the members of the Board to adopt the measures required to avoid situations in which their interests, either as independent professionals or as employees, may be in conflict with the interests of, and their duties to, the Company except in those cases in which the Company authorised the transaction with respect to which conflict arises.

The Directors must notify the other Directors and, where appropriate, the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the interests of the Company. The director in question shall refrain from involvement in resolutions or decisions on the transaction to which the conflict of interest relates and his vote shall be deducted when calculating the majority of votes whenever necessary.

In accordance with the Board Regulations, the duty to avoid conflicts of interest obliges the director to refrain from performing transactions with the Company other than ordinary transactions performed under standard customer conditions and of scant significance, i.e. where the related information is not necessary to present fairly the equity, financial position and results of the Company. Directors shall refrain from using the Company's name or invoking their position as director to unduly influence the performance of personal transactions, from taking advantage of social events, including confidential information of the Company for personal purposes and of the Company's business opportunities and obtaining advantages or remuneration from third parties other than the Company and its Group, associated with the discharge of their position, except in relation to actions of mere courtesy. Directors shall also refrain from performing activities, as an independent professional or as an employee, that are in (current or potential) effective competition with the Company or that, in any other way, place them in situation of permanent conflict with the interests of the Company.

The provisions set out in this section shall also apply if the beneficiary of the acts or of the prohibited activities is a person related to the director.

The conflicts of interest are disclosed in the notes to the financial statements.

The Company may waive the prohibitions described above in certain cases, authorising a director or a related person to perform a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity or to obtain an advantage or compensation from a third party.

Where the subject-matter of the authorisation is exemption from the prohibition on obtaining an advantage or compensation from third parties, or where it relates to a transaction whose value exceeds 10% of the corporate assets, the authorisation must necessarily be resolved upon by the General Meeting.

In all other cases, the authorisation may be granted by the Board of Directors, provided that the independence of the Board members granting the exemption is guaranteed with respect to the exempt director. It shall also be necessary to ensure the harmless nature of the authorised transaction regarding assets and liabilities and, where appropriate, its performance on an arm's length basis and the transparency of the process.

CONTINUE IN SECTION G.1

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Explain the scope of the entity’s Risk Control and Management System

The Board of Directors of Abertis Infraestructuras, S.A. is allocated the task of preparing the risk strategy, entrusting this function to the Audit and Control Committee, which establishes the Risk Control and Management Policy of the Abertis Group and supervises the risk management system and its commitment to the application of the tax best practices.

The Abertis Group implements a risk management model, approved and monitored by the Audit and Control Committee, and applicable to all the business and corporate units in all the countries where the Group carries on its activities. The risk management model covers all the Group's possible risks with the aim of ensuring achievement of the Group's main objectives.

Based on the directives defined by the Corporate Risk Control unit, each of the business and corporate units is responsible for preparing and maintaining its risk map which includes identification and assessment of the inherent and residual risks, of the control initiatives and activities implemented, those in charge thereof, and of the action plans defined to cover the residual risks.

The risk maps are checked and approved by the general managers of the business unit or by the managers of the corporate areas. The aforementioned risk maps are subject to periodic review by the Audit and Control Committee and the Management Committee which also monitor the main risks more frequently.

E.2. Identify the entity's bodies in charge of preparing and executing the Risk Control and Management System

The managing bodies undertake to ensure that the Group's significant risks are duly and acceptably identified, measured, prioritised and controlled, and to establish the basic mechanisms and policies required to achieve a level of risk that enables:

- The creation of value for shareholders.
- Protection of the Group's reputation, fostering of good corporate governance practices and commitment through the application of tax best practices.
- Provision of a quality service in all the Group-operated infrastructures.

The bodies responsible for definition, execution and oversight are as follows:

Board of Directors: retains ultimate responsibility for the definition of the risk strategy and of the risk control policy.

Audit and Control Committee: is responsible for supervision of the risk control systems, including approval of the model and periodic monitoring of the risks with varying frequencies based on the criticality and significance thereof.

Corporate Risk Control: is responsible for the preparation and update of the risk management policies, ensuring effective implementation of the model, establishing a common methodology for the identification, classification and assessment of risks, coordinating the update of the risk maps, implementing a monitoring and reporting system for the governing bodies and, in cooperation with the other areas of the Group, reviewing the control activities that mitigate the identified risks and monitoring of the action plans.

Business/Corporate unit General Managers: are in charge of risk management in their respective areas of responsibility which includes the implementation of the risk policies defined, validation of the risk maps, and supervision of the implementation of control activities and action plans to mitigate risks.

Business/Corporate unit risk coordinators: are responsible for coordinating implementation of each unit or area's risk management model which includes the identification and assessment thereof, as well as the implementation of a system for the control, monitoring and reporting of emerging risks to the Corporate Risk Control Unit. The risk coordinator, together with those in charge of each area, periodically prepares the risk updates and the detail of control activities, as well as information on the status of action plans.

Function supervisors: are those responsible for identifying risks in their respective areas and notifying their unit risk coordinator appropriately. They are also responsible for the identification and implementation of the control activities aimed at mitigating risks.

The responsibilities defined in the foregoing section are detailed in the "Framework Risk Management Policy" which is subject to review by and the approval of the Audit and Control Committee.

E.3. Indicate the main risks that might affect the achievement of the business objectives.

