ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2019 (prepared in accordance with International Financial Reporting Standards)

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L.
Avda. Diagonal, 654
08034 Barcelona
España

Tel: +34 932 80 40 40
www.deloitte.es

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 consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abertis Infraestructuras, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2019, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

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 Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated 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.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Key Audit Matters

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

Accounting for the merger with Abertis Participaciones, S.A.U.	
Description	**Procedures applied in the audit**
As indicated in Note 6, in the framework of the investment agreement entered into in 2018 by Atlantia S.p.A. (Atlantia), Actividades de Construcción y Servicios, S.A. (ACS) and Hochtief Aktiengesellschaft (Hochtief), in 2019 the merger by absorption of the Parent with Abertis Participaciones, S.A.U. was executed. As a result of the aforementioned transaction, the consolidated financial statements of Abertis Infraestructuras, S.A. and Subsidiaries reflect the effects of the obtainment of control of the Abertis Group and, therefore, the final determination of the purchase price allocation (PPA). This matter was considered to be a key matter in our audit, since the determination of the fair value of the assets acquired and liabilities assumed and of the goodwill that arose as a result of aforementioned obtainment of control require the Group to make significant judgements.	Our audit procedures included, among others, obtaining and analysing the contractual documentation relating to both the process of obtainment of control of Abertis Infraestructuras, S.A. and the subsequent merger with Abertis Participaciones, S.A.U. We obtained the accounting records relating to the merger and the analysis of the purchase price allocation performed by the Group. Based on the assessment of the fair value of the assets acquired and liabilities assumed, we verified the clerical accuracy of the calculations made and the reasonableness of the main assumptions considered therein. To this end, we analysed the consistency of the future cash flow forecasts considered in the analysis performed with the assumptions obtained from the Group's business plan. In addition, we evaluated the reasonableness of the key assumptions considered (primarily, traffic, tolls, operating costs and reinvestment disbursements), and performed a sensitivity analysis of those key assumptions. We also involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the analysis conducted and the discount rates considered.

Accounting for the merger with Abertis Participaciones, S.A.U.

Description

Procedures applied in the audit

Lastly, we checked that the disclosures included in Note 6 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory framework.

Impairment test on intangible assets

Description

The accompanying consolidated balance sheet includes intangible assets totalling EUR 25,571 million relating mainly to investments in transport infrastructure concession arrangements, i.e., toll roads.

The measurement of these investments in concession arrangements and, in particular, the assessment of their recoverable amount, involves a complex process that requires estimates to be made that include judgements and significant assumptions by the Group in the preparation of impairment tests, relating mainly to discount rates, macroeconomic variables, changes in traffic and tolls, future operating costs and disbursements for future investments, both in capacity increases and replacements, among others.

Procedures applied in the 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 involved in assessing the recoverable amount of goodwill and of the investments in concession projects, as well as the performance of tests to determine whether the aforementioned controls operate effectively.

Also, we conducted substantive tests based on the obtainment of the impairment tests carried out by the Group, verifying both the appropriateness of the valuation method used and 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.

Impairment test on intangible assets

Description

In addition, the accompanying consolidated balance sheet includes goodwill totalling EUR 7,927 million, of which EUR 7,869 million correspond to the goodwill arising in the framework of the business combination and subsequent merger with Abertis Participaciones, S.A.U. described in Note 6. In this context, the Group performed an impairment test to assess the recoverable amount of this goodwill, which was prepared using valuation techniques based on discounted cash flows as described in Note 9.

The matters indicated above, and the significance of the aforementioned assets at year-end, led us to determine this matter to be a key matter in our audit.

Procedures applied in the audit

In addition, we involved our internal valuation specialists in the process to evaluate the assumptions and methodologies used 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 the consistency of the assumptions included in the impairment tests for the previous year with the actual operating data.

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 the Group.

Lastly, we checked that Note 9 to the accompanying consolidated financial statements contains 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 tests and performed an analysis of the sensitivity to changes in the key assumptions used in the tests.

Litigation and contingencies

Description

As indicated in Notes 10.i, 13.i and 23.i, the Group is involved in various court proceedings in the framework of its activity, the most significant being those linked to: i) the claim filed by the Group company Autopista Concesionaria Española, S.A.U. for compensation relating to the guaranteed revenue provided for in Royal Decree 457/2006 approving the Agreement between the Spanish Government and the aforementioned company to modify certain terms of the concession of which that company is the operator. At 31 December 2019, there were no balances receivable recognised in the accompanying consolidated financial statements (see Note 13.i) in this connection; and ii) the obligations assumed under the support agreement entered into by the Group companies Iberpistas, S.A.U.C.E. and Autopista Concesionaria Española, S.A.U. with the creditor banks of the associate Alazor Inversiones, S.A., for which the Group has recognised provisions amounting to EUR 228 million, corresponding to the full amount of the borrowings secured together with the related interest and court costs, as described in Notes 10.i and 20.ii.

In relation to these proceedings, the Group assesses the impact that its estimate of the eventual outcome thereof has on its consolidated financial statements.

This matter was considered to be a key matter in our audit, since the aforementioned estimates require significant judgements by the Group, based on historical experience and the available information, including that obtained from its legal counsel.

Procedures applied in the audit

Our audit procedures included, among others, analysing the judgements made by the Group on the basis of the available information. Among other procedures, we sent confirmation letters to, and obtained responses from, the lawyers and legal counsel used by the Group, and in our analysis we paid particular attention to the matters relating to the most significant court proceedings in progress. In relation to the most significant court proceedings, we involved our internal specialists for the purpose of analysing the reasonableness of the conclusions reached by the Group considering the various factors on which those conclusions were based.

Our work also included checking that the information included in Notes 10.i, 13.i, 20.ii and 23.i to the accompanying consolidated financial statements in connection with these matters was that required by the applicable regulatory framework.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2019, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

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

a) A specific level that applies to the consolidated non-financial information statement, as well as to certain information included in the Annual Corporate Governance Report, as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the consolidated directors' report, or, as the case may be, that the consolidated directors' report contains the corresponding reference to the separate report on non-financial information as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) A general level applicable to the other information included in the consolidated directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated 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 consolidated directors' report and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2019 and its content and presentation were in conformity with the applicable regulations.

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

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

The Parent's Audit and Control Committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

Report on Other Legal and Regulatory Requirements

Additional Report to the Parent's 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 4 March 2020.

Engagement Period

The Annual General Meeting held on 19 March 2019 appointed us as auditors of the Group for a period of one year from the year ended 31 December 2018.

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

4 March 2020

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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Group's internal control.

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

- Conclude on the appropriateness of the use by the Parent's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent'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 Parent'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 Parent's Audit and Control Committee, we determine those matters that were of most significance in the audit of the consolidated 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.

CONTENTS

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated balance sheets
(in thousands of euros)

	Notes	31/12/19	31/12/18 (*)
ASSETS			
Non-current assets			
Property, plant and equipment	8	451,068	412,182
Goodwill	9	7,927,265	4,383,034
Other intangible assets	9	25,570,813	14,170,727
Intangible assets		33,498,078	18,553,761
Investments in associates and interests in joint ventures	10	409,070	216,576
Financial assets at fair value through equity	11	78,887	108,693
Non-current financial assets		487,957	325,269
Concession arrangements - financial asset model	13	2,199,375	2,039,452
Receivables from companies accounted for using the equity method	13	19,160	31,625
Other financial assets	13	197,646	65,340
Derivative financial instruments	12	29,146	57,125
Other non-current financial assets		2,455,327	2,193,542
Other assets	13	3,209	75,836
Deferred tax assets	19-c	994,855	801,848
Non-current assets		**37,880,494**	**22,362,438**
Current assets			
Inventories	-	9,823	14,333
Trade receivables	13	632,243	656,630
Current tax assets	13	856,697	876,265
Concession arrangements - financial asset model	13	113,032	109,113
Receivables from companies accounted for using the equity method	13	2,042	14,520
Other financial assets	13	154,480	50,087
Derivative financial instruments	12	65,804	37,978
Other current financial assets		335,358	211,698
Other assets	13	334,146	163,268
Cash and cash equivalents	14	2,644,889	2,737,070
Current assets		**4,813,156**	**4,659,264**
Non-current assets classified as held for sale and discontinued operations	7	-	1,621,795
Assets		**42,693,650**	**28,643,497**

These consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 267.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated balance sheets
(in thousands of euros)

	Notes	31/12/19	31/12/18 (*)
EQUITY			
Share capital and reserves attributable to shareholders of the Parent			
Share capital	15-a	2,734,696	2,734,696
Treasury shares	15-a	(7,393)	(156)
Reserves	15-b	(319,025)	(516,133)
Retained earnings and other reserves	15-c	3,465,045	1,903,467
		5,873,323	**4,121,874**
Non-controlling interests	15-d	**1,962,080**	**1,803,758**
Equity		**7,835,403**	**5,925,632**
LIABILITIES			
Non-current liabilities			
Bond issues and bank borrowings	16	24,112,361	15,420,309
Derivative financial instruments	12	349,573	258,532
Other financial liabilities	21	175,313	79,024
Non-current financial liabilities		24,637,247	15,757,865
Employee benefit obligations	20	163,860	160,260
Other provisions	20	1,022,746	1,038,362
Long-term provisions		1,186,606	1,198,622
Deferred income	17	48,913	32,483
Deferred tax liabilities	19-c	4,985,141	1,583,585
Other liabilities	21	183,644	397,035
Non-current liabilities		**31,041,551**	**18,969,590**
Current liabilities			
Bond issues and bank borrowings	16	2,253,606	1,292,526
Derivative financial instruments	12	4,311	10,428
Other financial liabilities	21	103,612	351,528
Current financial liabilities		2,361,529	1,654,482
Employee benefit obligations	20	25,273	38,541
Other provisions	20	343,475	291,644
Short-term provisions		368,748	330,185
Payable to suppliers and other payables	18	675,228	563,069
Current tax liabilities	19-d	317,852	318,521
Other liabilities	21	93,339	362,245
Current liabilities		**3,816,696**	**3,228,502**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	7	-	519,773
Liabilities		**34,858,247**	**22,717,865**
Equity and liabilities		**42,693,650**	**28,643,497**

These consolidated balance sheets should be read in conjunction with the Notes included on pages 8 to 267.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated statements of profit or loss
(in thousands of euros)

	Notes	2019	2018 (*)
Services	22-a	5,221,753	5,049,746
Other operating income	22-b	139,512	114,470
In-house work on non-current assets	-	-	11,818
Other income	22-b	-	79,347
Operating income		5,361,265	5,255,381
Revenue from construction services (1)		527,949	503,183
Capitalised borrowing costs		20,336	21,013
Infrastructure upgrade revenue	3-o	548,285	524,196
Income from operations		5,909,550	5,779,577
Staff costs	22-c	(562,718)	(581,714)
Other operating expenses	22-d	(1,138,327)	(1,181,180)
Changes in operating provisions and allowances	-	(6,286)	(3,703)
Period provisions for infrastructure maintenance and restoration obligations	-	(172,656)	(188,721)
Provisions for infrastructure maintenance and restoration obligations charged to profit or loss	-	250,143	250,352
Changes in operating provisions, allowances and provisions for infrastructure maintenance and restoration obligations		71,201	57,928
Changes in impairment losses on assets	7/8	(299)	589
Depreciation and amortisation charge	8/9	(2,704,720)	(1,377,321)
Other expenses	-	(1,191)	(1,444)
Operating expenses		(4,336,054)	(3,083,142)
Infrastructure upgrade expenses	3-o	(521,658)	(503,183)
Expenses from operations		(4,857,712)	(3,586,325)
Profit from operations		1,051,838	2,193,252
Changes in fair value of financial instruments	22-e	6,426	(1,823)
Net gains (losses) on disposals of financial instruments	22-e	(655)	604,877
Finance income	22-e	513,164	387,978
Finance costs	22-e	(1,129,064)	(1,013,713)
Net financial loss		(610,129)	(22,681)
Result of companies accounted for using the equity method	10/15-c.iii	(3,076)	(7,122)
Profit before tax		438,633	2,163,449
Income tax	19-b	(109,335)	(295,501)
Profit from continuing operations		329,298	1,867,948
Loss from discontinued operations	7	(6,293)	(33,205)
Profit for the year		**323,005**	**1,834,743**
Profit (Loss) attributable to non-controlling interests	15-c.iii	(28,735)	153,372
Profit attributable to shareholders of the Parent		**351,740**	**1,681,371**
Earnings per share (in euros per share)			
- basic earnings per share from continuing operations	15-f	0.392	1.881
- basic earnings per share from discontinued operations	15-f	(0.006)	(0.036)
- diluted earnings per share from continuing operations	15-f	0.392	1.881
- diluted earnings per share from discontinued operations	15-f	(0.006)	(0.036)

(1) Including in 2019 EUR 6,291 thousand relating to in-house work performed by the Group.

These consolidated statements of profit or loss should be read in conjunction with the Notes included on pages 8 to 267.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated statements of comprehensive income
(in thousands of euros)

	Notes	2019	2018 (*)
Profit for the year		**323,005**	**1,834,743**
Income and expense recognised directly in equity transferable to the consolidated statement of profit or loss:			
Changes in cash flow hedges of the Parent and of fully consolidated companies		(165,427)	(35,115)
Transfers to the consolidated statement of profit or loss		33,303	16,285
	-	(132,124)	(18,830)
Hedges of net investments in foreign operations of the Parent and of fully consolidated companies		(41,247)	22,122
Transfers to the consolidated statement of profit or loss		15,814	35,627
	-	(25,433)	57,749
Cash flow hedges/Hedges of net investments in foreign operations of companies accounted for using the equity method	10/15	(20,199)	(558)
Foreign currency translation differences		(141,118)	(287,537)
Transfers to the consolidated statement of profit or loss		5,642	-
	15	(135,476)	(287,537)
Other	-	1,455	71,100
Tax effect of income and expense recognised in equity	-	38,002	(22,825)
		(273,775)	(200,901)
Income and expense recognised directly in equity not transferable to the consolidated statement of profit or loss:			
Actuarial gains and losses	20.i.a	(277)	2,644
Net increase (decrease) in the fair value (before tax) of financial assets at fair value through equity	11	(4,261)	(9,632)
Tax effect of income and expense recognised in equity		1,068	1,025
		(3,470)	(5,963)
Other comprehensive income		**(277,245)**	**(206,864)**
Total comprehensive income		**45,760**	**1,627,879**
Attributable to:			
– shareholders of the Parent:			
– from continuing operations		98,054	1,591,126
– from discontinued operations		45	(40,129)
		98,099	1,550,997
– non-controlling interests		(52,339)	76,882
		45,760	**1,627,879**

These consolidated statements of comprehensive income should be read in conjunction with the Notes included on pages 8 to 267.

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated statements of changes in equity
(in thousands of euros)

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	15-a	15-b	15-c	15-d	
At 1 January 2019	2,734,540	(516,133)	1,903,467	1,803,758	5,925,632
Changes in accounting policies (Note 5)	-	-	(76)	(8)	(84)
At 1 January 2019 adjusted	2,734,540	(516,133)	1,903,391	1,803,750	5,925,548
Comprehensive income for the year	-	(232,070)	330,169	(52,339)	45,760
Impact of merger	-	424,106	12,073,773	347,131	12,845,010
Payment of 2018 dividend	-	-	(875,103)	(60,093)	(935,196)
Payment of 2019 dividend	-	-	-	(10,365)	(10,365)
2019 bonus dividend	-	-	(9,963,410)	-	(9,963,410)
Treasury shares	(7,237)	-	-	-	(7,237)
Capital increase	-	-	-	220	220
Reimbursement of shareholder contributions	-	-	-	(22,631)	(22,631)
Changes in the scope of consolidation and other	-	5,072	(3,775)	(43,593)	(42,296)
At 31 December 2019	**2,727,303**	**(319,025)**	**3,465,045**	**1,962,080**	**7,835,403**

	Share capital and treasury shares	Reserves	Retained earnings and other reserves	Non-controlling interests	Equity
Notes	15-a	15-b	15-c	15-d	
At 1 January 2018	1,802,465	(301,044)	1,027,438	2,247,815	4,776,674
Changes in accounting policies (1)	-	(23,761)	38,354	(3,132)	11,461
At 1 January 2018 adjusted	1,802,465	(324,805)	1,065,792	2,244,683	4,788,135
Comprehensive income for the year	-	(180,895)	1,731,892	76,882	1,627,879
2nd payment of 2017 dividend	-	-	(396,152)	(17,733)	(413,885)
1st payment of 2018 dividend	-	-	-	(48,236)	(48,236)
Treasury shares	932,075	-	(932,231)	-	(156)
Capital increase	-	-	-	2,870	2,870
Reimbursement of shareholder contributions	-	-	-	(6,382)	(6,382)
Changes in the scope of consolidation and other	-	(10,433)	434,166	(448,326)	(24,593)
At 31 December 2018	**2,734,540**	**(516,133)**	**1,903,467**	**1,803,758**	**5,925,632**

(1) Due to the application of IFRSs 9 and 15, as indicated in Note 5 to the consolidated financial statements for 2018.

These consolidated statements of changes in equity should be read in conjunction with the Notes included on pages 8 to 267.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated statements of cash flows
(in thousands of euros)

	Notes	2019	2018 (*)
Net cash flows from operating activities:			
Profit for the year from continuing operations		329,298	1,867,948
Adjustments:			
Taxes	19.b	109,335	295,501
Depreciation and amortisation charge	8/9	2,704,720	1377,321
Changes in impairment losses on assets	8/9	299	(589)
Net (gain) loss on disposals of property, plant and equipment, intangible assets and other assets	-	(1,099)	517
(Gains)/losses on financial instruments	22.e	(6,426)	1,823
Net (gains) losses on disposals of financial instruments	22.e	655	(604,877)
Changes in provisions for pensions and other obligations	-	15,424	19,816
Changes in provisions required under IFRIC 12 and other provisions	-	212,514	235,387
Dividend income	22.e	(4,308)	(1,702)
Interest and other income	22.e	(508,856)	(386,276)
Interest expenses (net of amounts capitalised) and other expenses	22.e/3.o	1,129,064	992,700
Transfer of deferred income to profit or loss	17	(7,036)	(4,032)
Other net adjustments to profit or loss	13	68,188	(20,706)
Share of (profits) losses of companies accounted for using the equity method	15.c.iii	3,076	7,122
		4,044,848	3,779,953
Changes in current assets and liabilities:			
Inventories	-	4,066	(643)
Trade and other receivables	-	(82,636)	(36,750)
Payable to suppliers and other payables	-	57,730	(74,570)
Other current liabilities	-	14,130	(30,994)
		(6,710)	(142,957)
Cash flows from operating activities		**4,038,138**	**3,636,996**
Income tax paid	-	(580,775)	(968,090)
Interest paid and hedges settled	-	(784,132)	(741,101)
Interest received and hedges settled	-	87,035	58,609
Provisions for pensions and other obligations used	-	(25,714)	(44,145)
Other provisions used	-	(67,236)	(48,301)
Other payables	-	(30)	(6,338)
Lease payments		(26,774)	-
Grants and other deferred income received/refunded	-	131	11,215
Non-current trade and other receivables	-	2,075	9,516
(A) Total net cash flows from operating activities		**2,641,936**	**1,908,361**

These consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 267.

(*) As indicated in Note 1, effective 1 January 2019 **Abertis** merged with Abertis Participaciones, S.A.U. Since business combinations between group companies are specifically excluded from the scope of IFRS 3 and because the corporate transaction was a downstream merger, **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information was not adjusted as a result of this transaction.

Consolidated statements of cash flows
(in thousands of euros)

	Notes	2019	2018 (*)
Net cash flows from investing activities:			
Business combinations and changes in the scope of consolidation	-	58,656	-
Other changes in the scope of consolidation (1)	-	-	(340,604)
Net acquisition of investments in associates and interests in joint ventures	-	-	(614)
Proceeds from disposals of investments in associates and/or available-for-sale financial assets	-	102	-
Proceeds from disposals of non-current assets	-	22,031	15,897
Net payments for cancellation of net investment derivatives abroad	-	(35,203)	-
Purchases of property, plant and equipment, intangible assets and other concession infrastructure	-	(641,404)	(619,733)
Dividends received from financial investments, associates and joint ventures	8/9/13	15,023	8,142
Provisions required under IFRIC 12 used	10/22.e/ 26.c	(250,143)	(250,352)
Other	20	(350,516)	(17,600)
Proceeds from the sale of operations classified as held for sale and discontinued operations (3)	7	933,000	1,702,629
(B) Total net cash flows from investing activities		**(248,454)**	**497,765**
Net cash flows from financing activities:			
Borrowings obtained in the year	16	8,744,949	1,279,190
Repayment of borrowings in the year	16	(9,820,731)	(2,878,551)
Repayment of borrowings received from non-controlling interests	21	(196,440)	-
Borrowings granted to non-controlling interests		(32,625)	(39,389)
Borrowings granted to associates		(1.931)	-
Repayment of borrowings granted to associates		6,576	2,369
Net payments for cancellation of derivatives associated with debt		(52,102)	-
Dividends paid to the shareholders of the Parent (net of the amounts corresponding to treasury shares and share-based payment)		(1,015,863)	(364,626)
Treasury shares	15.a	(7,237)	(156)
Reimbursement of share premium/Dividends/Other payments to non-controlling interests	15.d	(93,090)	(72,351)
Capital increase/Other amounts received from non-controlling interests	15.d	220	2,870
(C) Total cash flows from financing activities		**(2,468,274)**	**(2,070,644)**
(D) Effect of foreign exchange rate changes		**17,389**	**(57,525)**
Net (decrease)/increase in cash and cash equivalents of continuing operations (A)+(B)+(C)+(D)		**(92,181)**	**277,957**
Beginning balance of cash and cash equivalents of continuing operations		2,737,070	2,458,101
Cash and cash equivalents transferred to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"	-	-	1,012
Ending balance of cash and cash equivalents of continuing operations	**14**	**2,644,889**	**2,737,070**
Net (decrease)/increase in cash and cash equivalents of discontinued operations	**7**	**(11,969)**	**10,819**
Beginning balance of cash and cash equivalents of discontinued operations		41,949	32,142
Cash and cash equivalents transferred to "Non-Current Assets Classified as Held for Sale and Discontinued Operations"		-	(1,012)
Changes in perimiter		(29,980)	-
Ending balance of cash and cash equivalents of discontinued operations		**-**	**41,949**

These consolidated statements of cash flows should be read in conjunction with the Notes included on pages 8 to 267.

(1) In 2018, it includes EUR-32,765 thousand associated with the purchase of non-controlling interests of A4, -15,338 miles of euros for the purchase of non-controlling interests of JEPL and EUR -292,501 thousand also for the purchase of non-controlling interests of Hispasat

(2) In 2019, it includes EUR 294,590 for the deferred term of the acquisition of American Infrastructure (Note 21) and EUR 54,863 thousand for the deferred fee for the acquisition of ViaPaulista (Note 21)

(3) In 2019, correspondence to the collection for the sale of Hispasat (Note 7). In 2018 it corresponds to the charge for the sale of 34.0% of Cellnex

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2019

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. ("**Abertis**" or "the Parent") was incorporated in Barcelona on 24 February 1967 and its registered office is at Paseo de la Castellana, no. 39 (Madrid).

As described in Nota 15-a, on 10 December 2018 the Boards of Directors of Abertis Infraestructuras, S.A. and of Abertis Participaciones, S.A.U., the Parent's then majority shareholder with an ownership interest of 98.7%, approved the draft terms of merger of Abertis Infraestructuras, S.A. (the absorbing company) and Abertis Participaciones, S.A.U. (the absorbed 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 (see Notes 2-e and 6).

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, designs and contracts, as well as the management and provision of advisory services in relation to the aforementioned activities.

The Parent 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 engaging in the management of mobility and communications infrastructure, and currently operates in the toll road concessions sector, having completed at 31 December 2019, as indicated in Note 7, the divestment of the satellite telecommunications business through the sale of the subgroup headed by Hispasat, S.A. (**Hispasat**), which was classified as a discontinued operation at 31 December 2018 pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

Also, since 29 October 2018 the Parent 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) listed on the Italian Stock Exchange and which, 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 detail of the Group's subsidiaries, joint ventures and associates at 31 December 2019 is shown in Appendices I, II and III, respectively.

Lastly, Note 27-c includes the information on the most significant concession arrangements held by the Group.

2. BASIS OF PRESENTATION

a) Basis of presentation

The consolidated financial statements of Abertis Infraestructuras, S.A. and Subsidiaries for the year ended 31 December 2019, which were obtained from the accounting records kept by the Parent and by the other companies composing the Group, were authorised for issue by the Parent’s directors at the Board of Directors meeting held on 4 March 2020.

These consolidated financial statements were prepared in accordance with the regulatory financial reporting framework applicable to the Group provided for in International Financial Reporting Standards ("IFRSs") as adopted by the European Union, taking into account all the mandatory accounting principles and rules and measurement bases, and the Spanish Commercial Code, the Spanish Limited Liability Companies Law, the Spanish Securities Market Law and all other applicable Spanish corporate law, as well as the rules of the Spanish National Securities Market Commission (CNMV), and, accordingly, they present fairly the **Abertis** Group's consolidated equity and consolidated financial position as at 31 December 2019 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

Since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements as at 31 December 2019 may differ from those used by certain Group companies, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRSs.

In order to uniformly present the various items composing the consolidated financial statements, the accounting policies and measurement bases adopted by the Parent were applied to all the consolidated companies.

The consolidated and separate financial statements of **Abertis** and the separate and/or consolidated financial statements of the companies and/or subgroups composing the Group will be submitted to the shareholders or sole shareholder at their respective Annual General Meetings, as applicable, within the legally established time periods. The directors of **Abertis** consider that the aforementioned financial statements will be approved without any material changes.

The Group's consolidated financial statements for the year ended 31 December 2018 were approved by the shareholders at the Annual General Meeting of the Parent held on 19 March 2019.

b) Adoption of IFRSs

The **Abertis** Group's consolidated financial statements are presented in accordance with IFRSs, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. In Spain, the requirement to present consolidated financial statements in accordance with IFRSs as approved by the European Union was also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on Tax, Administrative, Labour and Social Security Measures.

The principal accounting policies and measurement bases adopted by **Abertis** are presented in Note 3.

i) Standards and interpretations effective in 2019

The following new accounting standards, amendments and interpretations became effective in 2019:

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning on or after**
IFRS 16, Leases (issued January 2016)	Supersedes IAS 17 and the associated interpretations. The main new feature of the new standard is that it introduces a single lessee accounting model in which all leases (with certain limited exceptions) will be recognised in the balance sheet with an impact similar to that of the existing finance leases (depreciation of the right-of-use asset and a finance cost for the amortised cost of the liability will be recognised).	1 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9) (issued October 2017)	Permit measurement at amortised cost of certain financial assets which may be put back to the issuer before maturity for an amount lower than the unpaid amounts of principal and interest.	1 January 2019
IFRIC 23, Uncertainty Over Income Tax Treatments (issued June 2017)	This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over whether the relevant taxation authority will accept a tax treatment used by an entity.	1 January 2019

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) (issued October 2017)	Clarify that IFRS 9 should be applied to long-term interests in an associate or joint venture to which the equity method is not applied.	1 January 2019
Plan Amendments, Curtailments and Settlements (Amendments to IAS 19) (issued February 2018)	Clarify how to determine current service cost and net interest for the remainder of the annual reporting period after a defined benefit plan amendment, curtailment or settlement.	1 January 2019
Amendments to IFRS 3, Business Combinations - Annual Improvements to IFRS Standards 2015-2017 Cycle (issued December 2017)	Obtaining control over a previously held joint operation.	1 January 2019
Amendments to IFRS 11, Joint Arrangements - Annual Improvements to IFRS Standards 2015–2017 Cycle (issued December 2017)	Obtaining control over a previously held joint operation that constitutes a business.	1 January 2019
Amendments to IAS 12, Income Tax - Annual Improvements to IFRS Standards 2015–2017 Cycle (issued December 2017)	Income tax consequences of payments on financial instruments classified as equity.	1 January 2019
Amendments to IFRS 23, Borrowing Costs - Annual Improvements to IFRS Standards 2015–2017 Cycle (issued December 2017)	Capitalisation of specific borrowing that remains outstanding after an asset is ready for its intended use.	1 January 2019

The Group has applied the aforementioned standards, amendments and interpretations since they became effective on 1 January 2019, with IFRS 16, Leases being the standard that has given rise to the most significant changes in the accounting policies applied by the Group. The effects of applying the aforementioned standards are disclosed in Note 5.

ii) Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards, amendments and interpretations had been published by the IASB but had not yet become effective, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after
Approved for use in the European Union		
Modifications to IFRS 9, IAS 39 and IFRS 7 (issued on September 2019) 2018)	Modifications to IFRS 9, IAS 39 and IFRS 7 realted to ongoing benchmark on ratios review.	1 January 2020
Modifications to IAS 1 and IAS 8 (issued in October 2018)	Modifications to align the definition of "materiality" with that contained in the conceptual framework	1 January 2020
Revision of the Conceptual Framework (issued March 2018)	Updates and provides a more comprehensive set of concepts for issuing standards and guidelines to assist issuers in developing their accounting policies, and to enable users of financial information to interpret and understand the standards.	1 January 2020
Not yet approved for use in the European Union		
Improvements to IFRS 3, Business Combinations (issued October 2018)	Clarifications of the definition of a business.	1 January 2020
IFRS 17, Insurance Contracts (issued May 2017)	Supersedes IFRS 4. It establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued to ensure that entities provide relevant and reliable information that gives a basis for users of the information to assess the effect that insurance contracts have on the financial statements.	1 January 2021 (1)
Amendment to IAS 1 Presentation of financial statements - classification of liabilities as current and non-current (issued on 23 January, 2020	Presentation of financial statements - classification of liabilities as current and non-current	1 January 2020

(1) The IASB has proposed to defer the effective date of this IFRS to 1 January 2022 (Exposure Draft Amendments to IFRS 17 issued 26 June 2019).

The application of new standards, amendments and interpretations will be considered by the Group once they have been ratified and adopted, as the case may be, by the European Union. In any case, the Parent’s directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's consolidated financial statements.

c) Presentation and functional currency

These consolidated financial statements are presented in the Group's functional currency, the euro, since this is the currency of the main economic area in which the Group operates. In this connection, the financial statements of the foreign companies presented in a functional currency other than the presentation currency of the consolidated financial statements are translated to euros using the method described in Note 2-g.vi.

d) Responsibility for the information and use of accounting estimates and judgements

In preparing the consolidated financial statements in accordance with IFRSs, management was required to make certain accounting estimates and to consider certain factors on 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 view of the circumstances. Although the estimates used were based on the best information available at the date of authorisation for issue of these consolidated financial statements, in accordance with IAS 8, 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 consolidated statement of profit or loss for the period in question.

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

- The purchase price allocation in business combinations and, especially, the choice of the valuation models and key assumptions for determining the fair value of the assets and liabilities acquired in the business combination (see Notes 3-h and 6).
- The years of useful life of the property, plant and equipment and intangible assets (see Notes 3-a and 3-b).

- The assumptions used in the impairment tests to determine the recoverable amount of the goodwill, intangible assets and other non-financial assets (see Notes 3-c, 8, 9 and 10).
- The business model vis-à-vis the Group's financial assets and the consequent classification thereof (see Note 3-d).
- The estimate of the recoverable amount of the quoted and unquoted financial assets and the financial assets relating to the concession arrangements held by the Group, in particular the balance relating to RD 457/2006 (see Notes 3-d and 13).
- The significant increase in credit risk which led to a change from the general 12-month expected credit loss to a lifetime expected credit loss model (see Notes 3-d and 13).
- The fair value of derivatives and other financial instruments (see Notes 3-d, 3-e and 12).
- The estimate of the maintenance cycles in determining the provisions recognised in accordance with IFRIC 12 (see Notes 3-n and 21).
- The assessment of litigation, provisions, obligations and contingent assets and liabilities at year-end (see Notes 20 and 23).
- The assumptions used in determining pension and other obligations to employees (see Notes 3-l and 20).
- The estimate of the income tax expense and the recoverable amount of the deferred tax assets (see Notes 3-k and 19).
- Where applicable, the consequences for the scope of consolidation of the Group (see Note 6) and of non-current assets and liabilities classified as held for sale (see Notes 3-h and 7).

The consolidated financial statements were prepared on an historical cost basis, except in the cases specifically indicated in these Notes, such as the line items measured at fair value described in Notes 3-d.i and 4-b.

The consolidated financial statements were prepared on the basis of the principle of uniformity in recognition and measurement. If a new standard amending existing measurement bases becomes applicable, it will be applied in accordance with the transition guidance provided in that standard.

Certain amounts in the consolidated statement of profit or loss and consolidated balance sheet were grouped together for the sake of clarity, and they are broken down in the corresponding notes to these consolidated financial statements.

The distinction presented in the consolidated balance sheet between current and non-current items was made on the basis of whether the assets and liabilities are to be realised or settled within one year or more.

In addition, the consolidated financial statements include all disclosures considered necessary for their correct presentation in accordance with the corporate legislation in force in Spain.

Lastly, the figures included in all the consolidated financial statements (consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows) and in the notes to the consolidated financial statements are expressed in thousands of euros, unless it is explicitly stated that they are expressed in millions of euros.

e) Comparative information

As required by IFRSs, the information relating to the year ended 31 December 2018 contained in these consolidated financial statements for 2019 is presented for comparison purposes only. In this regard, as indicated in Note 1, in 2019 the Parent of the Group merged with Abertis Participaciones, S.A.U., and the main accounting effects of the merger are described in Nota 6. Since business combinations between group companies are specifically excluded from the scope of IFRS 3, and since the corporate transaction was a downstream merger (where the absorbing company for corporate law purposes is the subsidiary and the absorbed company for corporate law purposes is the parent), **Abertis** considered that the comparative information should be identified with the reporting entity resulting from the merger (i.e., Abertis Infraestructuras, S.A.) and, therefore, the comparative information, included in these consolidated annual accounts, was not adjusted as a result of this transaction.

f) Materiality

In determining the information to disclose in the notes to the consolidated financial statements on the various line items in the consolidated financial statements or on other matters, the Group took into consideration materiality with respect to these consolidated financial statements for 2019.

g) Basis of consolidation

i) Consolidation methods

Subsidiaries

Subsidiaries are the entities with respect to which **Abertis** directly or indirectly controls the financial and operating policies, exercises power over the relevant activities, has exposure, or rights, to variable returns from involvement with the investee, and has the ability to use its power over the investee to affect the amount of those returns. This is generally because it holds more than 50% of the voting power. Also, in order to assess whether **Abertis** controls another entity, the existence and the effect of the exercise or conversion of potential voting power is taken into consideration. The subsidiaries are consolidated from the date on which control is transferred to **Abertis** and are excluded from consolidation on the date that control ceases to exist.

The subsidiaries are fully consolidated.

In this connection, at 31 December 2019 and 2018 the Group fully consolidated Grupo Concesionario del Oeste, S.A. (**Gco**) and Autopistas del Sol, S.A. (**Ausol**) over which it exercises effective control despite directly holding 50% or less of the dividend and voting rights. Specifically, in accordance with the applicable accounting legislation, effective control of both **Gco** and **Ausol** is exercised as a result of the corporate and shareholder structure of these companies and of the fact that the historic quorums at these companies have afforded **Abertis** de facto control.

Abertis exercises effective control over the subgroup of which the consolidated company Arteris, S.A. (**Arteris**) is the parent, since **Abertis** exercises effective control over the consolidated company Partícipes en Brasil, S.A. (**Partícipes**, which holds a direct and indirect interest of 82.30% in Arteris, S.A.) as it holds a 51% ownership interest in the latter and by virtue of the shareholders agreement entered into with the other shareholder of the company, giving it decision-making capacity over relevant activities. **Partícipes**, as majority shareholder, has the capacity to appoint a majority of the members of the Board of Directors of **Arteris** and, consequently, exercises control over the latter.

Also, **Abertis** exercises effective control over Túnels de Barcelona i Cadí, Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**), Autopistas Metropolitanas de Puerto Rico, LLC (**Metropistas**) and Autopista Trados 45, S.A. (**Trados 45**) (in the latter case, since 1 January 2019 (see Note 2.h). Such effective control is the result, on the one hand, of holding ownership interests of over 50%, specifically, 50.01% and 51% in the latter two cases, respectively, and, on the other, of the respective shareholders agreements entered into with the other shareholder of each company, which give **Abertis** decision-making capacity over the investees' relevant activities.

The information on all the consolidated subsidiaries at 31 December 2019 is detailed in Appendix I to these Notes.

Joint ventures (jointly controlled entities)

These are companies whose activities are jointly controlled with one or more third parties by virtue of a contractual arrangement and where the strategic financial and operating decisions related to that activity require the unanimous consent of all the parties sharing control.

The Group's interests in jointly controlled entities are accounted for in accordance with IFRS 11 using the equity method as indicated in the section on *"Associates"* below.

The impairment of "Joint Ventures" is measured in the same way as that of "Associates" as described below.

Appendix II to these Notes provides the information on joint ventures (jointly controlled entities) accounted for using the equity method at 31 December 2019.

Associates

An associate is a company over which **Abertis** exercises significant influence and with which it has a long-term relationship that fosters and influences its activities even though it has limited representation in the management and control bodies which, in general, is accompanied by an ownership interest of between 20% and 50% of the voting power of the investee, unless it can be clearly demonstrated that such influence does not exist or unless **Abertis** holds less than 20% of that power and it can be clearly demonstrated that said influence does exist.

Investments in associates are accounted for using the equity method and are initially recognised at cost. **Abertis**'s investments in associates include, in accordance with IAS 28, any goodwill (net of any accumulated impairment losses) identified on acquisition, recognised under "Investments in Associates and Interests in Joint Ventures" in the consolidated balance sheet.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the related cost. Therefore, the Group takes the cost of an investment in an associate acquired in stages to be the sum of the amounts paid in each acquisition plus the share of the profits and other changes in equity less any impairment that may have arisen.

Following acquisition, **Abertis**'s share of the profit or loss and reserves of associates is recognised in the consolidated statement of profit or loss for the year and as reserves of consolidated companies (other comprehensive income), respectively, with the value of the ownership interest as the balancing item in both cases. Dividends received and/or accrued after acquisition are adjusted against the amount of the investment.

If the Group's share of the losses of an associate equals or exceeds its interest in the associate, including any receivables for which adequate collateral does not exist, the Group discontinues recognising its share of further losses, unless it has incurred obligations, provided guarantees or made payments on behalf of the associate.

If there are any indications of impairment, the investment will be tested for impairment, pursuant to IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. In order to determine the value in use of the net investment, an estimate will be made of: i) its share of the present value, discounted at a rate of the weighted average cost of capital, of the estimated future cash flows expected to be generated by the associate or joint venture, including those from the operations of the associate or joint venture, and the amounts arising from the ultimate disposal of the investment; or ii) the present value, discounted at a rate corresponding to the cost of equity, of the estimated future cash flows expected to arise as dividends to be received from the investment and from its ultimate disposal. The application of either method should produce the same result.

The recoverable amount of an investment in an associate or joint venture will be assessed for each associate or joint venture unless the associate or joint venture does not generate cash inflows as a result of its continuing use that are largely independent of the inflows from the Group's other assets.

The data relating to the associates accounted for using the equity method at 31 December 2019 are detailed in Appendix III to these Notes.

ii) Uniformity of timing and measurement

Except in the case of Trichy Tollway Private Limited (**TTPL**) and Jadcherla Expressways Private Limited (**JEPL**), whose annual reporting periods end on 31 March, the reporting date for all the companies included in the scope of consolidation is 31 December, and their respective financial statements for the year prepared in accordance with IFRSs were used for consolidation purposes. Under current legislation, these companies present either separate financial statements or consolidated financial statements for the subgroups of which they are the parents in accordance with the legislation applicable to them in their country of origin.

For consolidation purposes, in the specific case of **TTPL** and **JEPL**, timing uniformity adjustments were made, and the respective financial statements prepared in accordance with IFRSs for a year ended 31 December were used.

The accounting policies applied by the Group companies are essentially the same. However, wherever necessary, in order to ensure the uniformity of the accounting policies of the consolidated companies with the accounting policies applied by the Group, the appropriate adjustments were made.

iii) Goodwill or gain on a bargain purchase arising on first-time consolidation

The subsidiaries acquired by the Group are accounted for using the acquisition method provided for in IFRS 3. Acquisition cost is the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs directly attributable to the acquisition are recognised directly in the consolidated statement of profit or loss for the year in which the transaction takes place.

The identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination are initially recognised at their acquisition-date fair value, including those attributable to non-controlling interests. For each business combination, the Group may choose to recognise any non-controlling interest in the acquiree at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the cost of acquisition over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the respective cash-generating unit (CGU).

Abertis carries out a provisional allocation of the cost of the business combination at the acquisition date which is remeasured, if appropriate, within the 12 months following the date on which control of the acquiree was obtained.

The resulting goodwill is allocated to the various CGUs to which the benefits of the business combination synergies are expected to flow, separately from any other assets or liabilities of the acquiree allocated to these units or groups of units.

However, if the acquisition cost is lower than the fair value of the net assets of the acquiree, in the case of a bargain purchase, the difference is recognised as a gain directly in the consolidated statement of profit or loss.

Goodwill on consolidation is not amortised systematically but is rather tested for impairment annually, as indicated in Note 3-c.

In the case of business combinations achieved in stages, on gain of control the fair value of the assets and liabilities of the business acquired must be determined including the interest already held. The differences arising from the previously recognised assets and liabilities must be recognised in the consolidated statement of profit or loss.

In the case of associates acquired in stages, goodwill is calculated for each acquisition based on the cost and the share of the acquisition-date fair value of the net assets acquired.

As indicated in Note 2-g.i, goodwill arising from acquisitions of associates and joint ventures is capitalised to the corresponding ownership interest and is measured as indicated in Note 3-b.iii.

iv) Elimination of intra-Group transactions

Intra-Group balances and transactions and gains not realised vis-à-vis third parties arising from intra-Group transactions are eliminated. Unrealised losses are also eliminated, unless the transaction evidences an impairment loss on the asset transferred.

Gains and losses arising from transactions between the Group and its associates and joint ventures are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates and joint ventures not related to the investor.

v) Transactions with non-controlling interests

Transactions with non-controlling interests are recognised as transactions with the Group's equity holders. Accordingly, in purchases of non-controlling interests, the difference between the consideration paid and the proportionate share of the carrying amount of the net assets of the subsidiary is taken to equity. Similarly, gains or losses on disposals of non-controlling interests are also recognised in the Group's equity.

If the Group ceases to exercise significant influence or control, the investment retained is remeasured at its fair value and any gain or loss relative to the previously recognised investment is taken to the consolidated statement of profit or loss for the year. In addition, any amount previously recognised as other comprehensive income in the consolidated statement of comprehensive income in relation to this entity is accounted for as if the Group had directly sold all the related assets and liabilities, which would give rise, where applicable, to the amounts previously recognised under "Other Comprehensive Income" being reclassified to the consolidated statement of profit or loss for the year. If the decrease in the investment in an associate does not give rise to a loss of significant influence, the proportional share previously recognised in "Other Comprehensive Income" is reclassified to the consolidated statement of profit or loss.

vi) Translation of financial statements in currencies other than the euro

The financial statements of the foreign companies presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the consolidated financial statements (the euro) are generally translated to euros using the year-end exchange rate method, whereby:

- Equity is translated at the historical exchange rate;
- Income and expense items are translated using the average exchange rate for the year as an approximation to the exchange rate ruling at the transaction date;
- The other balance sheet items are translated using the year-end exchange rate.

The exchange differences generated as a result of applying the aforementioned method are included under "Reserves - Translation Differences" in equity in the consolidated balance sheet.

Translation of financial statements in currencies other than the euro - entities and branches located in hyperinflationary economies

In accordance with IAS 29, in order to assess whether an economy is a hyperinflationary economy, the characteristics of the economic environment of a country are analysed to assess whether certain circumstances exist, such as whether the general population prefers to keep its wealth or savings in non-monetary assets or in a relatively stable foreign currency, whether prices may be quoted in that currency, whether interest rates, wages and prices are linked to a price index or whether the cumulative inflation rate over three years is approaching, or exceeds, 100%. The existence of certain of these circumstances does not in itself establish the need for an economy to be considered to be hyperinflationary, although it does provide certain elements of judgment for its determination as such.

In this regard, on the basis of these criteria, in the third quarter of 2018 the Argentine economy was considered to be hyperinflationary. Therefore, in accordance with the aforementioned IAS 29, at 31 December 2019 and 2018 it was necessary to adjust the financial statements of the Group companies located in Argentina (**Ausol** and **Gco**) in order to express them in terms of the measuring current unit at the end of the reporting period and adjust them for the effects of inflation.

As required by IAS 29, monetary items (mainly cash and accounts receivable) were not restated, whereas non-monetary items (mainly non-current assets and equity) were restated on the basis of the change in the Argentine CPI.

As a result of the application of the aforementioned IAS 29, the cumulative historical differences between the restated costs and the previous costs of the non-monetary items at 31 December 2017, which amounted to EUR 161 million (EUR 57 million corresponding to **Abertis** and EUR 104 million to non-controlling interests) were recognised with a credit to "Foreign Currency Translation Differences" and "Non-Controlling Interests" in consolidated equity effective for accounting purposes from 1 January 2018.

The differences relating to the years ended 31 December 2019 and 2018, together with the restatement of profit, were recognised in the consolidated statement of profit or loss for the corresponding year, after taking into account the effect of the merger described in Notes 1 and 6.

Therefore, as stated above, the financial statements of the Argentine consolidated Group companies, whose functional currency is that of a hyperinflationary economy as indicated above, were translated to the presentation currency using the closing rate, as required by IAS 21.42.

vii) Other

Exchange differences arising from the translation of a net investment in a foreign operation and of loans and other instruments in a currency other than the euro designated as hedges of those investments are recognised in equity. When the investment is sold, those exchange differences are recognised in the consolidated statement of profit or loss as a component of the gain or loss on the sale.

Adjustments to goodwill and to the fair value of assets and liabilities that arise on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the year-end exchange rate.

h) Changes in the scope of consolidation

i) Changes in the scope of consolidation in 2019

The main changes in the scope of consolidation in the year ended 31 December 2019 were as follows:

- As described in Note 7, on 12 February 2019 **Abertis** reached an agreement with Red Eléctrica Corporación for the sale of the Group's 89.68% holding in **Hispasat**, the satellite telecommunications business discontinued in prior years. Once all the requisite administrative authorisations had been obtained, the sale was completed on 3 October 2019 for EUR 933 million, with no significant effect on equity arising from the divestment.
- **Abertis** acquired from Finavias, S.a r.l. an additional holding of 1% in Autopista Trados 45, S.A. (**Trados**) for EUR 4.8 million, as a result of which **Abertis** (through its investee Iberpistas, S.A.) became the majority and controlling shareholder of this company with an ownership interest of 51% and, therefore, Autopista Trados 45, S.A. started to be fully consolidated (it had hitherto been accounted for using the equity method) and its assets and liabilities were included in the consolidated financial statements at their previously existing carrying amounts, without considering the control premium paid, which were considered to reflect the fair value of the related concession infrastructure.

The summary of these changes and the detail of other changes in the year ended 31 December 2019 that did not have a significant impact are as follows:

Company name	Company with direct shareholding and % acquired/maintained		Accounting method	Date	Cost/ Selling price (millions of euros)	% acquired/ sold/ liquidated by Abertis	% owned by Abertis at 31/12/19
Acquisitions:							
Autopista Trados 45, S.A. (**Trados**)	Iberpistas, S.A. (**Iberpistas**)	1.00%	Full consolidation	01/01/19	5	1.00%	51.00%
Disposals:							
Hispasat, S.A.	Abertis Telecom Satélites, S.A.	89.68%	Full consolidation (discontinued operation)	03/10/19	933	89.68%	-
Rio de Vetrai, S.r.l.	Serenissima Partecipazioni, S.p.A.	50.00%	Equity method	05/12/19	10	45.01%	-
Incorporations:							
Infraestructuras Viarias Mexicanas, S.A. de C.V.[(1)]	Abertis Infraestructuras, S.A.	100%	Full consolidation	24/10/19	-	100%	100%
Liquidations:							
V Flow Tolling Inc.	Emovis S.A.S.	33.00%	Equity method	01/06/19	-	33.00%	-

(1) Company incorporated within the framework of the commitment to acquire the Mexican RCO Group (see Note 23.ii).

Also, in the year ended 31 December 2019 the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements.

Selling/Spun-off company	Buying/Resulting company	Comments	Date
Merger:			
Central Korbana, S.à r.l. Vías Chile, S.A. (**VíasChile**)	Vías Chile, S.A. (**VíasChile**)	Merger by absorption of Central Korbana, S.à r.l. (absorbed company) into **VíasChile** (absorbing company).	16/04/19
Central Korbana Chile, S.A. Vías Chile, S.A. (**VíasChile**)	Vías Chile, S.A. (**VíasChile**)	Merger by absorption of Central Korbana Chile (absorbed company) into **VíasChile** (absorbing company).	29/04/19
Operadora Autopistas de los Andes, S.p.A. Operadora Autopista Los Libertadores, S.p.A. Operadora del Pacífico, S.p.A. Operavias, S.p.A. (formerly Operadora Autopista del Sol, S.p.A.)	Operavías, S.p.A. (previously named Operadora Autopista del Sol, S.p.A.)	Merger by absorption of Operadora Autopistas de los Andes, S.p.A., Operadora Autopistas los Libetadores, S.p.A. and Operadora del Pacífico, S.p.A. (absorbed companies) into Operavias (previously named Operadora Autopista del Sol, S.p.A.) (absorbing company).	31/07/19
Abertis Infraestructuras Chile, S.A. (**Abinchi**) Inversora de Infraestructuras, S.L. (**Invin**)	Inversora de Infraestructuras, S.L. (**Invin**)	Merger by absorption of **Abinchi** (absorbed company) into **Invin** (absorbing company).	30/12/19

ii) Changes in the scope of consolidation in 2018

In the year ended 31 December 2018 there were no significant changes in the scope of consolidation. The detail of the most significant changes in the percentages of ownership of consolidated companies is as follows:

- On 16 January 2018, the acquisition from the Provincia di Verona and Provincia di Vicenza Governments of 6.47% of the share capital of A4 holding, S.p.A. (**A4**) for EUR 33 million was completed. With the acquisition of this additional shareholding, **Abertis** held 90.03% of **A4** (through its wholly owned Spanish subsidiary Abertis Internacional, S.A.). In this regard, the purchase transaction carried out was recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this subgroup did not change, which gave rise to the recognition of a positive impact of EUR 28 million on the reserves attributable to the shareholders of the Parent.
- As indicated in Note 20.ii to the consolidated financial statements for 2017, at 31 December 2017 the Group had recognised two commitments to purchase shares of **JEPL** and **Hispasat** from third-party shareholders for EUR 14 million (for 26% of the shares of **JEPL**) and EUR 302 million (for 33.69% of the shares of **Hispasat**), respectively, which were honoured in the first half of 2018. Thus:
    - On 27 March 2018, the acquisition from the funds Macquarie SBI Infrastructure Investments Pte. Limited and SBI Macquarie Infrastructure Trust of 26% of the share capital of **JEPL** for EUR 15 million was completed. With the acquisition of this additional shareholding, **Abertis** held 100% of **JEPL** (through its wholly owned Spanish subsidiary Abertis Internacional, S.A.). In this regard, the purchase transaction carried out was recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this company did not change, which gave rise to the recognition of a positive impact of EUR 8 million on the reserves attributable to the shareholders of the Parent.

- The acquisition from Eutelsat, S.A. of 32.63% (lower than the 33.69% indicated as a result of the exercise of the right of proration of third-party shareholders of **Hispasat**) of the share capital of **Hispasat** for EUR 293 million was completed on 18 April 2018. With the acquisition of this additional shareholding, **Abertis** held 89.68% of **Hispasat** (through its wholly owned Spanish subsidiary Abertis Telecom Satélites, S.A.). In this regard, the purchase transaction carried out was recognised as a transaction with non-controlling interests, since the position of control already held by **Abertis** over this subgroup did not change, which gave rise to the recognition of a positive impact of EUR 378 million on the reserves attributable to the shareholders of the Parent and, in relation to the percentage of ownership not acquired on which Eutelsat, S.A. had been granted a put option, in accordance with IAS 23.32, since it expired without being exercised, a positive impact of EUR 9 million was recognised in the Group's equity.

- In 2018, as described in Note 7.ii to the consolidated financial statements for 2018, the Group completed the sale of the entire ownership interest that it held in Cellnex at 31 December 2017 (34% of its share capital).

The summary of these changes and the detail of other changes in the year ended 31 December 2018 that did not have a significant impact are as follows:

Company name	**Company with direct shareholding and % acquired/maintained**		**Accounting method**	**Date**	**Cost/ Selling price (Millions of euros)**	**% acquired/ sold/ liquidated by Abertis**	**% owned by Abertis at 31/12/18**
Acquisitions:							
A4 Holding, S.p.A. (**A4**)	Abertis Internacional, S.A. [1]	6.47%	Full consolidation	16/01/18	33	6.47%	90.03%
Jadcherla Expressways Private Limited (**JEPL**)	Abertis India, S.A.	26%	Full consolidation	27/03/18	15	26%	100%
Hispasat, S.A. (**Hispasat**)	Abertis Telecom Satélites, S.A.	32.63%	Full consolidation (discontinued operation)	18/04/18	293	32.63%	89.68%
Radio 107,7 S.A.S.	Société des Autoroutes du Nord-Est de la France, S.A. (**Sanef**)	100%	Full consolidation	01/07/18	-	100%	100%
Disposals:							
Cellnex Telecom, S.A.	Abertis Infraestructuras, S.A.	4.1%	Equity method	05/06/18	213	4.1%	29.9%
Cellnex Telecom, S.A.	Abertis Infraestructuras, S.A.	29.9%	Equity method	12/07/18	1,489	29.9%	-
		34.0%			1,702	34.0%	-

Company name	Company with direct shareholding and % acquired/maintained		Accounting method	Date	Cost/ Selling price (Millions of euros)	% acquired/ sold/ liquidated by Abertis	% owned by Abertis at 31/12/18
Incorporations:							
Tolling Operation Puerto Rico, Inc.	Emovis, S.A.S.	100%	Full consolidation	13/07/18	-	100%	100%
Mulhacen, S.r.l.	A4 Holding, S.p.A. (**A4**)	100%	Full consolidation	24/07/18	-	90.03%	90.03%
Liquidations:							
CS Polska SP. Zoo	Abertis Mobility Services, S.L.	100%	Full consolidation	13/02/18	-	100%	-
Abertis USA Corp.	Abertis Infraestructuras, S.A.	100%	Full consolidation	01/03/18	-	100%	-
Abertis PDC, S.A.	Abertis Infraestructuras, S.A.	100%	Full consolidation	19/06/18	-	100%	-
Acufon, S.p.A.	Serenissima Partecipazioni, S.p.A.	100%	Full consolidation	20/12/18	-	90.03%	-
Italian Golf Development S.r.l.	Acufon, S.p.A.	44.91%	Equity method	20/12/18	-	40.43%	-

(1) Acquisition made through the wholly-owned Italian company **Abertis Italia**.

In addition, the following transactions were carried out in the year ended 31 December 2018 between consolidated companies which, therefore, did not have any impact on the consolidated financial statements for 2018:

Selling/Spun-off company	Buying/Resulting company	Comments	Date
Disposals:			
Serenissima Partecipazioni, S.p.A.	A4 Holding, S.p.A. (**A4**)	Sale of the ownership interest in Globalcar, S.p.A. (Globalcar) by Serenissima Partecipazioni	15/05/18
Merger:			
Abertis Autopistas Chile III, S.A. (**Abauchi III**)	Vías Chile, S.A. (**VíasChile**)	Merger by absorption of **Abauchi III** (absorbed company) into **VíasChile** (absorbing company)	31/08/18
Vías Chile, S.A. (**VíasChile**, formerly Abertis Autopistas Chile I, S.A.)			
Central Korbana, S.à r.l. Central Korbana Sweden Holdings AB Central Korbana Sweden AB	Central Korbana, S.à r.l.	Merger by absorption of Central Korbana Sweden Holding and Central Korbana Sweden (absorbed companies) into Central Korbana (absorbing company).	13/12/18

Also, it should be noted in relation to the consolidated company **Gco** that on 8 November 2018 the Group, as required by the Argentine National Securities Market Commission, set up a trust for 5.73% of the investment in that company, establishing in the agreement, among other aspects, the assignment to the nominee shareholder of the voting and dividend rights associated with the ownership interest assigned.

In this regard, on 27 November 2018, after receiving the required authorisation from the National Highway Administration of Argentina *(Dirección Nacional de Vialidad de Argentina)*, the Group subsidiary **Acesa** sold 9,160,136 of its Class A shares, representing 5.73% of its dividend rights and 7.58% of its voting rights, to TMF Trust Company (Argentina), S.A. ("TMF"). From the legal standpoint, the voting and dividend rights corresponding to the shares were transferred irrevocably to TMF and, accordingly, **Acesa**'s voting rights at **Gco** were reduced from the 57.7% it had held to 49.99%. TMF is an independent international nominee shareholder that belongs to the TMF Group and, as such, was responsible for transferring the aforementioned shares of **Gco** to one or several possible interested third parties.

From the accounting standpoint, and in accordance with the regulatory financial reporting framework applicable to the Group, on the one hand, the current position of control was reassessed, pursuant to IFRS 10, and it was concluded that de facto control was still held and, on the other, taking into account the terms of the agreement with TMF, the transfer was not considered to be a derecognition for accounting purposes since economic risks relating to the sale price of the shares had been retained. In connection with these transactions, at 31 December 2019 TMF kept opened the process of searching for a buyer of the shares in GCO at a price that reflects the valuation made by its independent financial advisor.

3. ACCOUNTING POLICIES

The principal accounting policies used in preparing the consolidated financial statements, in accordance with International Financial Reporting Standards (EU-IFRSs) and the interpretations in force when the consolidated financial statements were prepared, were as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less the accumulated depreciation and any accumulated impairment losses.

Grants related to assets received reduce the cost of acquisition of property, plant and equipment and are recognised when the entity complies with the conditions attaching to their collection. They are taken to profit or loss on a straight-line basis over the useful life of the asset financed, reducing the depreciation charge for the year.

Staff costs and other expenses, as well as net borrowing costs 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.

Upkeep and maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

The investment in infrastructure recognised by concession operators in property, plant and equipment relates to assets over which the concession grantor does not retain control (i.e., assets not owned by the concession grantor given that it does not control any residual interest at the end of the term of the arrangement), but which are necessary for the operation and management of the infrastructure. This infrastructure includes mainly buildings used in operations, toll facilities and materials and video-surveillance equipment, etc.

Depreciation of property, plant and equipment is calculated systematically using the straight-line method over the useful life of the assets, based on the actual decline in value caused by their use and wear and tear.

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

Item	Depreciation rate
Buildings and other structures	2-15 %
Machinery	5-30 %
Tools	5-30 %
Other fixtures	5-20 %
Furniture	10-20 %
Computer hardware	20-33 %
Other items of property, plant and equipment	8-25 %
Other toll road management assets:	
Toll facilities	6-12 %
Toll machinery	6-12 %
Other	10-20 %

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 consolidated statement of profit or loss for the year.

Gains and losses arising from the sale or retirement of assets of this nature are determined as the difference between the carrying amount of the asset and its selling price and are recognised under "Other Income" or "Other Expenses" in the accompanying consolidated statement of profit or loss.

b) Goodwill and other intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, and their useful life is evaluated on the basis of prudent estimates. Grants related to assets received reduce the cost of acquisition of intangible assets and are recognised when the entity complies with the conditions attaching to their collection. They are taken to profit or loss on a straight-line basis over the useful life of the asset financed and reduce the amortisation charge for the year.

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.

i) 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 over its useful life (between three and five years). Computer software maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

ii) Administrative concessions

"Administrative Concessions" in the consolidated balance sheet includes mainly concession arrangements for the construction and operation of various toll road networks, within the scope of IFRIC 12, as well as concessions acquired directly or as part of a business combination.

In this connection, IFRIC 12 governs the treatment of public-to-private service concession arrangements when:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

In general, a distinction must be drawn between two clearly different phases: the first, in which the operator provides and/or subcontracts construction or upgrade services which are recognised as intangible or financial assets by reference to the stage of completion; and a second phase, in which the concession operator provides a series of maintenance and/or operation services in relation to the aforementioned infrastructure.

In these concession arrangements, the operator acts as a service provider; specifically, on the one hand, providing infrastructure construction and upgrade services and, on the other, providing operation and maintenance services over the term of the arrangement. The consideration received for these services is recognised according to the type of contractual right received:

- When the right to charge a price to the users of the public service is received and this right is not unconditional but is rather contingent on the extent to which the users actually use the service, the consideration for the construction or upgrade service is recognised as an intangible asset under "Other Intangible Assets - Administrative Concessions", using the intangible asset model, in which the demand risk is borne by the concession operator. This model applies to the great majority of the Group's toll road concession operators.

- When an unconditional right to receive cash or another financial asset from (or on behalf of) the grantor is received, and the grantor has little or no discretion to avoid payment, the consideration for the construction or upgrade service is recognised as a financial asset under "Other Financial Assets - Concession Arrangements - Financial Assets" (see Note 3-d.ii), using the financial asset model, in which the concession operator does not bear any demand risk (it is paid even if the infrastructure is not used, given that the grantor guarantees the concession operator that it will pay a fixed or determinable amount or cover any shortfall). This model is not extensively applied within the Group.
- When there is a combination of the two aforementioned arrangements, the bifurcated model is applied to each component of the arrangement.

The model applicable to most of the main concessions operated by the Group (see Note 27-c) is the intangible asset model, since the consideration received generally consists of the right to charge users a fee for the use of the public service and the fee depends on users' effective use thereof. In the case of the consolidated companies **Elqui**, **Libertadores** and **A4** (the latter as a result of the investments made indicated in Nota 9-iv), it was considered that the concession model applicable is that of both a financial asset and an intangible asset (bifurcated), since the consideration received consists, on the one hand, of the unconditional right to receive an asset from the grantor in the form of either grants or guaranteed minimum revenue, and, on the other, it is paid through a payment system based on the use of the infrastructure.

Intangible asset model

Administrative concessions are generally recognised as assets measured at the total amount of the payments made to obtain them, which includes the costs directly allocable to construction incurred until they are ready for use (studies and designs, compulsory purchases, reinstatement of services, project execution, project management and administration expenses, installation work and building construction and similar costs) and the related portion of other indirectly allocable costs, to the extent that they relate to the construction phase.

Cost also includes the borrowing costs incurred before the assets are ready for their intended use arising from the borrowings arranged to finance the related projects. These capitalised borrowing costs arise from the funds borrowed specifically for the acquisition of an asset.

For concessions classified as intangible assets, provisions for dismantling, removal and restoration and any work to upgrade the infrastructure or increase its capacity the revenue from which is provided for in the initial contract are capitalised at the start of the concession and the amortisation of these assets and the interest cost relating to the provisions are recognised in the consolidated statement of profit or loss. Also, provisions for the costs to be incurred in replacing and repairing the infrastructure are systematically recognised in profit or loss as the corresponding obligation is incurred.

Upkeep and maintenance expenses that do not lead to a lengthening of the useful life of the assets or an increase in their production capacity are expensed currently.

Administrative concessions acquired through business combinations are measured, in accordance with IFRS 3, at fair value (obtained from valuations based on the analysis of cash flows discounted to present value at the date of acquisition) and are amortised over the concession term, as described below.

Administrative concessions have a finite useful life and their cost, if recognised as an intangible asset, is recognised in profit or loss through its amortisation over the concession term. In this regard, in order to choose the amortisation method to be used from among those provided for in IAS 38.98 (the straight-line method, the diminishing balance method and the units of production method), the directors consider which method best reflects the pattern in which the future economic benefits associated with the administrative concessions are expected to be consumed by the Group, and that method is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

In this connection, since 1 November 2018, in the framework of the gain of control of Abertis Infraestructuras, S.A. by new shareholders (see Note 15-a), the directors have considered, on the basis of the available information and the future outlook for the business, that the amortisation method that best reflects the pattern of consumption of future economic benefits for the administrative concessions in Brazil, Chile and India is the units of production method which, in the case of toll roads, is usually measured in terms of traffic. Therefore, since that date, the aforementioned administrative concessions have been amortised, prospectively, on the basis of projected traffic, while the straight-line method continues to be used for the rest of the Group’s assets, as the result does not differ significantly from that of using the units of production method based on traffic.

Lastly, it is periodically determined (at least at each reporting date) whether there is any indication that an asset or group of assets might have become impaired so that an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their recoverable amount.

iii) Goodwill

Goodwill generated in various business combinations represents the excess of the acquisition cost over the acquisition-date fair or market value of all the identifiable net assets of the acquiree.

Since goodwill is considered to be an asset of the acquiree, in the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2-g.vii.

Any impairment of goodwill recognised separately (that of subsidiaries) is reviewed annually through an impairment test to determine whether its value has been reduced to below its carrying amount at the date of the test and, if so, an impairment loss is recognised in the consolidated statement of profit or loss for the year (see Notes 3-c and 9). An impairment loss recognised for goodwill must not be reversed in a subsequent period.

Goodwill included in the carrying amount of investments in associates and interests in jointly controlled entities is not tested for impairment separately, but rather, pursuant to IAS 36, whenever there is an indication that the investment may have become impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.
The loss or gain on the sale of an entity includes the carrying amount of the goodwill relating to it.

iv) Other intangible assets

At 31 December 2018, the other intangible assets related mainly to those associated with managing satellite telecommunications infrastructure that arose as a result of the gain of control over **Hispasat** in November 2013. These intangible assets related to the use of current orbital positions owned by **Hispasat** and to business relationships with customers, which at 2018 year-end (as at 2017 year-end) are classified under "Non-Current Assets Classified as Held for Sale and Discontinued Operations" in the consolidated balance sheet (see Note 7).

At 31 December 2019, they related mainly to those associated with contractual relationships with customers that the Group company Bip&Go, S.A. has in its commercial transactions with customers and which arose as a result of the business combination described in Note 6.

The aforementioned contractual relationships are stated in the consolidated balance sheet at their acquisition-date fair value, obtained from valuations based on the analysis of cash flows discounted to present value at the date of acquisition in accordance with IFRS 3. Based on an analysis of all the relevant factors, management of **Abertis** considers that there is a foreseeable limit to the period over which these relationships are expected to generate net cash inflows for the Group, as a result of which these relationships were classified as an intangible asset with a finite useful life. Therefore, they are being amortised at an annual rate of 5% over a useful life of 20 years.

c) Impairment losses on non-financial assets

At each reporting date, or whenever there is any indication of impairment, the Group assesses the recoverable amount of its assets. If any such indication exists, or when an annual impairment test has to be performed (in the case of goodwill and intangible assets with an indefinite useful life), the Group 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, inter alia, 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 Group 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 consolidated 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 Group 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 years 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 consolidated statement of profit or loss for the year.

d) Financial assets (excluding derivative financial instruments)

When initially recognising financial assets, the Group measures them at fair value, adjusted (in the case of a financial asset that is not recognised at fair value through profit or loss) by the transaction costs that are directly attributable to the purchase or issue thereof. Transaction costs attributable to the acquisition of an asset classified as at fair value through profit or loss are recognised directly in profit or loss.

They are subsequently measured at amortised cost or fair value, depending on their classification.

1. Classification and measurement of financial assets

Financial assets are classified on initial recognition in the following categories:

i) Debt instruments classified as at amortised cost: when these instruments relate to debt instruments held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest, they are, in general, measured at amortised cost.

ii) Debt instruments classified as at fair value through other comprehensive income: when these debt instruments are held in a business model whose objective is achieved by both collecting contractual cash flows (payments of principal and interest) and selling financial assets, they are, in general, measured at fair value through other comprehensive income.

iii) Equity instruments designated as at fair value through other comprehensive income: these are equity instruments for which the Group makes an irrevocable election to present subsequent changes in fair value in other comprehensive income.

iv) Financial assets at fair value through profit or loss: debt and equity instruments that do not meet the conditions for being classified in one or other of the aforementioned categories are measured at fair value through profit or loss.

In this regard, at 31 December 2019 (as at 2018 year-end) the Group did not have any debt instruments designated as at fair value through other comprehensive income or financial assets classified as at fair value through profit or loss.

i) Debt instruments classified as at amortised cost

These include both loans granted and accounts receivable (see Note 13) and other financial assets (see Notes 11 and 13) held within this business model and, therefore, they are measured at amortised cost. In this category the Group classifies mainly:

- Accounts receivable resulting from the application of the bifurcated model when accounting for certain concession arrangements falling within the scope of IFRIC 12.
- Trade receivables, the amortised cost of which does not differ significantly from their nominal value or their fair value on initial recognition.

- Loans to associates, joint ventures and related companies.
- Deposits and guarantees, the amortised cost of which does not differ significantly from their nominal value.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is its amortised cost, before adjusting for any loss allowance.

The effective interest method is a method that is used in the calculation of the amortised cost of a debt instrument and in the allocation of the interest revenue or interest expense in profit or loss over the relevant period:

- Financial assets that are not purchased or originated credit-impaired financial assets (i.e., assets that are credit-impaired on initial recognition): the effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all transaction costs), excluding expected credit losses, through the expected life of the debt instrument or, where applicable, a shorter period.
- Purchased or originated credit-impaired financial assets: the credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including any expected credit losses, to the cost of the debt instrument on initial recognition.

Interest revenue is calculated by using the effective interest method for debt instruments subsequently measured at amortised cost:

- Financial assets that are not purchased or originated credit-impaired financial assets: interest revenue is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except in the case of those that subsequently have become credit-impaired financial assets. For those financial assets, interest revenue is recognised by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves to that the financial asset is no longer credit-impaired, interest revenue is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

- Purchased or originated credit-impaired financial assets: the Group recognises interest revenue by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not return to the gross carrying amount even if the credit risk on the financial asset subsequently improves to that the financial asset is no longer credit-impaired.

ii) Equity instruments designated as at fair value through other comprehensive income

These include the equity instruments detailed in Note 11 as the Group has made this irrevocable election.

As indicated above, at initial recognition the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as assets at fair value through other comprehensive income.

Such designation is not permitted if the investment is held for trading or corresponds to contingent consideration recognised by an acquirer in a business combination. In this regard, a financial asset is held for trading if: i) it is acquired principally for the purpose of selling in the near term; ii) it is, on initial recognition, part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments designated as at fair value through other comprehensive income are initially recognised at fair value plus the related transaction costs. In this regard, fair value is determined as described in Note 12.

They are subsequently measured at fair value through other comprehensive income and are accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal, but is rather transferred to accumulated reserves.

Dividends on these equity instruments are recognised in profit or loss when the Group's right to receive payment of the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2. Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments measured at amortised cost or, if it has any, on investments in debt instruments measured at fair value through other comprehensive income, and on lease receivables, trade receivables, contract assets and financial guarantee contracts.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument in question.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted where necessary by factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, including financial assets arising from the application of the IFRIC 12 financial asset model, the Group recognises the expected credit losses that result from all possible default events over the expected life of the financial instrument when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument using the general criterion, i.e., recognition of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

i) Significant increase in credit risk

When assessing whether there has been a significant increase in credit risk on a financial instrument since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. When making such an assessment, the Group considers reasonable and supportable quantitative and qualitative information, including historical credit loss experience.

ii) Definition of default

The Group considers, among other factors, whether the debtor has defaulted on its financial obligations and whether the available information indicates that it is probable that the latter will not be able to settle its borrowings in full, in order to assess whether there has been a default event for credit risk management purposes.

In any case, the Group considers that a default event has occurred when a financial asset has been a significant period of time past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate on the basis of the asset analysed.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

iv) Recognition and measurement of expected credit losses

Expected credit losses are measured on the basis of the probability of default, the loss given default and exposure at default. The probability of default and the loss given default are measured on the basis of historical information adjusted by forward-looking information. Exposure to credit losses, for financial assets, is represented by the gross carrying amount of the assets at the reporting date.

For financial assets, an expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the conditions for this lifetime expected credit loss measurement are no longer met, it estimates the expected credit loss at an amount equal to 12-month expected credit losses at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises impairment gains or losses on all financial instruments with the concomitant adjustment to their carrying amount through a loss allowance for expected credit losses account.

v) Impairment policy

The Group derecognises a financial asset when it has information that indicates that the debtor is in a highly adverse financial situation and there is no reasonable prospect of recovering any further cash flows, for example, when the debtor has initiated a liquidation process or, in the case of trade receivables, when they have been past due for a very significant length of time. Financial assets derecognised may still be subject to the Group's recovery operations. Any recovery of a derecognised asset is recognised in profit or loss.

3. Exchange gains and losses on financial assets

The carrying amount of financial assets denominated in foreign currency (with respect to each Group company that owns such assets) is determined in that foreign currency and is translated to euros at the exchange rate prevailing at the reporting date. Specifically:

- In the case of financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange gains and losses are recognised in profit or loss.
- In the case of equity instruments measured at fair value through other comprehensive income, exchange gains and losses are recognised in other comprehensive income in the investment revaluation reserve.

4. Derecognition of financial assets

The Group 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. However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

e) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to manage its financial risk arising mainly from fluctuations in interest rates and exchange rates (see Note 4). These derivative financial instruments, whether classified as hedges or not, were recognised either at fair value (both at the initial time and in subsequent valuations), 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.

All derivative financial instruments must be recognised as an asset or as a liability in the consolidated balance sheet at fair value and changes in fair value must be recognised in the consolidated statement of profit or loss for the year, unless, opting for hedge accounting, the effective portion of the hedging relationship has to be recognised in equity (fair value hedges, cash flow hedges and hedges of a net investment in a currency other than the euro).

At the inception of the hedge, the Group 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 Group 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 fair value or in the cash flows attributable to the hedged items.

The fair value of derivative financial instruments used for hedging purposes is disclosed in Note 12, and the change in the related valuation adjustments recognised in consolidated equity is disclosed in Note 15.

Hedge accounting, where applicable, is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. 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 profit or loss.

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

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

i) Fair value hedges

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 consolidated 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 asset or liability attributable to the hedged risk. These relate primarily to the derivative financial instruments arranged by the Group companies to convert fixed-rate borrowings into floating-rate borrowings.

ii) 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 consolidated equity under "Reserves - Valuation Adjustments Relating to Hedges" until the hedged item affects profit or loss (or when 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 consolidated 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 consolidated 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 Group companies to convert floating-rate borrowings into fixed-rate borrowings.

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

With the aim of reducing the exchange rate risk, **Abertis** can finance some of its foreign investments in the same functional currency 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 are accounted for in a similar manner to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in equity, while the ineffective portion of the gain or loss is recognised immediately in the consolidated statement of profit or loss for the year.

Accumulated gains or losses recognised in equity are transferred to the consolidated statement of profit or loss on disposal of the foreign investment.

iv) 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 consolidated statement of profit or loss for the year.

v) Fair value and fair valuation 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.

For financial reporting purposes, fair value measurements are based on a fair value hierarchy (i.e., Level 1, 2 or 3) depending on the degree to which inputs are observable and the importance of each input to the fair value measurement as a whole, as described below:

- Level 1 - These inputs are based on quoted prices (unadjusted) for identical instruments traded in active markets.
- Level 2 - These inputs are based on quoted prices for similar instruments in active markets (not included in Level 1), quoted prices for identical or similar assets or liabilities in markets that are not active and techniques based on valuation models for which all the significant inputs are observable in the market or may be corroborated by observable market data.
- Level 3 - The inputs are generally observable and, in general terms, they reflect estimates of the market assumptions for determining the price of the asset or liability. The unobservable data used in the pricing models are significant with respect to the fair values of the assets and liabilities.

In accordance with IFRS 13, the Group includes a bilateral credit risk adjustment in the fair value of the derivatives in order to reflect both own risk and counterparty risk.

To determine the fair value of its derivatives, the Group uses valuation techniques based on expected total exposure (which includes both current exposure and potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The total expected exposure of the derivatives is obtained by using observable market inputs, such as interest rate, exchange rate and volatility curves based on the market conditions at the measurement date. The inputs used for the probability of own default and default of the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market.

Also, to adjust fair value for credit risk, the 40% market standard, which corresponds to the CDS on senior corporate debt, was applied as the recovery rate.

f) Inventories

Inventories consist mainly of spare parts for non-current assets and are measured at cost, which is calculated using the weighted average cost formula. The necessary valuation adjustments are made and the corresponding write-downs are recognised.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks and short-term, highly liquid investments with a maturity of three months or less. In this connection, by virtue of the concession arrangements and/or financing agreements of certain of the Group's concession operators, a portion of the balance is subject to certain conditions of use, even if, in light of the nature of these arrangements, their classification has been maintained.

h) Non-current assets classified as held for sale and discontinued operations

i) Non-current assets and disposal groups classified as held for sale

Non-current assets classified as held for sale are measured at the lower of the carrying amount obtained from the application of the relevant measurement basis in each case and fair value less costs of disposal.

Non-current assets are classified as held for sale if it is estimated that their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met when the sale of the asset is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification of the asset as held for sale.

ii) Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single, co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

When an operation meets the criteria to be classified as discontinued, the Group discloses in a single line item the post-tax profit or loss of that discontinued operation, including the possible loss recognised on its measurement at the lower of carrying amount and fair value less costs of disposal, and the gain or loss on the disposal of the asset. This condition is regarded as met when the sale of the asset is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification of the asset as held for sale, although an extension of the period required to complete a sale does not preclude an asset from being classified as held for sale if the criteria provided for in IFRS 5 are met.

i) Treasury shares

If any Group company or the Parent acquires treasury shares of **Abertis**, those shares are recognised in the consolidated balance sheet under "Treasury Shares", and they are deducted from consolidated equity and measured at their acquisition cost without recognising any valuation adjustment.

When these shares are sold, any amount received, net of any directly attributable incremental transaction costs and of the related tax effect, is included in equity attributable to the shareholders of the Parent.

j) Financial liabilities

When initially recognising financial liabilities, the Group measures them at fair value, adjusted (in the case of a financial liability that is not recognised at fair value through profit or loss) by the transaction costs that are directly attributable to the issue thereof. Transaction costs attributable to the issue of a liability classified as at fair value through profit or loss are recognised directly in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or as financial liabilities at fair value through profit or loss.

i) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not: i) contingent consideration recognised by an acquirer in a business combination; ii) financial liabilities held for trading; or iii) financial liabilities designated as at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method (see Note 3-d).

The effective interest method is used in the calculation of the amortised cost of a financial liability and in the allocation of the interest expense over the expected life of the financial liability at amortised cost. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs) through the expected life of the financial liability or, where appropriate, a shorter period.

Fixed-rate borrowings hedged with derivatives that change the interest rate from fixed to floating are measured at the fair value of the hedged item, and any changes therein are recognised in profit or loss, thereby offsetting the impact on profit or loss of the change in the fair value of the derivative.

ii) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is:

a) contingent consideration recognised by an acquirer in a business combination;
b) held for trading; or
c) designated as at fair value through profit or loss.

In this regard, a financial liability is classified as held for trading if: i) it is incurred principally with an intention to repurchase it in the near term; ii) it is, on initial recognition, part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or iii) it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability that is not a financial liability held for trading or contingent consideration recognised by an acquirer in a business combination may be designated as at fair value through profit or loss on initial recognition if: i) this designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; ii) the financial liability is part of a group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy of the Group, and information about the group is provided internally on that basis; or iii) is part of a contract that contains one or more embedded derivatives, and IFRS 9 permits the designation of the entire hybrid contract as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, and any gain or loss arising from changes in its fair value are recognised in profit or loss to the extent that the item is not part of a designated hedging relationship. In this regard, a change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income unless such treatment creates an accounting mismatch, and they are not subsequently reclassified to profit or loss (they are transferred to reserves if the financial liability is derecognised).

Gains and losses on financial guarantee contracts issued by the Group that are designated as at fair value through profit or loss are recognised in profit or loss.

iii) Derecognition and/or modification of financial liabilities

Financial liabilities are derecognised when the obligations giving rise to them cease to exist.

Also, when debt instruments are exchanged between the Group and a third party and the various terms and conditions differ substantially, the Group derecognises the original financial liability and recognises the new one. The difference between the carrying amount of the original financial liability and the consideration paid, including any attributable transaction costs, is recognised in profit or loss. In this regard, the Group considers that the terms and conditions of financial liabilities do not differ substantially whenever the lender in the new loan is the same as that which granted the original loan, the characteristics of the financial liability do not differ significantly from those of the original liability and the present value of the discounted cash flows, as per the new terms and conditions, including any fees and commissions paid, net of any fees and commissions received and using the original effective interest rate to discount the liability, does not differ by more than 10% from the discounted present value of the cash flows of the original financial liability that remain outstanding.

Changes in the contractual cash flows of a financial liability not leading to the derecognition of the financial liability must be recognised as a change in estimate of the contractual cash flows of the liability, maintaining the original effective interest rate and adjusting its carrying amount at the date of the change, and the related modification gain or loss is recognised in profit or loss.

k) Income tax

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

Both the current and deferred income tax expense (tax income) are recognised in the consolidated statement of profit or loss for the year. However, the tax effect relating to items recognised directly in other comprehensive income or in equity is also recognised in other comprehensive income or in equity, respectively.

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 in the consolidated financial statements, using the tax laws and tax rates that have been enacted or substantively enacted at the end of the reporting period and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities that arise from temporary differences associated with the undistributed profits of subsidiaries, joint ventures and/or associates are always recognised, unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is considered probable that the Group will have future taxable profits against which it will be able to offset the deductible temporary differences or the unused tax losses or other tax assets. Any deferred tax assets that arise due to temporary differences associated with the undistributed profits of subsidiaries, joint ventures and/or associates are recognised if, in addition, it is probable that they will be reversed in the foreseeable future.

The recoverability of deferred tax assets is assessed when they arise, and at the end of each reporting period, based on the earnings performance projected in the companies' respective business plans.

The Parent Company, and its tax group in Spain, are taxed in the tax consolidation regime of the Corporation Tax, forming part of the Tax Consolidation Group whose dominant company is the majority shareholder of the Parent Company, Abertis HoldCo, S.A. In this sense, taking into account the legal-private relationship of the consolidation agreement, the Parent Company, and its tax group records the respective accounts receivable or payable for the Corporation Tax for the year as a debit or credit against Abertis HoldCo, S.A.

Lastly, the tax effect that may arise as a result of including the results and reserves of the subsidiaries in the Parent's equity is not included in the accompanying consolidated financial statements since, pursuant to IAS 12, it is considered that no transfers of reserves giving rise to additional taxation will be made. Since the Parent controls the timing of distribution, it is not probable that such distribution will occur in the foreseeable future, but rather that the results and reserves will be used as financing resources at each company.

l) Employee benefits

Under the respective collective agreements, various Group companies have the following obligations to employees:

i) Post-employment obligations:

Defined contribution obligations

In relation to defined contribution employee benefit instruments (which basically include employee pension plans and group insurance policies), the Group 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 the employee benefits. Consequently, the obligations under plans of this nature are limited to the payment of the contributions, the annual expense of which is recognised in the consolidated statement of profit or loss for the year as the payments are made.

Defined benefit obligations

Defined benefit obligations relate mainly to obligations in the form of bonuses or retirement benefits and temporary and/or life-time annuities, and a medical plan for retired former employees.

Where the company assumes certain actuarial and investment risks, the liability recognised in the consolidated balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefit obligations is conducted annually by independent actuaries using the projected unit credit method to determine both the present value of the 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 consolidated statement of profit or loss but rather in the consolidated statement of comprehensive income.

ii) Other long-term benefits

In relation to other long-term employee benefits relating mainly to employees' length of service at the company, the liability recognised in the consolidated balance sheet coincides with the present value of the obligations at the reporting date, as there are no plan assets in this connection.

The projected unit credit method is used to determine both the present value of the obligations at the reporting date and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions -unlike the case of the post-employment obligations- are recognised in the consolidated statement of profit or loss for the year in which they arise.

In addition, the Group has obligations to certain employees in relation to a medium-term incentive plan ("2019-2021 Incentive Plan") tied to the degree of achievement of certain business objectives. The cost of the plan is charged to the consolidated statement of profit or loss as staff costs on an accrual basis based on the probability that the objectives established will be fulfilled.

iii) Employee termination plan obligations

Provisions for obligations relating to plans for the termination of the employment relationship of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed upon with the employees, which, in certain cases, may require actuarial valuations to be made, based on both demographic and financial assumptions.

m) Transactions in currencies other than the euro

Foreign currency transactions are translated to the Group's presentation currency (the euro) using the exchange rates prevailing at the date of the transactions. 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 foreign currencies are recognised in profit or loss, unless they are deferred in equity, as in the case of cash flow hedges and hedges of a net investment in a foreign operation (see Note 3-e).

Note that, in compliance with the provisions of Royal Decree 1558/2012 of November 15, the Group shows that the obligation of information on accounts in financial entities located abroad is fulfilled by the individualized record, in accessory accounting documents, of accounts opened abroad duly identified and accounted for consistently with the consolidated annual accounts.

n) Provisions and contingencies

At the date of authorisation for issue of these consolidated financial statements, the Group differentiated between:

- Provisions: credit balances covering present obligations at the reporting date arising from past events which could give rise to a loss for the Group, which is certain as to its nature but uncertain as to its amount and/or timing.
- Contingent liabilities: possible obligations that arise from past events and 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 consolidated companies.

Provisions are recognised when the Group has a present obligation, whether legal 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.

Where the effect of the time value of money is material, the amount of the provision is determined to be the present value of the future cash flows estimated to be necessary to settle the present obligation.

The provisions recognised relate to the estimated amounts required for probable or certain liability arising from litigation in process, indemnity payments or other liabilities derived from the Group's business activities that will lead to future payments, which were measured on the basis of the information currently available. These provisions are recognised when the third-party liability or obligation giving rise to the indemnity or payment arises, taking into consideration the other conditions established by IFRSs.

For infrastructure concessions subject to the concession operator's fulfilment of contractual obligations, such as maintaining a certain level of serviceability of the infrastructure or restoring the infrastructure to a certain condition before handing it over to the grantor at the end of the service arrangement, the related provisions are recognised, in accordance with IAS 37, on the basis of the best estimate of the expenditure required to settle the present obligation at the reporting date.

o) Revenue recognition

Revenue is recognised in such a way as to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, IFRS 15 establishes a revenue recognition approach based on five steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

In this connection, revenue is recognised as an entity satisfies the obligations, i.e., when the “control” of the goods or services underlying the obligation in question is transferred to the customer.

Interest revenue is generally accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, as described in Note 3-d in relation to the measurement of financial assets.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, i.e., when the shareholders at the General Meetings of the investees approve the distribution of the related dividends.

Following the discontinuation of the satellite telecommunications business at the end of 2017, as detailed in Note 7, substantially all of the Group's revenue is now generated by its toll roads segment and relates primarily to toll revenue, which is recognised, in accordance with the recognition criterion described above, when the service is provided (as is the case for non-core income).

Lastly, it should be noted that although the **Abertis** Group does not generally carry on activities related to the construction of concession assets, since it incorporates the infrastructure that it operates under administrative concession arrangements by acquiring it from third-party companies that construct it on behalf of **Abertis**, in accordance with IFRIC 12.14, "Infrastructure Upgrade Revenue" and "Infrastructure Upgrade Expenses" in the consolidated statement of profit or loss for the year include the revenue and expenses relating to the infrastructure construction or upgrade services provided in the year, including capitalised borrowing costs, and the infrastructure is recognised at fair value.

In this regard, “Infrastructure Upgrade Revenue” includes the borrowing costs incurred before the concession infrastructure is ready for its intended use arising from the borrowings arranged to finance the infrastructure.

Also, revenue and expenses associated with concession infrastructure classified as financial assets relating to the provision of operation and maintenance services (application of the IFRIC 12 financial asset model) are recognised in profit or loss in accordance with the general recognition criterion, and the finance costs relating to the concession are recognised in the accompanying consolidated statement of profit or loss according to their nature.

p) Leases

In accordance with IFRS 16, at inception of a contract, the Group assesses whether the contract is, or contains, a lease.

Therefore, a right-of-use asset and a lease liability are recognised for all the leases in which the Group acts as the lessee, except for short-term leases (leases that, at the commencement date, have a lease term of 12 months or less) and leases for which the underlying asset is of low value. For such leases, the Group recognises the associated lease payments as an operating expense on a straight-line basis either over the lease term or on another systematic basis. The Group applies another systematic basis if that basis is more representative of the pattern of its benefit.

At 2019 year-end the main operating leases related to the properties at which the Group companies carry on their activities, and the Group had not contracted with tenants for significant minimum lease payments.

q) Activities affecting the environment

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

It was not considered necessary to recognise any provisions for environmental contingencies and charges, since there are no contingencies relating to the protection of the environment.

r) Related party transactions

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

s) Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Group.

For the purpose of preparing the consolidated statement of cash flows, "Cash and Cash Equivalents" were considered to be cash on hand, demand bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Lastly, in relation to the provisions required under IFRIC 12 charged to profit or loss and the infrastructure upgrade services, since the latter relate to investments to replace and upgrade concession assets operated by **Abertis**, the former were included in the cash flows from investing activities.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

a) Financial risk factors

The Group's activities are exposed to various financial risks, the most significant being foreign currency risk, interest rate risk, credit risk, liquidity risk and inflation risk. The Group uses derivative financial instruments to hedge certain risks.

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

i) Foreign currency risk

The Group also operates outside the euro zone and owns assets basically in South America, Puerto Rico and India; therefore, it is exposed to foreign currency risk in foreign currency transactions, especially in relation to the Brazilian real, the Chilean peso, the Argentine peso, the US dollar and the Indian rupee. 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 Group'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 investments in currencies other than euro should comply with what is established in the interest rate and foreign rate risk policy.

In relation to foreign currency risk, the detail of the contribution to the main aggregates in the **Abertis** Group's consolidated statement of profit or loss by the companies that operate in a functional currency other than the euro is as follows:

31 December 2019	Functional currency	Revenue	%	Gross profit from operations	%	Net profit (loss) [(1)]	%
Mainly Arteris subgroup (Brazil)	BRL	624,762	11.7%	339,279	9.1%	(11,059)	(3.1%)
Mainly Invin subgroup (Chile)	CLP	553,775	10.3%	445,222	11.9%	(5,109)	(1.5%)
GCO and Ausol (Argentina)	ARS	130,228	2.4%	26,716	0.7%	(19,293)	(5.5%)
Mainly APR and Metropistas (Puerto Rico)	USD	164,900	3.1%	118,036	3.2%	1,346	0.4%
Rest [(2)]	Other	81,632	1.5%	28,013	0.7%	492	0.1%
Contribution in foreign currency		1,555,297	29.0%	957,266	25.6%	(33,623)	(9.6%)
Total Abertis		5,361,265		3,736,521		351,740	

(1) The contributions to the consolidated statement of profit or loss for 2019 include the impact of the revaluation of assets and liabilities performed in the year as a result of the PPA following the gain of control of **Abertis** by Atlantia and the subsequent merger of **Abertis** with Abertis Participaciones, S.A.U. (see Note 6).

(2) Due mainly to the Indian rupee (INR) and the pound sterling (GBP) in the case of revenue and gross profit from operations and to the Colombian peso (COP) in the case of the net profit.

31 December 2018	Functional currency	Revenue	%	Gross profit from operations	%	Net profit (loss)	%
Mainly Arteris subgroup (Brazil)	BRL	617,122	11.7%	293,457	8.5%	(26,592)	(1.6%)
Mainly Invin subgroup and Abertis Chile (Chile)	CLP	538,042	10.2%	421,430	12.2%	85,418	5.1%
Gco and Ausol (Argentina)(1)	ARS	232,710	4.4%	123,936	3.6%	107,524	6.4%
Mainly APR and Metropistas (Puerto Rico) and Central Korbana (Luxembourg) (2)	USD	140,591	2.7%	93,411	2.7%	(33,690)	(2.0%)
Other (3)	Other	76,951	1.5%	23,181	0.7%	(8,600)	(0.5%)
Contribution in foreign currency		1,605,416	30.5%	955,415	27.7%	124,060	7.4%
Total Abertis		5,255,381		3,458,971		1,681,371	

(*) The contributions to the consolidated statement of profit or loss for 2018 include EUR 78 million (EUR 45 million in net profit) relating to the net impact associated with the acknowledgment of the measures to restore the economic and financial feasibility of the Argentine companies **Gco** and **Ausol**, after the agreement reached on 3 July 2018 with the Argentine Ministry of Transport.

(2) The contribution to the consolidated statement of profit or loss for 2018 of the companies that operate in US dollars includes USD -51,639 thousand (2017: USD -61,238 thousand) relating to Central Korbana, S.à r.l., which holds the additional 50% of the acquired share capital of **Autopista Central**; the latter company operates in Chilean pesos.

(3) Due mainly to the Indian rupee (INR) and the pound sterling (GBP) in the case of revenue and gross profit from operations and to the Colombian peso (COP) in the case of the net profit.

The detail of the contribution to the main aggregates in the **Abertis** Group's consolidated balance sheet by the companies that operate in a functional currency other than the euro is as follows:

		2019				2018			
	Functional currency	Total assets	%	Equity	%	Total assets	%	Equity	%
Mainly Arteris subgroup (Brazil) (1)	BRL	2,324,828	5.4%	(393,748)	(5.0%)	2,409,344	8.4%	(347,216)	(5.8%)
Mainly Invin subgroup and Abertis Chile (Chile) (1)	CLP	5,028,938	11.8%	1,737,881	22.2%	3,105,762	10.8%	926,522	15.6%
Other (2)	Other	1,540,553	3.6%	362,488	4.6%	2,012,242	7.0%	151,282	2.5%
Contribution in foreign currency		8,894,319	20.8%	1,706,621	21.8%	7,527,348	26.2%	730,588	12.3%
Total Abertis		42,693,650		7,835,403		28,643,497		5,925,632	

(1) The contributions detailed do not include the contributions of their respective parents as the latter operate with the euro as their functional currency.

(2) Mainly the US dollar (USD) and the Indian rupee (INR).

The contribution to the consolidated statement of profit or loss for 2019 of the companies that operate in Brazilian reals, Chilean pesos, Argentine pesos and US dollars was adversely affected by the depreciation in the average value of the aforementioned currencies against the euro in 2019 (depreciation also in 2018).

The contribution to the consolidated balance sheet at 31 December 2019 of the companies that operate in Brazilian reais, Chilean pesos and Argentine pesos was affected by the depreciation in the year-end exchange rate of the aforementioned currencies in 2019 (depreciation also in 2018). The contribution to the consolidated balance sheet at 31 December 2019 of the companies that operate in US dollars was affected by the appreciation in the year-end exchange rate of the aforementioned currency in 2019 (appreciation also in 2018).

In this regard, the estimated sensitivity of the consolidated statements of profit or loss and consolidated equity to a change of 10% in the exchange rates against the euro of the main currencies in which the **Abertis** Group operates with respect to the exchange rate considered at year-end would be as follows:

€ thousands	2019				2018			
Functional currency	Revenue	Gross profit from operations	Net profit (loss)	Equity [(2)]	Revenue	Gross profit from operations	Net profit (loss)	Equity
10% change:								
BRL	62.5	33.9	(1.1)	144.1	61.7	29.3	(2.6)	140.3
CLP	55.4	44.5	(0.5)	173.9	53.8	42.1	8.5	208.3
ARS	13.0	2.7	(1.9)	17.8	14.1	4.6	3.0	27.1
USD	16.5	11.8	0.1	54.1	13.4	9.3	(3.7)	8.6

(1) In 2018 the estimated sensitivity of aggregates, excluding the non-recurring impact of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport.

(2) Impact on equity of translation differences arising on consolidation.

In this connection, the impacts with an effect on the Group's equity would be partially offset by the impact also on equity of the hedges of net investments made (see Notes 12 and 16.i).

ii) Interest rate risk

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

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

The purpose of interest risk management is to achieve a balance in the debt structure that makes it possible to minimise volatility in the consolidated statement of profit or loss over a multi-year time horizon. In this regard, at 31 December 2019 75% of borrowings were at fixed interest rates or fixed through hedging (31 December 2018: 82%), in line with Group policy, with the estimated net impact after taxes (and before minority interests) on profit or loss of a change of 50 basis points in the interest rate on floating rate debt of EUR 23.9 million in 2019 (2018: EUR 11.3 million) (see Note 16), after considering the effect of the hedging instruments arranged.

In this connection, and based on various estimates and objectives regarding the debt structure, in order to manage the interest rate risk on the cash flows, hedging transactions are 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 Group 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 12).

Also, in order to comply with the aforementioned objectives, the Group arranges fixed-to-floating interest rate swaps to hedge fair value interest rate risk (see Note 12).

iii) Credit risk

Due to the nature of the Group's businesses, there are no significant concentrations of credit risk, since there are no significant accounts receivable except for those receivable from public authorities (which the Group monitors on a monthly basis) and balances with banks (mainly derivative instruments and cash and cash equivalents).

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 regard, the Group -in order to mitigate the aforementioned credit risk- performs derivative transactions and cash transactions only with banks of proven creditworthiness, recognised by international rating agencies. This creditworthiness, expressed by the rating of each entity, is reviewed periodically to ensure active management of counterparty risk.

The credit limits were not exceeded in the reporting periods and no losses are expected to arise from the default of any of the counterparties indicated.

iv) Liquidity risk

The Group manages its liquidity risk prudently, which entails ensuring the availability of sufficient financing through committed credit facilities and the ability to liquidate market positions. Given the dynamic nature of the Group's businesses, management of the Financial Area aims to maintain flexible financing through the availability of committed credit facilities.

The cash outflows projected in relation to the Group's borrowings and available credit facilities are detailed in Note 16.

v) 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 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 tariffs applicable to the Spanish concessions operated by the Group (see Note 27-c), since the Royal Decree does not generally apply to concession arrangements already in force.

b) Fair value measurement

The measurement of the assets and liabilities at their fair value must be broken down by levels based on the hierarchy described in Note 3-e.v, the breakdown at 31 December of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

31 December 2019	**Level 1**	**Level 2**	**Level 3**	**2019**
Assets				
Financial assets at fair value through equity	-	-	78,887	78,887
Derivative financial instruments:				
Cash flow hedges	-	34,530	-	34,530
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	60,420	-	60,420
Derivatives not designated as hedges	-	-	-	-
Total derivative financial instruments	-	94,950	-	94,950
Total assets	**-**	**94,950**	**78,887**	**173,837**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	353,884	-	353,884
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	-	-	-
Total derivative financial instruments	-	353,884	-	353,884
Borrowings subject to fair value hedging	-	-	-	-
Other liabilities at fair value	-	-	-	-
Total liabilities	**-**	**353,884**	**-**	**353,884**

31 December 2018	Level 1	Level 2	Level 3	2018
Assets				
Financial assets at fair value through equity	-	-	108,693	108,693
Derivative financial instruments:				
Cash flow hedges	-	2,301	-	2,301
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	92,802	-	92,802
Derivatives not designated as hedges	-	-	-	-
Total derivative financial instruments	-	95,103	-	95,103
Total assets	**-**	**95,103**	**108,693**	**203,796**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	226,813	-	226,813
Fair value hedges	-	-	-	-
Hedges of a net investment in a foreign operation	-	42,147	-	42,147
Total derivative financial instruments	-	268,960	-	268,960
Borrowings subject to fair value hedging	-	-	-	-
Other liabilities at fair value	-	-	-	-
Total liabilities	**-**	**268,960**	**-**	**268,960**

In 2019 and 2018 there were no transfers between Levels 1 and 2.

As indicated in Notes 3-d and 3-e, 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 listed on an active market is determined using valuation techniques. The Group 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. In this regard, the fair value based on the aforementioned hierarchies of the loans and bonds at 31 December 2019 and 2018 is detailed in Note 16.

c) Capital management

The Group's objective in relation to capital management is to safeguard its ability to continue operating as a going concern so that it can continue to generate returns for shareholders and profits for other holders of equity instruments, maintain an optimum capital structure and reduce the cost of capital.

The Group monitors capital on the basis of its leverage ratio, which is in line with the industry norm. This ratio is calculated by dividing net bond issues and bank borrowings by total capital. Net bond issues and bank borrowings are calculated as total borrowings from these banks (including current and non-current, as evidenced in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as disclosed in the consolidated financial statements, plus net debt to these banks.

In 2019 the Group's strategy in this connection did not change significantly. In this regard, the increase in the leverage ratio at 31 December 2019 with respect to 2018 year-end was due mainly to the assumption of the acquisition debt (see Note 16), together with the net equity effect of the merger of the Parent with Abertis Participaciones, S.A.U. (former shareholder of **Abertis** see Notes 6-a and 15-a).

At 31 December 2019 and 2018, the leverage ratios were as follows:

	31 December 2019	31 December 2018
Bond issues and bank borrowings (*) (Note 16)	26,365,967	16,712,835
Cash and cash equivalents (Note 14)	(2,644,774)	(2,737,070)
Bond issues and bank borrowings, net	23,721,193	13,975,765
Equity (Note 15)	7,835,403	5,971,387
Total capital	31,556,596	19,947,152
Leverage ratio	**75%**	**70%**

(*) Including the debt payable to associates and joint ventures (accounted for using the equity method), the accrued interest payable on loans and bonds at the reporting date and other liabilities.

5. MATTERS ARISING FROM THE TRANSITION TO THE NEW IFRSs ADOPTED

As indicated in Note 2-b.i, these consolidated financial statements for the year ended 31 December 2019 are the first in which IFRS 16, Leases has been applied.

IFRS 16, Leases

IFRS 16 modifies the accounting model for leases applicable to lessees. It became effective on 1 January 2019 and supersedes the following standards and interpretations previously in force: IAS 17, Leases and the associated IFRIC Interpretation 4, Determining whether an Arrangement Contains a Lease; SIC-15, Operating Leases - Incentives; and SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The main new feature of IFRS 16 is that it introduces a single lessee accounting model, requiring lessees to recognise right-of-use assets and lease liabilities for almost all leases.

Under IFRS 16, unless the lease is a short-term lease (a term of one year or less) or a lease for which the underlying asset is of low value, a lessee must:

- At the commencement date, recognise a financial liability equal to the present value of the fixed payments to be made during the lease term (discounted using the interest rate implicit in the lease) and a right-of-use asset representing its right to use the underlying leased asset during the lease term, which shall be measured with reference to the amount of the associated financial liability, plus any initial direct costs incurred in obtaining the lease, any lease payments made before the commencement date and any future dismantling costs.
- Recognise in profit or loss the straight-line depreciation of the right-of-use asset recognised and interest on the lease liability.
- Recognise in both equity and profit or loss the tax effect associated with the difference between IFRS 16 recognition criteria and tax recognition criteria.

The lease term is determined as, at most, the maximum length of time for which a lessee has the right to use an underlying asset under the lease.

Where a lease is acquired in a business combination, the lease liability shall be measured at the present value of the remaining lease payments as if the lease acquired were a new lease at the date of the business combination. The right-of-use asset shall be measured at the same amount as the lease liability, adjusted to reflect the favourable or unfavourable terms of the lease with respect to market terms.

Right-of-use assets are subject to impairment testing, in the same way as all other assets with a finite useful life.

In the statement of cash flows, a lessee shall classify cash payments for the principal portion of the lease liability within operating activities.

The Group applied IFRS 16 in accordance with Appendix C, C5 a) on effective date and transition, i.e., retrospectively and without restating comparative information. In this regard, **Abertis** applied the practical expedient provided for in IFRS 16 that states that it is not necessary to reassess whether a contract is, or contains, a lease, pursuant to IAS 17 and IFRIC 4, at the date of initial application, and decided to apply the requirements relating to the assessment of whether a contract is, or contains, a lease to contracts entered into (or changed) on or after the date of initial application.

The Group carried out an in-depth analysis of all its leases, excluding short-term leases and leases of low-value assets, the main leases affected being those associated with the lease of offices and transport equipment.

The variable lease payments and sublease income were not material at 31 December 2019.

Set forth below is a detail of the main impacts of the application of IFRS 16, consisting of the reconciliation of the aggregates in the consolidated balance sheet and of the Group's consolidated equity at 1 January 2019 in accordance with IFRSs without applying IFRSs 16 to those obtained by applying IFRSs 16:

Consolidated balance sheet as at 1 January 2019
(date of first-time application)

	31 December 2018 (opening balances at 01/01/19 without applying IFRS 16)	Right-of-use asset / associated financial liability	**1 January 2019** [(1)] (applying IFRS 16)
ASSETS			
Non-current assets			
Property, plant and equipment	412,182	65,544	477,726
Intangible assets	18,553,761	-	18,553,761
Other non-current assets	3,396,495	24	3,396,519
Non-current assets	**22,362,438**	**65,568**	**22,428,006**
Current assets	4,659,264	-	4,659,264
Non-current assets classified as held for sale and discontinued operations	1,621,795	-	1,621,795
Assets	**28,643,497**	**65,568**	**28,709,065**

(1) Before of considering the impact of merger, detailed in Note 6.