The business objectives may be adversely affected by the following main risks:

- Business environment-related risks arising from economic performance, resulting from decreased demand in certain countries, amendments to legislation (tax, legal and environmental), socio-political change, or adverse weather conditions.
- Specific risks arising as a result of the Group's business activities such as the maturity and term of concessions, agreements with public authorities, the performance of transactions on regulated markets, fulfilment of concession obligations and investment commitments and the entry into service of alternative infrastructures.
- Financial risks inherent to growth operations and investment financing processes, fluctuations in interest and exchange rates, rating control and refinancing needs.
- Operating risks relating to user and personnel safety, adaptation and swift response to technological changes in operating systems, control of construction projects, infrastructure maintenance, the security, integrity and confidentiality of financial and corporate information and business know-how, personnel selection and performance, training and retention of talent, fraud, supplier dependence and business interruption.

E.4. Identify whether the entity has risk tolerance levels.

Abertis took three aspects of the corporation as reference to define the risk tolerance levels:

- Mission, vision and values
- Abertis' corporate strategy
- Risk criticality analysis by category

Establishing risk tolerance levels involves differentiating between risks for which the Organisation is willing to assume greater exposure within the defined thresholds and other risks for which it seeks to reduce such exposure as far as reasonably possible. These include accident-related, environmental, health, safety, ethical, behavioural and compliance risks.

The tolerance levels are established taking into account the assessment of the possible economic, reputational, operational, safety, environmental and liability-related risks and their likelihood of occurrence.

The various tolerance levels determine which guidelines will be used for actions to address a risk, the timescales for carrying out such actions, the persons in charge and the indicators for monitoring the risk, as well as the frequency and content of the information to be furnished to the governing bodies for monitoring and decision-making.

There is a system of alerts for identifying risks assessed as having exceeded the established tolerance level, and a response must be given with respect to the actions to be taken to align the risk assessment to the related tolerance level.

E.5. Identify whether the entity has risk tolerance levels.

In 2020 the main risks that arose were a result of the health emergency caused by COVID-19, which affected all the Group's businesses, though to varying degrees of intensity and impact over time. In order to address these risks, it was necessary to deploy and monitor exceptional measures to ensure the continuity of operations with all the safety guarantees possible for our partners and users.

Management of all **Abertis**' business units emphasised and prioritised the identification of emerging risks and changes in the assessment of existing risks, affected by the COVID-19 crisis. These risks were clearly identified and assessed, together with the controls and action plans implemented in the short term, to mitigate exposure, and measures were adopted to strengthen the Group's resilience.

Accordingly, the impact of COVID-19 in 2020 on several of the main risks associated with **Abertis**' business should be highlighted:

- Business environment-related risks: fall in traffic levels and regulatory risks (systematically monitored through analysis of the changes in aggregates and maintaining cooperation and close contact with the grantor to ensure that concession arrangements are respected).

- Financial risks: liquidity and exchange rate exposure (mitigated by the arrangement of a new financial policy and the refinancing of a portion of the existing debt through the launch of hybrid bonds in order to provide an additional buffer for protecting ratings levels and enable the Company to continue its growth process).

- Industrial risks: health and safety, CAPEX, cyberattacks and going concern risk. In this connection, a committee was created to coordinate the situation arising from the COVID-19 crisis in order to monitor the continuity and safety of operations at all of the Group's businesses. This committee has met periodically to share best practices and plan forward-thinking mitigation measures, aiming to monitor risks and the protocols and actions to be taken to ensure the continuity of operations.

In addition to the risks arising from the exceptional impact of the COVID-19 crisis, the Group continued to manage other risks relating to political and social instability in certain of the countries in which it operates (mitigated by internationalisation and geographical diversification), the damage caused by adverse weather conditions (mitigated by a corporate insurance coverage and contingency plan policy) and the reduction in the average life of the toll road concessions and expiry thereof (mitigated by the growth of the asset portfolio resulting from obtainment of control of RCO in Mexico in 2020 and the new agreement to acquire the Elizabeth River Crossings concession, which has a remaining concession term of 50 years).

E.6. Identify whether the entity has risk tolerance levels.

The risk management model implemented by the Abertis Group sets out the level of oversight and the performance of specific initiatives or response plans for the main risks based on the assessment or the level of criticality thereof in order to ensure that risks are contained within the defined limits.

The response plans for the priority-monitoring risk group form part of the implementation of the specific initiatives for each of the aforementioned risks and include:

- Main milestones to be achieved
- Persons responsible for implementation and monitoring within the organisation
- Monitoring indicators
- Content and frequency of the information to be furnished to governing bodies to ensure prompt decision-making.

Risks of a strategic and business nature due to the economic environment, regulatory changes and the specific nature of the concession business are monitored by the management committees whereas financial and operating risks are, in the main, monitored by the corporate committees in coordination with the related committees of the various business units (security committees, operating committees, technical committees, etc.).

Response plans vary based on each risk type and address issues such as:

- The internationalisation and geographical diversification strategy due to the economic downturn in certain countries and periods, offset by increased demand in response to growth in other countries In 2020 Abertis continued to strengthen its international presence with the obtainment of control of the Red de Carreteras de Occidente (RCO) Group in Mexico and the new agreement to acquire the Elizabeth River Crossing, which has a remaining concession term of 50 years.

- Cost optimisation based on the definition, implementation and monitoring of the efficiency plans, which place special emphasis on optimising the operating costs and controlling the operating investments of all the business units within the Abertis Group.

- Dialogue with the parties involved in order to provide tailor-made solutions in the infrastructure industry, adapted to each country, and negotiations with public authorities, occasionally agreeing on specific investment commitments.

- Definition of policies and procedures for the most important risks in order to control risk performance within the defined limits.