	31 December 2018 (opening balances at 01/01/19 without applying IFRS 16)	Right-of-use asset / associated financial liability	1 January 2019 [(1)] (applying IFRS 16)
EQUITY			
Share capital and reserves attributable to shareholders of the Parent			
Share capital	2,734,696	-	2,734,696
Treasury shares	(156)	-	(156)
Reserves	(516,133)	(84)	(516,217)
Retained earnings and other reserves	1,903,467	-	1,903,467
	4,121,874	**(84)**	**4,121,790**
Non-controlling interests	**1,803,758**	-	**1,803,758**
Equity	**5,925,632**	**(84)**	**5,925,548**
LIABILITIES			
Non-current liabilities			
Bond issues and bank borrowings	15,420,309	47,888	15,468,197
Derivative financial instruments	258,532	-	258,532
Other financial liabilities	79,024	-	79,024
Non-current financial liabilities	15,757,865	47,888	15,805,753
Other non-current liabilities	3,211,725	-	3,211,725
Non-current liabilities	**18,969,590**	**47,888**	**19,017,478**
Current liabilities			
Bond issues and bank borrowings	1,292,526	17,764	1,310,290
Derivative financial instruments	10,428	-	10,428
Other financial liabilities	351,528	-	351,528
Current financial liabilities	1,654,482	17,764	1,672,246
Other current liabilities	1,574,020	-	1,574,020
Current liabilities	**3,228,502**	**17,764**	**3,246,266**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	519,773	-	519,773
Liabilities	**22,717,865**	**65,652**	**22,783,517**
Equity and liabilities	**28,643,497**	**65,568**	**28,709,065**

(1) Before of considering the impact of merger, detailed in Note 6.

In addition to the impacts shown above as a result of the first-time application of IFRS 16 at 1 January 2019, an additional depreciation charge of EUR 23 million and a finance cost of EUR 4 million arose for the Group, offset by an annual decrease of approximately EUR 28 million in operating expenses relating to the lease payments recognised in accordance with IAS 17.

6. BUSINESS COMBINATIONS

a) Acquisition of Abertis Infraestructuras, S.A. by Atlantia S.p.A., Actividades de Construcción y Servicios, S.A. and Hochtief Aktiengesellschaft and subsequent merger with Abertis Participaciones, S.A.U.

In 2018 Atlantia S.p.A. (Atlantia), Actividades de Construcción y Servicios, S.A. (ACS) and Hochtief Aktiengesellschaft (Hochtief) entered into an agreement in order to make a joint investment in Abertis Infraestructuras, S.A.

As a result, Hochtief acquired an ownership interest of 98.7% in Abertis Infraestructuras, S.A., resulting from a tender offer launched by it and an additional share purchase after the tender offer acceptance period had expired (8 May 2018).

Subsequently, pursuant to the aforementioned agreement, Abertis HoldCo, S.A. was incorporated, owned by Atlantia (50% plus one share), ACS (30%) and Hochtief (20% minus one share) and, in turn, Abertis HoldCo, S.A. incorporated the wholly-owned investee Abertis Participaciones, S.A.U., which on 29 October 2018 acquired 98.7% of the share capital of **Abertis** from Hochtief for EUR 16,520 million.

Also, 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 of Abertis Infraestructuras, S.A. (the absorbing company) and Abertis Participaciones, S.A.U. (the absorbed 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, meaning that the merger was effective for accounting purposes from 1 January 2019.

As a result of the aforementioned transactions, these consolidated financial statements of Abertis Infraestructuras, S.A. and Subsidiaries reflect from 1 January 2019 the effects of the gain of control of the **Abertis** Group and, therefore, the fair values of the assets and liabilities of **Abertis** arising from the purchase price allocation (PPA) performed, as described below.

The detail of the net assets acquired and of the goodwill generated by the acquisition of **Abertis** at the acquisition date is as follows:

Thousands of euros - Purchase price	100%	98.70%
Number of shares	911,565,371	899,757,113
Total purchase price (EUR 18.36/share)	16,736,340	16,519,541
Fair value of the net assets acquired	8,764,007	8,650,848
Resulting goodwill	7,972,333	7,868,693

The acquisition of **Abertis** by Atlantia, ACS and Hochtief reinforces its industrial project with the experience of new shareholders as infrastructure developers ("greenfield") and infrastructure managers ("brownfield") together with **Abertis'** own experience in the management and operation of infrastructure. The new shareholders perceive their investment in **Abertis** as a stable and long-term investment, with reciprocal cooperation for the development of a global project through an international company. In this regard, the investment agreement signed by the shareholders establishes a framework of cooperation for the performance of their respective commercial activities in the toll road area in which **Abertis** will participate. Combining the greenfield and brownfield activities, the capabilities of **Abertis** and its shareholders constitute an integrated range of services that differentiate them from potential competitors, an aspect that could result in greater bidding success and higher rates of return on future investments.

Additionally, **Abertis** has a clear growth strategy and a historically successful track record in managing operations with the concession grantors (government), something which is key in the concession management activity and in the creation of value based on the Group's current concession portfolio.

In this regard, the foregoing, together with the development of the current infrastructure concession portfolio of **Abertis**, will strengthen the Group's businesses and, consequently, justify the financial goodwill resulting from the PPA performed, amounting to EUR 7,869 million; which is endorsed on the existence of a single cash generating unit that is the Abertis Group as a whole.

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 purchase price allocation (PPA) process was conducted internally, without the involvement of an independent third-party valuer (as was the case with other business combinations carried out by **Abertis** in previous years), considering that, on the one hand, IFRS 3 (Revised) does not require PPA processes to be carried out with an independent valuer; and on the other hand, the Group has an internal team with sufficient knowledge and experience in the industry in which the acquired business operates and in PPA processes.

In this regard, set forth below is a detail of the assets and liabilities whose fair values estimated in the PPA differ from their previous carrying amount and of the valuation methods used in each case:

a) Intangible assets

Administrative concessions

The valuation method used was based on the discounted cash flow method, using the methodology described in Note 9. The cash flow projections obtained were prepared on the basis of the projected income and expenses (the main assumptions of which relate mainly to the evolution of the volume of traffic, tariffs 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 is as follows:

	Activity (ADT)	Average tariff	WACCs (€)
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 is determined using current market data and estimates of equilibrium levels (using standard econometric models) in which the interest rates should be located, thus adjusting the returns that are at low rates due to the significant influence of public debt purchases carried out by central banks;

ii) Market Risk Premium (ERP): measures the additional risk that is demanded of equity assets above the return on risk-free assets. It is determined using a combination of historical approaches (ex post), backed by external publications and time series studies 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 is estimated using series of historical prices of shares of comparable companies that are 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 there shares are 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 are associated with electronic toll payment subscriptions: the valuation method is as described in Note 3-b).iv.

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 estimated net collections made by the related public authorities, discounted at a market discount rate (WACC) in the affected countries, ranging from 6.8% 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") in the affected countries, 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 was based on the sale agreement entered into (Note 7).

d) Borrowings

The valuation method used was based on the market value of the quoted liabilities (Level 1 of the fair value hierarchy, see Notes 3-e).v, 4-b) and 16), and the fair value of unquoted liabilities was determined on the basis of the methodology described in Notes 3-e).v, 4-b) and 16 (Level 2 of the fair value hierarchy).

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.

The detail of the assets and liabilities of the **Abertis** Group arising from the acquisition is as follows:

31/10/18	Value acquired (100%)		
Debit/(Credit)	Fair value	Carrying amount (1)	Revaluation
Cash and cash equivalents	2,590,608	2,590,608	-
Property, plant and equipment	394,017	394,017	-
Concessions and other intangible assets (2)	28,362,606	14,439,607	13,922,999
Investments in associates and interests in joint ventures	512,493	220,280	292,213
Financial assets (3)	2,702,987	2,537,215	165,772
Accounts receivable and other current assets	1,698,524	1,698,524	-
Accounts payable and other liabilities	(919,649)	(919,649)	-
Bond issues and bank borrowings	(17,927,219)	(16,781,201)	(1,146,018)
Other financial liabilities (derivatives)	(265,773)	(265,773)	-
Provisions	(2,680,171)	(2,680,171)	-
Non-current assets classified as held for sale and associated liabilities (net) (4)	1,085,283	1,159,342	(74,059)
Net deferred tax assets / (liabilities)	(4,532,328)	(792,776)	(3,739,552)
Net assets	**11,021,378**	**1,600,023**	**9,421,355**
Non-controlling interests	(2,257,371)	(1,751,807)	(505,564)
Net assets acquired	**8,764,007**	**(151,784)**	**8,915,791**
Total purchase price	16,736,340	16,736,340	
Cash and cash equivalents	(2,590,608)	(2,590,608)	
Cash outflow on acquisition	**14,145,732**	**14,145,732**	

(1) In accordance with IFRS 3, the carrying amount shown in the table does not include the goodwill in the consolidated financial statements of **Abertis** at the acquisition date (EUR 4,386,111 thousand).

(2) The revaluation of "Concessions and Other Intangible Assets" includes the revaluation of administrative concessions and relationships with customers amounting to EUR 13,824,392 thousand and EUR 98,607 thousand, respectively.

(3) The revaluation of "Financial Assets" includes the revaluation of receivables from public authorities.

(4) Relating in full to the ownership interest held at the acquisition date in **Hispasat**.

The detail of the revalued items is as follows:

	(a) Administrative concessions	(b) Relationships with customers	(a+b) Concessions and other intangible assets	Associates	Receivables from public authorities	Bank borrowings
Spain	3,117,090	-	3,117,090	286	160,028	(5,580)
France	7,595,983	98,607	7,694,590	290,322	-	(675,069)
Brazil	81,582	-	81,582	-	-	(31,392)
Chile	2,644,695	-	2,644,695	-	5,744	(87,244)
Puerto Rico	351,306	-	351,306	-	-	68,711
Italy, India and others (1)	33,736	-	33,736	1,605	-	(16,954)
Total Toll roads	13,824,392	98,607	13,922,999	292,213	165,772	(747,528)
Other	-	-	-	-	-	(398,490)
Total	**13,824,392**	**98,607**	**13,922,999**	**292,213**	**165,772**	**(1,146,018)**

Because of the date on which the acquisition of **Abertis** by Atlantia, ACS and Hochthief was completed, at the date of preparation of these consolidated financial statements, the allocation of the fair value of the assets and liabilities acquired is considered as definitive.

Lastly, as a result of the merger in 2019 between Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U., effective for accounting purposes from 1 January 2019, these consolidated financial statements include the effect of the aforementioned PPA to the assets and liabilities of **Abertis**. In this regard, on 1 January 2019 the Group recognised the impact on these consolidated financial statements 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, relating mainly to the amortisation of the concession infrastructure amounting to EUR 257 million, before considering the related tax effect, and to the measurement of borrowings at amortised cost, which led to a reduction, before considering the related tax effect, of EUR 119 million in the borrowing costs for that period.

Also, in 2018 no business combinations took place that might be material with respect to these consolidated financial statements.

7. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The detail of the statement of profit or loss from discontinued operations, the non-current assets classified as held for sale and discontinued operations and the liabilities associated with non-current assets classified as held for sale and discontinued operations at 31 December 2019 and 2018 is as follows:

		2019			2018		
		Profit from discontinued operations	Non-current assets classified as held for sale and discontinued operations	Liabilities associated with non-current assets classified as held for sale and discontinued operations	Profit from discontinued operations	Non-current assets classified as held for sale and discontinued operations	Liabilities associated with non-current assets classified as held for sale and discontinued operations
Satellite telecommunications business (**Hispasat**)	i.	(6,293)	-	-	(33,205)	1,621,795	519,773
		(6,293)	**-**	**-**	**(33,205)**	**1,621,795**	**519,773**

i) Hispasat (satellite telecommunications)

As indicated in Notes 1 and 6 to the consolidated financial statements for 2017, at the end of 2017 **Abertis** decided to discontinue the satellite telecommunications business (**Hispasat** subgroup) effective in November 2017, since it had at that time initiated an orderly divestment process for the satellite telecommunications business in order to focus the growth of **Abertis** only on the toll roads operating segment.

Consequently, based on IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, from 30 November 2017 to the date of its sale on 3 October 2019, the assets and liabilities relating to the satellite telecommunications business were presented as assets and liabilities associated with disposal groups held for sale. Also, since the divestment involves a significant and separate line of business, all the income and expenses for the year were presented as "Loss from Discontinued Operations".

On 12 February 2019, **Abertis** reached an agreement with Red Eléctrica Corporación for the sale of the Group's 89.68% holding in **Hispasat**. Once all the requisite administrative authorisations had been obtained, the sale was completed on 3 October 2019 for EUR 933 million, with no gain or loss arising on the transaction.

As a result of this transaction, and in accordance with its strategy to focus on the toll road industry, **Abertis** no longer holds any ownership interest in **Hispasat**.

The main financial aggregates relating to the discontinued operations arising from the discontinuation of the satellite telecommunications business until its disposal and the corresponding figures for the year 2018 are as follows:

Statement of profit or loss	**2019**	**2018**
Services	128,435	192,491
Other income	846	11,638
Operating income	**129,281**	**204,129**
Operating expenses	(32,886)	(41,833)
Operating provisions and allowances	(150)	(1,200)
Gross profit from operations	**96,245**	**161,096**
Depreciation and amortisation charge and changes in impairment losses on assest	(75,525)	(203,687)
Loss from operations	**20,720**	**(42,591)**
Financial loss	(18,761)	(12,190)
Share of results of associates	-	-
Pre-tax loss from discontinued operations	**1,959**	**(54,781)**
Income tax [(1)]	(8,252)	21,576
Loss from discontinued operations	**(6,293)**	**(33,205)**
Gain or loss relating to the divestment of the satellite telecommunications business	-	-
Loss from discontinued operations	**(6,293)**	**(33,205)**

(1) **Hispasat** acted as the parent of a consolidated tax group in Spain that included all of the Spanish subsidiaries in which it held an ownership interest of at least 75%.

The detail of the assets and liabilities of the discontinued operations arising from the discontinuation of the satellite telecommunications business at 31 December 2018, when it was classified as "Non-Current Assets Classified as Held for Sale and Discontinued Operations” was as follows:

Assets and liabilities of disposal groups classified as held for sale	31/12/18
Non-current assets	
Property, plant and equipment	1,003,038
Goodwill	134,568
Other intangible assets	289,079
Intangible assets	423,647
Investments in associates and interests in joint ventures	63,320
Non-current financial assets	63,320
Other non-current financial assets	3,535
Other assets	11,639
Deferred tax assets	17,525
Non-current assets	**1,522,704**
Current assets	
Trade receivables	44,623
Current tax assets	7,160
Derivative financial instruments	114
Other current financial assets	114
Other assets	5,245
Cash and cash equivalents	41,949
Current assets	**99,091**
Non-current assets classified as held for sale and discontinued operations	**1,621,795**
Non-current liabilities	
Bond issues and bank borrowings	236,581
Derivative financial instruments	1,767
Non-current financial liabilities	238,348
Long-term provisions	18,031
Deferred income	278
Deferred tax liabilities	63,573
Other liabilities	57,622
Non-current liabilities	**377,852**
Current liabilities	
Bond issues and bank borrowings	75,550
Current financial liabilities	75,550
Short-term provisions	8,841
Payable to suppliers and other payables	16,671
Current tax liabilities	1,607
Other liabilities	39,252
Current liabilities	**141,921**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	**519,773**

Cash flows from discontinued operations	**2019**	**2018**
Net cash flows from operating activities	79,132	161,362
Net cash flows from investing activities	(22,828)	(61,851)
Net cash flows from financing activities	(68,273)	(89,443)
Effect on cash flows	**(11,969)**	**10,068**

At 31 December 2018, Abertis Telecom Satélites, S.A. (a wholly-owned investee of **Abertis** which until 3 October 2019 directly held 89.68% of the shares of **Hispasat** owed **Abertis** a total of EUR 243,493 thousand (31 December 2018: EUR 489,508 thousand), which were duly eliminated on consolidation. This amount was therefore excluded from the balance of "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations" in the accompanying consolidated balance sheet shown above. As a balancing entry for the aforementioned account payable to the Group, **Abertis** recognised borrowings from third parties under "Non-Current Liabilities - Bond Issues and Bank Borrowings" in the consolidated balance sheet which, consequently, were not included under "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations".

The income and expense recognised directly in equity relate mainly to translation differences and valuation adjustments relating to hedges, which at the date of sale amounted to EUR 2,640 thousand and EUR 2,080 thousand, respectively (2018: EUR -5,281 thousand and EUR -2,808 thousand, respectively).

ii) Cellnex Telecom, S.A. (Cellnex)

Also, in 2018, in the framework of the tender offer for shares of **Abertis** described in Note 15-a.i to the consolidated financial statements for 2018, the divestment of the entire ownership interest in the investee Cellnex Telecom, S.A. (Cellnex), in which an ownership interest of 34% had been held at 31 December 2017, was completed. In this connection, the main milestones of the aforementioned process that took place in 2018 were as follows:

i. On 14 March 2018, Atlantia, S.p.A. (Atlantia) published a relevant event communication announcing the agreement reached with Hochtief Aktiengesellschaft (Hochtief) and ACS, Actividades de Construcción y Servicios, S.A. (ACS) whereby, if the tender offer for shares of **Abertis** launched by Hochtief were completed successfully, Atlantia would be entitled to demand that Hochtief take the measures required for **Abertis** to sell all or a portion of its ownership interest in Cellnex to Atlantia or to such company as Atlantia might designate. This possible sale would be effected in the following terms:

   a) The selling price for the shares of Cellnex would be their average market price in the six months prior to the settlement of the Hochtief tender offer, with a floor of EUR 21.20 per Cellnex share and a cap of EUR 21.50 per Cellnex share (adjusted by such gross dividends as might be paid after the date of the agreement).

   b) 29.9% or 34% of the share capital of Cellnex would be transferred, as decided by Atlantia.

   c) This sale would have to be settled in the two months following the settlement of the Hochtief tender offer, which took place on 18 May 2018.

ii. On 23 March 2018, Atlantia published a new relevant event communication announcing its decision to exercise the aforementioned call option and, in addition, to enter into a put option agreement with Edizione S.r.L. (Edizione) whereby Atlantia acquired the option to sell to Edizione shares representing the 29.9% stake in Cellnex that Atlantia would obtain prior to the execution of the aforementioned call option agreement. This sale would be effected for a price of EUR 21.50 gross per share. This put option did not place any restriction on Atlantia's right to receive and accept, as the case may be, other offers for, or expressions of interest in, Cellnex shares.

iii. On 16 April 2018, Atlantia published a new relevant event communication announcing that it had not received any offers for the shares of Cellnex on which it held a call option that bettered that made by Edizione and, therefore, that it had decided to exercise its put option vis-à-vis Edizione in relation to shares representing 29.9% of the share capital of Cellnex.

iv. On 5 June 2018, **Abertis** sold shares representing 4.1% of the share capital of Cellnex to qualified investors through an accelerated bookbuilt offering. Through this offering, **Abertis** sold 9,499,013 Cellnex shares for a price, net of fees and commissions, of EUR 22.45 per share (EUR 213,253 thousand), giving rise to a non-taxable gain of EUR 79,726 thousand.

v. Lastly, on 12 July 2018 **Abertis** completed the sale of shares representing 29.9% of the share capital of Cellnex to the Italian company ConnecT S.p.A. (Connect, a subsidiary of Edizione S.r.l.). Specifically, **Abertis** sold 69,273,289 Cellnex shares for a price of EUR 21.50 per share (EUR 1,489,376 thousand), giving rise to a non-taxable gain of EUR 525,698 thousand.

In connection with all the foregoing, it should be noted that following the completion in May 2018 of the tender offer for all the shares of **Abertis**, the Group considered that the requirements provided for in IFRS 5 for classifying the ownership interest that it held in the share capital of Cellnex as a non-current asset held for sale had been met. Consequently, based on "IFRS 5-Non-Current Assets Held for Sale and Discontinued Operations", since 31 May 2018 the asset relating to the ownership interest in Cellnex, until then recognised under "Investments in Associates and Interests in Joint Ventures", has been recognised as assets and liabilities of disposal groups held for sale, although, as mentioned above, at 31 December 2018 **Abertis** had completed the divestment of its entire ownership interest in Cellnex.

Also, since this asset was not a separate major line of business, the profit or loss contributed by Cellnex in the period up to its sale continued to be presented under "Result of Companies Accounted for Using the Equity Method" in the consolidated statement of profit or loss for the year, and the gain obtained on the sale of the ownership interest as a whole (34.0%) is presented under "Gains or Losses on Disposals of Financial Instruments" in the consolidated statement of profit or loss.

8. PROPERTY, PLANT AND EQUIPMENT

The changes in the main items composing "Property, Plant and Equipment" are as follows:

	Toll road management assets	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Right-of-use assets	Other	Total
1 January 2019							
Cost	575,407	65,737	139,701	814,357	-	111,444	1,706,646
Accumulated depreciation and impairment losses	(496,360)	(15,865)	(105,168)	(621,205)	-	(55,866)	(1,294,464)
Carrying amount	**79,047**	**49,872**	**34,533**	**193,152**	**-**	**55,578**	**412,182**
2019							
Opening carrying amount	79,047	49,872	34,533	193,152	-	55,578	412,182
Changes in accounting policies (IFRS 16, Note 5)	-	-	-	-	65,544	-	65,544
Exchange differences (1)	-	(530)	(766)	(892)	402	3,143	1,357
Additions	1,770	3,649	4,649	39,492	24,053	20,736	94,349
Disposals (net)	(57)	(7,314)	(1,157)	(8,554)	(1,319)	(2,418)	(20,819)
Transfers	790	(18,147)	1,497	(4,693)	20,919	908	1,274
Changes in the scope of consolidation and business combinations (2)	199	-	-	1	-	2	202
Depreciation charge	(22,214)	(1,555)	(8,671)	(37,963)	(23,628)	(9,037)	(103,068)
Impairment losses	-	-	34	-	-	13	47
Other	-	-	-	-	-	-	-
Closing carrying amount	**59,535**	**25,975**	**30,119**	**180,543**	**85,971**	**68,925**	**451,068**
At 31 December 2019							
Cost	86,290	27,783	40,694	226,631	109,120	96,053	586,571
Accumulated depreciation and impairment losses	(26,755)	(1,808)	(10,575)	(46,088)	(23,149)	(27,128)	(135,503)
Carrying amount (3)	**59,535**	**25,975**	**30,119**	**180,543**	**85,971**	**68,925**	**451,068**

(1) Including an impact of EUR 3,146 thousand associated with the recognition of hyperinflation by the Argentine companies.

(2) Corresponding to the impact of the gain of control over Trados, which until 2018 was accounted for using the equity method (see Note 2-h).

(3) It includes, as a result of the takeover of Abertis on October 29, 2018 (detailed in Note 6) and subsequent merger of Abertis with Abertis Participations with accounting effect January 1, 2019, the impact associated with the recognition of the assets incorporated for its net book value at the date of takeover with the corresponding accumulated amortization from said date (October 29, 2018) until December 31, 2018.

	At 1 January 2019	Impact of merger	At 1 January 2019
Toll road management assets	575,407	(491,819)	83,588
Land and buildings	65,737	(15,612)	50,125
Plant and machinery	139,701	(103,264)	36,437
Other fixtures, tools and furnitures	814,357	(613,080)	201,277
Others	111,444	(52,365)	59,079
Cost	1,706,646	(1,276,140)	430,506
Toll road management assets	(496,360)	491,819	(4,541)
Land and buildings	(15,865)	15,612	(253)
Plant and machinery	(105,168)	103,264	(1,904)
Other fixtures, tools and furnitures	(621,205)	613,080	(8,125)
Others	(55,866)	52,365	(3,501)
Accumulated amortisation and impairment losses	(1,294,464)	1,276,140	(18,324)
Carrying amount	**412,182**	**-**	**412,182**

	Toll road management assets	Land and buildings	Plant and machinery	Other fixtures, tools and furniture	Other	Total
1 January 2018						
Cost	568,606	64,230	145,766	772,932	93,073	1,644,607
Accumulated depreciation and impairment losses	(467,931)	(13,914)	(106,928)	(590,399)	(44,592)	(1,223,764)
Carrying amount	**100,675**	**50,316**	**38,838**	**182,533**	**48,481**	**420,843**
2018						
Opening carrying amount	100,675	50,316	38,838	182,533	48,481	420,843
Exchange differences	-	(1,249)	(1,740)	(1,972)	1,696	(3,265)
Additions	3,452	1,551	5,755	54,255	15,858	80,871
Disposals (net)	(216)	(657)	(1,468)	(399)	(320)	(3,060)
Transfers	3,115	(670)	1,991	(9,491)	(3,625)	(8,680)
Changes in the scope of consolidation and business combinations	-	-	-	-	-	-
Depreciation charge	(27,979)	(1,456)	(10,537)	(37,790)	(13,613)	(91,375)
Impairment losses	-	-	34	-	555	589
Other	-	2,037	1,628	6,012	(415)	9,262
Transfers to/from assets classified as held for sale and discontinued operations	-	-	32	4	6,961	6,997
Closing carrying amount	**79,047**	**49,872**	**34,533**	**193,152**	**55,578**	**412,182**
At 31 December 2018						
Cost	575,407	65,737	139,701	814,357	111,444	1,706,646
Accumulated depreciation and impairment losses	(496,360)	(15,865)	(105,168)	(621,205)	(55,866)	(1,294,464)
Carrying amount	**79,047**	**49,872**	**34,533**	**193,152**	**55,578**	**412,182**

The detail of the net property, plant and equipment owned by the Group companies located abroad is as follows:

	31 December 2019		**31 December 2018**	
	Currency	Euros	Currency	Euros
France (euro)	186,743	186,743	188,038	188,038
Italy (euro)	42,452	42,452	31,030	31,030
Puerto Rico (US dollar, USD)	40,492	36,044	41,088	35,885
Brazil (Brazilian real, BRL)	132,724	29,392	54,794	12,330
Chile (Chilean peso, CLP)	17,469,177	20,651	13,485,752	16,971
Argentina (Argentine peso, ARS)	1,059,276	15,744	-	-
Other	-	10,187	-	9,584
Net property, plant and equipment owned by Group companies located abroad	**-**	**341,213**	**-**	**293,838**

The exchange differences that arose in the year relate primarily to assets in Brazil, Chile, Argentina and Puerto Rico and were a result of the depreciation in the year-end exchange rates of the Brazilian real, the Chilean peso and the Argentine peso, and the appreciation in the year-end exchange rate of the US dollar in the case of Puerto Rico. In 2018 they related primarily to assets in Brazil, Chile and Puerto Rico and were a result of the depreciation in the year-end exchange rates of the Brazilian real and the Chilean peso and the appreciation in the year-end exchange rate of the US dollar in the case of Puerto Rico.

The additions in 2019 relate mainly to certain upgrades to assets of the **Hit** subgroup amounting to EUR 36 million (2018: 51 million).

It should be noted that no interest was capitalised in either 2019 or 2018.

The detail of the grants related to assets -which are taken to profit or loss on a straight-line basis over the useful life of the asset financed with a reduction in the depreciation charge for the year and are recognised as a reduction of property, plant and equipment and returnable assets, is as follows:

	2019		**2018**	
	Net grant (balance)	Amount allocated to profit or loss	Net grant	Amount allocated to profit or loss
Other	13	20	9	68
	13	**20**	**9**	**68**

At 31 December 2019 (as at 31 December 2018), property, plant and equipment did not include returnable assets of a material net amount.

The detail of "Other" is as follows:

	31 December 2019	**31 December 2018**
Property, plant and equipment in the course of construction	23,145	17,149
Other items of property, plant and equipment, net	45,780	38,429
	68,925	**55,578**

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. If any indication of impairment exists, it estimates the asset's recoverable amount applying the general policies described in Note 3-c. The assessment carried out at 31 December 2019 did not reveal any indications of impairment or, therefore, the need to recognise significant impairment losses (as was also the case at 2018 year-end).

Also, at 31 December 2019 the Group mantains firm property, plant and equipment purchase commitments of EUR 3,399 thousand corresponding mainly to assets of **Túnels** (2018 year-end: EUR 3,848 thousand corresponding mainly to assets of **Metropistas**).

Also, at 31 December 2019 the following items of property, plant and equipment were subject to restrictions and/or had been pledged as security for liabilities:

	31 December 2019	**31 December 2018**
Metropistas	49,054	34,299
A4 subgroup	12,995	10,950
TTPL	204	1,151
JEPL	204	732
	62,457	47,132

Lastly, it should be noted that the Group takes out the insurance policies considered necessary to cover the possible risks to which the property, plant and equipment might be subject.

9. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the main items comprising these headings are as follows:

		Other intangible assets			
	Goodwill	Administrative concessions	Computer software	Other	Total
At 1 January 2019					
Cost	4,383,034	32,143,770	204,994	60,990	32,409,754
Accumulated amortisation and impairment losses	-	(18,051,718)	(162,931)	(24,378)	(18,239,027)
Carrying amount	**4,383,034**	**14,092,052**	**42,063**	**36,612**	**14,170,727**
2019					
Opening carrying amount	4,383,034	14,092,052	42,063	36,612	14,170,727
Impact of merger [1] (Notes 1 and 6)	3,485,659	13,540,502	-	97,786	13,638,288
Translation differences	-	(298,210)	(162)	9	(298,363)
Additions	-	535,532	16,969	503	553,004
Disposals (net)	-	-	-	(158)	(158)
Transfers	-	22,693	(1,351)	78	21,420
Changes in the scope of consolidation and business combinations	58,572	87,845	5	-	87,850
Amortisation charge	-	(2,578,824)	(12,634)	(10,194)	(2,601,652)
Impairment losses	-	-	-	(346)	(346)
Other	-	-	43	43	43
Closing carrying amount	**7,927,265**	**25,401,590**	**44,933**	**124,290**	**25,570,813**
At 31 December 2019					
Cost	7,927,265	28,265,361	54,145	135,636	28,455,142
Accumulated amortisation and impairment losses	-	(2,863,771)	(9,212)	(11,346)	(2,884,329)
Carrying amount	**7,927,265**	**25,401,590**	**44,933**	**124,290**	**25,570,813**

[1] It includes, in addition to the recognition of the revaluation of intangible assets described in Note 6 as a result of the takeover of Atlantia on 29 October 2018 and subsequent merger of Abertis with Abertis Holdings with accounting effect January 1, 2019, the impact associated to the recognition of the assets incorporated by their net book value at the date of taking control with the corresponding accumulated amortization from said date until 31 December 2018.

	01 January 2019	Impact of merger	01 January 2019
Administrative concessions	32,143,770	(18,001,738)	14,142,032
Computer software	204,994	(161,459)	43,535
Others	60,990	(23,274)	37,716
Cost	32,409,754	(18,186,471)	14,223,283
Administrative concessions	(18,051,718)	18,001,738	(49,980)
Computer software	(162,931)	161,459	(1,472)
Others	(24,378)	23,274	(1,104)
Accumulated amortisation and impairment losses	(18,239,027)	18,186,471	(52,556)
Carrying amount	**14,170,727**	**-**	**14,170,727**

		Other intangible assets			
	Goodwill	Administrative concessions	Computer software	Other	Total
At 1 January 2018					
Cost	4,422,125	32,207,819	191,729	185,154	32,584,702
Accumulated amortisation and impairment losses	-	(17,125,797)	(155,195)	(18,591)	(17,299,583)
Carrying amount	**4,422,125**	**15,082,022**	**36,534**	**166,563**	**15,285,119**
2018					
Opening carrying amount	4,422,125	15,082,022	36,534	166,563	15,285,119
Translation differences	(44,167)	(533,257)	(749)	(13,162)	(547,168)
Additions	-	662,390	15,262	1,009	678,661
Disposals (net)	-	(13,353)	-	-	(13,353)
Transfers	-	17,229	1,370	(111,333)	(92,734)
Changes in the scope of consolidation and business combinations	-	-	-	-	-
Amortisation charge	-	(1,268,880)	(10,587)	(6,479)	(1,285,946)
Impairment losses	-	-	-	-	-
Other	5,076	145,901	233	2	146,136
Transfers to/from assets classified as held for sale and discontinued operations	-	-	-	12	12
closing carrying amount	**4,383,034**	**14,092,052**	**42,063**	**36,612**	**14,170,727**
At 31 December 2018					
Cost	4,383,034	32,143,770	204,994	60,990	32,409,754
Accumulated amortisation and impairment losses	-	(18,051,718)	(162,931)	(24,378)	(18,239,027)
Carrying amount	**4,383,034**	**14,092,052**	**42,063**	**36,612**	**14,170,727**

The detail of the goodwill and other intangible assets (net) at the Group companies located abroad is as follows:

(in thousands)	**31 December 2019**		**31 December 2018**	
	Currency	Euro	Currency	Euro
France (euro)	11,585,460	11,585,460	7,485,600	7,485,600
Chile (Chilean peso, CLP)	3,607,160,057	4,264,185	2,236,170,308	2,814,103
Brazil (Brazilian real, BRL)	14,618,428	3,237,245	14,249,799	3,206,525
Puerto Rico (US dollar, USD)	1,518,289	1,351,512	1,160,656	1,013,673
Italy (euro)	899,172	899,172	1,207,658	1,207,658
India (rupee, INR)	14,756,427	184,025	14,656,228	183,824
Other	-	185	-	797
Intangible assets (net) at companies located abroad	**-**	**21,521,784**	**-**	**15,912,180**

The exchange differences that arose in 2019 relate primarily to assets in Brazil, Chile and Puerto Rico and were a result of the depreciation in the year-end exchange rates of the Brazilian real and the Chilean peso, and the appreciation in the year-end exchange rate of the US dollar, as was the case in 2018.

As indicated in Note 6, as a result of the merger of **Abertis** with Abertis Participaciones, S.A.U. and the corresponding inclusion in the consolidated balance sheet since 1 January 2019 of the effects of the gain of control of the **Abertis** Group detailed in the aforementioned Note, an increase of EUR 13,638,288 thousand was recognised in the Group's intangible assets (EUR 13,540,502 thousand under "Administrative Concessions" and EUR 97,786 thousand under "Other Intangible Assets") arising from the purchase price allocation (PPA) performed, as described in Note 6 (at 29 October 2018, the date of gain of control by Atlantia, a total of EUR 13,922,999 thousand was recognised, of which EUR 13,824,392 corresponded to administrative concessions and EUR 98,607 thousand to other intangible assets).

The additions in 2019 (as in 2018) to "Administrative Concessions" relate mainly to the following subgroups and/or concession operators.

(in thousands)	**31 December 2019**		**31 December 2018**	
	Currency	Euro	Currency	Euro
Arteris subgroup (Brazil, Brazilian real, BRL)	1,246,053	275,938	1,324,644	298,075
Chilean concession operators (Chile, Chilean peso, CLP)	28,017,008	33,120	141,800,283	178,448
Sanef (France, euros)	210,262	210,262	176,095	176,095
Other	-	16,212	-	9,772
Additions to administrative concessions	**-**	**535,532**	**-**	**662,390**

As in 2018, the additions shown are a result of investments made in the year primarily to expand the capacity of the toll road networks owned by these subgroups and/or concession operators.

It should be noted that in 2018 in the case of the Chilean concession operators, this included CLP 119,284 million (EUR 150 million) corresponding to the investment obligation of **Sol**, recognised at the present value thereof with a balancing entry under the corresponding other liabilities account, in relation to the agreement executed in the year for the performance of construction work associated mainly with the construction of third lanes leading to Talagante.

The transfers in 2018 included, by virtue of the agreements entered into by the Argentine consolidated companies **Ausol** and **Gco** to amend the concession arrangements operated by them, a transfer on 24 July 2018 to "Concession Arrangements - Financial Asset Model", for an amount of EUR 101,167 thousand (at the exchange rate then prevailing) relating to the value of the unamortised intangible asset associated therewith (previously restated for the effects of hyperinflation in accordance with IAS 29 as indicated below).

Also, "Other" includes mainly the impact associated with the revision of the discount rate in relation to the recognition of the Exceptional Voluntary Contribution (EVC) by the French concession operators. Under the agreement reached with the French Government for "Plan Relance" for French toll roads, consideration was given, inter alia, to the annual payment to the French Government (until the end of the concession) of EUR 10 million for the Exceptional Voluntary Contribution, an obligation recognised at its present value under "Administrative Concessions", with a balancing entry under "Other Liabilities" (see Note 21).

Also, in 2018 "Other" included mainly:

- On the one hand, the recognition by the Chilean company **Andes** of a grant from the Chilean Ministry of Public Works (CLP 22,758,749 thousand, EUR 29,844 thousand, at 31 December 2018) in connection with the new stretch of toll road brought into service in February 2018. As indicated in Note 3-a, grants related to assets received are recognised as a reduction of property, plant and equipment and returnable asset balances and are recognised in profit or loss on a straight-line basis over the years of useful life of the asset being financed, reducing the related period depreciation charge.
- On the other, in relation to the consolidated companies **GCO** and **Ausol**, as described in Note 2-g.vi to the consolidated financial statements for 2018, as the Argentine economy was considered to be hyperinflationary, it was necessary to adjust the financial statements of these Group companies located in Argentina in order to express them in terms of the current measuring unit at the end of the reporting period. In this connection, the cumulative historical differences between the restated costs and the previous costs of intangible asset items at 31 December 2017, amounting to EUR 167,901 thousand, were recognised with a credit to "Translation Differences" and "Non-Controlling Interests" in consolidated equity with effect for accounting purposes from 1 January 2018.

In 2019 the capitalised borrowing costs amounted to EUR 20,336 thousand (2018: EUR 21,013 thousand) and related mainly to the extension and upgrade works carried out by the **Arteris** subgroup (EUR 19,889 thousand in 2019 and EUR 20,303 thousand in 2018).

Lastly, it should also be noted that the changes in 2019 arising from changes in the scope of consolidation and business combinations related to the impact associated with the gain of control of **Trados** (Note 2.h).

i) Goodwill

The detail of the goodwill of the subsidiaries allocated to each of the various cash-generating units identified by Group management, broken down by business segment and concession that generated the goodwill, is as follows:

	31 December 2019	31 December 2018
Toll roads		
Trados	58,572	-
HIT/Sanef subgroup	-	2,824,087
Autopista Central	-	486,355
Iberpistas/Castellana	-	308,224
Avasa	-	245,650
A4 subgroup	-	181,305
Aucat	-	178,447
Túnels	-	37,099
TTPL	-	25,167
Rutas del Pacífico	-	24,462
Los Andes	-	18,898
Libertadores	-	15,849
JEPL	-	11,407
Aulesa	-	9,985
Autopista del Sol	-	8,279
Emovis subgroup	-	6,711
Other	-	1,109
	58,572	4,383,034
Abertis	7,868,693	-
Goodwill	**7,927,265**	**4,383,034**

As indicated in Note 6, as a result of the purchase price allocation (PPA) performed arising from the effects of the gain of control of the **Abertis** Group detailed in Note 6, after the merger of **Abertis** with Abertis Participaciones, S.A.U. effective as of 1 January 2019, goodwill amounting to EUR 7,868,693 thousand was recognised (the previous carrying amount was derecognised in accordance with IFRS 3), which was allocated to **Abertis** as described in Note 6.

ii) Administrative concessions

The detail of the main administrative concessions (see Note 27-c), by operating segment, is as follows:

	31 December 2019	31 December 2018
Toll roads		
HIT/Sanef subgroup	11,469,745	4,634,452
Autopista Central (1)	3,337,122	1,671,497
Arteris subgroup (1)	3,233,463	3,202,417
Metropistas (1)	1,284,741	978,482
Iberpistas/Castellana	949,424	269,194
Aucat	907,157	177,029
A4 subgroup	867,452	990,085
Avasa	780,834	632,118
Acesa	643,534	156,170
Túnels	529,184	421,854
Los Andes (1)	331,133	157,237
Rutas del Pacífico (1)	326,814	129,339
Autopista del Sol (1)	164,569	173,625
TTPL (1)	96,722	92,050
JEPL (1)	86,850	55,198
Trados	79,610	-
Invicat	72,301	58,861
Aulesa	72,255	75,194
APR (1)	66,749	35,170
Libertadores (1)	43,431	65,337
Elqui (1)	18,138	13,726
Aumar (2)	-	57,148
Other (1)	40,362	45,869
	25,401,590	14,092,052
Administrative concessions (carrying amount)	**25,401,490**	**14,092,052**

(1) Administrative concessions associated with assets that operate in a currency other than the euro (mainly the Brazilian real, the Chilean peso and the US dollar) and whose value in euros was therefore affected by the change in the year-end exchange rate.

(2) Concession whose contract had expired at 31 December 2019.

The change in the year is due primarily to the impact of the purchase price allocation (PPA) performed arising from the effects of the gain of control of the **Abertis** Group detailed in Note 6 after the merger of **Abertis** with Abertis Participaciones, S.A.U. effective as of 1 January 2019.

iii) Impairment losses

As detailed in Notes 3-b and 3-c, at each balance sheet date (and at least at each year-end) the Group assesses whether there is any indication that any of the assets may have become impaired, such as a very significant drop in traffic and/or highly adverse changes in the main macroeconomic aggregates of the countries in which the assets are located (GDP, inflation, interest rates, etc.), taking into account the potential impact on the aggregates of the concession asset. If any such indication exists, or when an annual impairment test has to be performed (in the case of goodwill and intangible assets with an indefinite useful life), the Group estimates the recoverable amount of the asset, for which purpose, as stated in the aforementioned Notes, the following steps were taken:

a) Administrative concessions

To determine the fair value of the "Administrative Concessions" the following steps were taken:

- The time in which it is estimated that the investment will generate cash flows (the concession term of the toll road concession operators, of between 1 and 42 years) was determined.

  Projections for periods longer than five years are used, since concession infrastructure has a finite life and, therefore, the period over which cash flows are projected has been clearly restricted and defined (as indicated above, the remaining concession term is used).

- Before preparing the revenue and expense projections, the Group checked, inter alia, the changes in the most significant variables included in the impairment test for 2018, and the achievement of the key assumptions used in that test, against the results obtained in 2019, in order to assess any possible variances.

  The comparison of the projections for 2019 included in the impairment tests of 2018 and the actual results for 2019 did not disclose any significant variances.

- Revenue and expense projections were prepared using the following general criteria:
    - In the case of revenue, in order to estimate changes in tariffs, the Group took into consideration the official CPI forecast of each country in which the concession assets are located (considering the corresponding tariff revision formulas established in the concession arrangements of the various toll roads, based on changes in the local CPI and/or any specific adjustments).

      To estimate the activity of the toll road business (average daily traffic, or ADT), the reference used was the GDP growth forecasts made by the official agencies in each country (including any applicable corrections). The past performance of each investment with respect to GDP, the maturity of each infrastructure and other specific aspects that might affect the activity in the future are also taken into account.
    - Expenses were estimated on the basis of the foreseeable changes in the CPI, the projected activity and the operating efficiency plans implemented by the Group.
    - Also, the impact of future infrastructure maintenance and upgrade work was considered on the basis of the best estimates available and the Group's experience, taking into account projected activity.
- The cash projections obtained from the revenue and expense projection described above were discounted at a discount rate in local currency resulting from adding to the long-term cost of risk-free money, the risk premium assigned by the market to each country where the activity takes place, the risk premium assigned by the market to each business (at long term, in both cases) and the target market financial structure of the related cash-generating unit according to the methodology described in Note 6.

The projections are generally based on the budgets and on the most recent long-term projections available prepared by the Management and taken into consideration by the Board of Directors, which take into account recent historical developments.

All of these considerations with regard to the most significant intangible assets (mainly administrative concessions) are summarised as follows:

2019		Cumulative annual growth (2019 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tariffs	Activity (ADT)	Expenses	Discount rate
Acesa	2021	1.7%	1.8%	2.0%	-0.3%	5.4%
Invicat	2021	1.7%	1.7%	1.7%	1.2%	5.4%
Aucat	2039	2.0%	1.8%	1.4%	2.5%	5.4%
Iberpistas/Castellana	2029	1.9%	2.1%	1.5%	0.7%	5.4%
Avasa	2026	1.9%	1.7%	1.5%	0.2%	5.4%
Túnels	2037	2.0%	1.8%	1.2%	1.8%	5.4%
Spain						
Sanef	2031	1.8%	1.2%	1.5%	1.5%	5.1%
Sapn	2033	1.8%	1.0%	1.5%	1.7%	5.1%
Bip&Go	2040	1.9%	-	-	2.9%	5.1%
France						
Austostrada A4	2026	1.8%	1.6%	1.2%	-0.5%	6.0%
Italy						
Arteris subgroup	2033-47	4.0%	4.1%	3.2%	3.9%	8.4%
Brazil						
Rutas del Pacífico	2024	3.0%	1.9%	5.2%	2.0%	6.3%
Elqui	2022	3.0%	3.8%	3.5%	-0.9%	6.3%
Andes	2036	3.0%	3.0%	4.2%	2.8%	6.3%
Libertadores	2026	3.0%	2.4%	4.2%	1.4%	6.3%
Sol	2021	3.0%	2.3%	2.8%	1.7%	6.3%
Autopista Central	2032	3.0%	3.0%	3.6%	3.7%	6.3%
Chile						
Metropistas	2061	1.4%	3.5%	1.1%	1.2%	9.9%
APR	2044	1.4%	1.2%	-0.4%	1.5%	9.9%
Puerto Rico						
TTPL	2026	4.1%	3.7%	7.5%	0.2%	7.9%
TTPL and JEPL	2026	4.1%	3.6%	7.6%	2.6%	7.9%
India						

2018 (*)		Cumulative annual growth (2018 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tariffs	Activity (ADT)	Expenses	Discount rate
Avasa	2026	1.91%	1.91%	1.96%	1.50%	5.15%
Iberpistas/Castellana	2029	1.94%	1.94%	1.84%	2.13%	5.11%
Aucat	2039	1.97%	1.87%	1.64%	2.46%	5.25%
Túnels	2037	1.96%	1.86%	1.18%	1.69%	5.25%
HIT/Sanef subgroup	2031-33	1.91%	1.18%	1.46%	1.22%	4.61%
A4 subgroup	2026	1.50%	3.23%	1.70%	2.03%	5.08%
Arteris subgroup	2033-47	4.01%	5.13%	4.43%	2.87%	9.50%
Autopista Central	2031	3.00%	6.53%	3.51%	3.99%	7.26%
Abauchi III subgroup	2026	3.00%	2.28%	4.20%	5.26%	8.05%
Metropistas	2061	1.98%	3.47%	1.25%	1.56%	12.04%
TTPL and JEPL	2026	5.00%	4.79%	6.93%	3.18%	9.82%

(*) In 2018 applicable for the most significant items of goodwill allocated and intangible assets (mainly administrative concessions).

Therefore, according to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the concession assets (mainly concession arrangements revalued in 2019 as detailed in Note 6) are allocated will make it possible to recover the carrying amount of the intangible assets recognised at 31 December 2019 and, therefore, no impairment losses were recognised at 2019 year-end (as at 2018 year-end).

Finally, when analyzing the sensitivity of the impairment tests, the most relevant aspects are that they support a minimum increase in the discount rate of about 100 basis points and, on the other hand, would withstand an annual drop in cash flows projected of up to 100 basis points.

b) Goodwill

“Goodwill” at December 31, 2019 mainly corresponds to the process arising from the allocation of the purchase price derived from the effects of the takeover of the Abertis Group by Atlantia after the merger of Abertis with Abertis Participaciones, S.A.U. (Note 6).

Also, as indicated in Note 6, the goodwill described above is based, among other aspects, on the capacity and growth strategy of the Group together with the development of the current portfolio of Abertis infrastructure concessions, which is considered as a single cash generating unit as a whole.

In this context, the Group annually compares the book value of the cash generating unit (CGU), which includes the aforementioned goodwill itself, with the fair value obtained through the valuation method of discounted cash flow agreements according to the methodology described in Note 6. In this regard, the Group, in accordance with that described in IAS 36, has considered that the most appropriate method has been deemed to be the valuation of a projected finite 5-year period (2020-2024) along with the estimation of the residual value.

On the basis of the budgets and latest long-term projections described in section a) above, the performance of the impairment test on goodwill of Abertis Group at 31 December 2019 was based on:

- The cash projections obtained from the income and expense projections for the whole **Abertis** Group for the period 2020-2024, according to the criteria described in section a) above.

- In order to calculate the residual value, the increase of 2% on the operating free cash flow after tax of the last projected year (i.e. 2024) was applied on the one hand and, in addition, a cash outflow for investments in perpetuity equal to the amortisation for this period has been considered.

The discount rate (WACC in euros) applied to cash flow projections was 5.78% and was calculated in accordance with the methodology described in Note 6. In the case of residual value, the WACC applied was increased by 2%.

With regard to the goodwill impairment test, the recoverable amount obtained (calculated on the basis of the fair value as mentioned earlier) exceeds the goodwill carrying amount, allowing for the recovery of the carrying amount recognised on 31 December 2019. Therefore, no impairment provision whatsoever needs to be made.

According to the sensitivity analysis carried out, given variations in the discount rates of +100 basis points, in the annual growth rates "g" of the terminal value of -100 basis points and in activity growth rates of -100 basis points, it would remain without recording impairment in the goodwill registered by the Company as of December 31, 2019.

iv) Other disclosures

Grants related to assets

The detail of the grants related to assets -which are taken to profit or loss on a straight-line basis over the useful life of the asset financed with a reduction in the amortisation charge for the year and are recognised as a reduction of other intangible assets (mainly "Administrative Concessions"), is as follows:

	2019		2018	
	Net grant	Amount allocated to profit or loss	Net grant	Amount allocated to profit or loss
Hit/Sanef subgroup [1]	191,324	25,572	97,220	6,630
Andes [1]	26,904	807	27,360	1,281
Other	988	550	322	37
	219,216	**26,929**	**124,902**	**7,948**

[1] Granted by the French Government in the case of Hit/Sanef and by the Chilean Ministry of Public Works in the case of Andes.

Investment obligations

In connection with the concession arrangements of the toll road concession operators of the **Arteris** subgroup, the Group has the following obligations to invest in upgrading the infrastructure or increasing its capacity:

	31 December 2019		31 December 2018	
(nominal amount)	Millions of Brazilian reais	Millions of euros	Millions of Brazilian reais	Millions of euros
Concession operators dependent on the Brazilian Federal Government [1]	1,861	412	1,986	447
Concession operators dependent on the State of São Paulo [2]	3,907	865	3,937	886
	5,768	**1,277**	**5,923**	**1,333**

[1] The construction period is expected to last for the concession term, which ends in 2033.

[2] Including BRL 3,832 million (approximately EUR 849 million) associated with the **Via Paulista** concession that was put out for tender in 2017 and will foreseeably be executed over the concession term up to 2047 (at 2018 year-end BRL 3,707 million, approximately EUR 834 million).

The following investment obligations of the Group are also worthy of mention:

- In January 2017 **Sanef** entered into a memorandum of understanding with the French Government to launch a new investment plan to modernise its network, which was ultimately completed on 24 July 2018. Under the agreement, **Sanef** will invest EUR 122 million in various projects in exchange for an additional annual increase in tolls for 2019-2021 (0.225% for **Sanef** and 0.218% for **Sapn**). At the reporting date, investments amounting to EUR 1.7 million had been made (2018 year-end: EUR 0 million).
- The **Hit/Sanef** subgroup, within the framework of "Plan Relance" for French toll roads formalised in 2015, reached an agreement with the French Government to make investments of approximately EUR 600 million to upgrade the toll road network in exchange for the extension of the term of the concessions (two years for **Sanef** and three years and eight months for **Sapn**). At the reporting date, investments amounting to EUR 417 million had been made (2018 year-end: EUR 274 million).
- In August 2016 the **A4** subgroup received approval from the Comitato Interministeriale per la Programazione Economica (CIPE) to upgrade the A31 toll road by carrying out the "Valdastico Norte" project, which led to the confirmation of the term of the concession arrangements for the A4 and A31 toll roads until 31 December 2026 (see Note 27-c). The purpose of this project, which is currently being designed, is to build a road interconnection corridor between the d'Astico Valley, the La Valsugana Valley and the Adige Valley and will entail for the **A4** subgroup, by the time the project has been completed, estimated total investments of around EUR 2,200 million pursuant to the current economic and financial plan. The investments will be recovered, as described in Note 3-b.ii, partly during the remaining concession term (up to December 2026) and partly through an unconditional right to receive an amount from the grantor that will be exercised at the end of the concession term. At the reporting date, investments amounting to EUR 27 million had been made (EUR 24 million at 31 December 2018).
- Also in 2016 **Autopista Central** entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work in connection with the Nudo de Quilicura junction (the estimated investment in building works amounts to close to UF 14.1 million, approximately EUR 470 million at 31 December 2019), which in return would lead to the extension of the concession arrangement by around 32 months.

In March 2018, DGOP Exempt Resolution No. 840 was formalized, modifying, for reasons of public interest, the characteristics of the works and services of the Concession Contract, having to develop **Autopista Central** the definitive engineering study called "PID Readecuación Nudo Quilicura "; likewise, the works called "Obras Complementarias del Nudo Quilicura" (Túnel lo Ruiz) and the Technological Systems and Equipment, corresponding to Phase 1 of the "Nudo Quilicura" project, must be executed, conserved, maintained and operated. However, as of the date of preparation of these consolidated annual accounts, the Complementary Agreement and Supreme Decree for both Phases of the project have not yet been perfected.

- In the case of **Sol**, in March 2018 a Supreme Decree was published formalising the framework memorandum of understanding and the resolution ordering the performance of the engineering work (both documents signed in 2016 with the Chilean Ministry of Public Works) relating to the project for construction work associated mainly with the construction of third lanes leading to Talagante (the estimated maximum investment is around UF 4.6 million, approximately EUR 150 million at 31 December 2019 including VAT and project administration expenses), which in return has led to the extension of the concession arrangement in 22 months, from May 2019 to March 2021 (see Note 27-c). At the reporting date, investments amounting to CLP 23 billion had been made (CLP 1.4 billion at 31 December 2018, approximately 27 million euros and 1.8 million euros in the respective periods).
- Also, on 25 January 2018 **Sol** entered into a new non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work in connection with the new access to San Antonio Port ("NAPSA") the estimated maximum investment being around UF 406 thousand (approximately EUR 14 million at 31 December 2019). The investments, loss of revenue and increased costs associated with the implementation and operation of the system will be offset by an eight-month extension to the concession arrangement, and the Ministry of Public Works may choose to replace this extension with a direct payment of the balance not yet settled in this connection. On August 31, 2019, the Supreme Decree that formalized the framework agreement protocol and the resolution that instructed the completion of the engineering detailed above was published, while the Ministry of Public Works has not communicated its decision to exercise the option of payment, so that the concession term has been extended in 8 months until November 2021. At present, investments have been made for an accumulated amount of CLP 15 billion (approximately 18 million euros at 31 December 2019).

- On 31 May 2018 **Rutas del Pacífico** entered into a non-binding framework memorandum of understanding with the Chilean Ministry of Public Works relating to the possible performance of construction work associated with the implementation of a free-flow electronic tolling system, with an estimated maximum investment of close to UF 473 thousand (around EUR 16 million at 31 December 2019). The investments, loss of revenue and increased costs associated with the implementation and operation of the system will be offset by a ten-month extension to the concession arrangement. This memorandum of understanding was executed in November 2018 by means of an ad referendum agreement, and was published in the Chilean Official Gazette on 15 December 2018, at which time it became fully effective. At present, investments have been made for an accumulated amount of CLP 20 million (approximately 23 million euros at 31 December 2019).
- On 31 May 2018, **Libertadores** agreed with the Chilean Ministry of Public Works the bases for a future non-binding framework memorandum of understanding relating to the possible performance of construction work associated with the implementation of a free-flow and stop & go electronic tolling system, with an estimated maximum investment of close to UF 100 thousand (around EUR 3 million at 31 December 2019). The investments, loss of revenue and increased costs associated with the implementation and operation of the system will be offset by a eleven-month extension to the concession arrangement, and the Ministry of Public Works may choose to replace this extension with a direct payment of the balance not yet settled in this connection. The corresponding resolution ordering the performance of the engineering and construction work associated with the aforementioned project was handed down on 23 November 2018 and processed on 17 December 2018. The corresponding Complementary Agreement was signed in November 2019, but on the date of formulation of these consolidated annual accounts, the corresponding Supreme Decree has not yet been published.
- The Group also has various investment obligations under agreements entered into with the grantors (see Note 13.i).

Guarantees

The companies listed below have provided guarantees to creditor banks in relation to their administrative concessions (see Note 16):

	"Administrative Concessions" - carrying amount, net of accumulated amortisation and impairment losses	
	31 December 2019 (*)	**31 December 2018**
Consolidated Arteris subgroup companies	3,233,463	3,202,417
Sociedad Concesionaria Autopista Central, S.A.	3,337,122	1,671,497
Autopistas Metropolitanas de Puerto Rico, Llc.	1,284,741	978,482
Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Cataluña, S.A.	529,184	421,854
Sociedad Concesionaria Autopista de Los Andes, S.A.	331,133	157,237
Sociedad Concesionaria Rutas del Pacífico, S.A.	326,814	-
Trichy Tollway Private Limited	96,722	92,050
Jadcherla Expressways Private Limited	86,850	55,198
Sociedad Concesionaria del Elqui, S.A.	18,138	13,726

(*) Changes affected by the impact of the purchase price allocation (PPA) performed associated with the gain of control of the Abertis Group by Atlantia and the merger of Abertis Infraestructuras, S.A. with Abertis Participaciones, S.A.U. detailed in Note 6.

Lastly, the Group takes out all the insurance policies it considers necessary to cover the risks that might affect investments in its infrastructure under the concession arrangements that it operates (see Note 27-c).

10. INVESTMENTS IN ASSOCIATES AND INTERESTS IN JOINT VENTURES

The changes in 2019 and 2018 in "Investments in Associates and Interests in Joint Ventures" in the consolidated balance sheet were as follows:

	2019			2018		
	Interests in joint ventures	Investments in associates	Total	Interests in joint ventures	Investments in associates [2]	Total
At 1 January	69,984	146,592	216,576	68,886	1,245,650	1,314,536
Impact of merger	(2,957)	294,126	291,169	-	-	-
Increase	-	-	-	-	614	614
Changes in the scope of consolidation and business combinations	(64,106)	277	(63,829)	-	-	-
Share of (loss)/profit [1] (Note 15-c.iii)	200	(3,276)	(3,076)	7,324	(10,509)	(3,185)
Translation differences	6	1,099	1,105	16	(234)	(218)
Accrued dividends (Note 26-c)	(1,310)	(9,405)	(10,715)	(6,112)	(328)	(6,440)
Cash flow hedges (Note 15)	-	(20,199)	(20,199)	-	(558)	(558)
Other [3]	(131)	(1,830)	(1,991)	(130)	19,253	19,123
Transfers to assets classified as held for sale and discontinued operations	-	-	-	-	(1,107,296)	(1,107,296)
At 31 December	**1,686**	**407,384**	**409,070**	**69,984**	**146,592**	**216,576**

(1) The share of (loss)/profit is stated after tax and non-controlling interests. In 2018, for the purposes of the presentation of the changes in investments in associates, the profit or loss of Cellnex was included up to the date of its discontinuation in that year.

(2) Corresponding basically to the 34% ownership interest held in Cellnex, which was classified in 2018 as a non-current asset held for sale until its disposal also in that year.

(3) In 2018 this included EUR 15,658 thousand recognised with an impact on equity and corresponding to Cellnex; an investment subsequently sold in that year.

The detail of the Group's investments in associates and interests in joint ventures located abroad is as follows:

	31 December 2019		31 December 2018	
	Currency	Euro	Currency	Euro
France (euro)	327,405	327,405	60,743	60,743
Colombia (Colombian peso, COP)	35,577,973	4,686	35,577,973	9,566
Italy (euro)	1,020	1,020	1,790	1,790
Other (mainly in the UK)	-	19,502	-	17,048
Investments in associates and interests in joint ventures located abroad	**-**	**352,613**	**-**	**89,147**

The exchange differences that arose in the year relate primarily to assets in the UK and were a result of the appreciation in the year-end exchange rate of the pound sterling (also an appreciation in the exchange rate at 2018 year-end).

The most notable changes in 2019, in addition to the Group's share of profit or loss and the accrued dividends, are as follows:

- The impact of the merger of **Abertis** with Abertis Participaciones, S.A.U. and the corresponding inclusion in the consolidated balance sheet since 1 January 2019 of the effects of the gain of control of the **Abertis** Group detailed in Note 6, amounting to EUR 291,169 thousand arising from the purchase price allocation (PPA) performed, as described in the aforementioned Note (primarily revaluing its ownership interests in Alis and A'lienor), the impact at 29 October 2018 (the date of the gain of control) being EUR 292,213 thousand.
- The changes in the scope of consolidation and business combinations correspond to the impact associated with the gain of control of the associate **Trados** (including the associate M-45 Conservación in which it holds an ownership interest), which started to be fully consolidated (see Note 2-h).
- The translation differences relate mainly to RMG (due to the appreciation in the year-end exchange rate of the pound sterling).
- Also, the ownership interest in Rio de Vetrai was derecognised after its sale, with no no impact since it had been written down in full.

Also, the most noteworthy changes in 2018 were as follows:

- The increases in the year related to the subscription of the capital increases carried out at Bip&Drive, S.A. and Leonord, S.A.S. (in both of which **Abertis** continues to hold an ownership interest of 35%).
- As detailed in Note 7 to the consolidated financial statements for 2018, the transfer to "Assets Classified as Held for Sale" corresponds to 34% of the capital held in Cellnex at the time of the transfer, which had been disposed of in full at 2018 year-end.
- Derecognition of the investments in Irasa, Alazor and Ciralsa (which had been written down in full) as associates after the order for the commencement of the liquidation phase had become final, which is the cause for the automatic dissolution of a company and its irrevocable liquidation, and the transfer of the management of its assets to Seittsa.
- The translation differences related mainly to Coviandes and Coninvial (as a result of the decrease in the year-end exchange rate of the Colombian peso) and RMG (due to the drop in the year-end exchange rate of the pound sterling).

The detail of the investments in associates and of the interests in companies under joint control (joint ventures), all of which are accounted for using the equity method based on their respective business segments, is as follows:

	31 December 2019		31 December 2018	
	Value of the investment	Goodwill (1)	Value of the investment	Goodwill (1)
Toll roads				
Trados 45	-	-	64,774	29,872
Areamed	1,593	-	5,123	-
Tc Flow	93	-	87	-
Interests in joint ventures	1,686	-	69,984	29,872
A'lienor(2)	209,377	-	58,110	-
Autema	51,256	-	54,672	-
RMG	19,409	1,404	16,961	1,335
Coninvial	4,583	-	5,846	-
Coviandes	103	103	3,720	103
Alis/Routalis(2)	117,716	-	2,333	1,950
Bip&Drive	3,354	-	2,860	-
Pedemontana Veneta	1,020	-	1,790	-
M-45 Conservación	254	-	-	-
Leonord	312	-	300	-
Investments in associates(3)	407,384	1,507	146,592	3,388
Investments in associates and interests in jointly controlled entities	**409,070**		**216,576**	

(1) The goodwill detailed in the foregoing table is included in the value of the investments in associates and interests in jointly controlled entities accounted for using the equity method. In the case of RMG the change is affected by the decrease in the year-end exchange rate of the pound sterling. In the case of Alis the change is affected by the purchase price allocation associated with the gain of control of Abertis and its subsequent merger with Abertis Participaciones, S.A.U. (Nota 6)

(2) The entire revaluation resulting from the purchase price allocation process detailed in Note 6, has been assigned as the highest value of the concession contract

(3) Also included are the Italian companies Rio de Vetrai, CIS and G.R.A di Padova the carrying amounts of which at 2019 and 2018 year-end (except in the case of Rio de Vetrai in 2018) were EUR 0 thousand.

As indicated in Note 2-g.i, if the Group's share of the losses of an associate equals or exceeds its interest in the associate, the Group ceases to recognise its share of further losses, unless it has incurred obligations or has payment commitments on behalf of the associate.

In this context, and as in prior years, no additional losses were recognised in the case of the associates Rio de Vetrai, C.I.S and G.R.A di Padova (in 2018 in addition to the foregoing companies Alis, Irasa, Alazor and Ciralsa), the carrying amount of all of which has been reduced to zero (and in the case of Irasa, Alazor and Ciralsa the carrying amount of the loans to them have also been reduced to zero).

The detail of the accumulated losses of these investees, based on the percentage of ownership held by **Abertis**, is as follows:

	31 December 2019 (1)			31 December 2018		
	Loss for the year	Accumulated losses from prior years (2)	Total	Loss for the year	Accumulated losses from prior years	Total
Alis (3)	(3,979)	13,721	9,742	(3,180)	20,102	16,922
C.I.S. (4)	-	232	232	-	232	232
G.R.A di Padova (4)	-	259	259	-	259	259
	(3,979)	**14,212**	**10,233**	**(3,180)**	**20,593**	**17,413**

(1) Equity values at 31 December 2019 subject to the legally stipulated periods for authorisation for issue by the respective boards of directors.

(2) Accumulated losses from years prior to 31 December 2019 include a total impact of EUR 3,201 thousand relating to Alis (2018: EUR 1,435 thousand also corresponding to Alis) associated with transactions recognised directly in other comprehensive income.

(3) Associate of the **Hit** subgroup wholly owned by **Abertis** at both 2019 and 2018 year-ends. Impacts indicated without considering the effect of the revaluation recognised in 2019 (Note 6).

(4) Associates of the **Hit** subgroup in which at both 2019 and 2018 year-ends **Abertis** held a 90.03% ownership interest.

i) Investments in Irasa, Alazor and Ciralsa

In relation to the ownership interests held by the Group in Irasa, Alazor and Ciralsa, since the companies had not passed the common phase of the insolvency proceedings as the various arrangement proposals submitted had not been approved, in 2017 the respective courts issued orders agreeing to the commencement of the liquidation phase and, consequently, the termination of the respective concession contracts was requested (in the case of Alazor and Irasa, the concession arrangements were operated by the investees Accesos and Henarsa, respectively). Subsequently, in March, April and May 2018, the concession infrastructure of these operators, R2 (Irasa), Circunvalación de Alicante (Ciralsa) and R3-R5 (Alazor), began to be managed by Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (Seittsa), which was subrogated to the activity and the personnel of the original operators. In this context and within the framework of the irrevocable liquidation processes indicated above, the aforementioned concession infrastructure was replaced by the amount resulting from Governmental Liability (Responsabilidad Patrimonial de la Administración (RPA)).

It should be noted in relation to the investment held in Alazor that its shareholders and the guarantors of the latter, including **Iberpistas** and **Acesa**, entered into an agreement with its creditor banks to provide financial support. Pursuant to this support agreement, certain of the creditor banks filed a claim against the shareholders and their guarantors in 2014 for the enforcement of possible obligations with regard to a portion of the borrowings. In this regard, at the end of February 2014 the Group arranged the payment into court of the deposit for the amount claimed, totalling EUR 131 million.

In relation to the aforementioned claims, on 27 March 2015 an order enforcing the aforementioned judgment was received upholding the enforcement claim submitted by Alazor's creditor banks and obliging Alazor's shareholders to pay the amounts claimed. By virtue of this order, on 28 April 2015 the claimant creditor banks requested the payment of the amounts claimed which **Iberpistas** and **Acesa** had already deposited into the court in 2014 in accordance with the foregoing.

In view of these circumstances, on 5 May 2015 the Group requested the court to suspend the payment request and on 11 May 2015 it filed an appeal against the enforcement order, reiterating the request to suspend the obligation to hand over any amounts to the claimants. In this regard, in May 2016 the court granted leave to proceed with the request of the enforcing banks and, therefore, EUR 89 million of the total EUR 131 million deposited into court by **Iberpistas** and **Acesa** were handed over to the banks, following which a portion of the provision recognised in relation to the existing deposit was recognised in profit or loss. In relation to the aforementioned enforcement proceeding, on 19 September 2017 the Madrid Provincial Appellate Court handed down a decision on the appeal against the court judgment obliging payment to be made to the creditor banks, finding for the shareholders of Alazor and thereby setting aside the enforcement proceeding and ordering the creditor banks to refund the amounts they had received provisionally. Accordingly, at the end of December 2017 **Iberpistas** and **Acesa** were refunded most of the amounts paid into the court previously (the entire amount at 31 December 2018), which was recognised with a credit to the aforementioned provisions.

On 4 and 11 December 2018, the new agent bank of the syndicate of current creditor banks of Alazor and Accesos required -out of court- the shareholders of Alazor and its guarantors, by virtue of the aforementioned agreement to provide financial support, to pay the amounts they consider outstanding of the subordinated loan arranged by Alazor with Accesos (EUR 176 million corresponding to the guarantee they attribute to the Group companies). In this regard, on 22 January 2019 an action in ordinary declaratory proceedings was lodged by five funds that claim to be current creditors of a portion of the bank debt of Alazor and Accesos, claiming from Alazor's shareholders and its guarantors certain financial contribution obligations arising from the aforementioned agreement to provide financial support (EUR 223.5 million relating to the guarantee they attribute to the Group companies). Also, on 3 June 2019 an action in ordinary declaratory proceedings was lodged by the same agent bank of the syndicate of the current creditor banks of Alazor and Accesos, claiming from Alazor's shareholders and its guarantors certain financial contribution obligations arising from the aforementioned agreement to provide financial support (EUR 175.6 million relating to the guarantee they attribute to the **Abertis** Group companies). Both processes remained unresolved at the date of authorisation for issue of these consolidated financial statements.

In this context, as the risks giving rise to the initial recognition of the provisions by the Group in prior years, it was considered reasonable to maintain them to cater for probable future payments as a result of the guarantees given to Alazor's creditor banks (Note 20.ii).

Also, in relation to the ownership interest held in Irasa, of which **Iberpistas** and **Avasa** are shareholders, on 2 October 2019 an action in ordinary declaratory proceedings was lodged by five funds that claim to be current creditors of a portion of the bank debt of Irasa, claiming from Irasa's shareholders and its guarantors certain financial contribution obligations arising from the aforementioned agreement to provide financial support (specifically, EUR 141.4 million relating to the guarantee they attribute to the **Abertis** Group companies), being the process pending resolution at the date of authorization for issue of these consolidated financial statements. In this context, the Group and its advisors do not consider probable the existence of future disbursements as a result of the guarantees granted to the financial institutions that credit Irasa, and therefore no provision has been recorded in this regard."

Lastly, as regards these investments, it is considered that with the provisions recognised in prior years the resolution of the aforementioned insolvency proceedings and lawsuits will not have a significant impact on these consolidated financial statements.

In any event, **Abertis** will respond with as many legal actions as may be necessary to protect its interests and those of its shareholders.

ii) Joint ventures

The Group has interests in the following joint ventures accounted for using the equity method:

		% of ownership	
Company	Line of business	31 December 2019	31 December 2018
Areamed	Operation of toll road service areas	50.00%	50.00%
TC-Flow	Toll system management services	50.00%	50.00%
Trados 45 (1)	Toll road concession	-	50.00%
Rio Dei Vetrai (2)	Real estate construction and management	-	50.00%

(1) A wholly-owned company as a result of the gain of control thereof in January 2019 (Note 2-h).

(2) A company derecognised at 2019 year-end after its sale on 5 December 2019 for the amount of the account receivable from this company because the ownership interest therein had been written down in full.

Until 31 December 2018, the toll road concession arrangements of the joint ventures of the **Abertis** Group, accounted for using the intangible asset model under IFRIC 12, related to the concession arrangement for the construction, maintenance and operation of the O'Donnell - N-IV stretch of the M-45 road in Madrid entered into by the Madrid Autonomous Community Government and Trados 45, ending in August 2029, a company over which the Group obtained control in 2019 (see Notes 2-h and 27-c).

At 31 December 2019 and 2018, the joint ventures did not have any contingent liabilities or commitments to purchase property, plant and equipment or intangible assets of a significant value.

The financial information on the assets and liabilities and profit or loss for the year of the joint ventures detailed above (all of which are included in the toll roads operating segment), which are accounted for using the equity method, broken down by business segment, is summarised as follows:

	31 December 2019	31 December 2018		
	Total (basically Areamed)	Trados 45	Other	Total
ASSETS				
Non-current assets	5,992	50,796	4,818	55,614
Current assets	6,177	35,624	3,112	38,736
	12,169	86,420	7,930	94,350
LIABILITIES				
Non-current liabilities	-	42,574	-	42,574
Current liabilities	4,358	8,944	2,215	11,159
	4,358	51,518	2,215	53,733
NET ASSETS	**7,811**	**34,902**	**5,715**	**40,617**
RESULTS				
Revenue	12,031	15,392	6,611	22,003
Expenses	(11,858)	(8,473)	(6,206)	(14,679)
Profit attributable to shareholders of the Parent	**173**	**6,919**	**405**	**7,324**

Note: These amounts are accounted for in the consolidated balance sheet and consolidated statement of profit or loss using the equity method and do not include consolidation adjustments.

iii) Impairment losses

In addition to the impairment tests referred to above, the Group performed impairment tests to determine the recoverability of the investments in associates as well as in companies under joint control (joint ventures). To perform these tests, the Group considered future cash flow projections in a manner similar to that indicated in Note 2-g.i.

A summary of all of these matters for the most significant assets is as follows:

2019		Cumulative annual growth (2019 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tariffs	Activity (ADT)	Expenses	Discount rate(k_e)
Autema	2037	2.0%	1.9%	1.4%	2.3%	5.4%
Alis	2067	1.9%	2.0%	1.3%	4.2%	7.3%
A'lienor	2066	2.0%	2.4%	1.7%	2.5%	7.0%

2018		Cumulative annual growth (2018 - end of concession)				
Cash-generating unit	Last year projected (concession term)	CPI	Tariffs	Activity (ADT)	Expenses	Discount rate
Autema	2037	1.96%	1.87%	1.03%	2.24%	6.83%

As a result of the impairment tests performed to verify the recoverability of the investments in associates and in companies under joint control (joint ventures), it became apparent that the cash flow projections attributable to these cash-generating units made it possible to recover the carrying amount thereof at 31 December 2019 and, therefore, no impairment losses were recognised at that date (as was the case at the end of 2018). With regard to impairment, the following should be noted:

Autema

In relation to the recoverability of the ownership interest in Autema, the projections considered in the impairment test for 2019 (as in 2018) already included the new conditions established unilaterally by the Catalonia Autonomous Community Government in the concession arrangement.

In this regard, as a result of the amendment of the terms and conditions of the concession arrangement, Autema filed pleadings with the Catalonia Autonomous Community Government expressly opposing the projected amendment of the terms and conditions of the concession arrangement. The pleadings were not addressed by the Catalonia Autonomous Community Government, which passed a Decree unilaterally amending the concession arrangement. Autema filed an appeal against this Decree at the Catalonia High Court, on which a decision had not been handed down at the date of authorisation for issue of these consolidated financial statements.

iv) Other disclosures

Also, as at 2018 year-end, at the end of 2019 there were no significant restrictions on the capacity of associates or joint ventures (companies under joint control) to transfer funds to the Parent in the form of dividends, debt repayments or advances other than such restrictions as might arise from the financing agreements of those associates or from their own financial situation, and there are no contingent liabilities relating to associates and joint ventures that might ultimately be assumed by the Group.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

The assets included in this line item include investments over which the Group does not have significant influence or control. As indicated in Note 3-d, these quoted and unquoted equity instruments are recognised at their fair value and the Group made the irrevocable election to recognise the changes in the fair value thereof in equity.

	2019	2018
At 1 January	108,693	118,348
Additions	-	251
Disposals	(102)	(260)
Revaluation gains/(losses) recognised in other comprehensive income (Note 15-b)	(4,261)	(9,632)
Transfers	(25,443)	-
Other	-	(14)
At 31 December	**78,887**	**108,693**

The most noteworthy changes in 2019 were as follows:

- "Disposals" relates to the sale of the 5% ownership interest in Société de Gestión de l'Aéroport de la Région de Lille for its carrying amount (EUR 102 thousand).
- "Revaluation Gains/(Losses) Recognised in Other Comprehensive Income" relates to the revaluation loss on the investment in the real estate investment trust "Serenissima Vitruvio" (measured on the basis of the appraisal conducted by an independent valuer.

In addition, the following significant changes occurred in 2018:

- The additions related to the conversion of a loan granted to Confederazione Autostrade, S.p.A. into capital.
- The disposals related mainly to the sale of Veneto Strade, S.p.A. for its carrying amount (EUR 258 thousand).
- "Revaluation Gains/(Losses) Recognised in Other Comprehensive Income" related to the revaluation loss on the investment in the real estate fund "Sansovino" (recognised based on an appraisal by an independent valuer) and Confederazione Autostrade, S.p.A.

The net total accumulated amount recognised in the equity of **Abertis** arising from changes in the fair value of these equity instruments since the impact of the gain of control and subsequent merger of **Abertis** with Abertis Participaciones, S.A.U. effective as of 1 January 2019 (see Notes 1 and 15) is an accumulated loss of EUR 4,261 thousand at 31 December 2019 (EUR 18,651 thousand accumulated profit at 2018 year-end).

The detail of these equity instruments as of 31 December 2019 corresponds mainly to 4.23% held in the capital stock of the company Autostrada del Brennero, S.p.A. (equivalent to 50,001 thousand euros) and 4.90% held in the capital stock of the company Autostrade Lombarde, S.p.A. (equivalent to 23,074 thousand euros).

12. DERIVATIVE FINANCIAL INSTRUMENTS

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

	31 December 2019		**31 December 2018**	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	-	204,195	260	91,085
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Interest rate and/or cross currency swaps:				
Cash flow hedges	34,530	149,689	2,041	135,728
Hedges of a net investment in a foreign operation	60,420	-	92,802	42,147
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Derivative financial instruments	**94,950**	**353,884**	**95,103**	**268,960**
Interest rate swaps and cross currency interest rate swaps:				
Cash flow hedges	10,026	349,573	2,301	222,428
Hedges of a net investment in a foreign operation	19,120	-	54,824	36,104
Fair value hedges	-	-	-	-
Derivatives not designated as hedges	-	-	-	-
Non-current portion	**29,146**	**349,573**	**57,125**	**258,532**
Current portion	**65,804**	**4,311**	**37,978**	**10,428**

The Group has arranged interest rate swaps and interest rate and/or cross currency swaps, in accordance with the financial risk management policy described in Note 4.

The detail of the derivative financial instruments at 31 December 2019 and 2018, by type of swap, showing their notional or contractual values, expiry dates and fair values, is as follows:

31 December 2019

	Notional amount	2020	2021	2022	2023	2024	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	2,619,500	50,000	-	-	90,750	116,412	2,362,338	(204,195)
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	2,619,500	**50,000**	**-**	**-**	**90,750**	**116,412**	**2,362,338**	**(204,195)**
Interest rate and/or cross currency swaps:								
Cash flow hedges	2,426,290	1,512,491	-	-	-	-	913,799	(115,159)
Hedges of a net investment in a foreign operation	215,000	135,000	40,000	40,000	-	-	-	60,420
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	2,641,290	**1,647,491**	**40,000**	**40,000**	**-**	**-**	**913,799**	**(54,739)**

31 December 2018

	Notional amount	2019	2020	2021	2022	2023	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	4,641,250	-	50,000	-	-	112,500	4,478,750	(90,825)
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	4,641,250	**-**	**50,000**	**-**	**-**	**112,500**	**4,478,750**	**(90,825)**
Interest rate and/or cross currency swaps:								
Cash flow hedges	734,367	-	43,668	-	-	-	690,699	(133,687)
Hedges of a net investment in a foreign operation	821,812	292,562	260,000	139,250	130,000	-	-	50,655
Fair value hedges	-	-	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
	1,556,179	**292,562**	**303,668**	**139,250**	**130,000**	**-**	**690,699**	**(83,032)**

a) Interest rate swaps

The notional principal amount of the interest rate swaps outstanding at 31 December 2019 totalled EUR 2,619,500 thousand (2018: EUR 4,641,250 thousand), and the fixed interest rates ranged from 0.65% to 4.12% (2018: from 0.39% to 4.11%) with the Euribor as the main floating interest reference rate.

It should be noted that in December 2018 **Abertis**, in anticipation of future debt issues to be carried out in 2019, 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, that these debt issues were considered to be highly probable transactions. In 2019 debt issues maturing between 2024 and 2032 were performed and a portion of the aforementioned financial swaps totalling EUR 2,000 million was settled.

Thus, at 2019 year-end interest rate swaps totalling EUR 1,500 million remained outstanding, which were classified as hedges since it was deemed that the requirements for such classification continued to be met, in anticipation of future debt issues in 2020. These issues would be performed throughout 2020, and it is expected that they will expire between 2025 and 2033.

Lastly, it should be noted that in 2018 Túnels de Barcelona i Cadí, Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**), which is in the process of refinancing its bank debt, arranged new interest rate swaps totalling EUR 48,750 thousand expiring in 2034 and bearing fixed interest at 1.54%.

b) Cross currency interest rate swaps

In 2019 the following interest rate and/or cross currency swap transactions were settled in advance:

- **Abertis India** settled early derivative financial instruments in Indian rupees amounting to INR 6,341,800 thousand with an equivalent euro value of EUR 90,000 thousand. The hedges were instrumented in several cross currency interest rate swaps, which were designated as hedges of the net investment made with the acquisition of **TTPL** and **JEPL**. These hedges were set to expire in 2022.
- In addition, **Metropistas** settled early various cash flow hedges for a nominal amount at 2018 year-end of USD 251,996 thousand (with an equivalent euro value of EUR 220,084 thousand) which converted a floating rate debt to a fixed rate debt maturing in 2026.
- In addition, in 2019 **Abertis** settled its hedges in Chilean pesos (CLP 350,747,024 thousand with an equivalent euro value of EUR 409,053 thousand at 2018 year-end). The hedges were instrumented in several cross currency interest rate swaps, which were designated as a partial hedge of the net investment made in various Chilean companies. The hedges were set to expire between 2019 and 2021.

- In this respect, **Abertis** settled the cross currency interest rate swaps that were designated as hedges of the net investment in **Metropistas**, for a nominal amount of USD 37,780 thousand and an equivalent euro value of EUR 27,759 thousand at 2018 year-end.

In addition, the following transactions were performed in 2019:

- **Abertis** arranged a cross currency interest rate swap for GBP 400,000 thousand and an equivalent euro value of EUR 467,181 thousand to hedge a bond issue of GBP 400,000 thousand (Note 16).
- **Abertis** arranged hedges in Mexican pesos for MXN 32,100,000 thousand and an equivalent euro value of EUR 1,450,354 thousand, instrumented in various forward rate agreements, to hedge the disbursement envisaged in relation to the investment commitment acquired in October 2019 in relation to the acquisition of the **RCO** Group which it is estimated will become effective in the first six months of 2020.

  It should be noted in this regard that these financial instruments were classified as hedges since the requirements for such classification were met given, inter alia, that the aforementioned investment commitment is considered to constitute a highly probable transaction.
- In addition, **Abertis** mantains several cross currency interest rate swaps to hedge its net investment in the **Arteris** Group in Brazil. These hedges have a nominal value of BRL 673,300 thousand and an equivalent euro value of EUR 215,000 thousand and expire between 2020 and 2022.

  In this respect, in 2019 **Abertis** renewed hedges in Brazilian reais amounting to BRL 129,150 thousand (an equivalent euro value of EUR 40,000 thousand), while hedges for a nominal value of BRL 239,679 thousand (an equivalent euro value of EUR 80,000 thousand) expired.
- In December 2019 Emovis, S.A.S arranged forward rate agreements for GBP 15,000 thousand (EUR 17,629 thousand at 2019 year-end) expiring in 2020.

In addition, in 2018 no interest rate and/or cross currency swaps were settled early, and the notional principal amount was not increased as a result of the arrangement of new instruments.

In this regard, in 2018 the interest rate and/or cross currency swap transactions carried out in the year included most notably the following:

- **Abertis** renewed derivative financial instruments in Chilean pesos amounting to CLP 206,824,975 thousand with an equivalent euro value of EUR 239,250 thousand. The hedges were instrumented in a cross currency interest rate swap, which is designated as a partial hedge of the net investment made in various Chilean companies. Following that renewal, these hedges were scheduled to expire in 2019 and 2021.
- **Abertis** renewed derivative financial instruments in Brazilian reais amounting to BRL 524,138 thousand with an equivalent euro value of EUR 175,000 thousand. The hedges were instrumented in cross currency interest rate swaps, which were designated as hedges of the net investment in **Arteris**. Following that renewal, these hedges were scheduled to expire in 2019 and 2020.
- **Arteris** renewed an interest rate and foreign currency swap for a nominal value of EUR 44,704 thousand, whereby it converted a loan of USD 50 million bearing fixed interest into a debt in Brazilian reais and bearing floating interest tied to the CDI rate. Following that renewal, the hedge expires in 2020.

Also, no interest rate and/or cross currency swap transactions expired in 2018.

As a result of all the foregoing, the detail of the main interest rate and/or cross currency swaps held by the Group at 31 December 2019 and 2018 is as follows:

			31 December 2019			31 December 2018		
			Notional amount			Notional amount		
Company	Purpose of the hedge	Hedged currency	Currency	Euro	Expiry date	Currency	Euro	Expiry date
Abertis	Net investment in Elqui, Gesa, Abertis Chile, Rutas del Pacífico, a portion of Autopista Central and Opsa(1)	Chilean peso (CLP)	-	-	-	218,469,524	239,053	2019-2021
Abertis	Disbursement for acquisition of RCO(1)	Mexican peso	32,100,000	1,450,354	Associated with the completion of the acquisition	-	-	-
Abertis	Conversion of a GBP fixed-interest issue into EUR fixed-interest debt	Pound sterling (GBP)	400,000	467,181	Associated with the maturity of the debt in 2026	-	-	-
Abertis	A portion of the net investment in the Arteris subgroup(1)	Brazilian real (BRL)	673,300	215,000	2020-2022	912,979	295,000	2019-2022
Abertis	A portion of the net investment in Metropistas(1)	US dollar (USD)	-	-	-	37,780	27,759	2019
Abertis	A portion of the net investment in Autopista Central(1)	Chilean peso (CLP)	-	-	-	132,277,500	170,000	2019-2020
Abertis India	A portion of the net investment in TTPL and JEP(1)	Indian rupee (INR)	-	-	-	6,341,800	90,000	2022
Abertis Finance	Conversion of a JPY fixed-interest issue into EUR fixed-interest debt	Japanese yen (JPY)	20,000,000	153,610	Associated with the maturity of the debt in 2039	20,000,000	153,610	Associated with the maturity of the debt in 2039
Arteris	Conversion of a USD fixed-interest loan into a debt in BRL bearing floating interest tied to the CDI rate (fair value hedge).	US dollar (USD)	50,000	44,508	Associated with the maturity of the debt in 2020	50,000	43,668	Associated with the maturity of the debt in 2020
Los Andes	Conversion of a loan in CLP into a loan in CLF (CLF 5,279).	Chilean peso (CLP)	118,910,554	140,569	2034	120,041,661	151,066	2034
Metropistas	Various cash flow hedges	US dollar (USD)	-	-	-	251,996	220,084	2026
Autopista Central	Eliminates the currency risk associated with a USD bond issue	US dollar (USD)	171,250	152,439	2026	190,000	165,939	2026
Emovis	Eliminates the currency risk in transactions in GBP	Pound sterling (GBP)	15,000	17,629	2020	-	-	-
				2,641,290			**1,556,179**	

(1) Through several interest rate and cross currency swaps.

c) Other disclosures

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

	31 December 2019			**31 December 2018**		
	2020	2021-22	Subsequent years	2019	2020-21	Subsequent years
Projected net settlements (collections/ payments) (*)	59,285	(74,735)	(247,433)	(8,004)	(91,819)	(78,382)

(*) Excluding adjustments for credit risk.

13. OTHER FINANCIAL AND NON-FINANCIAL ASSETS

The detail of other financial assets (excluding the derivative financial instruments detailed in Note 12) and of the non-financial assets at 31 December 2019 and 2018 is as follows:

		31 December 2019(*)			31 December 2018		
		Non-current	Current	Total	Non-current	Current	Total
Concession arrangements - financial asset model		2,594,708	113,032	2,707,740	2,202,100	110,871	2,312,971
Impairment (expected credit losses)	vii)	(395,333)	-	(395,333)	(162,648)	(1,758)	(164,406)
	i)	**2,199,375**	**113,032**	**2,312,407**	**2,039,452**	**109,113**	**2,148,565**
Receivables from companies accounted for using the equity method and other related parties:							
Accounts receivable		-	4,098	4,098	-	14,141	14,141
Loans		101,835	269	102,104	114,300	379	114,679
Impairment		(82,675)	(2,325)	(85,000)	(82,675)	-	(82,675)
	ii)	**19,160**	**2,042**	**21,202**	**31,625**	**14,520**	**46,145**
Trade receivables		-	749,706	749,706	-	732,498	732,498
Allowance for doubtful debts (impairment loss)		-	(117,463)	(117,463)	-	(75,868)	(75,868)
	iii)	**-**	**632,243**	**632,243**	**-**	**656,630**	**656,630**
Current tax assets	iv)	-	856,697	856,697	-	876,265	876,265
Other financial assets		200,814	164,021	364,835	65,340	50,509	115,849
Impairment (expected credit losses)	vii)	(3,168)	(9,541)	(12,709)	-	(422)	(422)
	v)	**197,646**	**154,480**	**352,126**	**65,340**	**50,087**	**115,427**
Other non-financial assets:							
Other accounts receivable		3,768	337,874	341,642	80,899	166,923	247,822
Impairment (expected credit losses)	vii)	(559)	(3,728)	(4,287)	(5,063)	(3,655)	(8,718)
Other assets	**vi)**	**3,209**	**334,146**	**337,355**	**75,836**	**163,268**	**239,104**

(*) For the purposes of a better monitoring and traceability of the Group's financial assets, the balances are presented at their revalued gross values as a result of the PPA process described in Note 6 and their respective historical provisions, that is, the balances of the provisions recorded prior to the takeover described in the aforementioned Note. In any case, the net book value is the result of the PPA process and since the date of the takeover no reversals of provisions have been recorded prior to it.

Receivables are recognised at amortised cost.

At 31 December 2019 (as at the end of 2018), the financial assets of **Abertis** did not include any sovereign debt.

i) Concession arrangements - financial asset model

The changes in the non-current and current receivables from public authorities were as follows:

	Concession arrangements - financial asset model					
	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
At 1 January	2,039,452	109,113	2,148,565	1,583,010	107,413	1,690,423
Changes in accounting policies (IFRS 9) (1)	-	-	-	(32,884)	(1,489)	(34,373)
1 January - Adjusted	2,039,452	109,113	2,148,565	1,550,126	105,924	1,656,050
Impact of merger	166,729	-	166,729	-	-	-
Additions due to investments made in the year	17,038	-	17,038	1,892	-	1,892
Charge to the consolidated statement of profit or loss:						
- Due to economic compensation (revenue) (2)	37,515	-	37,515	113,702	-	113,702
- Due to financial compensation (Note 22-e) (3)	186,157	-	186,157	144,292	376	144,668
- Due to compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006 (Note 22-e)	14,469	-	14,469	13,585	-	13,585
- Due to expected loss (Note 22-e)	(139,999)	-	(139,999)	(127,533)	-	(127,533)
Transfers (4)	(108,190)	108,190	-	200,552	98,809	299,361
Amount taken to profit or loss	-	(104,470)	(104,470)	-	(92,996)	(92,996)
Other	4,247	2,363	6,610	1,606	544	2,150
Exchange differences	(18,043)	(2,164)	(20,207)	141,230	(3,544)	137,686
At 31 December	**2,199,375**	**113,032**	**2,312,407**	**2,039,452**	**109,113**	**2,148,565**

(1) The impact calculated on first-time application of IFRS 9 on 1 January 2018 in relation to expected credit losses on accounts receivable from public authorities amounted to an impairment loss of EUR 34,373 thousand.

(2) Including the impacts relating to the recognition of the modification of the concession arrangements held by the Argentine consolidated companies **Ausol** and **GCO** under the IFRIC 12 financial asset model at their fair value upon their execution, net of the value of the unamortised intangible asset associated with the aforementioned concession arrangements.

(3) Including in 2019 a positive impact of EUR 6,497 thousand due to the net revaluation recognised with effect from 1 January 2019 associated with the gain of control of **Abertis** and the subsequent merger with Abertis Participaciones (see Note 6).

(4) The transfers in 2018 included mainly the impact associated with the recognition of the modification of to the concession arrangements of **Ausol** and **GCO** mentioned above.

"Concession Arrangements - Financial Asset Model" includes the amounts receivable from grantors under various agreements entered into with them (toll rebates, free services, compensation and other). Some of these agreements were recognised, in accordance with IFRIC 12, as a receivable from the grantor through application of either the bifurcated model or the financial asset model, as indicated in Note 3-d.ii. These balances receivable earn the related interest.

The detail of these agreements classified under "Non-Current Assets - Concession Arrangements - Financial Asset Model", excluding the accounting effects arising from the net revaluation recognised with effect from 1 January 2019 associated with the gain of control of **Abertis** and the subsequent merger with Abertis Participaciones (Note 6), is as follows:

		31 December 2019			31 December 2018		
		Concession arrangements - financial asset model	Economic compensation (revenue) for the period [1]	Financial compensation for the period [1]	Concession arrangements - financial asset model	Economic compensation (revenue) for the year [1]	Financial compensation for the year [1]
Arising from agreements entered into with the grantor:							
Royal Decree 457/2006 (**Acesa**)	a)	948,298	-	57,873	890,357	-	54,337
Royal Decree 483/1995 (**Invicat**)	c)	243,760	22,097	7,149	212,641	20,596	11,713
GOV. 185/2013 (**Invicat**) and GOV. 186/2013 (**Aucat**)	d)	218,520	24,198	12,618	174,478	22,547	10,415
Royal Decree 971/2011 (**Castellana**)	e)	178,947	(8,780)	11,458	176,269	(7,861)	11,238
Arising from minimum guaranteed revenue and other guarantees in the concession arrangement (application of bifurcated model)							
Elqui	f)	30,632	-	6,890	43,495	-	8,406
Libertadores	f)	68,433	-	12,415	75,567	-	13,381
Arising from minimum guaranteed revenue (application of the financial asset model):							
Ausol	g)	391,388	-	45,109	335,048	41,199	21,831
Gco	g)	220,127	-	26,148	187,073	37,221	12,971
Other:							
Other	h)	121,640	-	14,469	107,172	-	13,585
		2,421,745	**37,515**	**194,129**	**2,202,100**	**113,702**	**157,877**

[1] Amounts included under "Non-Current Assets - Concession Arrangements - Financial Asset Model".

At the end of each reporting period a portion of these balances receivable from public authorities is subject to review as part of the audits performed by the grantor.

a) Royal Decree 457/2006 (**Acesa**)

Royal Decree 457/2006 approved the Agreement between the Spanish Government and **Acesa** to modify certain terms of the Barcelona-La Jonquera, Barcelona-Tarragona, Montmeló-El Papiol and Zaragoza-Mediterráneo toll road concessions.

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 balance 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 balance 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.

The detail of the balance of the compensation at 31 December 2019 and 2018 for each of the items of which it is composed, without considering the accounting effects derived from the net revaluation recorded with effect 1 January 2019 associated with the takeover of **Abertis** and its subsequent merger with Abertis Participaciones (see Note 6), as well as the theoretical changes in line with the Group's interpretation under Royal Decree 457/2006 of this compensation balance is as follows:

	31 December 2018	Additions	Compensation for guaranteed traffic	Interest cost relating to the compensation balance	31 December 2019
Investments made since 2006	557,860	68	-	-	557,928
Interest cost relating to the investments	332,497	-	-	57,873	390,370
Balance of compensation for investments	**890,357**	**68**	**-**	**57,873**	**948,298**
Compensation for guaranteed traffic	1,582,078	-	181,273	-	1,763,351
Interest cost relating to the guaranteed traffic balance	479,293	-	-	133,987	613,280
Balance of compensation for guaranteed traffic [1]	**2,061,371**	**-**	**181,273**	**133,987**	**2,376,631**
Balance relating to Royal Decree 457/2006 (Acesa)	**2,951,728**	**68**	**181,273**	**191,860**	**3,324,929**

(1) As detailed in this section, since 1 January 2015, compensation for guaranteed traffic ceased to be recognised in the consolidated statement of profit or loss; the related balance at 31 December 2014 was also provisioned in full in 2015. The foregoing detail shows the balance of compensation for guaranteed traffic at 31 December 2018 based on the Group's interpretation of Royal Decree 457/2006 despite the discrepancies with the Spanish Ministry of Public Works.

Lastly, this figure will increase or decrease until the end of the concession based on the difference between actual traffic and the traffic levels envisaged in Royal Decree 457/2006.

Previously, Royal Decree 457/2006 and the Agreement that it approved received favourable reports from the various technical services of the 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") as well as 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** disagrees with this judgment and will initiate the proceedings it considers appropriate in accordance with the law to challenge it. 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 review issued by the Regional Government Office are incorrect and contrary to applicable Spanish and European accounting standards, which are applicable to the Company. Without prejudice to the foregoing, the eventual application of the criterion set by the Supreme Court would not imply any capital impact on the consolidated annual accounts attached as it is a mere reclassification of the theoretical book value pending amortization at December 31, 2019 in view of the guarantee if recognized by the Council of Ministers as described below.

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

In the Administrative Review for 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 for 2011 and raising the possibility of unilaterally modifying the agreement entered into with **Acesa**.

Subsequently, the Administrative Reviews of 2014, 2015, 2016 and 2017 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.

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 Public Works filed a cassation appeal against this judgment, on which a judgment had not yet been handed down at the date of authorisation for issue of these consolidated financial statements.

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 Public Works filed a cassation appeal against this judgment, which had not been handed down at the date of drawing these consolidated financial statements.

With respect to the Administrative Reviews of 2016 and 2017, on 24 April 2018 and 30 April 2019, respectively, **Acesa** filed the corresponding appeals for judicial review at the Madrid High Court on which judgments had not been handed down at the date of authorisation of these consolidated financial statements.

Also, it should be noted that on 11 July 2019 **Acesa** received the proposed Administrative Review of 2018, which is in line with the Administrative Reviews of 2014, 2015, 2016 and 2017 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 13.i). On 7 August 2019, **Acesa** filed the corresponding administrative appeal against that 2018 Administrative Review to a superior administrative body; however, at the date of authorisation for issue of these consolidated financial statements no decision had yet been handed down.

Moreover, in connection with the request submitted by the Ministry of Public Works 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 Public Works:

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 Public Works 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, that: (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 2019 stood at EUR 2,377 million, excluding the related tax effect (31 December 2018: EUR 2,061 million).

However, the Government Advisory Council does state that the concession operator may prepare and approve its financial statements as it deems fit. However, it emphasises that non-approval of the Administrative Review applies if the same accounting policy continues to be used, 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 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 hand down an express decision.

In view of the above, **Acesa** requested the Supreme Court to extend the appeal to the content of the express decision issued 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 Public Works. 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), Benigno 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 Maria 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 statutory auditor's reports on the financial statements of **Acesa** for the years ended 31 December 2011, 2012, 2013 and 2014 were not qualified in this connection.

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 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 Public Works 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 in Acesa in 2015, amounting to EUR 982 million at 31 December 2014 and the compensation ceased to be recognised in profit or loss on the investee company from 1 January 2015 onwards. This stance was maintained by the Group at the date of authorisation for issue of these consolidated financial statements and it is expected to be maintained 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**, **Acesa** and **Abertis** understand that the legal grounds that have always supported the legal validity of the compensation balance remain sound. As they have always done, they will attempt to reach a solution with the Government that protects their interests and those of their shareholders and, if this were not possible, they will defend such interests as appropriate in court and all other instances of appeal.

b) Royal Decree 1132/1986 (**Aumar**)

Although no receivables had been recognised for accounting purposes by **Aumar** at 31 December 2019 (as at 31 December 2018), 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 (see Note 27-c) 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 13-a).

To this end, **Aumar** requested the adoption of measures required to restore the economic and financial feasibility that had been lost in order to offset in full the losses suffered as a result of the loss of traffic and revenue; and, secondarily, if the measures requested were not adopted, the acknowledgement of its right to damages as a result of breach of the related contractual terms and conditions. The aforementioned damages should include the amount for the loss of revenue from 2002 to the end of the concession in 2019.

The request for the aforementioned restoration of the economic and financial feasibility was initially dismissed by the Regional Government Office for Spanish toll road concession operators. In view of this situation, **Aumar** filed an administrative appeal to a superior administrative body which was only partially upheld by the Secretary of State for Infrastructure and Transport on behalf of the Ministry of Public Works, due to a material lack of jurisdiction, since it was a matter submitted to the Spanish Cabinet for its consideration and decision.

In November 2014 **Aumar** received a proposal from the Ministry of Public Works dismissing its request for the restoration of the economic and financial feasibility, although it was granted a hearing. **Aumar** submitted the related pleadings at the hearing, defending the soundness of the grounds for its case based on the damage caused by actions taken by the Government that were unforeseen when the concession arrangement was entered into. Since the Spanish Cabinet did not hand down an express decision within the legally required period, on 22 July 2015 **Aumar** filed an appeal for judicial review at the Supreme Court, since it considered that there were sound legal arguments for defending its rights and legitimate interests, together with those of **Abertis** and its shareholders.

On 18 March 2016, the Spanish Cabinet handed down an express decision dismissing the claim for the restoration of the economic and financial feasibility submitted by **Aumar**. In this connection, the appeal for judicial review already filed was extended to the express decision mentioned above, and on 22 May 2019 an unfavourable judgment was handed down by the Supreme Court. **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. In this regard, on 17 February 2020 the aforementioned appeal has been inadmissible for processing; being notified to the Company on 26 February 2020.

c) Royal Decree 483/1995 (**Invicat**)

Royal Decree 483/1995 sets forth the Agreement entered into in January 2010 between **Invicat** and the Catalonia Autonomous Community Government and includes a schedule containing a framework cooperation agreement setting forth the general conditions for modifying and adapting the stretch of the C-32 toll road between Palafolls and the junction with the GI-600 road that is being widened, in addition to other road and mobility management improvements linked to the toll road and its operation in the Maresme corridor.

In the framework of the aforementioned Agreement, on 19 March 2015 a new Agreement was entered into to include the construction, upkeep and operation of a new toll-free access road connecting the toll road with Blanes and Lloret de Mar.

The investments to be made are estimated to total EUR 96 million (at 2010 prices) (at 31 December 2019, the investment made amounted to EUR 29,281 thousand, as compared with EUR 27,263 thousand at 2018 year-end).

The C-32 toll road Agreement provides that any additional revenue stemming from the increased capacity of the toll road shall be used for restoring the economic and financial balance altered by the work provided for in the Agreement. It also sets out the procedure for calculating the economic compensation that the concession operator would receive if, once the concession term had ended, the economic and financial balance had not been restored.

d) Government Agreement 185/2013 (**Invicat**) and Government Agreement 186/2013 (**Aucat**)

In early 2014 the Agreement with the Catalonia Autonomous Community Government entered into by **Invicat** (Royal Decree 185/2013), the concession operator of the Montgat-Palafolls up to the GI-600 (C-31/C-32) and Barcelona-Montmeló (C-33) toll roads and by **Aucat** (Royal Decree 186/2013), the concession operator of the Pau Casals (C-32, Castelldefels-Sitges-El Vendrell) toll road, came into force. These Agreements provide for the implementation of a uniform toll system and a closed-toll system in which users pay on the basis of the stretch of road they use, as well as a series of auxiliary projects, an exemption on payment of tolls by regular public-transportation passenger vehicles operating under administrative concessions and, in the case of **Aucat**, compensation for the loss of property tax rebate. The investments to be made were estimated to total approximately EUR 100 million (at 2014 prices) (at 31 December 2019, the investment made amounted to EUR 26,783 thousand, as compared with EUR 23,971 thousand at 2018 year-end).

As with other agreements, this Agreement provides for the restoration of the economic and financial balance that has been altered by the work that it envisages, using a compensation account that will be settled on expiry of the concession.

e) Royal Decree 971/2011 (**Castellana**)

Royal Decree 971/2011, of 1 July, amends certain terms of the administrative concession operated by **Castellana** (construction, maintenance and operation of the section of the AP-6 toll road that connects with Segovia (AP-61) and the section of the AP-6 toll road that connects with Ávila (AP-51), as well as the maintenance and operation, from 30 January 2018, of the Villalba-Adanero stretch of the AP-6 toll road), to offset cost overruns for additional work, as set forth in Additional Provision Forty-One of 2010 General Budget Law 26/2009, of 23 December, through which the General Directorate of Roads acknowledged the need for additional work for the toll road construction project not initially foreseen amounting to EUR 89,018 thousand.

This Royal Decree was intended to restore the economic and financial feasibility of the concession affected by the additional work that had to be carried out. To this end, in light of the situation of the concession, it was considered that the most appropriate course of action was to extend the period during which the AP-6 toll road tolls would apply, regulated by the Agreements approved by Royal Decree 315/2004, of 20 February, and Royal Decree 1467/2008, of 29 August, in both cases until the aforementioned cost overruns resulting from the additional work amounting to EUR 89,018 thousand and the interest for the delay in the payment to restore the economic balance as a result of this, amounting to EUR 29,471 thousand, had been offset.

f) Minimum guaranteed revenue and other guarantees in the concession arrangement (application of the bifurcated model)

In addition, the Chilean toll road concession operators **Elqui** and **Libertadores** have an account relating to the minimum guaranteed revenue and other guarantees established in the concession arrangements. These amounts are recognised as a financial asset as a result of applying the bifurcated model in accordance with IFRIC 12, as described in Note 3-b.ii.

g) Ausol and Gco arrangements

As described in Note 27-c, on 24 July 2018 the concession arrangements held by the Argentine consolidated companies **Ausol** and **GCO** were modified. Under the terms of the agreement reached, the applicable model under IFRIC 12 is the financial asset model since **Ausol** and **GCO** are granted an unconditional right to receive an amount from the grantor (in accordance with the application of the financial asset model described in Note 3-b.ii). In this respect, the agreement resulted in the recognition of a financial asset in accordance with IFRIC 12 at the fair value upon execution of the agreement, net of the value of the unamortised intangible asset associated with the aforementioned concession arrangements (indicated in section i) above).

The variation of the year includes the effect of the capitalization of the interests of the year, as well as the effect of the expected loss recorded in accordance with IFRS 9 as a result of the deterioration of Argentina's economic situation (Note 22.e)

h) Other

"Concession Arrangements - Financial Asset Model - Other" relates to the balance receivable by the Group under Section B of Schedule 3 of the Agreement entered into by **Acesa** and the Spanish Government (Royal Decree 457/2006) whereby the latter compensates **Acesa** with respect to the income tax it pays in relation to the interest expense on the balance.