- Adhesion to the Code of Good Tax Practices with the aim of enhancing Abertis Group companies' corporate responsibility in addition to bringing greater stability to its economic results and greater legal certainty. The Abertis Group implemented the content of the Code of Good Tax Practices effectively.

- The maintenance of an appropriate insurance policy that guarantees coverage of the main types of damage, particularly catastrophes.

F. SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT RELATING TO FINANCIAL REPORTING (ICFR SYSTEM)

The mechanisms comprising the entity's systems of internal control and risk management relating to financial reporting (ICFR system).

F.1. **The entity's control environment**

Provide information, indicating salient features, on at least

F.1.1 Bodies and/or functions responsible for: (i) the existence and maintenance of a suitable, effective ICFR system; (ii) its implementation; and (iii) its oversight.

The System of Internal Control over Financial Reporting ("ICFR") of the Abertis Group ("the Group" or "Abertis") forms part of its general internal control system and consists of a set of processes performed by the Board of Directors, the Audit and Control Committee ("ACC"), senior executives and Group personnel, in order to provide reasonable assurance with regard to the reliability of the financial information disseminated in the markets.

The "Policy for the Definition of Responsibilities for the System of Internal Control over the Financial Reporting of the Abertis Group" establishes the following lines of responsibility and authority in relation to the ICFR system:

- Abertis' Board of Directors is ultimately responsible for all the regulated information the Group disseminates and, accordingly, for preparing the financial information (Article 4 of the Board Regulations) and ensuring that its ICFR system is adequate and effective.

- In accordance with the Board Regulations, the main responsibilities of the ACC include, inter alia:

    - Overseeing and analysing, prior to submission to the Board, the Group's statutory financial reporting process, reviewing correct compliance with the legislation in force and application of the accounting principles.

    - Overseeing the effectiveness and sufficiency of the Group's system of internal control and risk assessment, with the aim that any risk (operating, financial, technological, legal or reputational) with a significant impact on the Group's financial reporting may be identified, managed and mitigated, and communicated to the Board of Directors.

    - Overseeing the independence of the External Auditor, supervising its work.

    - Overseeing the work performed by Internal Audit Management and Risk & KPI Management (reporting to the General Finance Department), ensuring their independence and verifying that the recommendations and corrective measures they put forward are considered by management.

- The General Finance Department (through Consolidation and Accounting Legislation Management) and the General Planning and Control Department are responsible for the design, maintenance and implementation of the ICFR system.

Abertis' Internal Audit function assumes the oversight of the ICFR system delegated by the ACC.

F.1.2 Indicate the following, if in place, particularly in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring procedures are in place to communicate this structure effectively throughout the entity:

Abertis' Board of Directors assigns responsibility for the design and review of the organisational structure to the Remuneration and Organisation Department within the People area. This department outlines the organisational structure, the distribution of responsibilities and the hierarchy of positions, as well as the related legislation. The outcome of these mechanisms is documented through the organisational charts (organisational structure), the functions handbook and the job descriptions (which set out the allocation, distribution and segregation of functions) and the job position valuation maps (which set out the levels of responsibility).

The Group has an internal organisational chart that is found on the corporate intranet. It covers all the areas, locations and companies belonging to the Group and is basically organised by line of business and department (including those departments involved in the preparation, analysis and oversight of financial reporting). The organisational chart indicates responsibilities up to a certain management level and is supplemented with other more detailed organisational charts provided at department level.

With respect to the financial reporting process, in addition to the detailed organisational charts, manuals, internal policies and instructions are issued by the General Planning and Control Department and the General Finance Department (through Consolidation and Accounting Legislation Management), which are included in the Group's unified reporting manual and establish the specific guidelines and responsibilities at each close (close procedures defining the main tasks both at corporate and subsidiary level), including most notably:

- "Close instructions": published every six months, establish the schedule to be followed by the Group companies when submitting the financial reporting and other procedures to be applied in the preparation of the Group's consolidated information.
- "Group Reporting and Accounting Policies Handbook" (GRAPH): this handbook encompasses the accounting policies used by the Group to prepare its financial statements and its aim is to obtain consistent, uniform and comparable financial information for all the Group companies.
- "Policy for Accounting Close at Subsidiaries": establishes the procedures to be followed to prepare the economic and financial information of the Group subsidiaries and the associated oversight procedures.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:

Abertis has a Code of Conduct (Code of Ethics), approved by the Board of Directors which is adapted by each business unit, through the preparation of a Local Code of Ethics, when required by the national laws, customs and practices of the country where the business unit operates. In any event, the Local Codes of Ethics must follow the guidelines of the Group's Code of Ethics. Also, the Abertis business units with head offices in Spain are subject to the Code of Ethics Regulations in Spain which regulate and prohibit any conduct that could imply criminal liability for legal entities.

All the Group's employees receive in-person or online training with respect to the code of ethics, anti-corruption and the prevention of workplace harassment. In addition, all employees are asked to accept Abertis' Code of Ethics on an annual basis. New employees must complete this training, which is available on the corporate intranet, when they join the Group.

The core values and principles enshrined in the Code of Ethics are as follows: integrity, honesty, transparency, legal compliance, avoidance of conflicts of interest, processing of information with the utmost strictness, appropriate use and protection of company assets, the guarantee of equal opportunities, non-discrimination of people and no reprisals against reports in good faith of breaches of the Group's Code of Ethics and its Local Codes of Ethics.