Lastly, at 31 December 2019, "Current Assets - Concession Arrangements - Financial Asset Model" includes a past-due balance of EUR 38,248 thousand (primarily at toll road concession operators) for which an allowance has not been recognised because it is considered that it will be duly paid by the related grantor (2018 year-end: EUR 34,393 thousand, for which, similarly, no allowance had been recognised). In this respect, on 8 January 2020 EUR 33,579 thousand were collected in relation to the agreement contained in Royal Decree 1467/2008 signed on 29 August 2008 between **Iberpistas** and the Spanish Government.

ii) Financial accounts receivable from companies accounted for using the equity method and from other related parties

The detail of the financial accounts receivable from associates and joint ventures, as well as from other related parties, is as follows:

	31 December 2019(*)			31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Abertis Holdco	-	4,098	4,098	-	3,972	3,972
Bip&Drive	-	-	-	-	2,489	2,489
CIS	-	-	-	-	1,717	1,717
A'lienor	-	-	-	-	2,340	2,340
Rio de Vetrai	-	-	-	-	1,411	1,411
Routalis	-	-	-	-	831	831
Pedemontana Veneta	-	-	-	-	520	520
Alis	-	-	-	-	263	263
Coviandes	-	-	-	-	111	111
Leonord	-	-	-	-	23	23
Other investments	-	-	-	-	464	464
Accounts receivable	**-**	**4,098**	**4,098**	**-**	**14,141**	**14,141**
Irasa (1)	35,296	-	35,296	35,296	-	35,296
Ciralsa (1)	30,773	-	30,773	30,773	-	30,773
Alazor (1)	16,606	-	16,606	16,606	-	16,606
RMG	17,660	77	17,737	14,960	73	15,033
Rio de Vetrai	-	-	-	8,589	-	8,589
Alis	-	-	-	6,516	137	6,653
Leonord	868	22	890	928	-	928
Pedemontana Veneta	594	-	594	594	-	594
CIS	-	120	120	-	120	120
A'lienor	38	-	38	38	-	38
Other investments	-	50	50	-	49	49
Loans granted	**101,835**	**269**	**102,104**	**114,300**	**379**	**114,679**
Impairment losses						
Irasa	(35,296)	-	(35,296)	(35,296)	-	(35,296)
Ciralsa	(30,773)	-	(30,773)	(30,773)	-	(30,773)
Alazor	(16,606)	-	(16,606)	(16,606)	-	(16,606)
Other investments	-	(2,325)	(2,325)	-	-	-
	(82,675)	**(2,325)**	**(85,000)**	**(82,675)**	**-**	**(82,675)**
Total	**19,160**	**2,042**	**21,202**	**31,625**	**14,520**	**46,145**

(1) Investments derecognised as associates as described in Note 10.i

(*) For the purposes of better monitoring and traceability of the Group's financial assets, the balances are presented at their revalued gross accounting values as a result of the PPA process described in Note 6 and their respective historical provisions, that is, they are maintained the balances of the provisions recorded prior to the takeover described in Note 6. In any case, the net book value is the result of the PPA process and since the date of the takeover there have been no reversals of provisions prior to it.

At 31 December 2019 (as at the end of 2018 and previous years), non-current receivables from Irasa, Alazor and Ciralsa related mainly to loans, basically to finance the companies owing to the payment cost overruns for compulsory purchases and, to a lesser extent, to meet their own financing needs, which, just as at 2018 year-end, had been fully provisioned (see Note 10.i).

iii) Trade receivables

At 31 December 2019 and 2018, the account did not have any significant past-due balances that had not been provisioned.

iv) Current tax assets

The detail of "Current Tax Assets" at 31 December 2019 and 2018 is as follows:

	2019	**2018**
VAT refundable	40,646	47,940
Tax withholdings and pre-payments	186,816	130,275
Other taxes	629,235	698,050
Current tax assets	**856,697**	**876,265**

"Current Tax Assets - Other Taxes" includes mainly 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.

In addition, at 2018 year-end, it included the amount to be recovered by **Abertis**, as the then parent of the Spanish consolidated tax group, in relation to income tax for 2017 amounting to EUR 112,885 thousand, which was collected in January 2019.

v) Other financial assets

The detail of “Other Financial Assets” at 31 December 2019 and 2018 is as follows:

	31 December 2019(*)			**31 December 2018**		
	Non-current	Current	Total	Non-current	Current	Total
Accounts receivable from third parties	60,952	101,800	162,752	-	-	-
Current financial assets maturing at more than three months and other deposits	114,419	56,346	170,765	65,340	50,087	115,427
Other	25,443	5,875	31,318	-	-	-
Impairment (expected credit losses)	(3,168)	(9,541)	(12,709)	-	(422)	(422)
Other financial assets	**197,646**	**154,480**	**352,126**	**65,340**	**50,087**	**115,427**

(*) For the purposes of better monitoring and traceability of the Group's financial assets, the balances are presented at their revalued gross accounting values as a result of the PPA process described in Note 6 and their respective historical provisions, that is, they are maintained the balances of the provisions recorded prior to the takeover described Note 6. In any case, the net book value is the result of the PPA process and since the date of the takeover there have been no reversals of provisions prior to it.

At 31 December 2019 the accounts receivable from third parties included, on the one hand, the loans granted by **Túnels** and **Trados** to their respective non-controlling shareholders amounting to EUR 61 million and EUR 36 million, respectively, and, on the other hand, the amount to be collected from the Argentine government by the Argentine companies **Gco** and **Ausol** totalling EUR 74 million in relation to –RAE-by virtue of which the companies are obliged to execute different construction works in future periods by means of the funds obtained from third parties, as is stipulated in the framework of the Concession Agreement. In this sense, the aforementioned Argentinian companies hold a liability for the same amount under the heading "Other current financial liabilities" (see Note 21).

vi) Other non-financial assets

The detail of "Other Non-Financial Assets" at 31 December 2019 and 2018 is as follows:

	31 December 2019(*)			31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Receivables from companies accounted for using the equity method and other related parties	-	275,602	275,602	-	-	-
Other accounts receivable	3,768	62,272	66,040	80,899	166,923	247,822
Impairment (expected credit losses)	(559)	(3,728)	(4,287)	(5,063)	(3,655)	(8,718)
Other financial assets	**3,209**	**334,146**	**337,355**	**75,836**	**163,268**	**239,104**

(*) For the purposes of better monitoring and traceability of the Group's financial assets, the balances are presented at their revalued gross accounting values as a result of the PPA process described in Note 6 and their respective historical provisions, that is, they are maintained the balances of the provisions recorded prior to the takeover described in Note 6. In any case, the net book value is the result of the PPA process and since the date of the takeover there have been no reversals of provisions prior to it.

The detail of the non-financial accounts receivable from associates and joint ventures, together with other related parties, is as follows:

	31 December 2019		
	Non-current	Current	Total
Companies accounted for using the equity method:			
Areamed	-	3,982	3,982
Bip&Drive	-	2,294	2,294
A'lienor	-	1,784	1,784
CIS	-	1,717	1,717
Pedemontana Veneta	-	240	240
Routalis	-	159	159
Alis	-	123	123
Other investments	-	42	42
		10,341	**10,341**
Other related parties:			
Abertis Holdco	-	191,250	191,250
Autostrade per l'italia	-	63,596	63,596
Telepass Italia	-	6,882	6,882
Autogrill Italia	-	3,077	3,077
Autogrill Coté France	-	456	456
	-	**265,261**	**265,261**
	-	**275,602**	**275,602**

The receivables from Abertis HoldCo relate to the tax consolidation regime to which **Abertis** belongs, on the parent of which is Abertis HoldCo, S.A. (see Note 19-i)

The concession operator **A4** has an account receivable from Autostrade per l'Italia, S.p.A. in connection with toll collection management relating to the interconnection between the **A4** toll road with those of other concession operators.

vii) Impairment (expected credit losses)

The changes in "Impairment (Expected Credit Losses)" in 2019 is as follows:

	2019 (*)					
Impairment (expected credit losses)	Concession arrangements – financial asset model			Other accounts receivable		
	Non-current	Current	Total	Non-current	Current	Total
At 1 January	162,648	1,758	164,406	5,063	4,077	9,140
Charge to the consolidated statement of profit or loss:						
- With a charge to profit from operations	-	-	-	-	-	-
- With a charge to financial profit (Note 22.e)	139,992	-	139,992	(2,970)	176	(2,794)
Transfers	66,696	(1,723)	64,973	1,347	(1,347)	-
Others	5	-	5	269	10,411	10,680
Exchange differences	25,992	(35)	25,957	18	(48)	(30)
At 31 December	**395,333**	**-**	**395,333**	**3,727**	**13,269**	**16,996**

(*) For the purposes of better monitoring and traceability of the Group's financial assets, the balances are presented at their revalued gross accounting values as a result of the PPA process described in Note 6 and their respective historical provisions, that is, they are maintained the balances of the provisions recorded prior to the takeover described in Note 6. In any case, the net book value is the result of the PPA process and since the date of takeover there have been no reversals of provisions prior to it.

	2018					
Impairment (expected credit losses)	Concession arrangements – financial asset model			Other accounts receivable		
	Non-current	Current	Total	Non-current	Current	Total
A 1 de enero	-	-	-	-	-	-
Changes in accounting policies	32,884	1,489	34,373	9,669	4,004	13,673
Charge to the consolidated statement of profit or loss:						
- With a charge to profit from operations	-	-	-	(169)	-	(169)
- With a charge to financial profit (Note 22.e)	127,533	-	127,533	908	-	908
Transfers	(890)	890	-	(1,309)	1,309	-
Others	3,489	(499)	2,990	(4,036)	(1,232)	(5,268)
Exchanges differences	(368)	(122)	(490)	-	(4)	(4)
A 31 de diciembre	**162,648**	**1,758**	**164,406**	**5,063**	**4,077**	**9,140**

The impairment recognised in the period amounting to EUR 139,198 thousand (EUR 132,916 thousand in 2018) relates mainly to the recognition of the expected credit losses associated with the concession arrangements which, in accordance with IFRIC 12, were recognised as financial assets. In this respect, the Group recognised expected credit losses on the financial assets associated with the concession arrangements of **Ausol** and **GCO** (see section i) above) amounting to EUR 140 million, in view of the significant worsening of the macroeconomic situation in Argentina and of the counterparty's credit risk since the initial recognition of the arrangements, resulting in the calculation of the losses over the entire term of the arrangement in accordance with IFRS 9 (see Note 22-e).

With respect to the expected credit losses associated with the other financial assets, according to the analysis performed by the Group in 2019, there was no significant increase in the credit risk.

There were no changes in the estimation techniques or the main assumptions used in assessing expected losses in 2019.

14. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December 2019 and 2018 is as follows:

	2019	2018
Cash on hand and at banks	1,683,864	1,811,304
Bank deposits maturing within three months	961,025	925,766
Cash and cash equivalents	**2,644,889**	**2,737,070**

The balance of this heading at 31 December 2019 and 2018 relates mainly to the following companies/subgroups:

	2019	2018
Abertis Infraestructuras	1,651,130	1,133,310
A4 subgroup (Italy)	292,601	229,979
Abertis Chile subgroup (Chile)	279,852	494,859
Arteris subgroup (Brazil)	127,032	235,074
HIT/Sanef subgroup (France)	52,045	441,375
Other	242,229	202,473
Cash and cash equivalents	**2,644,889**	**2,737,070**

"Cash and Cash Equivalents" reflects a decrease in 2019, mainly as a result of investments made, ordinary dividend payments and debt repayments, which were partially offset by the sale of 89.68% of **Hispasat**, resulting in a cash inflow of EUR 933 million.

In this regard, the increase in cash at Abertis Infraestructuras, S.A. is due mainly to the impact of the aforementioned sale of 89.68% of **Hispasat**, as well as the impact of various financing transactions carried out at the end of the year, of which EUR 500 million had not yet been drawn down at 2019 year-end. The decrease in the **Hit** subgroup's cash was due mainly to the payment in December 2019 of EUR 465 million in dividends to **Abertis,** as well as returns of contributions for 110 million euros. In the case of Chile, the reduction in cash was affected by the payment of EUR 196 million by **Invin** to its non-controlling shareholder.

15. EQUITY

The changes in consolidated equity in the 2019 and 2018 are as follows:

		Reserves (b)					
	Share capital and treasury shares (a)	Valuation adjustments relating to hedges	Translation differences	Total	Retained earnings and other reserves (c)	Non-controlling interests (d)	Equity
At 1 January 2019	2,734,540	(109,111)	(407,022)	(516,133)	1,903,467	1,803,758	5,925,632
Changes in accounting policies (Note 5)	-	-	-	-	(76)	(8)	(84)
At 1 January 2019 adjusted	2,734,540	(109,111)	(407,022)	(516,133)	1,903,391	1,803,750	5,925,548
Income (expense) recognised in equity:							
Financial assets	-	-	-	-	(2,916)	(323)	(3,239)
Cash flow hedges and/or hedges of a net investment in a foreign operation	-	(125,060)	-	(125,060)	(19,857)	5,103	(139,814)
Translation differences	-	-	(107,010)	(107,010)	-	(28,466)	(135,476)
Actuarial gains and losses	-	-	-	-	(165)	(67)	(232)
Other [1]	-	-	-	-	1,367	149	1,516
Profit for the period	**-**	**-**	**-**	**-**	**351,740**	**(28,735)**	**323,005**
Impact of merger	-	106,077	318,029	424,106	12,073,773	347,131	12,845,010
Payment of 2018 dividend	-	-	-	-	(875,103)	(60,093)	(935,196)
Payment of 2019 dividend	-	-	-	-	-	(10,365)	(10,365)
Bonus dividend	-	-	-	-	(9,963,410)	-	(9,963,410)
Treasury shares	(7,237)	-	-	-	-	-	(7,237)
Capital increase	-	-	-	-	-	220	220
Reimbursement of shareholder contributions	-	-	-	-	-	(22,631)	(22,631)
Changes in the scope of consolidation and other	-	515	4,557	5,072	(3,775)	(43,593)	(42,296)
At 31 December 2019	**2,727,303**	**(127,579)**	**(191,446)**	**(319,025)**	**3,465,045**	**1,962,080**	**7,835,403**

(1) Including a positive impact of EUR 2,913 thousand on "Retained Earnings and Other Reserves" in relation to the 2019 bonus dividend and the 2018 dividend corresponding to treasury shares held when they were paid.

Note: The income and expense recognised in equity are shown net of the related tax effect.

	Share capital and treasury shares	Reserves (b)				Retained earnings and other reserves	Non-controlling interests	
		Valuation adjustments relating to hedges	Available-for-sale financial assets	Translation differences	Total			
	(a)					(c)	(d)	Equity
At 1 January 2018	1,802,465	(135,512)	23,761	(189,293)	(301,044)	1,027,438	2,247,815	4,776,674
Changes in accounting policies (Note 5)	-	-	(23,761)	-	(23,761)	38,354	(3,132)	11,461
At 01 January 2018 adjusted	1,802,465	(135,512)	-	(189,293)	(324,805)	1,065,792	2,244,683	4,788,135
Income (expense) recognised in equity:								
Financial assets	-	-	-	-	-	(6,949)	(770)	(7,719)
Cash flow hedges and/or hedges of a net investment in a foreign operation	-	26,288	-	-	26,288	958	(3,801)	23,445
Translation differences	-	-	-	(207,183)	(207,183)	-	(80,354)	(287,537)
Actuarial gains and losses	-	-	-	-	-	1,749	7	1,756
Other [(1)]	-	-	-	-	-	54,763	8,428	63,191
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,681,371**	**153,372**	**1,834,743**
2nd payment of 2017 dividend	-	-	-	-	-	(396,152)	(17,733)	(413,885)
1st payment of 2018 dividend	-	-	-	-	-	-	(48,236)	(48,236)
Treasury shares	932,075					(932,231)	-	(156)
Capital increase	-	-	-	-	-	-	2,870	2,870
Reimbursement of shareholder contributions	-	-	-	-	-	-	(6,382)	(6,382)
Changes in the scope of consolidation and other	-	113	-	(10,546)	(10,433)	434,166	(448,326)	(24,593)
At 31 December 2018	**2,734,540**	**(109,111)**	**-**	**(407,022)**	**(516,133)**	**1,903,467**	**1,803,758**	**5,925,632**

(1) Including a positive impact of EUR 31,526 thousand on "Retained Earnings and Other Reserves" in relation to second payment of the 2017 dividend corresponding to treasury shares held when it was paid.

Note: the income and expense recognised in equity are shown net of the related tax effect.

a) Share capital and treasury shares

The detail of these line items and of the changes therein in 2019 and 2018 is as follows:

	Share capital	Treasury shares	Total
At 1 January 2019	2,734,696	(156)	2,734,540
Acquisition of treasury shares	-	(7,237)	(7,237)
At 31 December 2019	**2,734,696**	**(7,393)**	**2,727,303**

	Share capital	Treasury shares	Total
At 1 January 2018	2,971,144	(1,168,679)	1,802,465
Redemption of treasury shares	(236,448)	1,168,679	932,231
Acquisition of treasury shares	-	(156)	(156)
At 31 December 2018	**2,734,696**	**(156)**	**2,734,540**

i) Share capital

At 31 December 2019, 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, and the changes therein in 2019 and 2018 are as follows:

	Number of ordinary shares	
	2019	**2018**
At 1 January	911,565,371	990,381,308
Capital reduction through the retirement of treasury shares	-	(78,815,937)
At 31 December	**911,565,371**	**911,565,371**

The shares of **Abertis** are represented by book entries. According to the information available, at 31 December 2019 and 2018 the shareholdings that had given rise to the appointment of directors are as follows:

	31 December 2019	**31 December 2018**
Abertis HoldCo, S.A.[1]	98.70%	-
Abertis Participaciones, S.A.U. [2]	-	98.70%
	98.70%	**98.70%**

[1] Company in which Atlantia S.p.A. maintains a 50% stake plus one share, Actividades de Construcción y Servicios, S.A. (ACS) a 30% stake and Hochtief Aktiengesellschaft a 20% stake minus one share.

[2] Company at 31 December 2018 wholly owned by Abertis HoldCo, S.A which in 2019 has been absorbed by Abertis Infraestructuras, S.A. as described in Notes 1 and 6, the merger being effective with accounting effect 1 January, 2019.

Following the aforementioned merger of **Abertis** with Abertis Participaciones, S.A.U., Abertis HoldCo, S.A. directly held 98.7% of the share capital of **Abertis** (until then held indirectly through Abertis Participaciones, S.A.U.).

In 2018, the Board of Directors of **Abertis** called a General Meeting of Abertis Infraestructuras, S.A. for 25 July 2018 at which, inter alia, the shareholders were asked to approve a reduction of the share capital of Abertis Infraestructuras, S.A. by EUR -236,448 thousand through the retirement of the 78,815,937 treasury shares (representing 7.9581% of its share capital) held by the Group at 30 June 2018 amounting to EUR 1,168,679 thousand, which also had an impact of EUR -932,231 thousand on the Group's reserves (overall, no impact on the Group's equity).

In this respect, on 25 September 2018 the Board of Directors, exercising the powers delegated by the aforementioned Extraordinary General Meeting, agreed to this capital reduction, which was performed with a charge to voluntary or unrestricted reserves, and the requisite reserve for retired capital was recognised for an amount equal to the par value of the treasury shares effectively retired (EUR 236 million), which will only become unrestricted if the requirements for capital reductions provided for in Article 335.c) of the Spanish Limited Liability Companies Law are met.

At the same meeting the shareholders approved the delisting of shares representing all the share capital of Abertis Infraestructuras, S.A. from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, a measure that was completed on 6 August 2018 when all the shares of **Abertis** were delisted from those Stock Exchanges. Until that date the shares had been traded on the Spanish Stock Market Interconnection System as they had been excluded from the IBEX-35 index on 9 May 2018 as a result of the tender offer (described below) in which **Abertis** was involved in the year.

Also of note in 2018 were, on the one hand, the completion of the tender offer in which the Parent had been engaged since 2017 and, on the other, the agreement for the merger of Abertis Infraestructuras, S.A. with its shareholder Abertis Participaciones, S.A.U., completed in 2019 as detailed above (see Note 1). The following should be noted in this connection:

Tender offer

Atlantia tender offer

- On 15 May 2017 the Italian company Atlantia, S.p.A. announced its decision to launch a tender offer for all the shares of Abertis Infraestructuras, S.A.

  Under the terms and conditions of this tender offer detailed in the prospectus authorised by the CNMV on 9 October 2017, Atlantia offered the shareholders of **Abertis** the possibility of choosing between the following three alternative types of consideration: (i) cash consideration consisting of the payment of EUR 16.50 per share of **Abertis**; (ii) consideration in the form of special shares of Atlantia (par value of EUR 1 per share) determined on the basis of a share exchange ratio of 0.697 special shares of Atlantia for every share of **Abertis**; and (iii) a combination of alternatives (i) and (ii). However, only the holders of a maximum of 230,000,000 shares of **Abertis** (23.22% of the total) could opt to receive the consideration in the form of special shares of Atlantia. Also, the effectiveness of Atlantia's offer was conditional upon holders of a minimum of 100,000,000 shares of **Abertis** (10.10% of its share capital) accepting the consideration in the form of special shares of Atlantia. In addition, Atlantia made the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

  On 18 October 2017, the Board of Directors of **Abertis** issued a detailed and reasoned report on Atlantia's tender offer in which it stated that it considered the offer to be positive from the industrial standpoint and the amount of the cash consideration to be reasonable on the basis of a fundamental analysis of **Abertis** (as also reflected by the fairness opinions received from AZ Capital, S.L., Citigroup Global Markets Limited and Morgan Stanley & Co. International, plc.). However, it was considered that there was room for improvement in Atlantia's offer, as also evidenced by the positive performance from the time the offer was announced: (i) of the price of the shares of **Abertis**; and (ii) the difference in the share exchange ratio with respect to the cash consideration.

Hochtief tender offer

- On 18 October 2017, the German company Hochtief Aktiengesellschaft (Hochtief) presented a rival offer also for all the shares of Abertis Infraestructuras, S.A., upon which the acceptance period for the aforementioned tender offer launched by Atlantia was suspended.

  Under the terms and conditions of this tender offer detailed in the prospectus authorised by the CNMV on 12 March 2018, having considered the adjustment for the dividend paid by **Abertis** prior to the completion of the tender offer, Hochtief also offered the shareholders of **Abertis** the possibility of choosing between the following three alternative types of consideration: (i) cash consideration that would consist of a payment of EUR 18.36 per share of **Abertis**; (ii) consideration in the form of ordinary shares of Hochtief based on a share exchange ratio of 0.1254 ordinary shares of Hochtief for each share of **Abertis**; and (iii) a combination of alternatives (i) and (ii). In this case, only 193,530,179 shares of **Abertis** (19.54% of the total) could opt for the shares of Hochtief, this being the maximum and minimum acceptances in the form of shares of Hochtief that Hochtief would permit. In other words, should the holders of more than 193,530,179 shares of **Abertis** opt for shares of Hochtief, the shares would be apportioned on a pro rata basis, and should the acceptance be lower, Hochtief would be entitled to withdraw its offer. In addition, Hochtief made the effectiveness of its tender offer conditional upon acquiring a minimum of 50% plus one share of the shares of **Abertis**.

  Also, Hochtief announced its intention to exercise its squeeze-out right if it achieved the legally required acceptance threshold and, if the threshold were not reached, its intention to exclude the shares of **Abertis** from trading.

  The Board of Directors of **Abertis** also had to draft a detailed and reasoned report on the tender offer of Hochtief explaining, among other matters, its opinion regarding the pros and cons of the offer and the reasonableness of the price offered by Hochtief, although the report was ultimately prepared in connection with Hochtief's modified tender offer, as detailed below.

Modification of the Hochtief tender offer and withdrawal of the Atlantia tender offer

- On 14 March 2018, Hochtief announced changes to its tender offer, having reached a binding agreement in principle with Atlantia and Actividades de Construcción y Servicios, S.A. (ACS) to make a joint investment in **Abertis**; the agreement was simultaneously ratified and approved by the respective Boards of Directors of Hochtief, Atlantia and ACS on 14 March 2018.

  The agreement entered into was structured on the basis of the following principles:

  i. Modification of the consideration offered

     Hochtief modified its offer by eliminating the "consideration in the form of shares" (and the concomitant condition concerning the choice of this form of consideration by the holders of a specified percentage of the share capital of **Abertis**) and, therefore, the price of the tender offer, which remained unaltered at EUR 18.36 per **Abertis** share, became payable in full in cash.

  ii. Holding company

     Atlantia, ACS and Hochtief would contribute capital of approximately EUR 7,000 million to a jointly owned holding company that would subsequently acquire from Hochtief its entire ownership interest in **Abertis** for the same price as that paid by Hochtief in the tender offer and in subsequent share purchases (adjusted by such gross dividends as might be paid).

     The share capital of this company would be owned as follows: (i) Atlantia 50% plus one share; (ii) ACS 30%; and (iii) Hochtief 20% minus one share. Also, the parties would enter into a shareholders agreement with a view to regulating their relationships as shareholders of the jointly owned holding company.

  iii. Injection of capital and investment by Atlantia in Hochtief

     Hochtief would increase capital by approximately 6.35 million shares, which would be subscribed in full by ACS for EUR 143.04 per share. Also, ACS would sell for the same price to Atlantia shares of Hochtief for a total value of up to EUR 2,411 million.

iv. Strategic cooperation agreement

Atlantia, ACS and Hochtief would enter into a long-term agreement with a view to maximising strategic relations and synergies between the parties and **Abertis** in new public-private partnerships both in projects at the tendering and construction phases and projects in the operating phase.

v. Withdrawal of the Atlantia tender offer

On the basis of the aforementioned agreements, Atlantia would withdraw its tender offer for **Abertis** shares described above.

As a result of all of the above, on 12 April 2018, on the one hand, Atlantia, by virtue of the aforementioned agreements, withdrew its voluntary tender offer for **Abertis** shares described above and, on the other, the CNMV authorised Hochtief's voluntary tender offer for **Abertis** shares, which became the only surviving tender offer. Also, the CNMV extended the period for accepting the Hochtief tender offer until 8 May 2018, the date on which it was completed.

Also, on 16 April 2018 the Board of Directors of **Abertis** issued a detailed and reasoned report on the modified tender offer of Hochtief stating that it considered the offer to be positive, highlighting that it deemed the amount of the cash consideration to be reasonable and included a share premium of 33% of the average **Abertis** share price in the six months preceding 13 April 2017 (the day before the publication of the relevant event communication announcing the potential Atlantia tender offer, following the speculation that had appeared in the press), considerations that were also supported by the fairness opinions received from AZ Capital, S.L., Citigroup Global Markets Limited and Morgan Stanley & Co. International, plc. This report was published on 17 April 2018.

Lastly, on 14 May 2018 the CNMV published the result of the tender offer launched by Hochtief for all the shares of Abertis Infraestructuras, S.A., which had been accepted by holders of 780,317,294 shares, i.e., 78.79% of its share capital (85.60% if the 78,815,937 treasury shares held by **Abertis** at that date were disregarded).

Good 'til cancelled share purchase order and delisting

- Since the threshold of acceptances legally required to be able to exercise the squeeze-out right vis-à-vis the shareholders that had not accepted the tender offer was not reached, Hochtief triggered the call by **Abertis** of an EGM for 25 July 2018 which approved the delisting of the shares representing the entire share capital of **Abertis** from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The delisting from the four Stock Exchanges became effective on 6 August 2018.

  In accordance with the requirements provided for in the applicable legislation to be able to delist the shares, Hochtief had previously made a good 'til cancelled share purchase order of EUR 18.36 per share for a maximum of 52,612,289 shares of **Abertis** representing 5.31% of its share capital. This good 'til cancelled share purchase order, which commenced on 21 June 2018, resulted in the acquisition of an additional stake of 3.06% in **Abertis** once it was completed on 27 July 2018. Therefore, at the date of signing of the consolidated financial statements for 2018 approximately 1.3% of the shares of **Abertis** were in the hands of other non-controlling shareholders.

*Retirement of treasury shares of **Abertis***

- Also, the Board of Directors meeting of **Abertis** held on 25 September 2018, exercising the powers granted to it by the EGM held on 25 July 2018, resolved to reduce the share capital of Abertis Infraestructuras, S.A. by EUR 236,448 thousand through the retirement of 78,815,937 treasury shares of EUR 3 par value each, representing 7.9581% of its share capital.

  The objective of the capital reduction was to retire the treasury shares held by **Abertis**.

*Incorporation of Abertis HoldCo, S.A. and of Abertis Participaciones, S.A.U. and transfer of the shares of **Abertis** to the latter*

- Lastly, Atlantia, ACS and Hochtief, pursuant to the resolutions adopted described above, contributed the shares of **Abertis** acquired as a result of the Hochtief tender offer to a jointly owned holding company with the following structure:

  1.- Atlantia, ACS and Hochtief incorporated a Spanish company, Abertis HoldCo, S.A., in which Atlantia has an ownership interest of 50% plus one share, ACS has an ownership interest of 30% and Hochtief has an ownership interest of 20% minus one share. Equity of EUR 6,758.8 million was contributed to Abertis HoldCo, S.A., and at the date of authorisation for issue of the consolidated financial statement for 2018 it had borrowings from the financing banks for a nominal amount of EUR 9,823.9 million.

  2.- In turn, that company, Abertis HoldCo, S.A., incorporated, as its sole shareholder, Abertis Participaciones, S.A.U., to which it contributed equity of EUR 16,519.6 million.

  3.- Hochtief sold to Abertis Participaciones, S.A.U., for cash, its entire ownership interest in **Abertis**, representing 98.7% of its share capital, for the same price as it had paid in its acquisition, i.e., EUR 18.36 per share. This sale was completed on 29 October 2018, the date on which control of **Abertis** was therefore transferred to Abertis HoldCo, S.A., which is in turn controlled by Atlantia.

Merger of Abertis Infraestructuras, S.A. and of Abertis Participaciones, S.A.U.

On 10 December 2018, the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. formally drew up the Common Merger Project for absorption between Abertis Infraestructuras, S.A. (as Absorbed Society) and Abertis Participaciones, S.A.U. (as Absorbent Society). The aforementioned merger project was approved by both the Extraordinary General Meeting of Shareholders of Abertis Infraestructuras, S.A. as by the Sole Shareholder of Abertis Participaciones, S.A.U. dated 8 February 2019, it has been presented to the public on 14 March 2019 and registered in the Mercantile Registry of Madrid on 15 March 2019, having accounting effects since 1 January 2019.

ii) Treasury shares

Pursuant to the authorisations granted by the Annual General Meeting of 25 July 2018, in which, among other resolutions, the Board of Directors of **Abertis** was authorised to acquire by transfer of title, directly or indirectly through other companies, treasury shares of the Company at a maximum price of EUR 18.36 per share for a maximum period of 5 years, i.e. until 25 July 2023, in 2019 **Abertis** performed various share purchases.

As a result of the transactions carried out, the treasury shares held at 31 December 2019 represented 0.08% of the share capital of Abertis Infraestructuras, S.A. (0.001% at 2018 year-end).

Also, pursuant to the authorisations granted by the shareholders, in 2018 **Abertis** retired all the treasury shares that it had held at 2017 year-end (which represented 7.96% of the share capital of Abertis Infraestructuras, S.A.), with the concomitant capital reduction, and made several subsequent acquisitions.

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 2019 and 2018 are as follows:

	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**

	Number	Par value	Acquisition cost/Sales proceeds
At 1 January 2018	78,815,937	236,448	1,168,679
Retirement (capital reduction)	(78,815,937)	(236,448)	(1,168,679)
Acquisition	8,500	26	156
At 31 December 2018	**8,500**	**26**	**156**

b) Reserves

As a result of the merger in 2019 between Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U., as detailed in Notes 1 and 6, on 1 January 2019 the impact of the revaluation described in those notes was recognised as a result of the gain of control of **Abertis** on 29 October 2018, together with the associated impacts from that date until 31 December 2018 and the transfer of the revaluation reserves existing in the Group at the date of acquisition to "Retained Earnings and Other Reserves" (EUR 424.106 thousand, of which EUR 106,077 thousand relate to "Valuation Adjustments Relating to Hedges" and EUR 318,029 thousand to "Translation Differences").

i) Valuation adjustments relating to hedges

These relate to the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations in the case of the fully consolidated companies.

ii) Available-for-sale investments

Since 1 January 2018, as part of the application of IFRS 9, these reserves were transferred to investment revaluation reserves under "Retained Earnings and Other Reserves" since they will not be transferred to the consolidated statement of profit or loss and relate mainly to the change in the fair value of various financial investments held by the **A4** subgroup.

iii) Translation differences

The detail of "Translation Differences" at 31 December 2019 and 2018 is as follows:

	31 December 2019	31 December 2018
TTPL/JEPL (Indian rupee)	6,825	(14,146)
Metropistas (US dollar)	932	24,531
APR (US dollar)	(494)	(15,114)
Arteris subgroup (Brazilian real)	(51,386)	(316,718)
Invin subgroup/Abertis Chile (1) (Chilean peso)	(145,109)	(60,829)
Other subsidiaries (2)	(2,518)	(13,401)
Group	(191,750)	(395,677)
Coviandes (Colombian peso)	60	(4,460)
Other associates	244	(6,885)
Associates and joint ventures	304	(11,345)
	(191,446)	**(407,022)**

(1) Relating mainly to the translation differences of **Autopista Central** (EUR -129,933 thousand in 2019 and EUR -59,306 thousand in 2018).

(2) Associated mainly with **Gco** and **Ausol** (Argentine peso, EUR -4,427 thousand at 31 December 2019 and EUR 17,213 thousand at December 2018) and, additionally in 2018, the **Hispasat** subgroup (Brazilian real and US dollar, EUR -31,288 thousand in December 2018).

The changes in translation differences in 2019, without considering the impact associated with the merger of **Abertis** detailed previously, are due (as in 2018), on the one hand, to the depreciation at the reporting date of the Brazilian real and the Chilean peso, and the appreciation of the US dollar and, on the other hand, to the application of the criteria established in IAS 29 to the Argentine consolidated companies **Gco** and **Ausol** as described in Note 2-g.

c) Retained earnings and other reserves

The detail of "Retained Earnings and Other Reserves" at 31 December 2019 and 2018 is as follows:

31 December 2019
(adjusted)

	1 January 2019	Changes in accounting policies (Note 5)	At 1 January 2019, adjusted	Actuarial gains and losses	Distribution of profit	Profit	Impact of merger [1]	2019 bonus dividend	Capital increase/ reduction and changes in the scope of consolidation [1]	Other [2]	31 December 2019
Legal reserve	594,229	-	594,229	-	-	-	-	-	-	-	594,229
Retained earnings (excluding profit) and other reserves [3]	(372,133)	(76)	(372,209)	(165)	806,268	-	12,073,773	(9,963,410)	(3,775)	(21,406)	2,519,076
Profit	1,681,371	-	1,681,371	-	(1,681,371)	351,740	-	-	-	-	351,740
	1,903,467	**(76)**	**1,903,391**	**(165)**	**(875,103)**	**351,740**	**12,073,773**	**(9,963,410)**	**(3,775)**	**(21,406)**	**3,465,045**

(1) Corresponding to the impact of the merger of Abertis Infraestructuras, S.A. with Abertis Participaciones, S.A.U. detailed in section c.ii) above.

(2) Corresponding to the impacts of changes in the scope of consolidation associated, as detailed in section d) above, with the purchase of an additional 1% of the share capital of **Trados**.

(3) Including mainly EUR -19,857 thousand relating to the change in value of cash flow hedges in companies accounted for using the equity method, EUR 2,913 thousand relating to the positive impact of the dividend distributed in respect of the bonus dividend for 2019 and the dividend for 2018 relating to treasury shares held at the time of distribution and EUR -2,916 thousand (see Note 11) relating to "Investment Revaluation Reserve" as detailed in Note 3-d.

31 December 2018
(adjusted)

	1 January 2018	Changes in accounting policies	At 1 January 2018, adjusted	Actuarial gains and losses	Distribution of profit	Profit	Interim dividend	Treasury shares	Capital increase/ reduction and changes in the scope of consolidation [1]	Other [2]	31 December 2018
Legal reserve	581,858	-	581,858	-	12,371	-	-	-	-	-	594,229
Retained earnings (excluding profit) and other reserves [3]	(245,520)	38,354	(207,166)	1,749	282,577	-	-	(932,231)	434,166	48,772	(372,133)
Profit	897,413	-	897,413	-	(897,413)	1,681,371	-	-	-	-	1,681,371
Interim dividend	(206,313)	-	(206,313)	-	206,313	-	-	-	-	-	-
	1,027,438	**38,354**	**1,065,792**	**1,749**	**(396,152)**	**1,681,371**	**-**	**(932,231)**	**434,166**	**48,772**	**1,903,467**

(1) Relating to the impact of changes in the scope of consolidation, as detailed in Note 15-d, on the one hand, and to the acquisition of non-controlling interests in **Hispasat** (EUR 396,064 thousand), **A4** (EUR 28,067 thousand) and **JEPL** (EUR 10,035 thousand).

(2) Including a positive impact of EUR 31,526 thousand resulting from the second payment of the 2017 dividend corresponding to treasury shares held when it was paid.

(3) Including EUR 18,651 thousand (see Note 11) in 2018 relating to "Investment Revaluation Reserve" as detailed in Note 3-d

i) Legal reserve of the Parent

Under the Consolidated 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.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2019 (as at 31 December 2018), this reserve had reached the legally required minimum.

ii) Retained earnings (excluding profit for the year) and other reserves

In addition to the effect of recognising the 2019 bonus dividend of EUR 9,963,410 thousand and the distribution of the 2018 dividend of EUR 875,103 thousand paid in the year, as shown in Note 15-e), the most significant changes in this line item in 2019 are as follows:

- The resulting impact of EUR 12,073,773 thousand, as detailed in Notes 1 and 6, of the merger between Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U., effective for accounting purposes on 1 January 2019, which includes the net effect of the purchase price allocation (PPA) to the assets and liabilities of **Abertis**. In this regard, at the aforesaid date of 1 January 2019, the impact of the aforementioned revaluation was recognised as a result of the gain of control on 29 October 2018, together with the associated impacts from that date until 31 December 2018 and the transfer of the revaluation reserves existing at the Group at the date of acquisition to "Retained Earnings and Other Reserves" (EUR -424.106 (see Note 15-b)).

- The impact recognised in equity as a result, on the one hand, of the sale of 89.68% of **Hispasat** and, on the other hand, of the takeover of **Trados** following the acquisition of an additional 1% of its share capital described in Notes 2-h and in section d) above:

	Retained earnings and other reserves	Reserves				
	Impact of changes in the scope of consolidation	Valuation adjustments relating to hedges	Translation differences	Impact on Group reserves	Non-controlling interests (Note 15-d)	Total impact on equity 2019
Acquisition of an additional 1% of Trados 45, S.A. (**Trados**)	(3,775)	-	-	(3,775)	62,854	59,079
Sale of 89.68% of Hispasat, S.A. (**Hispasat**)	-	515	4,557	5,072	(106,447)	(101,375)
Total	**(3,775)**	**515**	**4,557**	**1,297**	**(43,593)**	**(42,296)**

- The negative impacts relating to the change in value of cash flow hedges at companies accounted for using the equity method (EUR -19,857 thousand in 2019 compared with EUR 958 thousand in 2018) and EUR -2,916 thousand (net of the related tax effect) due to the change in value of financial assets at fair value through equity (Note 11).
- The positive impact on reserves of EUR 2,913 thousand (2018: EUR 31,526 thousand) of the dividends paid relating to treasury shares at the time of payment.

In addition to the effect of the capital reduction through the retirement of treasury shares and the recognition of the dividend paid, the most significant changes in this line item in 2018 were as follows:

- The impact recognised in equity as a result of the transactions carried out with non-controlling interests of the **A4** and **Hispasat** subgroups and of **JEPL**:

	Retained earnings and other reserves	Reserves				
	Impact of changes in the scope of consolidation	Valuation adjustments relating to hedges	Translation differences	Impact on Group reserves	Non-controlling interests (Note 15-d)	Total impact on equity 2018
Acquisition of an additional 6.47% of A4 Holding, S.p.A. (**A4**)	28,067	-	-	28,067	(60,832)	(32,765)
Acquisition of an additional 26.00% of Jadcherla Expressways Private Ltd. (**JEPL**)	10,035	-	(1,568)	8,467	(9,794)	(1,327)
Acquisition of an additional 32.63% of Hispasat, S.A. (**Hispasat**)	396,064	113	(8,978)	387,199	(377,700)	9,499
Total	**434,166**	**113**	**(10,546)**	**423,733**	**(448,326)**	**(24,593)**

(*) In connection with the aforementioned effects, if the effect of the initial recognition against reserves of the respective liabilities amounting to EUR 14 million and EUR 302 million, recognised in prior years, is taken into account, the net impact of the aforementioned transactions totals EUR -5 million and EUR +85 million, respectively.

The acquisitions of the non-controlling interests in **JEPL** and **Hispasat** were carried out following the fulfilment in the year of the purchase commitments that the Group had to the aforementioned companies' third-party shareholders, the recognition of which in prior years had an accumulated negative impact on reserves of EUR -14,012 thousand and EUR -302,000 thousand, respectively. Therefore, following the recognition in prior years of the purchase commitments relating to shares of **JEPL** and **Hispasat** and their subsequent exercise in the first half of 2018, the accumulated impact in the year on the Group's reserves amounted to EUR 8,467 thousand and EUR 387,199 thousand, respectively.

- The positive impact on reserves of EUR 31,526 thousand of the dividend paid relating to treasury shares.

iii) Profit for the year

The detail of the contribution of each company included in the scope of consolidation to the consolidated profit, indicating the portion corresponding to non-controlling interests, is as follows:

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Sanef	131,286	-	131,286
Acesa	117,823	-	117,823
Autostrada Br-Vr-Vi-Pd [3]	63,526	(6,254)	57,272
Aumar	59,683	-	59,683
Invicat	48,361	-	48,361
Sapn	44,804	(13)	44,791
Aucat	40,474	-	40,474
Castellana	28,953	-	28,953
Elqui [1]	23,817	(4,763)	19,054
Intervias	19,753	(11,463)	8,290
Rutas del Pacífico [1]	15,967	(3,193)	12,774
Trados	15,098	(7,398)	7,700
Autopista Los Libertadores [1]	11,376	(2,275)	9,101
Via Paulista	11,329	(6,574)	4,755
APR	8,493	-	8,493
Avasa	8,274	-	8,274
Túnels de Barcelona i del Cadí	6,550	(3,274)	3,276
Operavias [1] / [4]	6,303	(1,261)	5,042
Bip&Go	5,214	-	5,214
A4 Mobility	5,051	(504)	4,547
Abertis Finance	4,599	-	4,599
Emovis	4,411	-	4,411
Serenissima Partecipazioni	2,993	(298)	2,695
Societat d'Autopistes Catalanes	2,406	-	2,406
GCO	2,214	(1,138)	1,076
Abertis Motorway UK Ltd.	1,618	-	1,618
Emovis Operations Leeds	1,411	-	1,411
Emovis Operations Ireland	1,161	-	1,161
Vianorte [2]	909	(528)	381
Eurotoll	816	-	816
A4 Trading	785	(78)	707
Abertis Italia	737	-	737
Emovis Operations Mersey Ltd.	679	-	679
Iberpistas	637	-	637
Sanef Aquitane	523	-	523
Emovis Technologies Croatia	491	-	491
Globalcar Services	479	(194)	285
Autopista del Sol [1]	476	(95)	381
Gesa [1]	464	(93)	371
Autovias [2]	415	(241)	174

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
SE BPNL SAS	359	-	359
Emovis Tag UK	301	-	301
Emovis Technologies US	247	-	247
Emovis Operations Puerto Rico	218	-	218
Sanef FM 107	174	-	174
Emovis Qatar	97	-	97
Fernão Dias	42	(24)	18
Emovis Technologies UK	39	-	39
Technologie Emovis Quebec	33	-	33
Eurotoll Central Europe	32	-	32
Emovis Technologies Ireland	21	-	21
SPI	3	(1)	2
Abertis Mobility Services	0	-	0
HIT 2	(3)	-	(3)
Emovis Technologies BC	(5)	-	(5)
Emovis Technologies BC	(5)	-	(5)
Emovis Technologies Chile	(11)	-	(11)
Arteris Participações	(21)	12	(9)
PDC	(29)	14	(15)
Leonord Explotation SAS [(3)]	(36)	5	(31)
Mulhacen	(40)	4	(36)
Abertis India Toll Road Services	(80)	-	(80)
JEPL	(178)	-	(178)
A4 Holding [(1)]	(194)	19	(175)
Partícipes en Brasil II	(280)	137	(143)
Abertis India	(411)	-	(411)
Partícipes en Brasil	(500)	245	(255)
Aulesa	(839)	-	(839)
Latina Manuntenção de Rodovias	(910)	528	(382)
TTPL	(1,139)	-	(1,139)
Autopista Los Andes [(1)]	(2,064)	413	(1,651)
Abertis Autopistas España	(3,052)	-	(3,052)
Abertis Telecom Satélites	(3,317)	-	(3,317)
Fluminense	(4,450)	2,582	(1,868)
Litoral Sul	(5,072)	2,943	(2,129)
Centrovias	(5,412)	3,141	(2,271)
Planalto Sul	(5,431)	3,152	(2,279)
Régis Bittencourt	(6,251)	3,627	(2,624)
Invin [(1)]	(11,265)	3,172	(8,093)
Abertis Internacional	(13,751)	-	(13,751)
Metropistas	(14,927)	7,314	(7,613)
Autopista Central [(1)]	(17,109)	3,422	(13,687)
Arteris	(26,609)	15,441	(11,168)
HIT	(28,314)	-	(28,314)
Ausol	(32,823)	22,455	(10,368)
Vias Chile	(45,604)	9,121	(36,483)
Abertis	(139,419)	-	(139,419)

Subsidiaries	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Group profit attributable to subsidiaries from continuing operations	**332,374**	**28,085**	**360,459**
Group profit from discontinued operations	(6,293)	650	(5,643)
Group profit attributable to subsidiaries	**326,081**	**28,735**	**354,816**

(1) Since Adia's entry into **Abertis**'s business in Chile in October 2016, profit equal to 20% of the dividend rights is included as profit attributable to non-controlling interests.

(2) In the case of **Autovias** the profit earned up to the end of the concession in May 2019 is included as Group profit.

(3) The profit attributable to non-controlling interests includes the share of the results of investees accounted for using the equity method.

(4) Company resulting from the merger of the various toll road operators owned by **Abertis** in Chile (Note 2-h).

Associates and joint ventures	Consolidated profit	Profit attributable to non-controlling interests	Consolidated profit attributable to the Parent
Autema	2,300	-	2,300
RMG	1,745	-	1,745
Bip&Drive	496	-	496
Routalis	359	-	359
Leonord	62	-	62
A'lienor	(89)	-	(89)
Pedemonta Veneta	(800)	-	(800)
Coninvial	(1,310)	-	(1,310)
Alis	(2,376)	-	(2,376)
Coviandes	(3,662)	-	(3,662)
Loss of associates	(3,275)	-	(3,275)
Areamed	199	-	199
Profit of joint ventures	199	-	199
Loss of associates and joint ventures from continuing operations	**(3,076)**	**-**	**(3,076)**
Profit/Loss of associates from discontinued operations	-	-	-
Loss of associates and joint ventures	**(3,076)**	**-**	**(3,076)**
Profit for the year from continuing operations	**329,298**	**28,085**	**357,383**
Profit (Loss) for the year from discontinued operations	(6,293)	650	(5,643)
Profit for the year	**323,005**	**28,735**	**351,740**

d) Non-controlling interests

The detail of the non-controlling interests is as follows:

	Line of business of subgroup	Country	% owned by Abertis	31 December 2019	31 December 2018
Partícipes en Brasil S.A. (**Partícipes**)	Toll roads	Spain	51.00%	918,267	936,749
Inversora de Infraestructuras, S.L. (**Invin**)	Toll roads	Spain	80.00%	377,700	214,606
Autopistas Metropolitanas Llc. (**Metropistas**)	Toll roads	P. Rico	51.00%	300,912	167,995
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	Toll roads	Spain	50.01%	102,538	82,102
A4 Holding, S.p.A. (**A4**)	Toll roads	Italy	90.03%	77,309	96,152
Autopista del Sol, S.A. (**Ausol**) (2)	Toll roads	Argentina	31.59%	74,739	126,418
Trados 45, S.A. (**Trados**)	Toll roads	India	51.00%	67,530	-
Grupo Concesionario del Oeste, S.A. (**Gco**) (2)	Toll roads	Argentina	48.60%	42,575	56,473
Holding d'Infrastructures de Transport S.A.S (**Hit**) (3)	Toll roads	France	100.00%	510	276
Hispasat, S.A. (**Hispasat**) (1)	Satellites	Spain	89.68%	-	122,987
				1,962,080	**1,803,758**

(1) In 2018, in the case of **Hispasat**, a company/subgroup associated with the satellite telecommunications business that was discontinued in 2017 and whose sale was completed in 2019 (Note 7).

(2) Companies controlled by **Abertis** as described in Note 2-g.i.

In relation to **Gco**, on 8 November 2018 the Group, as required by the Argentine National Securities Market Commission, set up a trust as described in Note 2-h.

(3) Relating to non-controlling interests in the **Hit** subgroup.

The increase in non-controlling interests is due mainly to the impact associated with the purchase price allocation (PPA) performed following the gain of control by Atlantia over **Abertis** and its subsequent merger with Abertis Participaciones, S.A.U., and the related revaluation of net assets and liabilities as detailed in Note 6.

In relation to the main non-controlling interests detailed above, the summarised financial information on the assets, liabilities, profit or loss for the year and the cash flows of the related subgroups included in the consolidation process is as follows:

31 December 2019 (*)

	A4	Partícipes	Trados(*)	Invin	Túnels	Metropistas	Ausol	Gco
Non-current assets	920,157	3,244,143	117,717	2,753,138	430,476	1,008,325	155,207	115,312
Current assets	406,984	192,747	49,443	680,108	23,918	29,046	81,401	44,016
ASSETS	1,327,141	3,436,890	167,160	3,433,246	454,394	1,037,371	236,608	159,328
Non-current liabilities	199,498	1,620,034	68,701	1,823,113	420,278	672,223	36,338	32,241
Current liabilities	544,138	345,669	18,585	501,071	16,699	31,780	91,020	40,718
LIABILITIES	743,636	1,965,703	87,286	2,324,184	436,977	704,003	127,358	72,959
NET ASSETS	**583,505**	**1,471,187**	**79,874**	**1,109,062**	**17,417**	**333,368**	**109,250**	**86,369**
Revenue	429,247	624,762	32,106	553,775	64,239	137,483	79,770	50,525
Expenses	(197,407)	(286,242)	(3,425)	(109,043)	(14,519)	(41,463)	(59,633)	(43,946)
Gross profit from operations	**231,840**	**338,520**	**28,681**	**444,732**	**49,720**	**96,020**	**20,137**	**6,579**
Profit attributable to shareholders of the Parent	**88,036**	**30,147**	**15,060**	**13,106**	**16,973**	**(4,725)**	**(49,675)**	**(11,154)**
En actividades de explotación	164,823	201,165	17,913	392,265	38,040	58,624	52,281	38,497
En actividades de inversión	(37,593)	(236,271)	(58,927)	(104,006)	(16,122)	(13,978)	(1,816)	(2,815)
En actividades de financiación	(64,415)	18,247	(19,750)	(502,981)	(20,839)	(42,907)	(47,290)	(36,528)
FLUJOS DE EFECTIVO	**62,815**	**(16,859)**	**(60,764)**	**(214,722)**	**1,079**	**1,739**	**3,175**	**(846)**

(*) Without considering the impact associated with the purchase price allocation (PPA) performed following the gain of control by Atlantia over **Abertis** and its subsequent merger with Abertis Participaciones, S.A.U., and the related revaluation of net assets and liabilities (see Note 6).

31 December 2018

	A4	Partícipes	Hispasat (*)	Invin	Túnels	Metropistas	Ausol	Gco
Non-current assets	996,887	3,120,192	1,132,327	3,076,028	424,792	1,014,052	289,163	180,342
Current assets	334,593	300,646	99,180	852,925	21,678	29,410	90,880	55,706
ASSETS	1,331,480	3,420,838	1,231,507	3,928,953	446,470	1,043,462	380,043	236,048
Non-current liabilities	650,149	1,473,952	298,831	2,293,238	398,410	667,542	74,832	50,411
Current liabilities	131,193	485,328	124,200	487,570	16,613	30,200	94,117	51,790
LIABILITIES	781,342	1,959,280	423,031	2,780,808	415,023	697,742	168,949	102,201
NET ASSETS	**550,138**	**1,461,558**	**808,476**	**1,148,145**	**31,447**	**345,720**	**211,094**	**133,847**
Revenue	432,268	617,122	204,129	538,074	62,608	118,076	164,464	131,303
Expenses	(197,384)	(324,431)	(42,983)	(117,548)	(11,548)	(41,413)	(63,243)	(45,559)
Gross profit from operations	**234,884**	**292,691**	**161,146**	**420,526**	**51,060**	**76,663**	**101,221**	**85,744**
Profit attributable to shareholders of the Parent	**79,668**	**(30,749)**	**33,856**	**89,016**	**13,988**	**2,490**	**155,039**	**120,467**
Operating activities	163,345	46,206	161,362	299,955	38,153	44,721	44,492	34,004
Investing activities	(36,263)	(85,159)	(61,851)	(56,593)	(82,696)	(8,137)	(1,752)	497
Financing activities	(62,176)	51,891	(89,443)	(289,139)	40,455	(38,252)	(38,846)	(34,560)
CASH FLOWS	**64,906**	**12,938**	**10,068**	**(45,777)**	**(4,088)**	**(1,668)**	**3,894**	**(59)**

(*) Company/subgroup associated with the satellite telecommunications business that was discontinued in 2017 whose sale was completed in 2019 (see Note 7).