Also the Code of Ethics provides that information must be processed truthfully, so that the Group's economic and financial information presents fairly its economic, financial and equity position, in accordance with generally accepted accounting principles and applicable international financial reporting standards.

The bodies in charge of investigating breaches and proposing corrective or disciplinary action are the Abertis Group's Ethics and the Crime Prevention Committees and its Compliance functions. All the Group's Ethics and Crime Prevention Committees are presided over by the relevant Local Compliance Officer, in co-operation with the Chief Compliance Officer. The Group's Chief Compliance Officer is responsible for reporting to the Abertis ACC about all the instances of non-compliance detected either by the Ethics and Crime Prevention Committees or by the Group's Compliance functions.

Also, these bodies are assisted by the Group's various management areas, including the Management Control Department of Abertis Infraestructuras, S.A., for monitoring compliance with its internal policies. This operating mechanism is described in the Group's Compliance Policy, published on the corporate intranet and the Abertis website, as well as in the Group's policies.

- Whistle-blowing channel, for reporting any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and irregular activities within the organisation to the Audit Committee, stating, as applicable, whether such reports are confidential:

The whistle-blowing channel is managed by the Group's Ethics and Crime Prevention Committees and facilitates the reporting of any irregularities of a financial, accounting or non-financial nature.

Breaches may be reported through the ethics channel online platform (available on the corporate intranet and on the Abertis website), by post or by email. Also, all Group rules establish the requirement to report any breach of the rules to the Abertis Chief Compliance Officer.

- Training and periodic refresher courses for personnel involved in preparing and reviewing financial information or evaluating the system of ICFR, which address, at least, accounting rules, auditing, internal control and risk management:

As regards training and periodic refresher courses, Abertis takes into consideration the development and ongoing training of its employees and executives, both at corporate and subsidiary level, in those issues affecting the preparation of the Abertis Group's consolidated financial information and any other matter deemed to be of crucial importance.

Abertis has a Training Plan for all of its employees, prepared by the People area. The actions included in the Plan are linked to the Group's strategic objectives, as well as the People area's strategy.

Abertis also considers that comprehensive, up-to-date training in relation to accounting rules and standards for preparing financial reporting, and capital market, tax and internal control regulations is necessary to ensure that the information reported to the markets is reliable and complies with current legislation.

With respect to the preparation and review of financial information, each year Abertis provides training in those areas identified by the General Finance Department (through Consolidation and Accounting Legislation Management) and the General Planning and Control Department in relation to:

- New regulations adopted (accounting, tax, capital market and internal control) and applicable to the Group.
- Changes in the reporting methodology and/or in the IT systems.
- Individual initiative of team members of the Planning and Control Department and Consolidation and Accounting Legislation Management.

Once the training requirements in the aforementioned areas have been identified, appropriate training activities are designed and carried out to fulfil the Group's annual training objectives in these areas.

In 2020 Abertis provided training activities by external experts and in-house training sessions for the personnel involved in the preparation and review of the financial reporting at corporate and subsidiary level. Training in 2020 was focused mainly on the accounting, tax and financial areas that may have the greatest impact on the preparation of the Group's consolidated financial reporting, in particular, in relation to IT systems, changes in tax legislation and latest developments adopted during the year in accordance with the EU-IFRSs.

In addition, in 2020 specific training was provided in the following areas:

- Accounting training and training regarding the new corporate chart of accounts and reporting model provided by Consolidation and Accounting Legislation Management.
- Tax courses given by the Corporate Tax Department, in particular, on the latest developments in tax in 2020 in the main countries in which Abertis has a presence and international taxation.
- Courses given by the Compliance Department, specifically:
    - Online training on misuse of information and data protection
    - CEO anti-corruption awareness-raising campaign
    - Online training regarding the Abertis Group's compliance model (crime prevention model, anti-corruption, advocacy and lobbying, conflicts of interest, etc.)
- Legal alerts prepared by the Legal Advisory Department on the latest legislative developments applicable to Group companies.

In addition, Consolidation and Accounting Legislation Management has subscriptions to various publications and magazines in the accounting and financial spheres, as well as to the IASB website, which sends regular updates and newsletters, which are analysed to ensure that they are taken into account in the preparation of Abertis' financial information.

F.2. **Assessment of financial reporting risks**

Provide information on, at least:

F.2.1 The main features of the risk identification process, including risks of error or fraud, as regards:

- Whether the process exists and is documented:

Pursuant to the provisions of Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Securities Market Law and CNMV Circular no. 7/2015, of 22 December, published by the Spanish National Securities Market Commission (CNMV), the Group has a system of Internal Control over Financial Reporting (ICFR) model.

The aforementioned model is documented in the "Policy for identification of risk of error in the financial information of the Abertis Group" ("Risk Identification Policy"), which describes the process for the identification of significant risks of misstatement of the consolidated financial statements, whether due to fraud or error. The risk identification process is performed at least once a year.

Through application of the Risk Identification Policy, Abertis ensures that the risk identification process considers quantitative and qualitative variables (i.e. transaction complexity, risk of fraud, regulatory compliance or level of judgement required) when defining the scope of the Group's ICFR system.

Application of the Risk Identification Policy results in the design of an ICFR system significant risk matrix from a consolidated group perspective. The purpose of the matrix is to identify the accounts and disclosures which have an associated significant risk with a potential material impact on the financial information. Once the scope of application of the Group's ICFR system has been defined, based on the identified risk matrix, the control activities required to mitigate the identified risks are designed.

The process of identifying risks of error in financial information is performed and documented each year by the General Finance Department (through Consolidation and Accounting Legislation Management) and the General Planning and Control Department.

- Whether the process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and how frequently:

The Risk Identification Policy establishes that, following identification, risks are reviewed in order to analyse the potential risks of error in each assertion in the financial information (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations) that might have a significant impact on the reliability of the financial information.

The risks of error identified in the financial reporting are classified as follows:

a) General risks

b) Risks relating to appropriate recognition of the Group's specific transactions
   a. Significant transactions
   b. Judgements and estimates
   c. Lack of familiarity with agreements/contracts
   d. Activities outsourced to third parties

c) Risks relating to the financial reporting preparation process

d) Risks relating to IT systems.

Each of the aforementioned risks identified in the process of preparing the consolidated financial statements is associated with the processes and various financial areas deemed significant (in view of either their contribution to the consolidated financial statements or to other more qualitative factors) and to the Group companies within the scope of the ICFR system.

- Whether a specific process is in place to define the scope of consolidation, taking into account, inter alia, the possible existence of complex corporate structures, holding companies and special purpose vehicles:

The identification of the scope of consolidation is performed periodically to obtain an updated company map. Companies exercising direct or indirect control (power to govern the operating and financial policies of a subsidiary so as to obtain economic benefits from its activities) are considered when establishing the companies within the scope of the ICFR system. Therefore, the scope of the ICFR system excludes companies over which joint or significant influence is exercised, although general controls are performed in order to provide assurance on the reliability of the financial information furnished by these companies and included in the consolidated financial statements.

- Whether the process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

Abertis considers the possibility of risks of error arising in certain processes not associated with specific types of transaction to the extent that they may impact the financial statements (such as the close process, the IT system operating process and the judgements or key accounting policies review process). These processes include the consolidation process and, accordingly, the Group has established policies geared towards ensuring both correct configuration and execution of the process, as well as correct identification of the scope of consolidation.

- Indicate the entity's governing body that oversees the process:

As mentioned above in F.1.1., the ACC is responsible for oversight of the internal control and risk management system with the support of Internal Audit.

F.3. Control activities

Provide information, indicating the salient features, if available, on at least:

F.3.1 Procedures for reviewing and authorising financial information and the description of the ICFR system to be disseminated in the securities markets, indicating the persons responsible in that connection, as well as documentation describing the flows of activities and controls (including those addressing the risk of fraud) for the various types of transactions that may have a material effect on the financial statements, including the accounting close procedure and the specific review of the relevant judgements, estimates, valuations and projections.

The Group's "Review, authorisation and supervision of financial reporting policy" establishes, inter alia, the scope (periodic regulated financial information and those responsible for the preparation thereof) and the review procedures of the ACC, which include reading and analysis of the information and discussions with those responsible for its preparation (the General Finance Department and General Planning and Control Department), those responsible for the verification of the design of the model and operation of the existing controls (Internal Audit) and the external auditors.

Responsibility in relation to the preparation of the financial information at each quarterly close begins with the review and certification by the person responsible for economic and financial matters at each subsidiary, and also, at the half-yearly and annual accounting closes, with the express certification by the general manager of each subsidiary. The aforementioned certification is provided by means of a questionnaire that includes the internal control procedures that must be performed to provide reasonable assurance as to the reliability of the entity's financial statements.

As regards the description of the system of ICFR contained in this document, the review and certification process is the same as that applied for the rest of the economic and financial content of the Annual Corporate Governance Report.

The separate and consolidated financial statements, the half-yearly financial reports and the financial information contained in the Group's quarterly interim management statements are prepared and reviewed by the General Finance Department and General Planning and Control Department prior to their submission to the ACC. The ACC applies the procedures included in the policy referred to at the beginning of the section as a preliminary step towards the submission of its conclusions to the Board of Directors of Abertis.

The documentation of the ICFR system includes the following documents:

- ICFR system policies
- Corporate internal regulations
- ICFR system risk map
- ICFR system scope model
- ICFR system risk and control matrix
- Regular questionnaires certifying control activities

In addition to the ICFR system policies, Abertis has policies designed to mitigate the risks of error in processes not associated with specific transactions. Specifically, documented corporate internal regulations exist in relation to:

- accounting close procedures (at both corporate level, including the consolidation process, and at subsidiary level)
- procedures relating to activities performed by third parties
- transfer prices
- policies to identify and establish levels of approval for significant judgements and estimates

In addition to the risks detected, the "ICFR system risk and control matrix" was developed, establishing the scope of the system of internal control over financial reporting in order to determine the headings affected in the financial statements, as well as the companies affected (see section F.2.1.).

In relation to the activities and controls directly related to transactions that may materially affect the financial statements, the Group has descriptions of the controls implemented to mitigate the risks of material misstatement due to error in the information reported to the markets. The descriptions are also documented in the "ICFR system risk and control matrix" and contain information on what the control activity should entail, why it is executed, who is required to execute it and how often, as well as any other information with regard to which IT systems or which activities performed by third parties are relevant in terms of the effectiveness of the related control activity. The controls cover areas such as the generation of revenue, investments and concession expenses, acquisitions and subsequent measurement of other non-current assets, analysis of investment recovery, recognition of income taxes or correct presentation of financial instruments and of financing transactions of the Abertis Group. Abertis performs an annual review of matrices to ensure maintenance thereof.

The Group has descriptive corporate documentation available on the control activities that encompass all the financial reporting control objectives of the various types of transaction with a material impact on its consolidated financial statements.