Also, at 31 December 2019 and 2018 the non-controlling interests with holdings of 10% or more in the share capital of the most significant fully consolidated Group companies were as follows:

	2019		2018	
	Non-controlling shareholder(s)	**%**	**Non-controlling shareholder(s)**	**%**
Partícipes en Brasil S.A. (**Partícipes**)	Brookfield Brazil Motorways Holding, S.L.	49.00%	Brookfield Brazil Motorways Holding, S.L.	49.00%
Autopistas Metropolitanas Llc. (**Metropistas**)	Goldman Sachs Infrastructure Partners & Co	49.00%	Goldman Sachs Infrastructure Partners & Co	49.00%
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	Vaugirard Autovia, S.L.	49.99%	Ardian	49.99%
Trados 45, S.A. (**Trados**)	Finavías, S.a.r.l.	49.00%	-	-
Inversora de Infraestructuras, S.L. (**Invin**)	Abu Dhabi Investment Authority (Adia) (1)	20.00%	Abu Dhabi Investment Authority (Adia) (1)	28.16%
Autopista del Sol, S.A. (**Ausol**) [(2)]	Impregilio International Infrastructures N.V.	19.82%	Impregilio International Infrastructures N.V.	19.82%
	Natal Inversiones, S.A.	14.12%	Natal Inversiones, S.A.	14.12%
Grupo Concesionario del Oeste, S.A. (**Gco**) [(2)]	IJM Corporation Berhad	20.1%	IJM Corporation Berhad	20.1%
Hispasat, S.A. (**Hispasat**)	-	-	Sociedad Estatal de Participaciones Industriales (SEPI)	7.41%

(1) In 2019, having completed the mergers detailed in Note 2-h, in share ownership terms Abu Dhabi Investment Authority (Adia) now holds, through Silver Beagle, S.a.r.l., 28.00% of **Invin**. In 2018, although in share ownership terms Abu Dhabi Investment Authority (Adia) held a stake of 28.16% in Invin through Silver Beagle, S.a.r.l., its ownership interest was equal to 20% of the dividend rights of **Abertis**'s business in Chile.

(2) A company whose shares are listed on the Buenos Aires Stock Exchange.

The most noteworthy changes in 2019 are as follows:

Dividends

The detail of "2018 Final Dividend" for a total amount of EUR 60,093 thousand and of "2019 Interim Dividend" for a total amount of EUR 10,365 thousand, corresponding to the payments made to the rest of these companies' respective shareholders in relation to those dividends, is as follows:

	Final dividend for prior year		**Interim dividend for current year**	
	2019	**2018**	**2019**	**2018**
Autopista del Sol, S.A. (**Ausol**)	30,610	6,205	-	23,166
Grupo Concesionario del Oeste, S.A. (**Gco**)	17,326	4,976	-	15,346
A4 Holding, S.p.A. (**A4**)	1,964	179	3,091	4,985
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	5,736	4,712	5,069	4,739
Hispasat, S.A. (**Hispasat**)	4,246	1,661	-	-
Trados 45, S.A. (**Trados**)	176	-	2,205	-
Other non-controlling interests	35	-	-	-
	60,093	**17,733**	**10,365**	**48,236**

Reimbursement of shareholder contributions

The detail of "Reimbursement of Shareholder Contributions", totalling EUR 22,631 thousand and relating to the payments made in this connection to the rest of the respective shareholders, is as follows:

	Reimbursement of shareholder contributions	
	2019	**2018**
Autopistas Metropolitanas de Puerto Rico, Llc. (**Metropistas**) (1)	15,781	6,382
Inversora de Infraestructuras, S.L. (**Invin**) (1)	6,850	-
	22,631	**6,382**

(1) In the case of **Metropistas**, at 2019 and 2018 year-end as a result of a reimbursement of capital. In the case of **Invin**, also as a result of the reimbursement of capital in 2019.

Capital increases

The detail of "Capital Increases" totalling EUR 220 thousand corresponding to the contribution subscribed in this connection by the non-controlling interest is as follows:

	Capital increases	
	2019	**2018**
Partícipes en Brasil S.A. (**Partícipes**)	-	490
Arteris, S.A. (**Arteris**) (1)	-	2,380
Túnels de Barcelona i Cadí Concessionària de la Generalitat de Catalunya, S.A. (**Túnels**)	220	-
	220	**2,870**

(1) In 2018 corresponding to 17.70% of the capital increase subscribed by Brookfield Aylesbury.

(2) Corresponding to the capital increase subscribed in full by its former non-controlling shareholder Ardian.

Changes in the scope of consolidation and other

"Changes in the Scope of Consolidation and Other", totalling EUR -43,593 thousand, relates to the impact of the following:

		Changes in the scope of consolidation and other	
		2019	**2018**
Acquisition of an additional 1% of Trados 45, S.A. (**Trados**)	i.	62,854	-
Sale of 89.68% of Hispasat, S.A. (**Hispasat**)	ii.	(106,447)	-
Acquisition of an additional 6.47% of A4 Holding, S.p.A. (**A4**)		-	(60,832)
Acquisition of an additional 26.00% of Jadcherla Expressways Private Ltd. (**JEPL**)		-	(9,794)
Acquisition of an additional 32.63% of Hispasat, S.A. (**Hispasat**)		-	(377,700)
		(43,593)	**(448,326)**

i) Acquisition of an additional 1% of the share capital of **Trados**.

As indicated in Note 2-h, in 2019 **Abertis** acquired an additional 1% of the share capital of **Trados**, as a result of which **Abertis** became the majority and controlling shareholder of this company, which began to be fully consolidated (until then accounted for using the equity method). Thus, at the date control was obtained a non-controlling interest of EUR 62,854 thousand was recognised.

ii) Sale of 89.68% of the share capital of Hispasat, S.A. (**Hispasat**).

As indicated in Note 7, on 3 October 2019 **Abertis** completed the sale of its entire 89.68% ownership interest in **Hispasat**, as a result of which the non-controlling interest held in this subgroup at the date of sale amounting to EUR 106,447 thousand ceased to exist.

Also, "Changes in the Scope of Consolidation and Other" in 2018 related mainly to the impact of the following:

i) Acquisition of an additional 6.47% of the share capital of **A4**.

In 2018 **Abertis** acquired an additional 6.47% of the share capital of A4 Holding, S.p.A. (**A4**), which gave it an ownership interest of 90.03% in this company, thereby strengthening its controlling position, as a result of which the non-controlling interest existing at the date of the acquisition was reduced by a total amount of EUR 60,832 thousand.

Additionally, since this was an equity transaction carried out with the non-controlling interest in a subsidiary that did not modify the controlling position in the **A4** subgroup, it gave rise to the recognition of a positive impact of EUR 28,067 thousand on "Retained Earnings and Other Reserves" in the consolidated balance sheet.

ii) Acquisition of an additional 26.00% of the share capital of **JEPL**.

In 2018 **Abertis**, following the exercise of the purchase commitment vis-à-vis third-party shareholders, acquired an additional 26.00% of the share capital of Jadcherla Expressways Private Ltd. (**JEPL**), which gave it an ownership interest of 100% in this company, thereby strengthening its controlling position, as a result of which the non-controlling interest existing at the date of the acquisition totalling EUR 9,794 thousand ceased to exist.

iii) Acquisition of an additional 32.63% of the share capital of **Hispasat**.

In 2018 **Abertis**, following the exercise of the purchase commitment vis-à-vis third-party shareholders, acquired an additional 32.63% of the share capital of Hispasat, S.A. (**Hispasat**), which gave it an ownership interest of 89.68% in this company, thereby strengthening its controlling position, as a result of which the non-controlling interest existing at the date of the acquisition was reduced by a total amount of EUR 377,700 thousand.

e) Dividends and dividend proposal

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 a bonus 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 bonus 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, amounting to EUR 8,849,533 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, amounting to EUR 967,642 thousand). Following 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.)

Also, on 13 March 2018 the Annual General Meeting of **Abertis** approved the payment of a dividend out of voluntary reserves of EUR 0.40 gross per share of Abertis Infraestructuras, S.A., representing EUR 396,152 thousand. Therefore, the total 2017 dividend was EUR 0.80 gross per share, representing EUR 792,305 thousand.

The detail of the dividends paid in 2018 and 2017 were as follows:

	2018		2017	
Dividends paid	EUR/share (gross)	Accrued dividend	EUR/share (gross)	Accrued dividend
1st payment	0.96	875,103	0.21	206,313
2nd payment	-	-	-	-
With a charge to profit	0.96	875,103	0.21	206,313
1st payment	-	-	0.19	189,840
2nd payment	-	-	0.40	396,152
With a charge to unrestricted reserves	-	-	0.59	585,992
1st payment	**0.96**	**875,103**	**0.40**	**396,153**
2nd payment	**-**	**-**	**0.40**	**396,152**
Total dividend paid	**0.96**	**875,103**	**0.80**	**792,305**

The distribution of dividends is determined on the basis of the separate financial statements of Abertis Infraestructuras, S.A. and pursuant to the corporate law currently in force in Spain.

The dividends to be distributed to the shareholders are recognised as a liability in the consolidated financial statements from the time the dividends are approved by the shareholders at the Annual General Meeting (or by the Board of Directors in the case of interim dividends) until they are paid.

At 31 December 2019, no interim dividend had been paid out of the profit for 2019.

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.

In this regard, the directors of Abertis Infraestructuras, S.A. will submit for approval by the shareholders at the Annual General Meeting the following distribution of the 2019 profit of **Abertis**:

Basis of distribution (Profit)	**119,663**
Distribution:	
To voluntary reserves	119,663
	119,663

Also, the Board of Directors proposes to pay a 2019 dividend of EUR 875,103 thousand out of unrestricted reserves, representing EUR 0.96 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 dividends in 2019 and 2018, without taking into account the extraordinary dividend previously indicated, is as follows:

	2019		**2018**	
Dividends paid	EUR/share (gross)	Accrued dividend	EUR/share (gross)	Accrued dividend
With a charge to profit	-	-	0.96	875,103
With a charge to unrestricted reserves	0.96	875,103	-	-
Total dividend paid	**0.96**	**875,103**	**0.96**	**875,103**

f) Earnings per share

i) Basic

As shown below, basic earnings per share are calculated by dividing the net profit for the year attributable to the shareholders of **Abertis** by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group and, in the event that a capital increase through a scrip issue were performed, considering its impact as if it had been performed at the beginning of the year, adjusting the impact retrospectively for the years presented.

	2019			2018		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net profit attributable to the shareholders (Note 15-c.iii)	357,383	(5,643)	351,740	1,714,268	(32,897)	1,681,371
Weighted average number of ordinary shares outstanding (thousands)	911,163	911,163	911,163	911,567	911,567	911,567
Basic earnings per share (EUR/share)	0.392	(0.006)	0.386	1.881	(0.036)	1.845
Diluted earnings per share (EUR/share)	0.392	(0.006)	0.386	1.881	(0.036)	1.845

ii) Diluted

Diluted earnings per share are determined by including in the calculation described above the effect (should there be one) of converting all potentially dilutive shares (share options) into shares of **Abertis**. In this regard, the conversion is considered to take place at the beginning of the year or, if the potentially dilutive shares were issued during the year, at their issue date.

In 2019 (as in 2018) **Abertis** did not hold any potentially dilutive shares consisting of share options and, therefore, diluted earnings per share do not differ from basic earnings per share.

16. BOND ISSUES AND BANK BORROWINGS

The detail of the Group's bank borrowings is as follows:

	31 December 2019			31 December 2018		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans	7,228,730	736,652	7,965,382	4,740,471	242,227	4,982,698
Bond issues and other loans	16,347,870	1,294,921	17,642,791	10,162,856	866,576	11,029,432
	23,576,600	2,031,573	25,608,173	14,903,327	1,108,803	16,012,130
Payables to companies accounted for using the equity method	8,837	303	9,140	8,368	2,115	10,483
Interest on loans and bonds	-	221,730	221,730	-	181,608	181,608
Other bank borrowings	526,924	-	526,924	508,614	-	508,614
Bond issues and bank borrowings	**24,112,361**	**2,253,606**	**26,365,967**	**15,420,309**	**1,292,526**	**16,712,835**

Given the Group's cash position indicated in Note 14, in 2019 **Abertis** increased its net debt from bond issues and bank borrowings (excluding the accounts payable to companies accounted for using the equity method and interest on loans and bonds and other financial assets and liabilities) by EUR 9,688,224 thousand to EUR 22,963,284 thousand.

The increase in the year in the Group's net bank borrowings was due mainly to:

- The payment of an extraordinary dividend of EUR 9,963,410 thousand with a charge to the merger reserves resulting from the merger of the Company with Abertis Participaciones, S.A.U. (see Notes 1, 15-a and 15-e). The dividend was paid, primarily, through the assumption of the contractual position of Abertis HoldCo, S.A. as the borrower in various financing agreements amounting to EUR 9,817,195 thousand.
- The payment of dividends in the year (EUR 875,103 thousand relating to the dividend for 2018, from which EUR 282 thousand, corresponding to the dividend associated with treasury shares, must be deducted).
- The impact of the merger of **Abertis** with Abertis Participaciones, S.A.U. and the corresponding inclusion in the consolidated balance sheet since 1 January 2019 of the effects of the gain of control of the **Abertis** Group, at 31 December 2019 amounting to EUR 740,953 thousand in the Group’s borrowings arising from the purchase price allocation (PPA) performed, as described in the aforementioned Note 6 (at 29 October 2018, date of the gain of control, totalling EUR 1,146,018 thousand).

- The impact of the adoption of IFRS 16, effective from 1 January 2019, amounting to EUR 66,652 thousand (see Note 5).
- The effect of the investments (in operations and for expansion purposes) made in the year amounting to EUR 670 million.
- The payment of EUR 196,440 thousand by **Invin** to its non-controlling shareholder (EUR 188,253 thousand at 31 December 2018) in relation to the financing granted to it by the shareholders of the consolidated company.
- The payment of EUR 294,565 thousand for the deferred payment in the purchase in 2014 of 100% of the company Infraestructuras Americanas, S.L.U. (AI, merged since 2017 with Invin, Note 21).
- The payment of EUR 54,863 thousand by Via Paulista to the Transportation Agency of the State of São Paulo (ARTESP) in relation to the fee of BRL 249 million to be paid in 2019, as provided in the concession agreement of the Rodovias dos Calçados highway (Note 21).
- Payment of EUR 87,300 euros relating to the early cancellation of hedging instruments as detailed in Note 12.
- The impact of the gain of control over **Trados**, which gave rise to the inclusion at the date of acquisition of borrowings of EUR 7,730 thousand (EUR 53,651 thousand at 2019 year-end).

These effects were partially offset, in addition to the cash generated by the Group in its operations, primarily by:

- The sale of 89.68% of **Hispasat**, which gave rise to a cash inflow of EUR 933,000 thousand.
- The collection of EUR 112,885 thousand for corporate income tax for 2017 (Note 13.iv)
- The exchange rate effect at 31 December 2018, due mainly to the depreciation of the Brazilian real and the Chilean peso at the reporting date, which reduced the Group's net bank borrowings by EUR 30,243 thousand.

Various financing transactions carried out in 2019 provided new funds for the Group, for a net amount of EUR 8,744,949 thousand (2018: EUR 1,279,190 thousand), aimed at allowing it to service part of the debt maturing in 2019 (with debt totalling EUR 9,820,731 thousand being serviced and refinanced (2018: EUR 2,878,551 thousand), increasing its liquidity and optimising its 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 **Abertis** Board of Directors on 26 February 2019 for a total maximum amount of EUR 7,000 million, which was 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:

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

(1) This related to an issue of GBP 400 million with a pre-hedged coupon of 3.375% (2.11% considering the hedging detailed in Note 12).

Subsequently, on 13 January 2020, the **Abertis** Board of Directors has agreed to increase the total maximum amount of the EMTN Programme to the amount of EUR 12,000 million.

- Also, **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.

- Also, **Abertis** drew down a total of EUR 1,065 million against existing bilateral loans being available as of 31 December 2019 815 million euros, which include the amount of loans from January 2019 detailed above.

- Additionally, within the framework of the Promissory Note Program (ECP) registered with the Central Bank of Ireland (CBI) in Dublin on 28 June, 2019 amounting to 1,000 million euros, **Abertis** has carried out issues of promissory notes amounting to 150 million euros, which had been settled at the balance sheet date.
- The issue by **Metropistas** of two new bonds in February and May, which enabled this company to repay early substantially all of the syndicated loan it held. The main characteristics of these bond issues are as follows:

Issuer	Amount (millions of USD)	Amount (millions of EUR) (1)	Maturity	Coupon rate
Metropistas	181	161	December 2038	7.5%
Metropistas	120	107	December 2038	7.0%
Total	**301**	**268**		

(1) Amount measured at the exchange rate prevailing at 31 December 2019.

- The issue by certain companies in the **Arteris** subgroup of new bonds of BRL 2,505 million (approximately EUR 555 million at 2019 year-end) the detail of the maturities and rates of which during the year is as follows:

Issuer	Amount (millions of BRL)	Amount (millions of EUR) (1)	Maturity	Coupon rate
Arteris Via Paulista	398	88	June 2027	12m HICP +3.94%
Intervias	400	89	September 2024	12m CDI +0.69%
Régis Bittencourt	700	155	June 2027	12m CDI +0.86%
Régis Bittencourt	1,007	223	June 2031	12m HICP +4.50%
Total Régis Bittencourt	1,707	378		
Total	**2,505**	**555**		

(1) Amount measured at the exchange rate prevailing at 31 December 2019.

Also, **Arteris Via Paulista** arranged a new BNDES loan of BRL 3,645 million (approximately EUR 810 million at 2019 year-end) against which it had drawn down BRL 441 million at year-end (approximately EUR 98 million). This loan matures in September 2045 (26 years) and bears interest at a rate of 12m HICP +6.42%.

- The issue by **Vias Chile** of two new bonds with the following characteristics:

Issuer	Amount (millions of CLF)	Amount (millions of EUR) [1]	Maturity	Coupon rate
Vias Chile	4	134	October 2025	4.60%
Vias Chile	10	335	October 2030	5.20%
Total	**14**	**469**		

(1) Amount measured at the exchange rate prevailing at 31 December 2019.

- In addition, the affiliated companies **Rutas del Pacífico** and **Los Libertadores** have taken out both syndicated loans amounting to UF 5,2 million and UF 0,9 million, respectively (approximately EUR 175 million and EUR 30 million, respectively at 31 December 2019). The aforementioned syndicated loans mature in December 2022 and June 2021 with a fixed interest rate of 5.56% and 5.39%, respectively.
- In relation to **A4** subgroup:
    - The arrangement by **Austostrada A4** of a syndicated loan of EUR 200 million at an interest rate of 6m Euribor +1.30% and maturing in September 2025 and a credit facility of EUR 50 million maturing in September 2024, against which no drawdowns had been made at 2019 year-end.
    - The arrangement by **A4 Holding** of a credit facility of EUR 15 million maturing in February 2021, against which no drawdowns had been made at 2019 year-end.

Finally, note that with all this during the year EUR 8,515 million have been amortized, of which EUR 6,608 million correspond to the advance payment of the debt assumed by its shareholder Abertis HoldCo previously detailed, EUR 1,190 million to the payment of bilateral loans, EUR 364 million to the payment of a bond due October 2019, EUR 203 million to the return of lines of credit arranged during the year and EUR 150 million correspond to the maturity of promissory notes.

Lastly, it should be noted that after the end of the year, in the framework of the aforementioned bond programme, Abertis Infraestructuras, S.A. completed an issue of EUR 600 million maturing in February 2028 and with a coupon rate of 1.25%.

Also, the Parent took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating in 2019 credit facilities amounting to EUR 1,550 million (2018: EUR 1,450 million).

Accordingly, the volume of the credit facilities of Abertis Infraestructuras, S.A. at 31 December 2019 and 2018 is as follows (section i-a detailed above):

Millions of euros	**31 December 2019**		**31 December 2018**	
	Total	Amount drawn down	Total	Amount drawn down
Credit facilities of Abertis Infraestructuras, S.A.	2,650	-	2,600	-
Maturing within one year	-	-	-	-
Maturing at more than one year	2,650		2,600	
Average maturity period (years)	2.2		1.9	

Of the EUR 2,650 million of the credit facilities held by Abertis Infraestructuras, S.A., EUR 1,150 million (2018: EUR 1,600 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.

Also, pursuant to the amendments to IAS 7, following is a reconciliation of the cash flows arising from financing activities, together with the associated liabilities in the opening and closing balance sheet, distinguishing between changes that give rise to cash flows and those that do not:

	31/12/2018	Impact of Merger [(1)]	Cash flows	Exchange rate	Assumption of the borrowings of HoldCo, S.A. (extraordinary dividend payment)	Changes in the scope of consolidation and business combinations	Others [(2)]	**31/12/2018**
Bank loans	4,982,698	352,837	(7,171,287)	(21,920)	9,796,766	71,186	(44,898)	7,965,382
Bond issues and other loans	11,029,432	673,813	6,095,504	(505)	-	-	(155,453)	17,642,791
	16,012,130	1,026,650	(1,075,783)	(22,425)	9,796,766	71,186	(200,351)	25,608,173
Payables to companies accounted for using the equity method	10,483	-	(1,737)	394	-	-	-	9,140
Interest on loans and bonds	181,608	-	27,211	(7,522)	20,429	4	-	221,730
Other bank borrowings	508,614	-	-	-	-	-	18,310	526,924
Bond issues and bank borrowings	**16,712,835**	**1,026,650**	**(1,050,309)**	**(29,553)**	**9,817,195**	**71,190**	**(182,041)**	**26,365,967**

(1) Impact as of January 1, 2019, date of accounting effect of the merger of **Abertis** with Abertis Participaciones.

(2) It mainly includes the effect of amortized cost and capitalized interest.

	31/12/17	Adoption of IFRS 9	Cash flows	Exchange rate	Transfer from liabilities held for sale	Other	31/12/18
Bank loans	6,098,691	-	(1,023,303)	(110,017)	1,191	16,136	4,982,698
Bond issues and other loans	11,725,935	(63,640)	(582,633)	(105,620)	-	55,390	11,029,432
	17,824,626	(63,640)	(1,605,936)	(215,637)	1,191	71,526	16,012,130
Payables to companies accounted for using the equity method	10,072	-	480	(69)	-	-	10,483
Interest on loans and bonds	199,629	-	(15,532)	(2,489)	-	-	181,608
Other bank borrowings	490,940	-	-	-	-	17,674	508,614
Bond issues and bank borrowings	**18,525,267**	**(63,640)**	**(1,620,988)**	**(218,195)**	**1,191**	**89,200**	**16,712,835**

The financing transactions carried out in 2018 included most notably the following:

- The arrangement of loans maturing in 2024 and 2025 amounting to EUR 815 million by Abertis Infraestructuras, S.A. against which no drawdowns had been made at 31 December 2018.

  All these new borrowings were arranged at floating rates, calculated based on the corresponding Euribor rate plus a spread. In addition, commercial paper was issued in 2019, which had been settled at the balance sheet date.

  Lastly, it should be noted that EUR 915 million were repaid, of which EUR 100 million related to the maturity of commercial paper, EUR 240 million to the maturity of a bilateral loan and EUR 575 million to the early repayment of bilateral loans.

- The issue by certain companies in the **Arteris** subgroup of new bonds and promissory notes of BRL 1,400 million (approximately EUR 315 million at 2018 year-end) the detail of the maturity and rates of which during the year is as follows:

Issuer	Amount (millions of BRL)	Amount (millions of EUR) (1)	Maturity	Coupon rate
Intervias	200	45	May 2020	12m CDI +0.47%
Intervias	191	43	May 2023	12m CDI +0.90%
Intervias	283	64	May 2025	12m CDI +1.35%
Intervias	126	28	May 2025	12m HICP +6.76%
Total Intervias	800	180		
Régis Bittencourt (promissory note)	600	135	June 2020	107% of the CDI
Total	**1,400**	**315**		

(1) Amount measured at the exchange rate prevailing at 31 December 2018.

- The drawdown by **Régis Bittencourt** of BRL 334 million (approximately EUR 78 million at 2018 year-end) against a loan maturing in December 2029 bearing a fixed interest rate of 10.74% (up to BRL 775 million, approximately EUR 174 million at 31 December 2018, may be drawn down).
- The arrangement of loans of EUR 50 million and EUR 15 million by **A4 Holding** and **A4 Mobility** maturing in January and December 2023, respectively.
- In July 2018 **Túnels** completed the novation of the financing agreement for EUR 305 million (previously EUR 240 million) in order to extend the term to maturity of the financing to December 2034 and reduce the related borrowing costs. In this connection, the costs associated with this novation amounted to EUR 7 million, and this amount was recognised as an expense in the consolidated statement of profit or loss for 2018.
- In January 2018 **Rutas del Pacífico** repurchased in full the outstanding balance (CLP 139,448 million, approximately EUR 175 million at 2018 year-end) of bonds issued by it in previous years, amounting to CLP 305,376 million (approximately EUR 385 million at 2018 year-end), maturing in December 2024 and with an annual coupon rate of CLF +5.8%.

Also, the Parent took steps to optimise the Group's liquidity and to reduce the finance costs associated with the borrowings by renegotiating in 2018 credit facilities amounting to EUR 1,450 million. Accordingly, the total drawable volume of the credit facilities of Abertis Infraestructuras, S.A. at the end of 2018 was EUR 2,600 million (all the credit facilities mature at more than one year).

i) Bank loans, bonds and other loans

The breakdown of the gross bank borrowings of **Abertis** (excluding borrowings from companies accounted for using the equity method, interest on loans and bonds and other liabilities), by country and financial instrument, is as follows:

	31 December 2019			**31 December 2018**		
	Loans	Bonds	Total	Loans	Bonds	Total
Abertis [(1)]	4,454,669	10,463,624	14,918,293	1,365,331	4,708,843	6,074,174
Spain	573,205	-	573,205	553,669	-	553,669
France	1,803,749	4,006,516	5,810,265	1,573,316	4,103,564	5,676,880
Italy	74,276	402,270	476,546	87,760	398,321	486,081
Brazil	505,872	1,147,135	1,653,007	714,645	867,720	1,582,365
Chile	517,928	945,028	1,462,956	393,644	474,144	867,788
Puerto Rico	201	650,974	651,175	253,290	445,749	699,039
Argentina	-	-	-	-	-	-
Other [(2)]	35,482	27,244	62,726	41,043	31,091	72,134
Total	**7,965,382**	**17,642,791**	**25,608,173**	**4,982,698**	**11,029,432**	**16,012,130**

(1) Including at 31 December 2019 EUR 307,789 thousand corresponding to Abertis Infraestructuras Finance B.V., relating in full to bonds (2018 year-end: EUR 221,303 thousand also relating in full to bonds).

Of the total borrowings obtained by the Parent and Abertis Infraestructuras Finance B.V., at 31 December 2019 EUR 38,589 thousand had been lent in turn to other Group companies (2018 year-end: EUR 1,770,571 thousand).

(2) Corresponding substantially in full, both in 2019 and 2018, to the gross payables to third parties of the toll roads business in India.

The main changes in gross bank borrowings in 2019 and 2018 are as follows:

- As stated in Note 6, the merger of **Abertis** with Abertis Participaciones, S.A.U. and the corresponding inclusion in the consolidated balance sheet since 1 January 2019 of the effects of the gain of control of the **Abertis** Group gave rise to the recognition of an increase of EUR 1,146 million in the Group's borrowings arising from the purchase price allocation (PPA) performed, as described in the aforementioned Note 6. At 31 December 2019, the carrying amount associated with this effect is EUR 940,953 thousan.
- The increase in gross borrowings at **Abertis** is due mainly to the new issues launched, the new bank loans arranged and the drawdowns against existing facilities and loans described above amounting to EUR 8,182 million.

- The change in gross borrowings in Brazil and Chile was affected by the decrease in the year-end exchange rate of the Brazilian real (impact of EUR -25,472 thousand, offset by the issues launched by Brazilian companies indicated above) and the Chilean peso (impact of EUR -57,116 thousand). On the other hand, in the case of Puerto Rico the change in the Group's gross borrowings was affected by the increase in the year-end exchange rate of the US dollar (impact of EUR 12,315 million, offset by repayments of borrowings in the year).

The weighted average interest rate in 2019 on bond issues and bank borrowings was 3.08% (2018: 3.73%).

The Group's borrowings based on the contractually stipulated cash flows, taking into consideration the related hedges referred to in Note 12, are denominated in the following currencies:

	2019 (*)	**2018 (*)**
Euro	20,703,982	12,893,557
Brazilian real	1,635,111	1,548,609
Chilean peso	1,304,353	778,008
US dollar	929,904	950,427
Pound sterling	467,180	-
Japanese yen	153,610	153,610
Indian rupee	62,902	72,527
Bond issues and bank borrowings	**25,257,046**	**16,396,738**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged, and to the impact of the purchase price allocation (PPA) performed following the gain of control of **Abertis** by Atlantia described above.

As indicated in Note 12, a portion of the borrowings in US dollars and all the borrowings in pounds sterling and Japanese yen are converted to euros through derivative financial instruments.

The detail of the bank borrowings by maturity based on the amounts payable to maturity at each reporting date, as provided for in the respective contracts, is as follows:

	31 December 2019 (*)			31 December 2018 (*)		
	Loans	Bonds	Total	Loans	Bonds	Total
Between one and two years	463,507	1,632,050	2,095,557	601,473	1,298,752	1,900,225
Between two and three years	1,866,731	357,915	2,224,646	413,877	1,613,439	2,027,316
Between three and four years	1,788,136	1,348,754	3,136,890	2,017,698	284,232	2,301,930
Between four and five years	1,573,679	1,427,418	3,001,097	565,193	1,242,260	1,807,453
After five years	1,422,472	11,554,122	12,976,594	1,201,997	6,034,842	7,236,839
Non-current maturities	**7,114,525**	**16,320,259**	**23,434,784**	**4,800,238**	**10,473,525**	**15,273,763**
Current maturities	**655,329**	**1,166,933**	**1,822,262**	**245,086**	**877,889**	**1,122,975**
Total debt	**7,769,854**	**17,487,192**	**25,257,046**	**5,045,324**	**11,351,414**	**16,396,738**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged, and to the impact of the purchase price allocation (PPA) performed following the gain of control of **Abertis** by Atlantia described above.

Of the EUR 25,257,046 thousand, EUR 10,422,754 thousand (41%) relate to debt of subsidiaries without recourse to Abertis Infraestructuras, S.A. (2018: EUR 16,396,738 thousand (62%). The reduction of the debt of subsidiaries without recourse to Abertis Infraestructuras, S.A. from 62% to 41% in 2019 is due to the effect of the increase in the level of borrowings of Abertis Infraestructuras described above.

At 31 December 2019, the average term to maturity of the debt was 5.6 years (2018 year-end: 5.0 years).

Also, interest on the aforementioned loans and bonds accrues and is settled on the basis of the specific terms and conditions and maturities. In 2020 interest on the borrowings based on the debt at 31 December 2019 is expected to amount to approximately EUR 740 million (EUR 617 million estimated at 2018 year-end for 2019).

At 31 December 2019, 75% (2018: 82%) of the borrowings bore a fixed interest rate or a rate fixed through hedges. Therefore, possible interest rate fluctuations are not expected to have a significant impact on these consolidated financial statements.

The estimated sensitivity of the consolidated statement of profit or loss to a 50 bp change in the interest rates applied to the floating-rate debt is as follows:

(millions of euros)	2019			2018		
	Financing in			Financing in		
	Euros	Other currencies (*)	Total	Euros	Other currencies (*)	Total
Change of 50 bp:						
Gross impact before tax	24.9	6.9	31.8	9.4	5.6	15.0
Net impact after tax (and before non-controlling interests)	18.7	5.2	23.9	7.1	4.2	11.3

(*) At the end of 2019 and 2018 due mainly to Brazilian reais and Chilean pesos.

In addition, it should be noted in relation to the sensitivity of derivative transactions to interest rate fluctuations that, in terms of the derivative transactions analysed at 31 December 2019 taken as a whole, with a 50 bp change in the EUR, USD, GBP, YEN, CLP and BRL interest rate curves, and other variables staying constant, the fair value of the derivative transactions taken as a whole would have changed by EUR 88 million (2018: EUR 165 million), with a net impact of EUR 66 million on equity and virtually no impact on profit after tax (2018: impact of EUR 124 million on equity and again virtually no impact on profit after tax).

Lastly, the detail of the carrying amount and fair value of the bonds and non-current bank borrowings at the end of 2019 and 2018 is as follows:

	2019				
		Fair value (*)			
	Carrying amount	Level 1	Level 2	Level 3	Total
Bank loans	7,228,730	-	7,415,766	-	7,415,766
Bonds	16,347,870	15,259,958	1,970,546	-	17,230,504
	23,576,600	**15,259,958**	**9,386,312**	**-**	**24,646,270**

(*) Level 1. Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3. Inputs for the asset or liability that are not based on observable market data.

	2018				
		Fair value (*)			
	Carrying amount	Level 1	Level 2	Level 3	Total
Bank loans	4,740,471	-	5,306,380	-	5,306,380
Bonds	10,162,856	8,832,736	1,983,485	-	10,816,221
	14,903,327	**8,832,736**	**7,289,865**	**-**	**16,122,601**

(*) Level 1. Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3. Inputs for the asset or liability that are not based on observable market data.

The carrying amount of the current bank borrowings approximates their fair value. The fair value of the fixed-rate borrowings is calculated by discounting the payment flows of each debt by the interest rate curve of the currency to which they are tied, and in the case of bonds, the issuer's credit curve is added, which is estimated on the basis of the market prices of the liquid obligations observed for the same issuer in its reference markets.

i.a) Bank loans

The breakdown by maturity (as stipulated in the related agreements) and country of the bank loans is as follows:

2019 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	50,073	-	1,375,000	1,250,000	1,000,000	785,000	4,410,000	4,460,073
Spain	62,700	59,666	66,863	61,104	28,881	291,670	508,184	570,884
France	258,000	221,500	264,500	363,000	456,000	-	1,305,000	1,563,000
Italy	30,995	10,907	10,406	21,976	-	-	43,289	74,284
Brazil	97,341	62,245	69,194	74,627	72,311	152,774	431,151	528,492
Chile	151,104	102,054	71,510	9,802	10,295	193,028	386,689	537,793
Puerto Rico	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-
Other	5,116	7,135	9,258	7,627	6,192	-	30,212	35,328
Bank loans	**655,329**	**463,507**	**1,866,731**	**1,788,136**	**1,573,679**	**1,422,472**	**7,114,525**	**7,769,854**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged, and to the impact of the purchase price allocation (PPA) performed following the gain of control of **Abertis** by Atlantia described above.

2018 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	265	50,066	-	1,315,000	-	-	1,365,066	1,365,331
Spain	44,545	47,482	48,036	51,863	51,104	315,544	514,029	558,574
France	20,000	258,000	221,500	264,500	363,000	456,000	1,563,000	1,583,000
Italy	10,883	30,935	10,941	10,828	23,225	-	75,929	86,812
Brazil	73,560	126,147	93,692	101,531	110,033	213,469	644,872	718,432
Chile	89,928	83,698	32,531	8,182	10,160	210,758	345,329	435,257
Puerto Rico	-	-	-	256,485	-	-	256,485	256,485
Argentina	-	-	-	-	-	-	-	-
Other	5,905	5,145	7,177	9,309	7,671	6,226	35,528	41,433
Bank loans	**245,086**	**601,473**	**413,877**	**2,017,698**	**565,193**	**1,201,997**	**4,800,238**	**5,045,324**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

At 31 December 2019 and 2018, the main bank loans held by Group companies and the main characteristics thereof are as follows:

	31/12/19 (1)	31/12/18 (1)	Reference rate (3)	Average interest rate – 2019 (2)	Average interest rate – 2018 (2)	Currency (3)	Final maturity - 2019	Final maturity - 2018	Financial obligations (4)	Security interests, pledges and other guarantees
Abertis (several)	4,460,000	1,365,000	Euribor			EUR	2020-25	2020-22	-	-
Abertis (other)	73	331	Fixed rate			EUR	2020	2020	-	-
Abertis	**4,460,073**	**1,365,331**		**0.38%**	**0.65%**					
Avasa	181,500	225,000	Euribor			EUR	2023	2023	Financial ratios	Other (5)
Túnels	305,000	305,000	Euribor			EUR	2034	2034	Financial ratios	Company shares, concession infrastructure and other (5)
Aulesa	27,528	28,574	Fixed rate			EUR	2029	2029	Financial ratios	Company shares, concession infrastructure and other (5)
Trados	50,008	-	Euribor			EUR	2024	-	Financial rates	Company shares
Trados	6,848	-	Euribor			EUR	2021	-	-	-
Spain	**570,884**	**558,574**		**2.37%**	**2.63%**					
Sanef/Sapn (several)	1,500,000	1,500,000	Fixed rate			EUR	2024	2024	Financial ratios	Financial collateral
Sanef	63,000	83,000	Euribor			EUR	2021-23	2021-23	Financial ratios	-
France	**1,563,000**	**1,583,000**		**5.20%**	**5.14%**					
A4 Holding	39,943	49,935	Euribor			EUR	2023	2023	Financial ratios	% of the shares of Autostrada and other (5)
Partecipazioni	20,000	20,000	Euribor			EUR	2020	2020	Financial ratios	Other (5)
A4 Mobility (several)	12,094	15,000	Euribor			EUR	2023	2023	Financial ratios	Other (5)
Other (several)	2,246	1,877	Euribor			EUR	2021-23	2021-23	-	Other (5)
Italy	**74,283**	**86,812**		**1.77%**	**1.73%**					
Federal concessions (several)	97,763	-	HICP			BRL	2045	-	Financial ratios	Company shares and other (5)
Federal concessions (several)	389,208	676,214	Fixed rate			BRL	2025-29	2023-29	Financial ratios	Company shares and other (5)
Arteris	41,522	42,192	Fixed rate			USD	2020	2020	-	-
Other	-	26	Fixed rate			BRL	2019	2019	-	Concession infrastructure
Brazil	**528,493**	**718,432**		**8.46%**	**9.85%**					
Rutas Pacífico	174,862	-	Fixed rate			CLF	2022	-	-	Concession infrastructure
Los Andes	173,956	182,032	Fixed rate			CLP	2034	2034	-	Concession infrastructure
Abertis Autop. Chile	47,298	108,276	TAB			CLF	2020	2020	Financial ratios	-
Elqui	41,097	61,679	Fixed rate			CLF	2021	2021	-	Company shares and concession infrastructure
Autp. Central	57,984	62,022	Fixed rate			CLF	2029	2029	-	Concession infrastructure
Elqui	12,476	21,248	TAB			CLP	2021	2021	-	Company shares and concession infrastructure
Libertadores	30,120	-	Fixed rate			CLF	2021	-	-	Company shares, concession infrastructure
Chile	**537,793**	**435,257**		**6.65%**	**4.10%**					
Metropistas	-	256,485	Libor			USD	2022	2022	Financial ratios	Concession infrastructure and other (5)
Puerto Rico	**-**	**256,485**		**-**	**6.28%**					
TTPL and JEPL (several)	35,328	41,433	ICICI			INR	2023-24	2023-24	Financial ratios	% of company shares, concession infrastructure and other (5)
Other	**35,328**	**41,433**		**9.51%**	**9.44%**					
Total	**7,769,854**	**5,045,324**		**2.54%**	**4.33%**					

(1) Amount of the contractual cash flows, translated at the closing exchange rate or, where appropriate, at the rate set in the related hedge, which differ from their carrying amounts due to the effect of applying IFRS 9 in relation to the borrowings arranged, and to the impact of the purchase price allocation (PPA) performed following the gain of control of **Abertis** by Atlantia described above.

(2) Average interest rate for the year taking into account, where applicable, the impact of the related hedge.

(3) Reference rate and original currency, not taking into account, where applicable, the impact of the related hedge.

(4) Relating mainly to the achievement of certain ratios related to aggregates, such as EBITDA, financial debt, equity or cash available for debt servicing. In the case of Aulesa and Sanef / Sapn additionally with investment grade rating

(5) This type of financing includes the pledge of assets of the concession operators, which can generally be demand deposits, collection rights arising from concession arrangements, collection rights relating to insurance contracts, credit facilities and, on occasions, personal guarantees of the shareholders.

In this regard, at the date of authorisation for issue of these consolidated financial statements, the clauses or obligations included in the foregoing financing agreements had been fulfilled. Additionally, part of the loans subscribed by the Parent Company, amounting to EUR 4,060 million, include clauses related to the change of control, of which EUR 540 million have to be produced together with a negative material impact on the credit rating (lost of the category "investment grade"). In this regard, as of the date of preparation of these consolidated annual accounts there has been no impact in relation to them.

In addition, in order to cater for its cash needs, the Group has the following undrawn credit facilities and loans:

	31 December 2019							
	Maturing at less than one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Maturing at more than one year	Total
Abertis [1]	-	1,250,000	1,100,000	350,000	650,000	300,000	3,650,000	3,650,000
Spain	-	-	-	-	-	-	-	-
France	-	-	500,000	-	-	-	500,000	500,000
Italy	-	15,000	-	-	50,000	200,000	265,000	265,000
Brazil	-	-	-	-	-	751,198	751,198	751,198
Chile	-	104,028	-	-	-	-	104,028	104,028
Puerto Rico	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Undrawn credit facilities and loans	**-**	**1,369,028**	**1,600,000**	**350,000**	**700,000**	**1,251,198**	**5,270,226**	**5,270,226**

[1] Including EUR 2,650,000 thousand relating to undrawn credit facilities and EUR 1,000,000 thousand relating to undrawn loans.

	31 December 2018							
	Maturing at less than one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Maturing at more than one year	Total
Abertis [1]	-	1,650,000	950,000	-	-	815,000	3,415,000	3,415,000
Spain	-	-	-	-	-	-	-	-
France	-	50,000	-	500,000	-	-	550,000	550,000
Italy	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	138,498	138,498	138,498
Chile	-	-	-	-	-	41	41	41
Puerto Rico	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Undrawn credit facilities and loans	**-**	**1,700,000**	**950,000**	**500,000**	**-**	**953,539**	**4,103,539**	**4,103,539**

[1] Including EUR 2,600,000 thousand relating to undrawn credit facilities and EUR 815,000 thousand relating to undrawn loans.

Lastly, the weighted average interest rate in 2019 on bank borrowings was 2.54% (2018: 4.33%).

i.b) Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2019 and 2018 is as follows:

	2019	2018
Bond issues	17,642,791	10,894,419
Promissory notes and commercial paper	-	135,013
Other marketable debt securities	-	-
Bond issues and other loans	**17,642,791**	**11,029,432**

The breakdown by maturity (as stipulated in the respective agreements) and country is as follows:

2019 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	640,900	-	-	600,000	1,110,000	7,995,791	9,705,791	10,346,691
Spain	-	-	-	-	-	-	-	-
France	-	1,359,800	-	500,000	-	2,050,000	3,909,800	3,909,800
Italy	400,041	-	-	-	-	-	-	400,041
Brazil	51,609	186,531	245,855	115,847	154,711	393,588	1,096,532	1,148,141
Chile	51,280	51,280	77,240	96,364	120,295	540,424	885,603	936,883
Puerto Rico	17,941	28,080	28,896	31,431	37,393	574,319	700,119	718,060
Argentina	-	-	-	-	-	-	-	-
Other	5,162	6,359	5,924	5,112	5,019	-	22,414	27,576
Bond issues and other loans	**1,166,933**	**1,632,050**	**357,915**	**1,348,754**	**1,427,418**	**11,554,122**	**16,320,259**	**17,487,192**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged, and to the impact of the purchase price allocation (PPA) performed following the gain of control of **Abertis** described above.

2018 (*)	Current maturities	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Non-current maturities	Total
Abertis	364,100	640,900	-	-	600,000	3,238,610	4,479,510	4,843,610
Spain	-	-	-	-	-	-	-	-
France	300,000	-	1,359,800	-	500,000	2,050,000	3,909,800	4,209,800
Italy	-	400,041	-	-	-	-	400,041	400,041
Brazil	140,989	181,861	166,991	191,472	49,495	141,559	731,378	872,367
Chile	53,154	53,154	53,154	60,242	60,242	258,684	485,476	538,630
Puerto Rico	16,288	17,603	27,097	26,561	27,383	340,940	439,584	455,872
Argentina	-	-	-	-	-	-	-	-
Other	3,358	5,193	6,397	5,957	5,140	5,049	27,736	31,094
Bond issues and other loans	**877,889**	**1,298,752**	**1,613,439**	**284,232**	**1,242,260**	**6,034,842**	**10,473,525**	**11,351,414**

(*) The amounts of borrowings shown in the foregoing table relate to the cash flows provided for in the related agreements (taking into consideration the related hedge), which differ from the carrying amount of the borrowings due to the effect of applying IFRS 9 in relation to the borrowings arranged.

The weighted average interest rate in 2018 on the bond issues was 3.11% (2018: 3.50%).

At 31 December 2019 and 2018, the main bond issues outstanding launched by Group companies and the main characteristics thereof are as follows:

	31/12/19 [1]	31/12/18 [1]	Reference rate [3]	Average interest rate - 2019 [2]	Average interest rate - 2018 [2]	Currency [3]	Final maturity - 2019	Final maturity - 2018	Financial obligations [4]	Security interests, pledges and other guarantees
Abertis (several)	5,867,181	-	Fixed rate			EUR	2024-32	-	-	-
Abertis (several)	4,065,900	4,430,000	Fixed rate			EUR	2020-38	2019-38	-	-
Abertis	160,000	160,000	Euribor			EUR	2024	2024	-	-
Abertis Finance	153,610	153,610	Fixed rate			JPY	2039	2039	-	Complete unconditional guarantee provided by Abertis
Abertis Finance	100,000	100,000	Fixed rate			EUR	2024	2024	-	Complete unconditional guarantee provided by Abertis
Abertis	**10,346,691**	**4,843,610**		**2.24%**	**2.90%**					
Hit (several)	3,009,800	3,009,800	Fixed rate			EUR	2021-27	2021-27	-	-
Sanef (several)	900,000	1,200,000	Fixed rate			EUR	2020-2028	2019-2028	-	-
France	**3,909,800**	**4,209,800**		**2.72%**	**2.70%**					
A4	400,041	400,041	Fixed rate			EUR	2020	2020	Financial ratios	% of the shares of Autostrada and other [5]
Italy	**400,041**	**400,041**		**2.38%**	**2.38%**					
Arteris	322,037	327,233	CDI			BRL	2022	2022	Financial ratios	% of the shares of Intervias and other [5]
State (several)	149,255	224,797	CDI/ HICP			BRL	2020-25	2019-25	Financial ratios	-
State (Régis)	-	135,013	CDI			BRL	-	2020	Financial ratios	Guarantee provided by Arteris
State (Régis)	378,103	-	CDI/ HICP			BRL	2027-31	-	Financial ratios	Guarantee provided by Arteris
State (Intervias)	29,559	28,355	HICP			BRL	2025	2025	Financial ratios	-
State (Intervias)	88,580	-	CDI			BRL	2024	-	Financial ratios	-
State (Via Paulista)	-	67,507	CDI			BRL	-	2019	-	Shares, concession infrastructure and other [5]
State (Via Paulista)	88,032	-	HICP			BRL	2027	-	Financial ratios	-
Federal (several)	53,852	53,112	HICP			BRL	2025-2026	2025-2026	Financial ratios	Shares, concession infrastructure and other [5]
Arteris	38,722	36,350	HICP			BRL	2024	2024	Financial ratios	% of the shares of Intervias and other [5]
Brazil	**1,148,140**	**872,367**		**7.02%**	**8.64%**					
Autopista Central	298,030	342,751	Fixed rate			CLF	2026	2026	Financial ratios	Concession infrastructure
Autopista Central	170,322	195,879	Fixed rate			USD	2026	2026	Financial ratios	Concession infrastructure
Vias Chile	468,530	-	Fixed rate			CLF	2025-30	-	Financial ratios	-
Chile	**936,882**	**538,630**		**6.80%**	**5.58%**					
Metropistas	267,937	-	Fixed rate			USD	2038	-	-	-
Metropistas	362,437	362,437	Fixed rate			USD	2035	2035	-	Concession infrastructure and other [5]
Autopistas P. Rico	87,688	93,435	Fixed rate			USD	2020-27	2020-27	Financial ratios	Other [5]
Puerto Rico	**718,062**	**455,872**		**6.85%**	**6.57%**					
TTPL and JEPL (several)	27,576	31,094	Fixed rate			INR	2023-24	2023-24	-	% of company shares, concession infrastructure and other [5]
Other	**31,094**	**31,094**		**9.44%**	**9.44%**					
Total	**17,487,192**	**11,351,414**		**3.11%**	**3.50%**					

(1) Amount of the contractual cash flows, translated at the closing exchange rate or, where appropriate, at the rate set in the related hedge, which differ from their carrying amounts due to the effect of applying IFRS 9 in relation to the borrowings arranged, and to the impact of the purchase price allocation (PPA) performed following the gain of control of **Abertis** by Atlantia described above.

(2) Average interest rate for the year taking into account, where applicable, the impact of the related hedge.

(3) Reference rate and original currency, not taking into account, where applicable, the impact of the related hedge.

(4) Relating mainly to the achievement of certain ratios related to aggregates, such as EBITDA, financial debt, equity or cash available for debt servicing.

(5) This type of financing includes the pledge of assets of the concession operators, which can generally be demand deposits, collection rights arising from concession arrangements, collection rights relating to insurance contracts, credit facilities and, on occasions, personal guarantees of the shareholders.

In this regard, at the date of authorisation for issue of these consolidated financial statements, the clauses or obligations included in the bond issues had been fulfilled. Additionally, part of these issues subscribed by the Parent Company, amounting to EUR 5,870 million, include clauses related to the change of control, which must be produced together with a negative material impact on the credit rating (loss of the investment grade category). In this regard, as of the date of preparation of these consolidated annual accounts there has been no impact in relation to them.

Additionally, within the framework of the Promissory Note Program (ECP) registered with the Central Bank of Ireland (CBI) in Dublin on 28 June, 2019 amounting to 1,000 million euros, **Abertis** has carried out issues of promissory notes amounting to 150 million euros, which had been settled at the balance sheet date.

Lastly, it should be noted that since 20 April 2017 Abertis Infraestructuras, S.A. has had a promissory note issue programme registered, which amounted to EUR 500 million, against which no amount had been drawn down at 2018 year-end . Also, at 2018 year-end **Régis Bittencourt** had a BRL 600 million promissory note (approximately EUR 135 million at 2018 year-end), maturing in June 2020 with a spread of 107% of the CDI. This promissory note was repaid in 2019.

ii) Payables to companies accounted for using the equity method

The detail of the balances with associates is as follows:

	31 December 2019			**31 December 2018**		
	Non-current	Current	Total	Non-current	Current	Total
Road Management Group	8,837	-	8,837	8,368	-	8,368
Alis	-	31	31	-	1,093	1,093
Alienor	-	269	269	-	669	669
Other interests	-	3	3	-	353	353
Total	**8,837**	**303**	**9,140**	**8,368**	**2,115**	**10,483**

iii) Other bank borrowings

As at 2018 year-end, at 2019 year-end the other non-current bank borrowings related to the account payable for the acquisition in 2016 of 51.4% of A4 Holding, S.p.A. (**A4**) for EUR 594 million, of which EUR 589 million will be paid in February 2023 (present value of EUR 527 million at 31 December 2019 and EUR 509 million at 31 December 2018).

It should be noted in this regard that the seller factored the receivables from **Abertis** to a syndicate of banks (with **Abertis** as a party to the arrangement) and, accordingly, in 2016 those banks became creditors of the Group.

iv) Corporate rating

At the date of formal preparation of these consolidated financial statements **Abertis** had 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. In this regard, **Abertis** went from a long-term rating of "BBB" to one of "BBB-", owing to the impact of the methodological adaptation of its shareholder Atlantia on the Company. The short-term credit rating at that date was "A-3", which was also revised during the year from "A-2".

In addition, in the latest report, dated October 2019, the international credit rating agency Fitch Ratings Ltd. maintained **Abertis'** long-term "BBB" credit rating and awarded it a short-term "F3" credit rating.