In relation to the significant judgements and estimates made, the Group discloses in its consolidated financial statements any areas in which there is a certain degree of uncertainty that it considers of particular relevance. The specific review and approval of the significant judgements, estimates, valuations and projections, as well as the key assumptions used for their calculation, with a material impact on the consolidated financial statements, is carried out by the General Finance Department, the General Planning and Control Department and, where applicable, by the chief executive officer. The most significant, such as the monitoring of asset value, hedging policies, etc., are discussed and reviewed by the ACC prior to their approval by the Board of Directors.

F.3.2 Internal control policies and procedures for IT systems (including secure access, tracking of changes, system operation, operational continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The Group uses IT systems to maintain proper recognition and control of its transactions and, therefore, their correct functioning is a crucial element of particular importance to the Group. Specifically, it has implemented standardised accounting and reporting systems at the majority of the Group companies.

Accordingly, as part of the identification process for risks of error in financial information, the Group identifies, through its General Planning and Control Department, which systems and applications are relevant to the preparation of the Group's financial information. The systems and applications identified include those used directly at corporate level in the preparation of the consolidated financial information, as well as the reporting systems among the various Group companies. The systems and applications include, inter alia, both complex developments at integrated IT system level, as well as other software applications developed at user level (e.g. spreadsheets), when they are relevant to the activities involved in the preparation and control of financial reporting.

Also, the Systems department has established general policies aimed at ensuring the correct operation of the systems and applications. These policies cover both physical and logical security relating to access, procedures to verify the design of new systems or changes to existing systems and data recovery policies in the event of unforeseen incidents affecting the operation thereof. In particular, documented policies exist in relation to the following:

- IT system project development methodology (change management, etc.)

- Operations management (backup management, patch installation, system capacity and performance management, communications management, interface monitoring, operational incident management and resolution, preventive updates and batch process management)

- Information and systems security (backup copy procedure and plan, user and licence management, physical access, security monitoring, etc.)

- Systems continuity plan

The Systems department performs an annual validation of the effectiveness of the controls established over the various IT systems implemented at the Group.

F.3.3 Internal control policies and procedures for overseeing the management of activities outsourced to third parties and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

Since 2015 some of the Abertis Group companies in Spain have outsourced to a third party supplier certain of the activities associated with economic and personnel management. In this connection, certain risk control and management mechanisms have been established with the supplier to ensure the completeness and reliability of the financial information arising from the outsourced activities, including, inter alia: an agreement Management and Oversight Committee, service level agreements, risk indicators, service reports, technological security measures, external audits and contingency and continuity plans.

Also, the Group uses, on a recurring basis, independent experts' reports to measure its financial instruments and employee benefit obligations.

The Corporate Finance Department and Compensation and Benefits Department carry out checks prior to hiring independent experts and following the experts' work, in order to verify:

- competence, knowledge, credentials and independence;

- the validity of the data and methods used; and

- the reasonableness of the assumptions applied, where applicable.

Abertis has documented guidelines on the treatment of activities outsourced to third parties in terms of both engagement and results. These guidelines are set out in the “Procedure for activities performed by third parties” policy.
Each year the Group reviews which activities performed by third parties are relevant to the preparation of the financial information.

F.4. Reporting and communication.

Provide information, indicating the salient features, if available, on at least:

F.4.1 Whether there is a specific role in charge of defining and keeping up-to-date accounting policies (accounting policies area or department) and resolving doubts or disputes over their interpretation, communicating on a regular basis with the team in charge of operations at the organisation. The role is also responsible for updating the accounting policies manual and disseminating it to the operating units.

This responsibility is held by Consolidation and Accounting Legislation Management (reporting to the General Finance Department) which, among other duties, is in charge of defining, keeping up-to-date and communicating the Group's accounting policies for the purposes of preparing the consolidated financial information in accordance with the standards adopted by the European Union (EU-IFRSs) (and, consequently, of the information each subsidiary is required to report).

The Group has formalised a "Procedure for the preparation, updating and communication of accounting policies" which sets out the following:

- Existence of a Group accounting manual
- Update frequency
- Communication with business units
- Procedures for receiving and responding to consultations regarding the accounting manual (accounting legislation mailbox)
- Procedure for update of the accounting information Reporting Package to be received from subsidiaries

The duties of Consolidation and Accounting Legislation Management also include responding to the accounting consultations that may be made by the various business units and other corporate departments of the Group.

As mentioned in section F.1.2, the Group has an accounting policy manual (GRAPH) for the purposes of preparing the financial statements in accordance with EU-IFRSs, which is compiled by Consolidation and Accounting Legislation Management and updated periodically (at least once a year), and includes the standards applicable during the year. The Audit Instructions sent by the external auditor to all the auditors of the various Group companies for the limited review or audit at each half-yearly or annual close, respectively, establish that the accounting policies to be applied in the performance of their work are those contained in Abertis' GRAPH.

Any amendments made are communicated to the subsidiaries by email, and a complete, updated manual is available in the Accounting Legislation Portal and in the Corporate Management Control Portal on the Group intranet. No significant amendments were made in 2020 that might affect the preparation of the consolidated financial information for the year.

Moreover, on a half-yearly basis, Consolidation and Accounting Legislation Management issues an information memorandum on the EU-IFRSs, which describes the standards that will come into force during the year and in future years, as well as a summary of the standards not yet approved that might have an impact on the consolidated financial statements and those of the subsidiaries.

F.4.2 Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the company or group, and support its main financial statements and accompanying notes as well as disclosures concerning the ICFR system.

The Group has various integrated platforms both for the accounting recognition of transactions and the preparation of financial information for the majority of its subsidiaries (SAP R3·and BPC consolidation and reporting). The integrity and reliability of the aforementioned IT systems is validated through the general controls indicated in section F.3.2.

Also, each of the subsidiaries is responsible for the preparation and upload in the reporting and corporate consolidation system (SAP BPC) of the Monthly Reporting, which contains the financial information required at each monthly close to prepare the consolidated information and other financial information required.

The monthly reporting is a single reporting based on a standard chart of accounts for all the Group companies.

Every six and twelve months "Half-yearly Forms/Annual Forms" (a single, standard information package for all the Group companies, which includes the Monthly Reporting and a reporting of "Additional Information - Financial Statements 2020") signed by the General Management of each of the subsidiaries are received, which include all the information required to prepare the Group's consolidated financial information (interim condensed financial statements and statutory financial statements).

The aforementioned "Half-yearly and annual forms" ensure the uniformity of the information by virtue of the following characteristics:

- It is unified and consistent across countries and lines of business

- It is prepared based on the Group's instructions and on its accounting manual, which is a single manual applicable to all the companies forming part of the Group.

- It includes the applicable legal, tax, corporate and regulatory requirements.

Monthly Reporting and Forms information is uploaded directly by the controllers to the reporting and corporate consolidation system.

The structure of the "Forms" is reviewed regularly (at least twice a year) to ensure that all the regulatory updates applicable in accordance with EU-IFRSs are included.

The entire reporting system is included in the Monthly Reporting Information Manual, which is updated each year by the General Planning and Control Department and provides details of processes and dates and full information on how to complete the reporting, which should be adhered to by all the Group companies.

F.5. Oversight of system operation.

Provide information, indicating the salient features, on at least:

F.5.1 ICFR system monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit department whose competencies include supporting the Audit Committee in its role of monitoring the internal control system, including ICFR. Also describe the scope of the ICFR system assessment conducted in the year and the procedure for the person in charge to communicate the findings. State also whether the company has an action plan specifying corrective measures and whether it has taken stock of the potential impact on its financial information.

During 2020 the ACC or, otherwise, the Board of Directors, performed the following activities in relation to the ICFR system:

- Periodic review of the financial information, considering the most significant judgements and estimates.

- Periodic monitoring of the certifications of the application of controls by the personnel responsible for preparing the financial information.

- Monitoring of the findings of the internal and external audit ICFR reviews.

- Review of the information relating to the ICFR system forming part of the Annual Corporate Governance Report.

The Group has an Internal Audit department (forming part of the General Finance Department) that reports to the ACC (which delegates oversight of internal control, including the ICFR system, to the Internal Audit department). As a result of the supervisory tasks delegated to it, Internal Audit plays a key role in ensuring an internal control system is in place that reasonably guarantees:

- Safeguarding of the Group’s assets

- Compliance with applicable external and internal regulations

- Effectiveness and efficiency in the transactions and corporate and support activities

- Transparency and completeness of the financial and management information

Internal Audit draws up an Annual Review Plan that is approved by the ACC and based on the following:

- The classification, by risk and materiality factors, of the companies controlled by the Group.

- The definition of the activities to be reviewed: top-level transactional processes (revenue, procurements, fixed assets, employees, financial management, technology, etc.), other transactional processes (travel, maintenance and warehouse expenses, etc.) and compliance (ICFR, etc.).

- The definition of the frequency of the reviews for each of the foregoing processes based on the company classification.

In connection with the financial information and the general IFRC model, a review was performed in 2020 of the functioning of the controls over significant transactions, judgements and estimates and preparation of financial information. Reviews were also performed of the controls over general risks and over information systems with the frequency determined by Internal Audit’s general review criteria.

The potential weaknesses identified in all of the reviews are classified by criticality, assigned to a supervisor and subject to monitoring until they are resolved.

As a result of the ICFR system assessment activities conducted by the Internal Audit department in 2020, which were submitted to the ACC, no weaknesses were detected which might have a material impact on the Group's financial reporting for 2020, the corrective measures required to resolve other potential weaknesses in the future having been implemented.

Also, the external auditor, as mentioned in section F.7.1., issues an annual agreed-upon procedures report on the description of the ICFR system prepared by Abertis in which no matters worthy of note arose.

F.5.2 Indicate whether there is a discussion procedure whereby the financial auditor (pursuant to TSAs), the internal audit department and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other reviews they have been engaged to perform to the company’s senior executives and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses identified.

As indicated above in section F.3.1, Abertis' “Review, authorisation and supervision of financial reporting policy” establishes the ACC's review procedure which includes the following:

- Meetings with those responsible for the preparation of the financial information (General Finance Department and General Planning and Control Department) to discuss the reasonableness of the changes in the aggregates, the most significant transactions or events during the period, changes in accounting policies, any unusual fluctuations and any other information deemed relevant.

- Discussions with the Internal Audit department (as part of the ongoing monitoring of reviews and recommendations made throughout the year) to obtain information on the level of compliance with the Plan and with the findings of the reviews performed (including ICFR) and on the current status of any recommendations made to improve the potential weaknesses identified.

- Private discussions with the external auditors (at least on completion of the planning phase of the audit of the financial statements for the year and on completion of their audit and/or limited review procedures on the financial statements and the half-yearly reporting) in order to obtain information on the scope and findings of their work and on any potential significant internal control weaknesses identified, the content of their reports and any other information deemed appropriate.