17. DEFERRED INCOME

The changes in 2019 and 2018 are as follows:

	2019	2018
At 1 January	32,483	28,495
Changes in the scope of consolidation and business combinations [1]	19,880	-
Additions	132	11,215
Disposals	(7,036)	(4,032)
Transfers	5,107	(1,492)
Translation differences	(1,653)	(1,703)
At 31 December	**48,913**	**32,483**

[1] Corresponding to the impact of the gain of control over **Trados**, which until 2018 was accounted for using the equity method (see Note 2-h).

At 31 December 2019, "Deferred Income" includes mainly:

- Compensation to **Trados** from the Autonomous Community Government of Madrid in relation to the excess cost of compulsory purchases included in the decision of the Madrid High Court in which it recognised the right to receive EUR 33 million to restore the economic and financial feasibility of the concession which, accordingly, does not include the related discounting thereof for the restoration in full of the economic and financial feasibility of the concession arrangement. This compensation is being transferred to profit or loss on a straight-line basis until the end of the concession in 2029.
- Collections by **Acesa** for the right to use fibre-optic conduits, amounting to EUR 946 thousand (2018: EUR 1,452 thousand), which are being transferred to profit or loss on a straight-line basis until the end of the concession in 2021 (duration of the related right).
- Collections received by the **Andes** toll road (EUR 8,930 thousand in 2019 and EUR 10,063 thousand in 2018), the **Sol** toll road (EUR 421 thousand in 2019 and EUR 2,241 thousand in 2018) and the **Autopista Central** toll road (EUR 9,853 thousand in 2019 and EUR 10,307 thousand in 2018) for the maintenance of the work specified under various supplementary agreements to the respective concession arrangements, which are recognised in profit or loss on an accrual basis.
- Amounts received by **Metropistas** for undertaking certain actions to upgrade the toll facilities and to perform other services on behalf of the concession grantor totalling EUR 946 thousand (2018: EUR 1,499 thousand), which are recognised in profit or loss on an accrual basis.

Also, at 31 December 2018, in addition to the amounts described above excluding **Trados**, which was consolidated in 2019, "Deferred Income" included compensation to **Aumar** from the government for work performed in Sagunto (EUR 1,552 thousand in 2018), and this amount was recognised in profit or loss over the term of the concession (until 31 December 2019).

18. PAYABLE TO SUPPLIERS AND OTHER PAYABLES

The detail of "Payable to Suppliers and Other Payables" at 31 December 2019 and 2018 is as follows:

	2019	**2018**
Trade payables	476,321	416,964
Payable to non-current asset suppliers	16,506	21,509
Payables to companies accounted for using the equity method and related parties	46,440	7,300
Remuneration payable	105,863	97,235
Other payables	30,098	20,061
Payable to suppliers and other payables	**675,228**	**563,069**

The increase in the "Payable to suppliers and other payables" item is mainly due to the impact of new contracts and/or tenders during the year (new Eurotoll contract with Telepass, free-flow projects in Chile…). These impacts have been partially offset by the impact of the depreciation of the closing exchange rate experienced by the Brazilian real and the Chilean peso.

The detail of the payables to associates, joint ventures and other related parties is as follows:

	2019	2018
Companies accounted for using the equity method:		
Alis	1,024	394
Alienor	373	2,338
M-45	283	-
Tc-Flow	52	-
Routalis	-	831
Others	-	78
	1,732	**3,641**
Other related parties:		
Abertis Holdco [1]	41,491	-
Autostrade Tech, S.p.A.	2,851	773
Sociedad Ibérica de Construcciones Eléctricas, S.A.	806	855
Cobra Instalaciones y Servicios, S.A.	370	49
ImesAPI, S.A.	197	451
API Movilidad S.A.	190	427
Telepass S.p.A	178	11
Autostrade per l'italia S.p.A.	132	330
Autogrill Italia S.p.A.	55	64
Dragados, S.A.	5	279
Argentea Gestioni, S.c.p.A	-	119
Other companies	250	301
	46,525	**3,659**
Accounts payable	**48,257**	**7,300**

(1) Balance associated mainly with the tax consolidation of **Abertis** and its subsidiaries with fiscal residence in Spain as detailed in Note 19.a with the tax group of which Abertis Holdco, S.A is the Parent Company.

Also, for the Group companies with tax residence in Spain, the following information is required by Additional Provision Three of Law 15/2010, of 5 July ("Disclosure Requirement"), 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 Resolution of 29 January 2016 of the Spanish Accounting and Audit Institute on disclosures to be included in the notes to financial statements for years beginning on or after 1 January 2015 in relation to the average period of payment to suppliers in commercial transactions, published in the Official State Gazette on 4 February 2016:

	2019	2018
Average period of payment to suppliers (no. of days) (1)	38	32
Ratio of transactions settled (no. of days)	39	33
Ratio of transactions not yet settled (no. of days)	26	28
Total payments made	131,832	182,024
Total payments outstanding	12,759	13,712

(1) The maximum payment period applicable to the Group companies with tax residence in Spain is, under Law 11/2013, of 26 July, 30 days, unless a longer period has been contractually specified, although such period may not exceed 60 days.

The payments 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 and, therefore, they are included under "Payable to Suppliers and Other Payables" in the consolidated balance sheet.

19. INCOME TAX

a) Tax-related disclosures

Following the change of shareholders described in Note 15-a to the consolidated financial statements for 2018, since 1 January 2019 **Abertis** has been filing consolidated tax returns as subsidiary of a new tax group whose parent is Abertis HoldCo, S.A., the subsidiaries of which are the investees that are at least 75%-owned by it and that are resident for tax purposes in Spain (until 31 December 2018 **Abertis** filed consolidated tax returns as the parent of the aforementioned tax group).

Also, the Group's subsidiaries with tax residence in France and Italy file income tax returns under the consolidated tax regimes applicable in those countries. The other companies included in the scope of consolidation file individual tax returns.

At 31 December 2019, in general the Group companies had open for review by the tax authorities all the taxes applicable to them for which the statute of limitations period had not expired at that date in each of the jurisdictions where they are located.

It should be noted in this connection that:

- In July 2018 **Abertis** received notification of the commencement of tax audits of the consolidated tax group in Spain for 2014 to 2016 in relation to income tax and for June 2014 to December 2016 for VAT. At the date of authorisation for issue of these consolidated financial statements the tax audits were still in progress.
- In Spain, the tax group the parent of which was **Abertis** received tax assessments for income tax for 2010 to 2013, personal income tax withholdings for 2012 and 2013 and VAT for July 2011 to December 2013. Those assessments were signed on a contested basis and were appealed against; at the date of authorisation for issue of these consolidated financial statements no decision thereon had been handed down.

In this regard, at 2018 year-end **Abertis** considers that the tax audits under way, the proceedings associated with the tax assessments signed on a contested basis and possible differences in the way current tax legislation is interpreted in relation to the years open for review will not have a significant impact on the equity reflected in these consolidated financial statements.

Lastly, 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 of the Consolidated Spanish Income Tax Law 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 cassation appeals filed by the Commission against two judgments of the General Court on the Decisions of 2009 and 2011 on this issue.

Since the cassation 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 General Court of the European Union 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.

b) Income tax expense

The standard income tax rates in the main countries in which **Abertis** carries on its operations are as follows:

	2019	2018
Spain	25%	25%
France (1)	34.4%	34.4%
Italy (2)	27.5% + 3.9%	24% + 3.9%
Brazil	34%	34%
Chile	27.0%	27.0%

(1) The French General State Budget Law for 2019 postponed the reduction in the income tax rate envisaged for 2019 and subsequent years. Accordingly, the tax rate for major French companies remained at 34.43% for 2019. Also, the expected rates are 32.00%, 28.41% and 25.83% for 2020, 2021 and 2022, respectively.

(2) The Italian companies are subject to the income tax known as IRES (Imposta sul reddito sulle società) at a rate of 27.5%, and to the IRAP (Imposta regionale sulle attività produttive) at a rate of 3.9%, although the IRAP tax base is broadly equivalent to the gross margin of the company. An amendment to the Italian General State Budget Law approved in December 2019 established an increase in the income tax (IRES -Imposta sul reddito sulle società-) rate from 24% to 27.5% for Italian toll road concession operators for 2019 to 2021.

In this regard, it should be noted that, on the one hand, Law 759/2019 approved on July 24, 2019 has postponed the reduction of the corporate tax rate planned for the year 2019 (thus maintaining 34.43% instead of 32% planned) and, on the other hand, the Law of General Budgets of the French State for 2020 approved on December 19, 2019 has modified the progressive additional reduction for the years 2020 and 2021 for large French companies by placing the rate in the 32% and 28.41%, respectively (the rates foreseen before this regulatory modification were 28.1% and 27.3%, respectively). The expected reduced rate for the year 2022 of 25.8% is maintained.

It should also be noted that an amendment to the Italian General State Budget Law approved in December 2019 established an increase in the IRES rate from 24.00% to 27.50% for Italian toll road concession operators for 2019 to 2021.

The reconciliation of the theoretical tax expense to the tax expense recognised in the consolidated statement of profit or loss for the year is as follows:

	2019	2018
Profit before tax	438,633	2,163,449
Theoretical tax rate - 25% in 2018 and 2017 (1)	109,658	540,863
Effect on the tax expense of:		
Non-taxable income	(1,401)	(337,045)
Non-deductible expenses	14,602	28,195
Tax losses and other tax assets	(2,376)	(4,826)
Changes in tax rate (2)	(4,477)	(15,687)
Other tax effects	6,671	84,001
Income tax (continuing operations)	**109,335**	**295,501**

(1) The impact of the different tax rates in certain countries, as well as the profit or loss of companies accounted for using the equity method (taxed at source), is reflected in the other line items (mainly in "Other Tax Effects").

(2) Relating in 2019, on the one hand, to France in connection with the non-reduction envisaged for 2019 of the tax rate from 34% to 32% and the amendment of the reduction envisaged in subsequent years (EUR 1,423 thousand) and, on the other, to Italy in connection with the increase in the tax rate from 24% to 27.5% for 2019 to 2021 (EUR 951 thousand) and on the other hand, to Argentina for the no reduction planned for 2019 of the tax rate from 30% to 25% (EUR 2,103 thousand)

Relating in 2018, on the one hand, to Spain in connection with the reduction of the tax rate in the Province of Vizcaya from 28% to 26% in 2018 and to 24% from 2019 onwards (EUR 14,330 thousand) and, on the other, to Argentina due to the reduction of the tax rate from 35% to 30% (EUR 1,357 thousand).

"Non-Taxable Income for tax purposes" and "Non-Deductible Expenses for tax purposes" in 2019 and 2018 include items that, in accordance with the tax legislation applicable to the respective consolidated companies, are not taxable or deductible, respectively.

In this regard, at 2018 year-end "Non-Taxable Income" includes mainly the tax effect associated with the gain on the sale of Cellnex, and the tax effect associated with the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport to extend their respective concession contracts until December 2030.

The main components of the income tax expense for the year (for the fully consolidated companies) are as follows:

	2019	2018
Current tax	474,472	471,115
Deferred taxes:		
Change in tax rate [(1)]	(4,477)	(15,687)
Changes in deferred taxes	(350,786)	(150,295)
Other	(10,144)	(9,632)
Tax expense (continuing operations)	**109,335**	**295,501**
Tax expense (discontinued operations)	**8,252**	**(21,576)**
Tax effects recognised in equity	**39,069**	**11,863**
	78,518	**285,788**

(1) Relating in 2019, on the one hand, to France in connection with the non-reduction envisaged for 2019 of the tax rate from 34% to 32% and the amendment of the reduction envisaged in subsequent years (EUR 951 thousand) and, on the other, to Italy in connection with the increase in the tax rate from 24% to 27.5% for 2019 to 2021 (EUR 2,103 thousand).

Relating in 2018, on the one hand, to Spain in connection with the reduction of the tax rate in the Province of Vizcaya from 28% to 26% in 2018 and to 24% from 2019 onwards (EUR 14,330 thousand) and, on the other, to Argentina due to the reduction of the tax rate from 35% to 30% (EUR 1,357 thousand).

As a result of the non-reduction envisaged in the income tax rate for 2019 from 34% to 32% in France, the Group companies with tax residence in France recognised an increase of EUR 4,439 thousand in the income tax expense accrued in the year. Also, the increase in the tax rate on toll road concession operators in Italy from 24% in 2019 to 27.5% in 2021 gave rise to an increase of EUR 2,201 thousand in the tax expense accrued in the year, mainly as a result of the increase in net deferred tax liabilities that are expected to reverse in 2019, 2020 and 2021. In the case of companies with tax residence in Argentina, the impact of the planned no reduction for 2019 of the tax rate of 30% to 25% in Argentina, has led to a higher tax expense accrued in the year of 2,103 thousand euros per the increase in net deferred tax liabilities.

The change in deferred taxes was due mainly to the effect of the reversal of the deferred tax assets and liabilities associated with business combinations detailed below.

The income tax for 2018 included, in addition to the effect of the reversal of the deferred tax liabilities associated with business combinations, the impact related to the reduction in the income tax rate from 28% to 26% in 2018 and to 24% from 2019 onwards in the Province of Vizcaya (Spain), for which the Group company with tax residence in this province (**Avasa**) recognised a reduction of EUR 14,330 thousand in the current income tax expense for the year.

Lastly, it should be noted that Royal Decree-Law 3/2016, of 2 December, which came into force on 1 January 2016, established the obligation to reverse those impairment losses on holdings in the share capital or equity of entities that were deductible for income tax purposes in the income tax base in tax periods commencing prior to 1 January 2013. The amount reversed shall be included, at least, in equal parts in the tax base for each of the first five tax periods commencing on or after 1 January 2016.

The aforementioned Royal Decree-Law also limited the offset of tax losses to 25% of the tax base prior to offset. This change will not affect the recoverability of deferred tax assets recognised at the Group section c.i) described below.

c) Deferred taxes

The detail of the deferred tax assets and liabilities recognised and of the changes therein in 2019 and 2018 is as follows:

	2019		2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	801,848	(1,583,585)	896,836	(1,647,162)
Changes in accounting policies (1)	-	-	12,417	(16,550)
Adjusted at 1 January	801,848	(1,583,585)	909,253	(1,663,712)
Impact of merger (Note 6)	296,571	(3,985,929)	-	-
Amount charged/(credited) to profit or loss (2)	(146,921)	502,184	(61,207)	227,189
Debit/(credit) due to inclusions in the scope of consolidation and business combinations	12,596	(8,303)	-	-
Amount charged/(credited) to equity	39,268	(198)	1,764	(13,627)
Exchange differences (3)	(11,497)	87,651	(25,106)	43,758
Transfers	2,966	3,039	(22,942)	(177,193)
Net transfer to/from assets/(liabilities) associated with disposal groups classified as held for sale	-	-	86	-
At 31 December	**994,855**	**(4,985,141)**	**801,848**	**(1,583,585)**
Deferred tax estimate to be reversed in the next year	(115,614)	528,736	(79,708)	126,806

(1) In 2019, it corresponds to the impact associated with the application of IFRS 16 (see Note 5). In 2018, it corresponded to the impact associated with the application of IFRS 9 and IFRS 15

(2) Including in 2019 the impact indicated in section b) above of the non-reduction in the tax rate in France (EUR 1,423 thousand) and the change in the tax rate in Italy from 24.5% to 27.5% (EUR 952 thousand) and the change of tax rate in Argentina for the year 2020 from 25% to 30% (EUR 2,103 thousan). Including in 2018 the effect described above of the change in the tax rate in the Province of Vizcaya (Spain) (EUR 14,330 thousand) and the effect of the change in the tax rate in Argentina from 35% to 30% (EUR 1,357 thousand).

(3) Deferred tax liabilities include an impact of EUR -36,982 thousand associated with the recognition of hyperinflation by Argentine Group companies.

The exchange differences arising in the year relate mainly to deferred tax assets and liabilities of companies with tax residence in Brazil (BRL 599,414 thousand and BRL 334,225 thousand, respectively, in 2019, and BRL 556,482 thousand and BRL 429,609 thousand, respectively, in 2018), and to deferred tax assets and liabilities of Chilean companies (CLP 121,223,190 thousand and CLP 1,148,351,398 thousand, respectively, in 2019, and CLP 94,761,214 thousand and CLP 387,303,468 thousand, respectively, in 2018), as a result of the depreciation of the Brazilian real and the Chilean peso at year-end (2018 year-end also depreciation of the Brazilian real and the Chilean peso).

The variations of the 2019 fiscal year due to changes in the consolidation perimeter and business combinations correspond entirely to the takeover of Trados, after the acquisition of an additional 1% of its share capital, after which **Abertis** has become the majority shareholder and of control, going to consolidate said company by global integration (until then, registered by the participation method).

It should also be noted, in relation to the consolidated companies **Gco** and **Ausol**, as described in Note 2-g.vi of the consolidated accounts of fiscal year 2018, that as the Argentine economy was considered to be hyperinflationary, it was necessary to adjust the financial statements of these Group companies located in Argentina in order to express them in terms of the measuring unit current at the end of the reporting period. In this connection, the cumulative historical differences between the restated costs and the previous costs of deferred tax liabilities at 31 December 2017, amounting to EUR -29,230 thousand, were recognised with a credit to "Translation Differences" and "Non-Controlling Interests" in consolidated equity with effect for accounting purposes from 1 January 2018.

i) Deferred tax assets

The detail of the deferred tax assets is as follows:

	2019	2018
Tax loss carryforward	344,236	316,463
Due to business combinations [1]	227,769	19,719
Reversal of financial charge [2]	53,331	57,745
Non-deductible provisions [3]	282,228	282,884
Revaluatin of derivative financial instruments	71,345	39,289
Others	15,946	85,748
Deferred tax assets	**994,855**	**801,848**

[1] Tax effect associated with the recognition at fair value of the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation.

[2] Corresponding only to companies with tax residence in Spain relating to the tax effect of the reversal of the financial charge recognised in accordance with the Spanish National Chart of Accounts and its industry adaptations.

[3] Tax effect of certain provisions associated with the application of the intangible asset model pursuant to IFRIC 12, as well as other provisions.

The detail of the deferred tax liabilities recognised at 31 December 2019 and 2018 in relation to the tax effect associated with the recognition at fair value of the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation is as follows:

	Incoporation	2019 [1]	2018 [1]
Francia	2019	126,152	-
Brasil	2019	13,586	-
Chile	2019	15,816	-
Resto autopistas	2019	136	-
Abertis	2019	72,079	-
Acquisition of 51,4% of A4 group	2016	-	6,860
Acquisition Arteris group	2012	-	12,859
		227,769	**19,719**

[1] In 2019, due to the merger of **Abertis** with Abertis Participaciones (see Notes 1 and 6), while in 2018 it corresponded to the tax effect associated with the registration, in accordance with the fair value, of the net assets and liabilities acquired in various business combinations and / or perimeter changes in previous years.

The tax loss carryforwards available for offset at 31 December 2019 and 2018 is as follows:

	2019		2018	
	Tax losses	Last year for offset	Tax losses	Last year for offset
Tax group in Spain	545,594	No deadline for offset	584,026	No deadline for offset
Brazilian companies [1]	415,742	No deadline for offset	300,292	No deadline for offset
Chilean companies	248,753	No deadline for offset	273,716	No deadline for offset
Other entities [2]	587,471	2023-29	544,933	2023-27
At 31 December	**1,797,560**		**1,702,967**	

(1) Total tax losses include EUR 31,015 thousand (EUR 20,027 thousand in 2018) not recorded in books.

(2) Total tax losses include EUR 494,966 euros (EUR 544,933 thousand in 2018) not recorded in books, which correspond mainly to Metropistas.

In the case of companies with tax residence in Spain, relating to tax loss carryforwards generated in 2015 by the tax group in Spain (with no statute-of-limitations period and associated mainly with the impairment loss of the traffic guarantee under the AP-7 concession arrangement).

ii) Deferred tax liabilities

The detail of the deferred tax liabilities is as follows:

	2019	2018
Due to business combinations [1]	4,333,586	953,689
Revaluation of derivative financial instruments	25,114	39,028
Different depreciation and amortisation rates for tax and accounting purposes [2]	293,559	250,584
Other [3]	332,882	340,284
Deferred tax liabilities	**4,985,141**	**1,583,585**

(1) Tax effect associated with the recognition at fair value of the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation.

(2) Tax effect of applying different depreciation and amortisation rates for tax and accounting purposes.

(3) Including EUR 164,841 thousand (2018: EUR 127,424 thousand) due to the application of the cash basis of accounting in relation to the revenue associated with the arrangements with grantors in Spain and EUR 68,598 thousand (2018: EUR 104,749 thousand) relating to the financial assets associated with the concession arrangements of the Argentine companies **Ausol** and **Gco**.

The accumulated detail of the deferred tax liabilities recognised at 31 December 2019 and 2018 in relation to the tax effect associated with the recognition at fair value of the net assets and liabilities acquired and the impact of the merger of **Abertis** with Abertis Participaciones is as follows:

	Incorporation	**2019**
Spain	2019	748,895
France	2019	2,139,190
Italia	2019	64,308
Brazil	2019	73,327
Chile	2019	1,206,190
Puerto Rico	2019	78,005
India	2019	23,526
Rest of world	2019	145
		4,333,586

In addition, the detail of deferred tax liabilities recognised at 31 December, 2018 corresponding to the tax effect associated with the registration, in accordance with the fair value, of the net assets and liabilities acquired in various business combinations and/or perimeter changes that occurred in previous years was as follows:

	Incorporation	**2018**
Acquisition 100% TTPL	2017	10,134
Acquisition 74% JEPL	2017	3,814
Acquisition 51,4% A4 group	2016	78,452
Acquisition Autopista Central (50% additional)	2016	329,181
Acquisition Túnels	2015	31,897
Acquisition grupo Arteris	2012	92,285
Acquisition Autopista Libertadores	2012	11,374
Acquisition Autopista del Sol	2012	608
Acquisition Los Andes	2012	5,394
Acquisition Avasa (50% adicional)	2009	95,440
Acquisition Rutas del Pacífico (50% additionall)	2009	4,508
Acquisition Invin group	2008	4,514
Acquisition HIT/Sanef group	2006	285,032
Others	-	1,056
		953,689

d) Current tax liabilities

The detail of "Current Tax Liabilities" at 31 December 2019 and 2018 is as follows:

	2019	2018
VAT payable	124,706	123,481
Income tax payable	161,270	184,355
Accrued social security taxes payable	5,414	3,712
Personal income tax withholdings	2,961	3,660
Deferred output VAT	-	113
Other taxes	23,501	3,200
Current tax liabilities	**317,852**	**318,521**

20. PROVISIONS

The breakdown of "Long-Term Provisions" and "Short-Term Provisions" is as follows:

		31 December 2019			31 December 2018		
		Long-term provisions	Short-term provisions	Total	Long-term provisions	Short-term provisions	Total
Employee benefit obligations	i)	163,860	25,273	189,133	160,260	38,541	198,801
Other provisions	ii)	1,022,746	343,475	1,366,221	1,038,362	291,644	1,330,006
Provisions		**1,186,606**	**368,748**	**1,555,354**	**1,198,622**	**330,185**	**1,528,807**

i) Employee benefit obligations

The detail of "Employee Benefit Obligations" is as follows:

		31 December 2019			31 December 2018		
		Long-term provisions	Short-term provisions	Total	Long-term provisions	Short-term provisions	Total
Pension obligations	a	65,236	2,365	67,601	66,143	901	67,044
Other obligations	b	11,807	2,187	13,994	13,250	2,205	15,455
Employee termination plan obligations	c	86,817	20,721	107,538	80,867	35,435	116,302
Employee benefit obligations		**163,860**	**25,273**	**189,133**	**160,260**	**38,541**	**198,801**

a) Pension obligations

Among the obligations to their employees, various Group companies in Spain sponsor defined contribution employment-based pension plans and/or have defined contribution and/or defined benefit pension obligations, arranged through insurance policies, as provided for in the legislation governing the externalisation of pension obligations.

Abroad, various Group companies have defined contribution and/or defined benefit obligations to their employees. These obligations are instrumented through external entities, except in countries where local legislation allows internal allowances to be set up.

The economic-actuarial information on the existing liability for the various Group companies' pension obligations to their employees is as follows:

i) Defined contribution obligations

EUR 6,591 thousand were recognised as staff costs in the consolidated statement of profit or loss for the year in relation to defined contribution obligations (2018: EUR 6,649 thousand) (Note 22-c).

ii) Defined benefit obligations

Except in countries where local legislation allows internal allowances to be set up, pension obligations are instrumented through insurance policies or separate entities, in accordance with the applicable legislation in each country, and are not included in the balance sheet. However, this line item includes the obligations and the related plan assets in cases in which the legal or constructive obligation to provide the benefits agreed upon is retained.

In relation to obligations of this nature, at 31 December 2019 (as at 31 December 2018), **Abertis** had pension obligations relating to defined benefit plans in the following countries:

- In Spain, **Abertis**, **Aumar**, **Acesa**, **Invicat** and **Aucat** have pension obligations arising from retirement bonuses regulated in collective agreements. These obligations are financed externally pursuant to local legislation.

- In France, the **Hit/Sanef** subgroup companies and **Emovis** and **Eurotoll** offer retirement bonuses corresponding to a legal obligation (IFC: Indemnité de Fin de Carrière). In addition, **Sapn** has a healthcare plan for retired former employees.
- In Italy, **A4** offers termination indemnities corresponding to a legal obligation (TFR: Trattamento di fine Rapporto). Since 1 July 2007, the benefit rights of employees of companies in the subgroup with more than 50 employees are covered by other external systems (National Social Security Institute (INPS) or a defined contribution pension plan) and, therefore, the TFR plan does not offer additional rights for services beyond this date at those companies. The TFR is not externally financed.

In relation to the aforementioned defined benefit obligations of the various Group companies to their employees, the reconciliation of the beginning and ending balances of the actuarial present value of these obligations is as follows:

	2019	**2018**
At 1 January	68,497	71,630
Current service cost	2,789	2,729
Interest cost	990	1,003
Effects of changes in demographic assumptions	(84)	-
Effects of changes in financial assumptions	2,815	(36)
Experience adjustments	(2,403)	(2,525)
Benefits paid	(3,713)	(4,615)
Transfer to/from liabilities associated with disposal groups classified as held for sale	-	311
At 31 December	**68,891**	**68,497**

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

	2019	**2018**
At 1 January	1,453	2,198
Expected return on plan assets	9	9
Actual return on plan assets (minus the expected return)	51	83
Sponsor contributions	3,490	3,778
Benefits paid	(3,713)	(4,615)
At 31 December	**1,290**	**1,453**

At 31 December 2019, as at 31 December 2018, the Group had not recognised any plan assets relating to insurance policies taken out with related entities.

The changes in 2019 and 2018 in the liability recognised in the consolidated balance sheet were as follows:

	2019	2018
At 1 January	67,044	69,432
Plan assets at related companies	-	-
Net obligation at 1 January	67,044	69,432
Increase with a charge to:		
profit or loss (Note 22-c)	3,770	3,723
equity	277	(2,644)
Sponsor contributions	(3,490)	(3,778)
Changes in the scope of consolidation	-	-
Transfers to/from assets and liabilities associated with disposal groups classified as held for sale	-	311
Net obligation at 31 December	**67,601**	**67,044**
Plan assets at related companies	-	-
At 31 December	**67,601**	**67,044**

The total amount accumulated in equity as a result of changes in calculation assumptions (effects of changes in demographic assumptions, effects of changes in financial assumptions and experience adjustments), after the effect of the takeover of **Abertis** and its subsequent merger with Abertis Participaciones detailed in Notes 6 and 15-a, is an accumulated loss of EUR 277 thousand in 2019 (2018: accumulated loss of EUR 41,174 thousand).

The detail of the wholly or partly funded obligations and of the unfunded obligations at 31 December is as follows:

	2019	2018
Wholly or partly funded obligations	1,795	1,830
Unfunded obligations	67,096	66,667
Obligations	**68,891**	**68,497**

The detail of the total expense recognised in the consolidated statement of profit or loss and in the consolidated statement of comprehensive income is as follows:

	2019	2018
Current service cost	2,789	2,729
Net interest cost	981	994
Past service cost	-	-
Total expense/(income) recognised in the consolidated statement of profit or loss (Note 22-c)	**3,770**	**3,723**
Effects of changes in demographic assumptions	(84)	-
Effects of changes in financial assumptions	2,815	(36)
Experience adjustments	(2,403)	(2,525)
Actual return on plan assets (minus the expected return)	(51)	(83)
Total expense/(income) recognised in the consolidated statement of comprehensive income	**277**	**(2,644)**
Total expense/(income) recognised for accounting purposes	**4,047**	**1,079**

The detail of the proportion of the fair value of the plan assets represented by each asset is as follows:

	2019	2018
Asset-backed securities - insurance policies	100%	100%
	100%	**100%**

At 31 December 2019 (as at 31 December 2018), all the assets related to guaranteed interest rate group insurance policies and profit-sharing.

For obligations financed through insurance contracts, the entity is not exposed to unusual market risks and it does not need to apply asset-liability matching strategies or longevity swaps. For the other obligations, the Group does not have any asset-liability matching strategies, as there are no plan assets. Similarly, there are no transferable financial instruments held as plan assets or plan assets that are property occupied by the entity.

The Group does not have any responsibilities for the governance of the plans, apart from participating in the negotiation of collective agreements that determine the benefits to be paid and in the settlement of the required contributions.

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:

	2019	**2018**
Discount rate (based on type of obligation and currency)	0.49%	1.48%
Percentage salary increase (based on type of obligation and currency)	2.00	2.72%
Pension obligations in Spain:		
Mortality tables	PERMF200p	PERMF200p
Disability tables	InvAbs_OM77	InvAbs_OM77
Pension obligations in France:		
Mortality tables	TGHG/F 2005	TGHG/F 2005
Disability tables	-	-
Pension obligations in Italy:		
Mortality tables	RG48	RG48
Disability tables	INPS	INPS

The discount rate used was determined on the basis of the "iboxx AA" corporate bond rate curve at 31 December 2019, based on the duration of the obligations (as in 2018).

It should also be noted that for the main defined benefit plans the estimated sensitivity of the obligation recorded at year-end to a 50 bp change (in the variables shown below) would be:

	2019	**2018**
Discount rate	5.0% - 4.7%	4.9% - 4.6%
Percentage salary increase	3.7% - 4.0%	3.4% - 3.6%

There were no changes in the methods and assumptions used for the sensitivity analysis with respect to the preceding year. The method used to perform the sensitivity analysis was the projected unit credit method, changing each assumption while keeping the others constant.

No contributions are expected to be made in 2020.

Lastly, the weighted average duration of the defined benefit obligations at 2019 year-end is 9.6 years (2018 year-end: 10.6 years).

b) *Other obligations*

Together with the aforementioned obligations, several Group companies have long-term obligations to their employees in the form of incentives to attain the business targets established in the 2019-2021 Plan, length of service bonuses and vacation pay, also regulated in the collective agreements, after a given number of years of uninterrupted service and other requirements have been achieved. With regard to the measurement of these obligations, a liability totalling EUR 13,994 thousand (2018: EUR 15,455 thousand) is included under this heading in the consolidated balance sheet, and the non-current liability recognised in this connection amounts to EUR 11,807 thousand (2018: EUR 13,250 thousand).

The change in these obligations includes mainly, on the one hand, the provision for the corresponding portion of the obligation associated with the "2019-2021 Incentive Plan" and, on the other, the settlement in the year of the "2018-2020 Incentive Plan" as it had been superseded by the "2019-2021 Incentive Plan" (Note 26-a).

The staff costs recognised in 2019 in relation to these obligations amounted to EUR 8,103 thousand (2018: EUR 7,790 thousand) (Note 22-c).

c) *Employee termination plan obligations*

The changes in the provisions for employee termination plan obligations were as follows:

	2019			2018		
	Long-term provisions	Short-term provisions	Total	Long-term provisions	Short-term provisions	Total
At 1 January	80,867	35,435	116,302	54,943	33,479	88,422
Charge to consolidated statement of profit or loss (period provisions)	4,644	-	4,644	2,113	-	2,113
Amounts used in the year	-	(19,769)	(19,769)	-	(3,774)	(3,774)
Transfers	1,306	5,055	6,361	23,811	5,730	29,541
At 31 December	**86,817**	**20,721**	**107,538**	**80,867**	**35,435**	**116,302**

It should be noted in relation to the obligations assumed by the Group to employees as a result of employment termination plans that at 31 December 2019 provisions had been recognised amounting to EUR 108 million (31 December 2018: EUR 116 million) in connection with the various toll road modernisation plans in progress (primarily in Spain, France and Italy) associated with the various efficiency plans implemented by the Group, and to meet the future employee benefit obligations associated with the end of certain concessions.

ii) Other provisions

The detail of "Other Provisions" is as follows:

		31 December 2019			31 December 2018		
		Long-term provisions	Short-term provisions	Total	Long-term provisions	Short-term provisions	Total
Provisions required under IFRIC 12 (*)	a	506,672	289,850	796,522	498,637	204,101	702,738
Other provisions	b	516,074	53,625	569,699	539,725	87,543	627,268
Other provisions		**1,022,746**	**343,475**	**1,366,221**	**1,038,362**	**291,644**	**1,330,006**

(*) Mainly provisions for road surfaces, maintenance cycles and major overhauls.

The changes in the long and short term provisions in 2019 and 2018 were as follows:

	2019					
	Long-term provisions			Short-term provisions		
	Provisions required under IFRIC 12	Other provisions	Total	Provisions required under IFRIC 12	Other provisions	Total
At 1 January	498,637	539,725	1,038,362	204,101	87,543	291,644
Changes in the scope of consolidation and business combinations (1)	670	-	670	1,768	-	1,768
Charge to the consolidated statement of profit or loss:						
- Period provisions/(reversals)	164,402	7,864	172,266	8,254	(1,345)	6,909
- Interest cost (Note 22-e)	29,202	2,510	31,712	1,508	1,361	2,869
Transfers (2)	(185,883)	(32,427)	(218,310)	326,962	34,072	361,034
Amounts used in the year	-	-	-	(250,143)	(67,237)	(317,380)
Other	3,248	-	3,248	2,807	-	2,807
Exchange differences	(3,604)	(1,598)	(5,202)	(5,407)	(769)	(6,176)
At 31 December	**506,672**	**516,074**	**1,022,746**	**289,850**	**53,625**	**343,475**

(1) The additions in 2019 due to changes in the scope of consolidation and business combinations relate to the impact of the gain of control of **Trados**.

(2) The net transfers in 2019 amounting to EUR 142,724 thousand relate mainly to the investment obligation of **Sol** to carry out the work described in Note 9 amounting to EUR 150,112 thousand transferred to "Other Current Liabilities" (see Note 21).

	2018					
	Long-term provisions			Short-term provisions		
	Provisions required under IFRIC 12	Other provisions	Total	Provisions required under IFRIC 12	Other provisions	Total
At 1 January	575,207	629,731	1,204,938	187,015	43,862	230,877
Changes in the scope of consolidation and business combinations	-	-	-	-	-	-
Charge to the consolidated statement of profit or loss:						
- Period provisions/(reversals)	141,275	36,406	177,681	47,671	10,204	57,875
- Interest cost (Note 22-e)	31,355	6,847	38,202	946	6,967	7,913
Transfers	(236,833)	(100,303)	(337,136)	232,039	75,556	307,595
Amounts used in the year	-	-	-	(250,352)	(48,301)	(298,653)
Other	1,646	(21,659)	(20,013)	3,929	4,042	7,971
Exchange differences	(14,013)	(11,297)	(25,310)	(17,147)	(4,787)	(21,934)
Transfers to liabilities associated with disposal groups classified as held for sale	-	-	-	-	-	-
At 31 December	**498,637**	**539,725**	**1,038,362**	**204,101**	**87,543**	**291,644**

The exchange differences that arose in 2019 were due mainly to the decrease in the year-end exchange rate of the Brazilian real and the Chilean peso (2018: due mainly to the decrease in the year-end exchange rate of those currencies plus the US dollar).

Also, the other provisions used include those charged to profit or loss as a result of the impact associated with the expiry of the **Aumar** concession arrangement at 31 December 2019.

a) Provisions required under IFRIC 12

"Provisions Required under IFRIC 12" relates to the provision associated with future work, essentially road surfaces (in concessions accounted for using the intangible asset or bifurcated model), that the Group's concession operators are required to carry out as a result of the use of the infrastructure in order to maintain and restore it.

These provisions are recognised on the basis of the best estimate of future disbursements required to carry out the next cycle of work on the infrastructure, with the provisions being systematically recognised during each cycle with a charge to the consolidated statement of profit or loss on the basis of the usage of the infrastructure (with an average duration at each of the concessions of between seven and ten years) until the work is actually carried out. These future disbursements are estimated on the basis of technical studies, the quantification of which is subject, inter alia, to the condition of the infrastructure when the work is performed and to fluctuations in construction service price indexes. Consequently, the annual cash outflows associated with these provisions vary according to the duration of each work cycle, and it is estimated that provisions of approximately EUR 309 million.

b) Other provisions

The other long-term provisions at 31 December 2019 (as at 31 December 2018) include mainly:

- Provisions, estimated in the same manner as the provision described above, for replacement or substitution as a result of the expiry of the various concessions. Consequently, the cash outflows arising in this connection are tied to the work to be carried out at the end of each of the Group's concessions and, therefore, such outflows are not expected to be significant in the coming years.
- The provision in relation to the possible liabilities associated with the obligations acquired vis-à-vis the creditors of Alazor (see Note 10.i), the balance of which at 31 December 2019 amounted to EUR 228 million following the refund in 2017 of the amounts executed in 2016 (31 December 2018: also EUR 228 million). In connection with this provision, the amount and timing of the disbursement ultimately made will depend on the outcome of any processes that may arise as a result of the guarantees given.

21. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

The breakdown of "Financial and non-financial liabilities" is as follows:

	31 December 2019		**31 December 2018**	
	Non-current	Current	Non-current	Current
Other financial liabilities	175,313	103,612	79,024	351,528
Other liabilities	183,644	93,339	397,035	362,245
Other liabilities	**358,957**	**196,951**	**476,059**	**713,773**

"Non-Current Liabilities - Other Liabilities" at 31 December 2019 includes mainly:

- The revised value of the contributions that the toll road concession operators in the **Hit/Sanef** subgroup must make to the French Government pursuant to the agreements entered into within the framework of "Plan Relance" for French toll roads (EUR 117 million at 31 December 2019 and EUR 112 million at 31 December 2018).
- The amount payable by **Aulesa** to the Spanish Government (EUR 44 million at both 31 December 2019 and 31 December 2018) by virtue of the participating loans granted by it.
- The amount payable by **Túnels** to the Catalonia Autonomous Community Government, the present value of which at 31 December 2019 was EUR 62 million (31 December 2018: EUR 53 million) in relation, on the one hand, to the fee of EUR 120 million payable at the end of the concession term (December 2037) and, on the other, the additional fee (also payable in 2037) recognised in 2013 and 2014 as a result, as established in the concession arrangement, of net toll revenue in said years exceeding the projections in the Economic and Financial Plan.
- Pursuant to IFRS 16, since 1 January 2019 the present value of the fixed payments to be made at more than 12 months under finance leases in force (discounted at the interest rate implicit in the lease) amounting to EUR 66,970 thousand.

It should also be noted that at 31 December 2018 "Non-Current Liabilities - Other Liabilities" included the amount pending payment by **Invin** to its minority partner (EUR 188 million) in relation to the financing that the shareholders of the consolidated company had granted it, which has been canceled after the payment of EUR 196,440 thousand in this year 2019.

In addition, at 31 December 2019 "Current Liabilities - Other Liabilities" included mainly:

- The balances of **Gco** and **Ausol** relating to the work to be performed in future years using the funds obtained from third parties -RAE- pursuant to the concession arrangement described in Note 27-c) (see Note 13.v).
- The balance payable to the Government by the subsidiary **Acesa** as a result of the obligation acquired under the merger agreement with the previous operator of the concession for the Montmeló-El Papiol stretch of the related toll road (EUR 20,973 thousand at both 31 December 2019 and 31 December 2018).
- Pursuant to IFRS 16, since 1 January 2019 the amount of the fixed payments to be made in the next 12 months under finance leases in force amounting to EUR 20,881 thousand.

On the other hand, at the end of December 31, 2018, the item "Other liabilities - Current" in addition to the aforementioned included the following liabilities:

- A liability for the acquisition in 2014 of all the shares of Infraestructuras Americanas, S.L.U. (**IA**, merged with **Invin** since 2017) for EUR 295 million payable in August 2019 (EUR 290 million at 31 December 2018).
- The amount payable by **Via Paulista** to Agencia de Transporte do Estado de São Paulo (ARTESP), the value of which at 31 December 2018 was EUR 56 million, in relation to the fee of BRL 249 million payable in 2019, in accordance with the concession arrangement of the Rodovias dos Calçados toll road granted in 2017.
- The investment obligation of **Sol**, recognised at its present value (EUR 150 million) for the performance of construction work, as described in Note 9, which in 2019 was transferred to "Current Liabilities- Provisions Required under IFRIC 12" (see Note 20.ii).

22. INCOME AND EXPENSES

a) Services

The breakdown of "Services" by category is as follows:

	2019	2018
Toll road revenue [1]	5,133,316	4,925,989
Toll reductions and volume rebates	(64,782)	(38,504)
Other services	153,219	162,261
Services	**5,221,753**	**5,049,746**

(1) Including, in the case of the Chilean companies, the toll road revenue net of the period provision for doubtful debts relating to the amount of toll revenue that foreseeably will not be collected (CLP -28,698,394 thousand in 2019 compared with CLP -21,655,697 thousand in 2018 corresponding mainly to Autopista Central in Chile, equal to EUR -36,446 thousand and EUR -28,557 thousand, respectively).

The toll road revenue in 2019 was boosted mainly by the increase in traffic in the various countries in which the Group operates, as well as the toll increases at the various concessions and the effects of the new scope of consolidation (basically the inclusion of Trados and the Via Paulista operation for the whole year). However, all of this was partially offset by the negative exchange differences that arose in the year as a result of the depreciation of the average exchange rate experienced by the Brazilian real, the Chilean peso and the Argentine peso at 31 December 2019.

b) Other operating income and other income

"Other Operating Income" includes income from the assignment of the operation of the service areas and the telematic services of certain toll road concession operators, indemnity payment collections, etc.

Substantially all of the "Other Income" at 31 December 2018 related to the net impact of the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport to extend their respective concession arrangements until December 2030.

c) Staff costs

The detail of "Staff Costs" is as follows:

	2019	2018
Wages and salaries	365,657	374,134
Social security contributions	112,398	119,859
Pension costs:		
Defined contribution plans (Note 20.i.a.i)	6,591	6,649
Defined benefit plans (Note 20.i.a.ii)	3,770	3,723
Cost of other long-term obligations (Note 20.i.b)	8,103	7,790
Other employee welfare expenses	66,199	69,559
Staff costs	**562,718**	**581,714**

The decrease in “Staff Costs” was due mainly to the average number of employees, as well as due to the exchange losses incurred in the reporting period as a result of the depreciation of the average exchange rate experienced by the Brazilian real, the Chilean peso and the Argentine peso at 31 December 2019.

The average number of employees at **Abertis** and its subsidiaries in 2019 and 2018, by category and gender, is as follows:

	2019			2018		
Employees (average)	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Chief Executive Officer	1	-	1	1	-	1
- Senior managers	81	22	103	103	25	128
- Middle management and junior managers	695	256	951	761	259	1,020
- Other employees	7,099	4,477	11,576	7,800	4,709	12,509
Temporary employees	188	171	359	118	104	222
Average number of employees	**8,064**	**4,926**	**12,990**	**8,783**	**5,097**	**13,880**

Note: The average number of **Abertis** employees at 31 December 2018 included 190 employees associated with non-current assets classified as held for sale and, therefore, the average number of employees excluding those associated with those assets and/or businesses was 13,690 in 2018.

In addition, the final number of employees at **Abertis** and its subsidiaries at 31 December 2019 and 2018, by category and gender, is as follows:

	2019			2018		
Employees (final)	Men	Women	Total	Men	Women	Total
Permanent employees:						
- Chief Executive Officer	1	-	1	1	-	1
- Senior managers	72	21	93	101	25	126
- Middle management and junior managers	697	255	952	756	270	1,026
- Other employees	7,304	4,705	12,009	7,844	4,997	12,841
Temporary employees	251	211	462	161	152	313
Final number of employees	**8,325**	**5,192**	**13,517**	**8,863**	**5,444**	**14,307**

Note: The final number of **Abertis** employees at 31 December 2018 included 188 employees associated with non-current assets classified as held for sale and, therefore, the number of employees at year-end excluding those associated with those assets and/or businesses was 14,119 in 2018.

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. At 31 December 2019 (as at 2018 year-end), the aforementioned Board of Directors had five members (all males), with all the seats on the Board occupied.

d) Other operating expenses

The detail of the main items of "Other Operating Expenses" in 2019 and 2018 is as follows:

	2019	2018
Upkeep activities and other operating expenses	588,603	614,635
Local taxes other than income tax	287,137	280,230
Rent and royalties	84,291	96,945
Other expenses	178,296	189,370
Other operating expenses	**1,138,327**	**1,181,180**

The decrease in the other operating expenses was due mainly to the efficiency plans implemented by the Group, as well as due to the exchange losses incurred in the reporting period as a result of the depreciation of the average exchange rate experienced by the Brazilian real, the Chilean peso and the Argentine peso at 31 December 2019.

e) Financial loss

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

	2019	2018
- Interest and other income	46,518	35,696
- Derivative financial instruments:		
Cash flow hedges	21,170	10,505
Fair value hedges	-	-
Hedges of a net investment in a foreign operation	801	-
- Dividends	4,308	1,702
- Financial compensation and other income (Note 13.i)	186,157	144,292
- Income from compensation pursuant to Section B of Schedule 3 of Royal Decree 457/2006 (Note 13.i)	14,469	13,585
- Exchange gains (1)	239,741	182,198
Finance income	**513,164**	**387,978**
- Interest on bank loans and other (2)	(592,065)	(706,665)
- Derivative financial instruments:		
Cash flow hedges	(34,969)	(25,477)
Fair value hedges	-	-
Hedges of a net investment in a foreign operation	(16,615)	(35,627)
- Interest cost relating to provisions required under IFRIC 12 and other provisions (Note 20.ii)	(34,581)	(46,115)
- Interest cost relating to other financial liabilities (Notes 20 & 21)	(9,370)	(34,746)
- Termination costs due to refinancing (Note 16)	(24,649)	(6,593)
- Provision for loans and guarantees granted to associates and other financial assets (Notes 11 & 13.ii)	(1,263)	(936)
- Impairment - expected credit losses (Note 13.vii)	(137,198)	(128,441)
- Impact of hyperinflation (IAS 29) (3)	(147,044)	-
- Exchange losses	(131,310)	(29,113)
Finance costs	**(1,129,064)**	**(1,013,713)**

(1) In 2019 and 2018 the exchange gains relate mainly to the impact of the depreciation of the Argentine peso against the US dollar as a result of the agreement described in Note 27-c.

(2) In 2019, the total interest on loans with credit institutions and others includes, on the one hand EUR 280,931 thousand lower financial expense after the revaluation of the financial debt due to the merger of **Abertis** with Abertis Participaciones (Note 6) and, on the other hand, EUR 103,179 thousand of higher financial expenses associated with the assumption of the debt of HoldCo, S.A. (Note 16).

(3) Loss on the net monetary position of the Argentine companies **Gco** and **Ausol**, which operate in a hyperinflationary economy, derived, in accordance with IAS 29, as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income and the adjustment of index linked assets and liabilities.

Also, the detail of "Changes in Fair Value of Financial Instruments" in the consolidated statement of profit or loss is as follows:

	2019				2018			
	Cash flow hedges and hedges of a net investment in a foreign operation [1]	Fair value hedges	I. Derivatives not qualifying for hedge accounting and other	Total	Cash flow hedges and hedges of a net investment in a foreign operation [1]	Fair value hedges	I. Derivatives not qualifying for hedge accounting and other	Total
- Changes in the fair value of derivative financial instruments	6,426	-	-	6,426	(1,823)	-	-	(1,823)
- Changes in the fair value of hedged debt	-	-	-	-	-	-	-	-
- Changes in the fair value of equity instruments and other	-	-	-	-	-	-	-	-
	6,426	**-**	**-**	**6,426**	**(1,823)**	**-**	**-**	**(1,823)**

[1] Amount recognised as a financial asset/liability with a balancing entry in the consolidated statement of profit or loss for the year corresponding to the ineffective portion of the cash flow hedges and hedges of a net investment in a foreign operation.

Also, it should be noted that the net financial loss for 2018 included a non-taxable positive gross impact, net of the costs associated with the transactions, of EUR 604,877 thousand associated with the sale in 2018 of 34.0% of the share capital of Cellnex, recognised under "Net Gains (Losses) on Disposals of Financial Instruments" in the consolidated statement of profit or loss.

23. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

i) Contingencies

The detail of the Group's guarantees to third parties provided by banks, which are not expected to give rise to significant costs, is as follows:

	31 December 2019	**31 December 2018**
For operating obligations and commitments	287,899	337,151
For other obligations and commitments [(1)]	279,923	258,174
	567,822	**595,325**

[(1)] Basically for obligations and commitments associated with investments and financing, etc.

The decrease in the year was due mainly to the decrease at **Vias Chile** in guarantees provided to third parties in relation to certain credit memos and to the depreciation of the Chilean peso (CLP 10,566 thousand, approximately EUR 20 million at 2019 year-end) and, therefore, to the reduction in the guarantees of Serenissima Partecipazioni as a result of the settlement of guarantee claims (EUR 20 million).

As at 2018 year-end, the subsidiary **Aumar** has undertaken to provide guarantees for its investee Ciralsa amounting to EUR 4,987 thousand; a provision was recognised in this connection in 2015. Also, **Abertis** has undertaken to provide guarantees for its subsidiary **Aulesa** amounting to EUR 28 million in relation to a financing agreement entered into by the latter (2019: EUR 29 million).

In addition, until they were cancelled (see Note 12), **Abertis** was guaranteeing the settlements of two derivatives arranged by **Abertis India**, the positive fair value of which at 31 December 2018 was EUR 9,736 thousand.

Also, **Abertis** acts as guarantor in relation to the operating agreements entered into by Emovis for EUR 48,943 thousand (2018: EUR 46,922 thousand) and by Eurotoll for EUR 5,660 thousand (2018: EUR 5,034 thousand).

In addition, the financing agreements of the associate Alazor include the commitment of its shareholders to make additional contributions in the event that certain events relating to the achievement of financial ratios should occur and in order to service debts and cover certain additional costs for which financing is not available. Provisions were recognised in prior years for the best estimate of all the possible liabilities associated with these commitments assumed and guarantees provided (Note 10.i).

Lastly, it should be noted that at 31 December 2019 the concession operators in the **Arteris** subgroup that were granted concessions by the Brazilian Government have in progress with the grantor certain notices and/or other negotiations, relating primarily to these companies' normal liability within the framework of the bidding for, and performance and termination of, their concession arrangements, for a total combined amount of BRL 1,353 million (2018 year-end: BRL 981 million, equal, at the end of the respective periods, to approximately EUR 307 million and EUR 221 million), as well as various other legal proceedings, the unfavourable resolution of which to the interests of the Group is deemed possible, totalling BRL 63 million (2018 year-end: BRL 57 million, equal to approximately EUR 14 million and EUR 13 million at the end of the respective reporting periods), and it is considered that they will not give rise to other liabilities at the date of authorisation for issue of these consolidated financial statements that might give rise to material cash outflows other than those described in Note 20.

The contingencies detailed in Note 19 in relation to potential tax contingencies that might arise should also be taken into consideration.

ii) Commitments and obligations

In addition to the property, plant and equipment, intangible asset and financial asset model concession investment commitments indicated in Notes 8, 9 and 13, respectively, at 31 December 2019 the Group had the following commitments and obligations:

- As part of the agreement with the French Government for "Plan Relance" for French toll roads, the shareholders of the French concession operators resolved to create a fund to develop infrastructure of a clearly environmental nature (“Fonds de Modernisation Ecologique des Transports”, FMET). The contribution of **Abertis** as the sole shareholder of the French subgroup **Hit/Sanef** is estimated at around EUR 52 million, which will be paid as the various investment projects to be carried out are approved. In the year ended 31 December 2019, contributions of EUR 2,875 thousand were made in this connection (2018: EUR 1,350 thousand), and the accumulated contributions at 2019 year-end amount to EUR 5,600 thousand.

- On 11 October 2019, **Abertis** entered into an agreement with Goldman Sachs Infrastructure Partners (GSIP) to acquire 50.1% of the shares of the Mexican toll road group Red de Carreteras de Occidente (RCO) for approximately EUR 1,500 million. This agreement is subject to approval by the regulatory authorities and to other terms and conditions commonly governing transactions of this nature. This agreement is expected to be completed in the first half of 2020.