F.6 Other relevant information

No additional aspects were identified for disclosure.

F.7. External auditor's report

F.7.1 Whether the ICFR system information reported to the markets has been reviewed by the external auditor. If "yes", the related report should be included in the corresponding report as an Appendix. If "no", give reasons.

The external auditor reviewed Abertis' ICFR information for 2020. The scope of the auditor's review procedures was set in accordance with the Spanish Institute of Certified Public Accountants Circular E14/2013, of 19 July 2013, publishing the Draft Guidance and specimen auditor's report relating to the information on the system of internal control over financial reporting (ICFR) of listed entities.

G. OTHER INFORMATION OF INTEREST

If there is any salient feature of corporate governance at the entity or the group entities that has not been dealt with in the other sections herein, and which it is necessary to include in order to provide the most complete and reasoned information on corporate governance structure and practices at the entity or its group, provide a brief description.

This section can include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.

In particular, indicate whether the entity is subject to any legislation other than the Spanish legislation on corporate governance, and if so, include the information that it is required to provide, where such information differs from that required in this report.

The entity may also indicate whether it has voluntarily adhered to any other codes of ethical principles or good practice of an international, industry-specific or other nature. If so, state the code in question and the date of adherence thereto.

CONTINUATION OF SECTION B.3

Seventh point of the agenda: The appointment of KPMG Auditores, S.L., with taxpayer identification number B-78510153 and registered office at Paseo de la Castellana, 259, 28046 Madrid and Spanish Official Auditors' Register (ROAC) no. S0702, as auditor of the Company and of its consolidated Group for 2021-2023 was approved, both for the separate and the consolidated financial statements, for the period of three years, i.e. for 2021, 2022 and 2023.

This resolution was adopted by the affirmative votes of 99.9901% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Eighth point of the agenda: The delegation to the Board of Directors of the power to resolve to perform a capital increase on one or more occasions up to half of the Company's share capital and over a maximum period of five years was approved, with the consequent amendment of the bylaws.

This resolution was adopted by the affirmative votes of 99.9446% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Ninth point of the agenda: The amendment of the remuneration policy in force approved by the Company's General Meeting was approved.

This resolution was adopted by the affirmative votes of 99.8652% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

Tenth point of the agenda: The delegation of powers to either the Chairman, the CEO or the Secretary of the Board of Directors for the formalisation and performance of all the resolutions adopted by the Meeting was approved.

This resolution was adopted by the affirmative votes of 99.9901% of the shares attending the General Meeting in person or by proxy (excluding the Company's treasury shares).

CONTINUATION OF SECTION D.4

The obligation not to compete with the Company may only be subject to exemption in the event that no damage is expected to arise at the Company or the expected damage is offset by the benefits expected to be obtained as a result of the exemption. The exemption shall be granted by means of an express individual resolution of the General Meeting. In any event, at the request of any shareholder, the General Meeting shall resolve on the removal of the director carrying on competing activities where the risk of damage to the Company is deemed significant.

Lastly, the Company's internal Code of Conduct in matters relating to securities markets, establishes that persons in conflict of interest situations shall act at all times with loyalty to the Company, irrespective of their interests as independent professionals or employees and shall refrain from taking part in or influencing decisions on the matters affected by the conflict. The aforementioned persons must also notify the Company of the possible conflicts of interest to which they are subject as a result of their family relationships, their personal assets, their activities outside of the Company or for any other reason.

This Annual Corporate Governance Report was approved by the entity's Board of Directors or managing body at its meeting held on 9th March 2021.

Indicate any directors or members of the managing body who voted against or abstained in relation to the approval of this Report.

Abertis Infraestructuras, S.A. and Subsidiaries

Auditor's report on the system of Internal Control over Financial Reporting (ICFR) of the Abertis Infraestructuras Group for 2020

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE ABERTIS INFRAESTRUCTURAS GROUP FOR 2020

To the Directors of Abertis Infraestructuras, S.A.:

As requested by the Board of Directors of Abertis Infraestructuras, S.A. and Subsidiaries ("the Abertis Infraestructuras Group") and in accordance with our proposal-letter of January 20, 2021, we have applied certain procedures to the information relating to the ICFR system included in section F of the Annual Corporate Governance Report ("ACGR") of the Abertis Infraestructuras Group for 2020, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system.

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by Abertis Infraestructuras Group in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Abertis Infraestructuras Group was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Abertis Infraestructuras Group's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Abertis Infraestructuras Group's annual financial reporting for 2020 described in the information relating to the ICFR system. Therefore, had we applied procedures additional to those described below or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Abertis Infraestructuras Group in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model ACGR established in CNMV Circular no. 5/2013, of 12 June 2013, modified by the CNMV Circular no. 7/2015, of 22 December 2015 and CNMV Circular no. 2/2018, of 12 June 2018.

2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Abertis Infraestructuras Group.

3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR system descriptive information. In this regard, the aforementioned documents include reports prepared for the Audit and Control Committee by internal audit, senior management and other internal or external specialists.

4. Comparison of the information detailed in point 1 above with the knowledge on the Abertis Infraestructuras Group's ICFR system obtained through the procedures applied during the financial statement audit work.

5. Reading of the minutes taken at meetings of the Board of Directors, Audit and Control Committee and other committees of the Abertis Infraestructuras Group to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.

6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.

This report has been prepared exclusively in the context of the requirements established by article 540 of the consolidated text of the corporate enterprises act Corporate Enterprises Act, and by the aforementioned CNMV Circulars, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Ana Torrens

9 de marzo de 2021