24. INFORMATION ON THE ENVIRONTMENT

It is Group policy to pay maximum attention to environmental protection and conservation activities, and each investee adopts measures to minimise the environmental impact of the infrastructure that it manages in order to ensure the maximum degree of environmental integration of the infrastructure in their respective geographical areas.

In 2019 the Group's expenditure on improving the environment amounted to EUR 25,428 thousand (2018: EUR 23,256 thousand), mainly through the following actions:

- Cleaning, landscaping and clearing along the toll roads, as well as upgrades to the service and rest areas and work to reduce visual and acoustic impact.
- Collection and removal of hazardous urban waste.
- Aquifer resource protection plans (especially in the framework of the “Plan Relance” agreement reached with the French government for the modernisation of the toll road network).
- Environmental impact studies, mainly in relation to the work to expand the capacity of the toll roads in Brazil.

To a lesser extent, implementation of measures to optimise water management and energy consumption and reduce noise pollution

25. SEGMENT REPORTING

The Group's various activities are organised and managed separately based on the geographical area of the infrastructure managed, with each operating segment (highways by geographical area) constituting a strategic business unit that manages different types of infrastructure in different markets. Consequently, the Group's decision-making bodies base their decision making on information broken down by operating segment.

Management has defined an operating segment as a group of assets and operations used for managing infrastructure subject to risks and rewards that are distinct from those managed by other business segments.

In this regard, the identified motorway segment includes the construction, conservation and operation of motorways under concession; management of highway concessions in Spain and abroad; construction of road infrastructure works and complementary activities to the construction, conservation and operation of highways.

It should be noted that **Abertis**' management of its highways is organized based on their geographical classification into: Spain highways, France highways, Italy highways, Brazil highways, Chile highways, Puerto Rico highways, Argentine highways and rest of the world highways.

In addition, "Other" mainly includes the activity carried on by the Parent (holding shares of the Group companies and managing those companies) and other companies that provide financing to Group companies.

The operating segments reported on obtain their revenue on the basis of the nature of the service provided, as described in Note 3-o, and their customers are the end users of the toll road infrastructure.

The directors, who constitute the Group's highest operating decision-making authority, analyse the results of each segment, down to the profit or loss from operations, given that this is the item from which operating expense and revenue can be directly attributed to, or reasonably distributed among, the segments.

The detail of the profit or loss from operations for the year of each segment and of the share of the profit or loss of the associates is as follows:

31 December 2019

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world	Other	Total
Services	1,507,428	1,780,299	406,101	622,769	492,489	158,016	130,068	124,238	345	5,221,753
Other income	21,098	26,089	23,176	1,993	61,286	3,662	160	1,419	629	139,512
Operating income	**1,528,526**	**1,806,388**	**429,277**	**624,762**	**553,775**	**161,678**	**130,228**	**125,657**	**974**	**5,361,265**
Operating expenses	(258,283)	(555,524)	(195,921)	(285,839)	(154,231)	(48,620)	(102,182)	(90,290)	(5,055)	(1,695,945)
Changes in provisions for infrastructure maintenance and restoration obligations	8,699	9,772	(2,182)	7,221	45,212	2,716	-	6,049	-	77,487
Changes in operating provisions and allowances	4,503	(2,151)	589	(7,632)	(23)	371	(1,330)	(613)	-	(6,286)
Gross profit (loss) from operations	**1,283,445**	**1,258,485**	**231,763**	**338,512**	**444,733**	**116,145**	**26,716**	**40,803**	**(4,081)**	**3,736,521**
Net construction revenue/expenses (excluding capitalised in-house costs) (1)	-	-	-	20,336	-	-	-	-	-	20,336
Depreciation and amortisation charge	(942,276)	(941,219)	(126,994)	(253,426)	(368,654)	(38,749)	(1,978)	(26,020)	(5,404)	(2,704,720)
Impairment losses on assets	-	-	46	-	-	-	-	(345)	-	(299)
Profit (Loss) from operations	**341,169**	**317,266**	**104,815**	**105,422**	**76,079**	**77,396**	**24,738**	**14,438**	**(9,485)**	**1,051,838**
Share of result of associates and joint ventures	2,995	-2,045	(800)	-	-	-	-	(3,226)	-	(3,076)
Unallocated profits and losses (2)										(610,129)
Profit before tax										**438,633**

(1) Excluding in 2019 the impact of the capitalisation of in-house construction costs amounting to EUR 6,291 thousand and relating in full to France.

(2) Including mainly the interest income and expenses on borrowings, which are mostly managed by corporate central services, and the financial impact of the application of IFRIC 12.

31 December 2018

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world	Other	Total
Services	1,396,093	1,726,540	403,389	604,606	510,572	136,621	154,265	116,968	692	5,049,746
Other income	29,264	24,638	28,896	12,516	27,470	1,703	78,445	1,861	842	205,635
Operating income	**1,425,357**	**1,751,178**	**432,285**	**617,122**	**538,042**	**138,324**	**232,710**	**118,829**	**1,534**	**5,255,381**
Operating expenses	(275,570)	(572,925)	(194,313)	(332,199)	(125,139)	(44,361)	(110,319)	(86,475)	(23,037)	(1,764,338)
Changes in provisions for infrastructure maintenance and restoration obligations	16,195	21,713	(3,438)	15,497	7,673	(216)	1,545	2,662	-	61,631
Changes in operating provisions and allowances	5,836	(242)	139	(7,745)	-	(1,651)	-	(40)	-	(3,703)
Gross profit (loss) from operations	**1,171,818**	**1,199,724**	**234,673**	**292,675**	**420,576**	**92,096**	**123,936**	**34,976**	**(21,503)**	**3,548,971**
Net construction income/expenses	-	-	-	20,303	710	-	-	-	-	21,013
Depreciation and amortisation charge	(308,830)	(363,366)	(127,395)	(267,545)	(232,935)	(27,091)	(24,638)	(22,656)	(2,865)	(1,377,321)
Impairment losses on assets	(435)	-	(17)	-	-	-	-	1,041	-	589
Profit (Loss) from operations	**862,553**	**836,358**	**107,261**	**45,433**	**188,351**	**65,005**	**99,298**	**13,361**	**(24,368)**	**2,193,252**
Share of result of associates and joint ventures [(1)]	11,118	3,803	(713)	-	-	-	-	(4,912)	(16,418)	(7,122)
Unallocated profits and losses [(2)]										(22,681)
Profit before tax										**2,163,449**

[(1)] The loss of the "Other" relates to the 34% ownership interest held in Cellnex until May 2018 and the 29.9% interest held until July 2018.

[(2)] Including mainly the interest income and expenses on borrowings, which are mostly managed by corporate central services, and the financial impact of the application of IFRIC 12, and at 2018 year-end the gain on the sale of 34.0% of Cellnex totalling EUR 604,877 thousand.

The overall increase in the operating aggregates of the Toll roads operating segment was due mainly to (i) the positive trend in traffic in the principal countries in which the Group operates; (ii) the increase in tolls in the various concessions; and (iii) the impact associated with the gain of control of **Trados** (in the case of the Spanish toll roads) and the operation for the whole year of **ViaPaulista** in the case of the Brazilian toll roads.

These impacts were partially offset by (i) the impact net of taxes of EUR 78 million recognised in 2018 associated with the recognition of the outstanding measures to restore the economic and financial balance of the Argentine companies **Gco** and **Ausol**, following the agreements entered into on 3 July 2018 with the Argentine Ministry of Transport to extend their respective concession arrangements until December 2030 (with an impact on the Toll roads Argentina operating segment); (ii) the expiry in May 2018 of the Via Norte toll road concession (with an impact on the Toll roads Brazil operating segment); and (iii) the impact of the depreciation of the average exchange rate at 31 December 2019 of the Brazilian real, the Chilean peso and the Argentine peso, which adversely affected the aggregates of the Toll roads Brazil, Toll roads Chile and Toll roads Argentina operating segments, respectively.

It should be noted that the depreciation and amortisation charge increased significantly (reducing the profit for the year, particularly in the Toll roads Spain, Toll roads France, Toll roads Chile and Toll roads Puerto Rico operating segments) as a result of the increase in the depreciation charge arising from the revaluation of the concession arrangements in the PPA performed following the gain of control of the Group and the subsequent merger of **Abertis** with Abertis Participaciones, S.A.U. (see Note 6).

The detail of the assets and liabilities of the segments at 31 December 2019 and 2018 and of the investments in non-current assets made in each year is as follows:

31 December 2019

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world [1]	Other	Total
Assets	6,548,351	12,338,167	1,571,360	3,669,353	5,218,438	1,432,657	395,777	479,506	10,630,971	42,284,580
Associates and joint ventures	56,457	327,405	1,020	-	-	-	-	24,188	-	409,070
Total assets	**6,604,808**	**12,665,572**	**1,572,380**	**3,669,353**	**5,218,438**	**1,432,657**	**397,777**	**503,694**	**10,630,971**	**42,693,650**
Liabilities	2,648,697	8,872,803	1,261,529	2,083,796	3,302,883	822,657	210,157	297,036	15,358,689	34,858,247
Total liabilities	**2,648,697**	**8,872,803**	**1,261,529**	**2,083,796**	**3,302,883**	**822,657**	**210,157**	**297,036**	**15,358,689**	**34,858,247**
Period investment in non-current assets [*]	**17,953**	**255,341**	**24,743**	**286,456**	**49,438**	**4,275**	**11,338**	**629**	**14,218**	**664,391**

[1] Including mainly the assets and liabilities contributed at 31 December 2018 by **TTPL** and **JEPL**, which were acquired in March 2017.

[*] Excluding the additions due to business combinations.

31 December 2018

	Toll roads Spain	Toll roads France	Toll roads Italy	Toll roads Brazil	Toll roads Chile	Toll roads Puerto Rico	Toll roads Argentina	Toll roads rest of the world [2]	Telecommunications	Other	Total
Assets	4,451,702	8,457,815	1,798,148	3,711,682	3,929,949	1,097,310	550,852	449,773	-	2,357,895	26,805,126
Associates and joint ventures	127,429	60,743	1,790	-	-	-	-	26,614	-	-	216,576
Non-current assets classified as held for sale and discontinued operations [1]	-	-	-	-	-	-	-	-	1,621,795	-	1,621,795
Total assets	**4,579,131**	**8,518,558**	**1,799,938**	**3,711,682**	**3,929,949**	**1,097,310**	**550,852**	**476,387**	**1,621,795**	**2,357,895**	**28,643,497**
Liabilities	2,412,569	6,860,082	1,330,224	2,094,149	2,806,765	793,075	252,650	279,070	-	5,369,508	22,198,092
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-	-	-	-	-	519,773	-	519,773
Total liabilities	**2,412,569**	**6,860,082**	**1,330,224**	**2,094,149**	**2,806,765**	**793,075**	**252,650**	**279,070**	**519,773**	**5,369,508**	**22,717,865**
Period investment in non-current assets [*]	**19,116**	**231,301**	**12,044**	**302,046**	**183,014**	**5,910**	**2,547**	**1,965**	**-**	**3,481**	**761,424**

[1] The non-current assets classified as held for sale and discontinued operations of the Telecommunications segment relate to the assets of the **Hispasat** subgroup (see Note 7).

[2] Including mainly the assets and liabilities contributed at 31 December 2018 by **TTPL** and **JEPL**, which were acquired in March 2017.

[*] Excluding the additions due to business combinations.

The changes in the balance sheet aggregates were due mainly, on the one hand, to the revaluation of intangible assets (basically concession arrangements) and, on the other, to the revaluation of the bank borrowings (affecting in particular the Toll roads France and Other segments) in the PPA performed following the gain of control of the Group and the subsequent merger of **Abertis** with Abertis Participaciones, S.A.U. (Note 6).

This impact was partially offset by the effect of the depreciation at year-end of the Brazilian real, the Chilean peso and the Argentine peso.

Also, it should be noted that there were no significant inter-segment transactions in 2019 or 2018.

The segment assets include primarily property, plant and equipment, intangible assets and financial assets arising from the application of the bifurcated model and the financial asset model under IFRIC 12, inventories, accounts receivable, cash from operations and deferred tax assets.

The segment liabilities comprise operating liabilities and the bank borrowings arranged to carry on operations.

The investments in non-current assets comprise additions to property, plant and equipment and other intangible assets, as well as financial assets accounted for under IFRIC 12 using the bifurcated and financial asset models.

26. RELATED PARTY TRANSACTIONS AND BALANCES

a) Directors and senior executives

During this year no remuneration has been accrued to the directors and only remuneration has been accrued to the Chief Executive-General Manager.

The comparability of the figures has been affected by the modification of the bylaws and the remuneration policy for directors, as well as the changes in the Group's organization effective 1 June 2019.

The remuneration received by the directors of **Abertis** in 2019, in accordance with the remuneration policy approved by the shareholders at the Annual General Meeting of sharholders dated 3 April 2017, and modifications there approved by the General Meeting of shareholders on the dates 10 December 2018 and 19 March 2019 were as follows:

i. 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 (2018: EUR 2,303 thousand), and earned EUR 26 thousand as members of the Boards of Directors of other Group companies (2018: EUR 134 thousand).

ii. For performing senior management duties, the Chief Executive-General Manager earned EUR 2,032 thousand (2018: EUR 1,449 thousand), corresponding to their annual fixed and variable remuneration, and EUR 480 thousand (2018: EUR 249 thousand) in contributions arising from employee benefit obligations.

    Also, in the first semester of 2019 EUR 1,200 thousand were paid to CEO for the 2018-2020 Incentive Plan, given its replacement with the 2019-2021 Incentive Plan.

iii. In addition, the CEO earned EUR 60 thousand (2018: EUR 52 thousand) as other remuneration in kind.

The remuneration in 2019 of the senior executives, understood to be the general managers and similar employees of the **Abertis** Group 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 6,629 thousand (2018: EUR 5,483 thousand). It should also be noted that in the first semester of 2019 the senior executives received EUR 2,500 thousand for achieving the multi-year targets established in the 2018-2020 Incentive Plan, given its replacement with the 2019-2021 Incentive Plan.

Also, the senior executives earned as other benefits contributions related to social welfare obligations and other remuneration in kind amounting to EUR 474 thousand and EUR 409thousand, respectively (2018: EUR 453 thousand and EUR 361 thousand, respectively).

The post-employment benefits received by former senior executives totalled EUR 107 thousand in 2019 (2018: EUR 21 thousand).

Also, in accordance with the remuneration policy of **Abertis** for 2019 and 2021, the Group has in place a 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, details are provided of the disclosures required in relation to the amount of the third-party liability insurance policies of the Parent's directors for damage caused or omissions, which totalled EUR 240 thousand in 2019, following the various changes of control of **Abertis** that took place in the year (2018: EUR 288 thousand).

b) Significant shareholders

A significant shareholder is defined as a shareholder that has significant influence over the Parent (Note 15-a).

In addition to the dividends paid to shareholders (in this case, Abertis HoldCo, S.A.), the breakdown of the balances held and transactions performed with significant shareholders is as follows:

i) Bond issues, loans and credit lines received

At 31 December 2019, as at 31 December 2018, the Group had not issued any bonds and had not arranged any loans or guarantee lines with related entities.

In the year ended 31 December 2019, the Group recognised EUR 9 thousand of finance income received from the related entity Autostrade per l'Italia, S.p.A. (2018: EUR 0 thousand).

Also, in the year ended 31 December 2019, as at 2018 year-end, no finance costs paid to related entities were recognised.

ii) Financial swaps arranged

At 31 December 2019, as at 31 December 2018, the Group had not arranged any financial swaps with related banks relating to foreign currency and/or interest rate hedges.

iii) Financing of retirement obligations

In the year ended 31 December 2019 (as in 2018), the Group did not make any contributions to insurance policies that it may have arranged with any related entity in order to meet the defined benefit obligations to its employees. Also, at 31 December 2019 and 2018 no plan assets associated with such policies were held.

iv) Assets purchased and services received/rendered

	2019	2018
Assets purchased:		
Property, plant and equipment purchases	1,543	1,004
	1,543	**1,004**
Services received:		
Services received	13,020	4,137
	13,020	**4,137**
Services rendered [1]	**16,243**	**120**

[1] In 2019 relating mainly to services received from the Autogrill Group (EUR 15,917 thousand).

Also, there are balances payable to and receivable from related parties relating to services received amounting to EUR 4,857 thousand (2018: EUR 3,415 thousand) and EUR 74,480 thousand, respectively (in the latter case relating mainly to the account receivable of the concession operator **A4** from Autostrade per l'Italia, S.p.A. in connection with toll collection management relating to the interconnection of the stretch of toll road operated by **A4** with that of other concession operators (2018: EUR 43,120 thousand)).

v) Obligations and contingencies

At 31 December 2019, as at 31 December 2018, the Group had not arranged any credit lines, loans or guarantee lines with related entities.

vi) Other items

Additionally, as of 31 December 2019, balances receivable and payable are maintained with HoldCo, S.A. amounting to EUR 195,348 thousand and EUR 41,491 thousand, respectively; as a result of the tax effect generated by the tax consolidation regime of which HoldCo, S.A. is the parent company.

Meanwhile, in 2018, **Abertis** sold the shares representing the remaining 29.9% of the capital stock of Cellnex (69,273,289 shares) to the Italian company ConnecT S.p.A. (Connect, a subsidiary of Edizione S.r.l.) for an amount of EUR 1,489,376 thousand (equivalent to a price of 21.50 euros per share).

c) Associates and joint ventures

The most significant transactions with associates and joint ventures relate to accrued dividends (EUR 9,405 thousand and EUR 1,310 thousand, respectively, in 2019 -collected in full in 2019-, and EUR 328 thousand and EUR 6,112 thousand in 2018 -collected in full in 2018(Note 10). The balances with these companies at the end of 2019 and 2018 are detailed in Notes 13.ii, 13.vi and 16.ii.

d) 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 Parent's interests.

27. OTHER RELEVANT INFORMATION

a) Fees paid to auditors

	2019			2018		
	Audit of financial statements [1]	Tax advisory services	Other services	Audit of financial statements [1]	Tax advisory services	Other services
Deloitte, S.L.	731	-	519	1,307	-	263
Other Deloitte [*]	1,878	36	150	1,899	102	368
Total Deloitte	2,609	36	669	3,206	102	631
Other auditors	48	507	2,120	85	434	1,622
Total	**2,657**	**543**	**2,789**	**3,291**	**536**	**2,253**

[*] Other companies that use the Deloitte name.

[1] In 2018 Deloitte, S.L.'s fees included those associated with the audit of the consolidated financial statements of **Abertis** as at 31/10/18, as well as the balance sheet of Abertis Infraestructuras, S.A. at that same date, in relation to the gain of control of the new majority shareholder.

b) Economic and financial plan

In accordance with current legislation in each country, the toll road concession operators have economic and financial plans approved by the competent authorities.

c) Concession arrangements

The main concession arrangements of the **Abertis** Group relate to the maintenance and operation of the various toll roads managed by the Group's concession operators. At the end of the concession term, the infrastructure must be returned in perfect condition to the grantor. Also, tolls are indexed to inflation, through specific formulas for each concession.

The main concession arrangements of the subsidiaries of the **Abertis** Group, most of which are accounted for using the intangible asset model under IFRIC 12, are as follows:

Spanish toll road concession operators

- Concession arrangement for the construction, maintenance and operation of toll roads entered into by the Spanish Ministry of Public Works and **Acesa** in relation to the AP-7 and AP-2 toll roads, which expires on 31 August 2021 (granted in 1967). Subsequent to the signing of aforementioned concession arrangement and without extending the term thereof, an agreement was entered into with the grantor (amending certain aspects of the concession arrangement) to widen the AP-7 toll road between la Jonquera and Vilaseca/Salou to three lanes over a 123 km stretch, for a planned investment of EUR 500 million (at 2006 prices) (Note 13).
- Concession arrangement for the construction, maintenance and operation of the C-32, C-31 and C-33 toll roads of the Catalonia Autonomous Community entered into by the Catalonia Autonomous Community Government and **Invicat**, which expires on 31 August 2021 (granted in 1967). Subsequent to the signing of aforementioned concession arrangement and without extending the term thereof, an agreement was entered into with the grantor amending certain aspects of the concession arrangement and establishing the general conditions for modifying and adapting the stretch of the C-32 toll road between Palafolls and the junction with the GI-600 road that is being widened, in addition to other road and mobility management improvements linked to the toll road and its operation in the Maresme corridor, with a planned investment of EUR 96 million (Note 13).

  In addition, an agreement with the concession grantor dated 23 December 2013 (which came into force on 1 January 2014) amended certain aspects of the concession and provided for toll unification measures, auxiliary upgrade work in the area of influence of the toll road and measures to favour the financing of public-transportation policies and mobility. A system to remunerate these measures was decided upon, including the possible extension of the concession term.
- Concession arrangement entered into by the Catalonia Autonomous Community Government and **Aucat** for the construction, maintenance and operation of the C-32 Pau Casals toll road. The concession expires on 26 January 2039 (granted in 1989). Subsequently, an agreement with the Catalonia Autonomous Community Government dated 23 December 2013 (which came into force on 1 January 2014) amended certain aspects of the concession and provided for toll unification measures, auxiliary upgrade work in the area of influence of the toll road and measures to favour the financing of public-transportation policies and mobility. A system to remunerate these measures was decided upon, including the possible extension of the concession term.

- Concession arrangement for the maintenance and operation of the Vallvidriera tunnel and the Cadí tunnel (and their corresponding accesses) entered into by the Catalonia Autonomous Community Government and **Túnels** for a term of 25 years, which ends on 31 December 2037 (granted on 31 December 2012).
- Concession arrangement entered into by the Spanish Ministry of Public Works and **Aumar** for the construction, maintenance and operation of the AP-7 (Tarragona-Valencia and Valencia-Alicante) and AP-4 (Seville-Cádiz) toll roads. The concession was unified by Royal Decree 1132/1986, of 6 June, and expired on 31 December 2019, pursuant to Royal Decree 1674/1997, of 31 October.
- Concession arrangement for the construction, maintenance and operation of the toll road sections of AP-6 connection with Segovia (AP-61) and with Ávila (AP-51) signed between the Spanish Ministry of Public Works and **Castellana**, which expires on November 2029 (granted in 1999), as provided in the concession arrangement and based on traffic evolution during the period between November 2015 and November 2019. In addition, it should be noted that this company is the contracted company since January 2018 (to November 2029) of the concession arrangement entered into by the Spanish Ministry of Public Works and Iberpistas for the construction, maintenance and operation of the Villalba-Adanero (AP-6) toll road, which expired on 29 January 2018 (granted in 1968). Subsequent to the signing of the concession arrangement and without extending the term thereof, an agreement modifying certain aspects of the concession was entered into providing for the widening of the toll road to three lanes in each direction on the San Rafael-Villacastín stretch, with a projected investment of EUR 70 million (at 2008 prices).
- Concession arrangement entered into by the Spanish Ministry of Public Works and **Avasa** for the construction, maintenance and operation of the Bilbao-Zaragoza stretch of the Ebro Toll Road, now the AP-68 toll road, which expires on 11 November 2026 (granted in 1973).

  Concession arrangement entered into by the Spanish Ministry of Public Works and **Aulesa** for the construction, maintenance and operation of the León-Astorga toll road, which expires on 11 March 2055 (granted in 2000).
- Concession contract for the construction, conservation and exploitation of the Eje O'Donnell - N-IV section of the M-45 highway in Madrid, signed between the Community of Madrid and **Trados 45**, which ends in August 2029.

French toll road concession operators

- Concession arrangement entered into by the French Government and **Sanef** for the maintenance and operation of toll roads in northern France (A1, Paris-Lille, and A2, Paris-Valenciennes) and eastern France (A4, Paris-Strasbourg) as well as the Paris ring road (A16, Paris-Boulogne-sur-Mer; A26, Calais-Troyes; and A29, Amiens-Neuchâtel-en-Bray). Following the June 2015 agreement with the French Government on "Plan Relance" for the French toll roads, in order to upgrade the toll road network, the concession was extended by two years, until 31 December 2031 (granted in 1964).
- Concession arrangement entered into by the French Government and **Sapn** (wholly owned by Sanef) for the maintenance and operation of toll roads in western France (A13, Paris-Caen, and A14, Paris-Strasbourg) as well as the Paris ring road (A29, Le Havre-Saint Quentin). Following the June 2015 agreement with the French Government on "Plan Relance" for French toll roads, in order to upgrade the toll road network, the concession (granted in 1964) was extended by three years and eight months, until 31 August 2033.

Italian toll road concession operators

- Concession arrangement entered into by the Italian Government and the concession operator Autostrada Brescia Verona Vicenza Padova S.p.A. (**A4**, wholly owned by A4 Holding, S.p.A.) for the construction, maintenance and operation of the A4 (Brescia-Padova) and A31 (Vicenza-Piovene Rocchette and Vicenza-Badia Polesine) toll roads which was extended to 31 December 2026.

Brazilian toll road concession operators

- Concession arrangement for the construction, maintenance and operation of the SP-334, SP-255, SP-330, SP-318 and SP-345 toll roads that connect the municipalities of Franca, Batatais, Ribeirão Preto, Araraquara, São Carlos and Santa Rita do Passa Quatro, signed by the São Paulo Road and Highway Department (Departamento de Estradas e Rodagem de São Paulo) and **Autovias** (DER/SP no. 18/CIC/97, governed by State Decree no. 42.646 of 18 December 1997, modified by Amendments (Termos Aditivos e Modificativos) nos. 19/14 of 16 January 2015, 20/18 of 14 December 2018 and 23/19 of 28 June 2019), which expired in July 2019 (granted on 1 September 1998).

- Concession arrangement for the construction, maintenance and operation of the SP 310-225 toll road between the municipalities of Cordeirópolis and São Carlos and between Itirapina and Bauru, signed by the São Paulo Road and Highway Department and **Centrovias** (DER/SP no. 16/CIC/97, governed by State Decree no. 42,411 of 30 October 1997, which was modified by Amendment (Termo Aditivo e Modificativo) no. 11 of 21 December 2006 and no. 20 of 27 December 2019), and which expires in 7 May 2020 (granted in June 1998).
- Concession arrangement for the construction, maintenance and operation of the toll road covering the SP-147-370-215 routes, which connect the municipalities of Itapira, Mogi-Mirim, Limeira, Piracicaba, Conchal, Araras, Rio Claro, Casa Branca, Porto Ferreira and São Carlos (lot 6), entered into by the São Paulo Road and Highway Department and **Intervias** (DER/SP no. 19/CIC/98, governed by State Decree no. 42,411 of 30 October 1997, which was amended by Amendment no. 14/06 of 21 December 2006 and the resolution of the Managing Council of the Regulatory Agency for Delegate Public Transport Services of the State of São Paulo (Consejo Director de la Agencia Reguladora de Servicios Públicos Delegados de Transporte do Estado de São Paulo), ARTESP, of 14 January 2016), which expires in April 2028 (operation began in February 2000).
- Concession arrangement for the construction, maintenance and operation of the BR-116/PR/SC toll road (lot 02) from the outskirts of Curitiba in the State of Paraná to the state line between Río Grande do Sul and Santa Catarina entered into by the National Highway Transportation Agency (Agência Nacional de Transportes Terrestres (ANTT)) and **Planalto Sul** (governed by Bid Announcement (Edital de Licitação) no. 006/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-101/RJ toll road (lot 04) that crosses Rio de Janeiro State, running from the Niteroi bridge north of the city to the Espírito Santo state line, entered into by the ANTT and **Fluminense** (regulated by Bid Announcement no. 004/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-381-MG/SP toll road (lot 05), which connects the São Paulo ring road to Belo Horizonte, Minas Gerais, entered into by the ANTT and **Fernão Dias** (regulated by Bid Announcement no. 002/2007 of 15 February 2008), which expires in February 2033.

- Concession arrangement for the construction, maintenance and operation of the BR-116-SP/PR toll road (lot 06), which connects the São Paulo ring road to Curitiba, Paraná, entered into by the ANTT and **Régis Bittencourt** (regulated by Bid Announcement no. 001/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the BR-116, BR-376/PR and BR-101/SC toll roads (lot 07), which connect the city of Curitiba, Paraná, and Florianópolis, Santa Catarina, entered into by the ANTT and **Litoral Sul** (regulated by Bid Announcement no. 003/2007 of 15 February 2008), which expires in February 2033.
- Concession arrangement for the construction, maintenance and operation of the SP-334, SP-255, SP-257, SP-330, SP-318, SP-328, SP-249, SP-304, SP-281, SP-304/310 and SP-345 toll roads that connect the municipalities of Franca, Batatais, Ribeirão Preto, Araraquara, São Carlos, Santa Rita do Passa Quatro, Jaú, Avaré, Itaí, Itaporanga and Riversul, entered into by the São Paulo Road and Highway Department (Departamento de Estradas e Rodagem de São Paulo) and **Via Paulista** (ARTESP no.0359-ARTESP-2017, governed by State Decree no. 62,333 of 21 December 2016), which expires in November 2047 (granted on 22 November 2017).

Chilean toll road concession operators

- Concession contract for the construction, conservation and exploitation of the North - South axis and the General Velásquez axis (61 kilometers), both in the city of Santiago de Chile, signed between the Ministry of Public Works of Chile and **Autopista Central**, whose term original ends in July 2031. However, on 19 November 2019 Autopista Central and the Ministry of Public Works held a Memorandum of Understanding in which they mainly agreed to eliminate the maximum annual readjustment established in section 1.14.7 of the Bidding Terms of 3.5 %, in addition to the potential engineering, execution, conservation and operation of additional works up to a maximum amount of UF 9,000,000 net of VAT. In this regard, on December 6, 2019, the Ad-Referendum Agreement No. 8 was published in the official newspaper on 31 January 2020, which establishes the general conditions for the elimination of the annual real adjustment of 3.5 % of the tariffs established in section 1.14.7 of the Bidding Terms as of 1 January 2020, therefore, said tariffs will be adjusted annually only by IPC, unless otherwise indicated by the Ministry of Public Works since 2021. As part of the compensation mechanism, the agreement establishes an increase in the term of the concession contract of 12 months (until July 2032), with the MOP retaining the option of making a direct payment for any unbalanced balances at the end of the extended period, or grant a new extension of the concession term.

It should be noted that in relation to the non-binding framework agreement protocol related to the eventual execution of works detailed in Note 9.iv, negotiations are being held with the granting authority to extend the concession agreement

- Concession arrangement for the construction, maintenance and operation of the Santiago-Valparaíso-Viña del Mar link road and the Southern Artery (Troncal Sur), entered into by the Ministry of Public Works of Chile and **Rutas del Pacífico**, with a maximum term of 25 years, until August 2024, conditional upon a Total Concession Revenue stipulation, which at the reporting date could be met in 2023. The term of the agreement with the Ministry of Public Works for the performance of the construction work associated with the free-flow electronic tolling system (see Note 9.iv) has been extended by ten months as a result of the fulfilment of the aforementioned Total Concession Revenue stipulation.
- Concession arrangement for the execution, construction and operation of the Los Vilos-La Serena stretch of Ruta 5, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria del Elqui, S.A. (**Elqui**), which expires in December 2022.
- Concession arrangement for the construction, maintenance and operation of the Camino Internacional Ruta 60 Ch toll road, which crosses the districts of Los Andes, San Esteban, Santa María, San Felipe, Panquehue, Catemu, Llay, Hijuelas, La Calera, La Cruz, Quillota, Limache, and Villa Alemana, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria de los Andes, S.A. (**Andes**), which expires in July 2036.
- Concession arrangement for the construction, maintenance and operation of the Santiago-San Antonio toll road, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria Autopista del Sol, S.A. (**Sol**), which was to expire in May 2019. It should be noted in this regard that on 12 March 2018 **Sol** formalised an agreement with the Ministry of Public Works of Chile (MOP) amending the concession arrangement for the Santiago-San Antonio toll road, extending the concession term of the road by 22 months. It now expires in March 2021 (see Note 9.iv).
- Concession arrangement for the construction, maintenance and operation of the Santiago-Colina-Los Andes toll road, entered into by the Ministry of Public Works of Chile and Sociedad Concesionaria Autopista Los Libertadores, S.A. (**Libertadores**), which expires in March 2026.

Puerto Rican toll road concession operators

- Concession arrangement for the design, construction, operation and maintenance of the Teodoro Moscoso Bridge in San Juan, Puerto Rico, entered into by the Highway and Transportation Authority (Autoridad de Carreteras y Transportación) and Autopistas de Puerto Rico y Compañía, S.E. (**Apr**), which expires on 22 February 2044.
- Concession arrangement for the upgrade, maintenance and operation of the PR-22 toll road (83 kilometres connecting the capital of Puerto Rico, San Juan, with the city of Arecibo) and the PR-5 toll road (4 kilometres of the PR-22, crossing the metropolitan area of the capital, San Juan), entered into by the Puerto Rico Highway and Transportation Authority and Autopistas Metropolitanas de Puerto Rico Llc. (**Metropistas**), which expires on 22 September 2051. Subsequently, on 21 April 2016 **Metropistas** entered into an agreement with the Puerto Rico Highway and Transportation Authority ("ACT") amending the concession arrangement for the PR-5 and PR-22 toll roads to extend the term of the concession of these toll roads by ten years. It now expires on 22 September 2061.

Argentine toll road concession operators

- Concession arrangement for the construction, maintenance and operation of Autopista del Oeste of Buenos Aires, entered into by the Argentine Government and **Gco**, which was to expire on 31 December 2018.

  In this connection, on 15 June 2017 **Gco** and the National Highway Administration of Argentina (Dirección Nacional de Vialidad de Argentina) entered into an agreement that initiated the modification of the concession arrangement for the Autopista del Oeste de Buenos Aires toll road to extend its term by 12 years, that would end on 31 December 2030.

  On 24 July 2018, the agreement entered into by **Gco** and the Argentine Government was completed giving rise, inter alia, to the acknowledgment of the measures, amounting to USD 247 million (approximately EUR 220 million at 31 December 2019), to restore the economic and financial feasibility of the concession, a plan for additional investment of USD 250 million (approximately EUR 223 million at 31 December 2019) to improve the existing network, a new toll revision scheme and the abandonment of the proceedings between the parties.

In addition, this agreement entails, among other risks, the assumption of the demand risk by the grantor, the extension of the concession arrangement until 31 December 2030 and the remuneration of the compensation balance associated with the measures to restore the economic and financial balance at an explicit interest rate on the compensation balance and, lastly, the payment by the granting entity of the amount of the compensation balance not recovered during the extension period.

- Concession arrangement granted to Sociedad Concesionaria Autopista del Sol, S.A. **(Ausol)** on 19 July 1994, for the upgrade, expansion, remodelling, upkeep, maintenance, operation and management of the northern access to the city of Buenos Aires (Autopista del Acceso Norte de Buenos Aires), which was initially scheduled to expire on 31 December 2020.

  In this connection, on 18 August 2017 **Ausol** and the National Highway Administration of Argentina entered into an agreement that initiated the modification of the concession arrangement for the Autopista del Acceso Norte de Buenos Aires toll road to extend its term by ten years to 31 December 2030.

  On 24 July 2018, the agreement entered into by **Ausol** and the Argentine Government was completed, giving rise, inter alia, to the acknowledgment of the measures, amounting to USD 499 million (approximately EUR 445 million at 31 December 2019), to restore the economic and financial feasibility of the concession, a plan for additional investment of USD 430 million (approximately EUR 384 million at 31 December 2019) to improve the existing network, a new toll revision scheme and the abandonment of the proceedings between the parties.

  In addition, this agreement entails, among other risks, the assumption of the demand risk by the grantor, the extension of the concession arrangement until 31 December 2030 and the remuneration of the compensation balance associated with the measures to restore the economic and financial balance at an explicit interest rate on the compensation balance and, lastly, the payment by the granting entity of the amount of the compensation balance not recovered during the extension period.

Toll road concession operators in other countries

- Concession arrangement for the maintenance and operation of the 94 km NH-45 toll road and its corresponding access roads, entered into by the National Highways Authority of India and **TTPL** for a term of 20 years, which ends on 25 December 2026 (granted on 30 June 2006).
- Concession arrangement for the maintenance and operation of the 58 km NH-7 toll road and its corresponding access, roads entered into by the National Highways Authority of India and **JEPL** for a term of 20 years, which ends on 18 August 2026 (granted on 20 February 2006).

28. EVENTS AFTER THE REPORTING PERIOD

Other than the matters indicated in Notes 9.iv, 13.ia, 13.iv and 16 in relation, respectively, to the publication in the Official Gazette of the Chilean Government of the Ad-Referendum Agreement No. 8 concerning the concession contract of **Autopista Central** , to the agreement by Royal Decree 457/2006 (Agreement AP7), the collection by **Abertis** of the corporation tax for the year 2018 and, the issuance by **Abertis** of a 600 million euros bond, at the date of formulation of these consolidated annual accounts for the year ended 31 December 2019, have not produced significant subsequent events in relation to them

****

Madrid, 4 March 2020

29. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

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

****

Madrid, 4 March 2020

APPENDIX I. Subsidiaries included in the scope of consolidation

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
DIRECT OWNERSHIP INTEREST							
Abertis Infraestructuras Finance, B.V.	Prins Bernhardptin, 200 1097JB Ámsterdam (the Netherlands)	2,000	100%	Abertis	Full consolidation	Financial services	Deloitte
Operation of toll roads							
Abertis Autopistas España, S.A.	Paseo de la Castellana, 39, 28046-Madrid	2,842,948	100%	Abertis	Full consolidation	Study, development and construction of civil infrastructure	Deloitte
Societat d'Autopistes Catalanes, S.A. (Socaucat)	Av. Parc Logístic, 12-20 08040 Barcelona	1,344,351	100%	Abertis	Full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte
Abertis Motorways UK, Ltd.	Hill House, 1 Little New Street, EC4A 3TR London (UK)	27,326	100%	Abertis	Full consolidation	Holding company	Deloitte
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellanos Sector Embalse San José - San Juan de Puerto Rico 00923 (Puerto Rico)	-	100%	Abertis	Full consolidation	Infrastructure concession operator	Deloitte
Inversora de Infraestructuras, S.L. (INVIN)	Paseo de la Castellana, 39, 28046-Madrid	1,677,145	71.84%	Abertis	Full consolidation	Holding company	Deloitte
Holding d'Infrastructures de Transport, S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	4,068,972	100%	Abertis	Full consolidation	Holding company	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Holding d'Infrastructures de Transport, 2 S.A.S	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	9,849	100%	Abertis	Full consolidation	Holding company	Deloitte
Abertis Mobility Services, S.L.	Avinguda Pedralbes, 17 08034 Barcelona	39,760	100%	Abertis	Full consolidation	Design, development, implementation and maintenance of technological solutions for the management of transport infrastructures	Deloitte
Sociedade Para Participação em Infraestrutura, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	-(1)	51.00%	Abertis	Full consolidation	Operation of concessions	Deloitte
Partícipes en Brasil, S.A.	Paseo de la Castellana, 39, 28046-Madrid	681,187	51.00%	Abertis	Full consolidation	Holding company	Deloitte
Autopistas Metropolitanas de Puerto Rico, LLC	City View Plaza 500, Torre 1 Carretera #165 No. 48 Guaynabo 00968 (Puerto Rico)	312,532	51.00%	Abertis	Full consolidation	Toll road concession operator	Deloitte
Autopistas del Sol, S.A. (AUSOL) (2)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	43,515	31.59%	Abertis	Full consolidation	Toll road concession operator	Deloitte
Infraestructuras Viarias Mexicanas, S.A. de CV	Oso 127 Int.104, Colonia del Valle, Del. Benito Juárez, C.P. 03104, Ciudad de México (México)	-	99,90%	Abertis	Full consolidation	Holding company	-

(1) Carrying amount of ownership interest zero at 31 December 2019 due to impairment losses recognised.
(2) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2019 was ARS 70,78. At year-end the market price was ARS 77,00. 49.92% of the voting rights are held.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Shareholder company	Consolidation method	Line of business	Auditor
Abertis Internacional, S.A.	Paseo de la Castellana 39, 28046 Madrid	311,519	100%	Abertis	Full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte

Telecommunications

Abertis Telecom Satélites, S.A.	Paseo de la Castellana, 39, 28046-Madrid	293,659	100%	Abertis	Full consolidation	Holding (satellite telecommunications)	Deloitte

INDIRECT OWNERSHIP INTEREST

Through Abertis Autopistas España

Autopistas, Concesionaria Española, S.A. (ACESA)	Av. Parc Logístic, 12-20 08040 Barcelona	1,407,827	100%	Abertis Autopistas España, S.A.	Full consolidation	Toll road concession operator	Deloitte
Autopistas Aumar, S.A. Concesionaria del Estado (AUMAR)	Paseo de la Alameda, 36, Valencia	434,675	100%	Abertis Autopistas España, S.A.	Full consolidation	Toll road concession operator	Deloitte
Iberpistas, S.A. Concesionaria del Estado	Autopista AP-6 PK57 San Rafael Segovia	1,128,287	100%	Abertis Autopistas España, S.A.	Full consolidation	Toll road concession operator	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Grupo Concesionario del Oeste, S.A. (Gco) (3)	Ruta Nacional no. 7, km25,92 Ituzaingó (Argentina)	24,498	42.87% (4)	Acesa	Full consolidation	Toll road concession operator	Deloitte
Castellana de Autopistas, S.A.C.E.	Autopista AP-6, P.K. 57 Centro de Explotación y Control 40410 San Rafael (Segovia)	297,730	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte
Autopistas de León, S.A.C.E. (AULESA)	Crta. Sta. Mª del Páramo, s/n Villadangos del Páramo, León	35,752	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte
Autopistas Vasco-Aragonesa, C.E.S.A. (Avasa)	Barrio de Anuntzibai, s/n 48410 Orozco. Vizcaya	525,289	100%	Iberpistas	Full consolidation	Toll road concession operator	Deloitte
Autopista Trados-45, S.A. (Trados-45)	Ctra. M-203 P.K. 0,280. Madrid	48,241	51,00%	Iberpistas	Full consolidation	Infrastructure concession operator	Deloitte

(3) In relation to the consolidated company Gco, on 8 November 2018, the Group, in accordance with the requirements established by the National Securities Commission of Argentina formalized a trust in 5.73% of the investment held in the same, establishing in the agreement, among other aspects, the transfer to the fiduciary of the political and economic rights associated with the participation subject to assignment.In this context, on 27 November 2018, after receiving the necessary authorization from the National Road Administration ("DNV") of Argentina, Acesa, a subsidiary of the Group, sold 9,160,136 of its Class A shares, representative of 5.73% of economic rights and 7.58% of political rights, to TMF Trust Company (Argentina), SA ("TMF"). From a legal point of view, the voting and economic rights corresponding to the shares were irrevocably transmitted to TMF and, therefore, Acesa reduced its voting rights in Gco from 57.7% that it held to 49.99 %. TMF is an independent, international fiduciary and member of the TMF Group who, in that capacity, was commissioned to transmit the aforementioned Gco shares to one or more possible interested third parties. For its part, from an accounting point of view and in accordance with the regulatory framework of financial information applicable to the Group, on the one hand, the situation of prior control was reassessed, in accordance with the provisions of IFRS 10, concluding that the Group He continued to maintain de facto control and, on the other hand, in accordance with the terms of the agreement with TMF, the accounting withdrawal was not considered because of retaining economic risks linked to the sale price of the shares. In relation to the aforementioned operations, as of 31 December 2019, TMF kept the process of searching for a buyer of the shares in Gco open at a price that reflects the valuation made by its independent financial advisor.

(4) Ownership interest as described in Note 2-h.

Through Societat d'Autopistes Catalanes, S.A.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Infraestructuras Viàries de Catalunya, S.A.	Av. Parc Logístic, 12-20 08040 Barcelona	726,679	100%	Societat d'Autopistes Catalanes, S.A. (Socaucat)	Full consolidation	Construction, upkeep and operation of toll roads under concession arrangements	Deloitte
Autopistes de Catalunya, S.A. (AUCAT)	Av. Parc Logístic, 12-20 08040 Barcelona	378,739	100%	Societat d'Autopistes Catalanes, S.A. (Socaucat)	Full consolidation	Toll road concession operator	Deloitte
Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Cataluña, S.A.	C. de Vallvidrera a San Cugat BV-1462 km 5,3 Barcelona	57,830	50.01%	Infraestructuras Viàries de Catalunya, S.A.	Full consolidation	Toll road concession operator	Deloitte

Through Vías Chile and Inversora de Infraestructuras

Vias Chile S.A. (formerly Abertis Autopistas Chile S.A.)	Rosario Norte No. 407 Las Condes, Santiago (Chile)	672,820	80.00%	Abertis Chile / INVIN	Full consolidation	Development, maintenance and operation of all manner of construction projects	Deloitte
Gestora de Autopistas, S.A. (GESA)	Rosario Norte No. 407 Las Condes, Santiago (Chile)	1,119	80.00%	Vias Chile	Full consolidation	Management, upkeep and operation of roads, dual carriageways and toll roads	Deloitte
Sociedad Concesionaria del Elqui, S.A. (Elqui)	Rosario Norte No. 407 Las Condes, Santiago (Chile)	92,775	80.00%	Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista del Sol, S.A.	Rosario Norte No. 407 Las Condes, Santiago (Chile)	116,118	80.00%	GESA / Vias Chile	Full consolidation	Toll road concession operator	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Sociedad Concesionaria Autopista Los Libertadores, S.A.	Rosario Norte No. 407 Las Condes, Santiago (Chile)	68,374	80.00%	GESA / Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte No. 407 Las Condes, Santiago (Chile)	40,534	80.00%	Vias Chile	Full consolidation	Toll road concession operator	Deloitte
Operavías SpA.	Rosario Norte Nº 407 Las Condes, Santiago (Chile)	7,328	80.00%	Vías Chile	Integración global	Upkeep, management and operation of transport infrastructure	Deloitte
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte No. 407 Las Condes, Santiago (Chile)	116,118	80.00%	Vías Chile / Gesa	Full consolidation	Toll road concession operator	Deloitte
Sociedad Concesionaria Autopista Central, S.A.	Rosario Norte No. 407 Las Condes, Santiago (Chile)	849,458	76.18%	Vías Chile / Gesa	Full consolidation	Toll road concession operator	Deloitte

Through Abertis Mobility Services, S.L.

Eurotoll S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	6,877	100%	Abertis Mobility Services	Full consolidation	Processing of toll road transactions	Deloitte
Emovis S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	21,528	100%	Abertis Mobility Services	Full consolidation	Toll road systems operator and provider	Deloitte
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15 (Ireland)	632	100%	Emovis SAS	Full consolidation	Toll road operator	Deloitte
Eurotoll Central Europe zrt	H-1152 Budapest Szentmihalyi ut 137. (Hungary)	18	100%	Eurotoll	Full consolidation	Processing of toll road transactions	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Emovis Operations Mersey Ltd	Hornbeam House, Hornbeam Park, Hookstone Road, Harrogate (UK)	4,735	100%	Emovis SAS	Full consolidation	Marketer of tags in the UK	Deloitte
Emovis technologies US, Inc.	c/o The Corporation Trust Incorporated, 2405 York Road, Lutherville Timonium, Maryland 21093-2264 (USA)	-(5)	100%	Emovis SAS	Full consolidation	Toll road systems provider	Deloitte
Emovis Operations Puerto Rico Inc(formerly Sanef ITS technologies Caribe Inc.)	c/o The Corporation Trust Incorporated, 2405 York Road, Lutherville Timonium, Maryland 21093-2264 (USA)	8	100%	Emovis technologies US, Inc.	Full consolidation	Toll road systems operator	Deloitte
Tolling Operations Puerto Rico, Inc.	c/o Strategic Solutions, Inc., 250 Muñoz Rivera Ave., Suite 1500, San Jun, 00918 (Puerto Rico)	890	100%	Emovis SAS	Full consolidation	Toll road systems provider, maintenance and operator	n/a
Emovis technologies UK Limited	5th Floor, Kinnaird House 1 Pall Mall East - London SW1Y 5AU - (UK)	991	100%	Emovis SAS	Full consolidation	Toll road systems maintenance	Deloitte
Emovis Technologies Chile, S.A.	4557 Calle El Rosal Huechurraba, Santiago (Chile)	138	100%	Emovis SAS	Full consolidation	Toll road systems maintenance	Deloitte
Emovis technologies d.o.o.	Lovacki put 1a HR-21000 Split (Croatia)	311	100%	Emovis SAS	Full consolidation	Toll road systems provider	Deloitte
Emovis technologies BC, Inc.	1050 West Georgia Street 15th Floor, Vancouver (Canada)	602	100%	Emovis SAS	Full consolidation	Toll road systems maintenance	Deloitte
Emovis technologies Ireland Limited	c/o David Ebbs & co, 31 Westland Square, Dublin 2 (Ireland)	-	100%	Emovis SAS	Full consolidation	Toll road systems maintenance	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Emovis Operations Leeds (UK)	St John Offices, Albion Street, Leeds L52 8LQ (UK)	3.254	100%	Emovis SAS	Full consolidation	Toll road operator	Deloitte
Emovis Technologies Québec, Inc.	3700-800 Place Victoria Montréal Québec H4Z1E9 (Canada)	-	100%	Emovis SAS	Full consolidation	Toll road systems operator	Deloitte
Emovis TAG UK Limited	St John Offices, Albion Street, Leeds L52 8LQ (UK)	-(5)	100%	Emovis SAS	Full consolidation	Marketer of tags in the UK (from 03/16)	Deloitte
Through Holding d'Infrastructures de Transport, S.A.S							
SANEF S.A. (Sociétés des Autoroutes du Nord-Est de la France)	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	4,443,678	100%	Holding d'Infrastructures de Transport, S.A.S	Full consolidation	Toll road concession operator	Deloitte
SAPN S.A. (Société des autoroutes Paris-Normandie)	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	599,909	99.97%	Sanef	Full consolidation	Toll road concession operator	Deloitte
Sanef Aquitaine S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	500	100%	Sanef	Full consolidation	Management and operation of toll roads	Deloitte
Bip&Go S.A.S.	30, Boulevard Galliéni 92130 Issy-les-Moulineaux (France)	1	100%	Sanef	Full consolidation	Electronic toll device distributor	Deloitte
Leonord Exploitation, S.A.S	30, Boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	34	85%	Sanef	Full consolidation	Management of operating contracts	Deloitte
SE BPNL	30, Boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	53	100%	Sanef	Full consolidation	Maintenance, operation and upkeep of roads	Deloitte

(5) Carrying amount of ownership interest zero at 31 December 2019

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Sanef 107.7, SAS	30, Boulevard Gallieni, 92130 Issy-les-Moulineaux, (France)	15	100%	Sanef	Full consolidation	Sound broadcasting service operator	Deloitte

Through Abertis Internacional

Abertis India, S.L.	Paseo de la Castellana, 39, Madrid	160,308	100%	Abertis Internacional	Full consolidation	Holding company	Deloitte
Abertis India Toll-Road Services LLP	Express Towers, 03rd Floor, Nariman Point, Mumbai - 400 021, India	2,400	100%	Abertis India/ Abertis Internacional	Full consolidation	Holding company	Deloitte
Trichy Tollway Private Limited (TTPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	89,672	100%	Abertis India	Full consolidation	Toll road concession operator	Other auditors
Jadcherla Expressways Private Limited (JEPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	60,587	100%	Abertis India	Full consolidation	Toll road concession operator	Other auditors
Abertis Italia S.r.l.	Via Flavio Gioia 71, Verona	650,907	100%	Abertis Internacional	Full consolidation	Holding company	Deloitte
A4 Holding S.p.A.	Via Enrico Fermi 4, Verona	684,986	90.03%	Abertis Italia	Full consolidation	Holding company	Deloitte
Autostrada Bs Vr Vi Pd S.p.A	Via Flavio Gioia 71, Verona	510,404	90.03%	A4 Holding S.p.A.	Full consolidation	Toll road concession operator	Deloitte
Serenissima Partecipazioni S.p.A	Via Flavio Gioia 71, Verona	57,759	90.03%	A4 Holding S.p.A.	Full consolidation	Construction and maintenance	Deloitte
A4 Trading S.r.l.	Via Flavio Gioia 71, Verona	21,950	90.03%	A4 Holding S.p.A.	Full consolidation	Parking facility maintenance and development consulting services	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest Cost (thousands of euros)	% (*)	Shareholder company	Consolidation method	Line of business	Auditor
Mulhacen	Via Enrico Fermi 4, Verona	72	90.03%	A4 Holding S.p.A	Full consolidation	Preparation of insolvency agreement proposals.	Deloitte
Globalcar Services, S.p.A	Via Enrico Fermi 4, Verona	5,280	59.42%	A4 Holding S.p.A.	Full consolidation	Lease of vehicles	Deloitte
A4 Mobility S.r.l.	Via Antonio Meucci 14, Verona	7,000	90.03%	A4 Holding S.p.A	Full consolidation	Maintenance, operation and upkeep of infrastructure	Deloitte

Through Partícipes en Brasil

PDC Participações, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	151,143	51.00%	Partícipes en Brasil, S.A.	Full consolidation	Operation of concessions	Deloitte
Arteris Brasil, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	1,323,244	41.97%	Partícipes en Brasil II / PDC Participações, S.A.	Full consolidation	Holdings of non-financial institutions	Deloitte
Partícipes en Brasil II, S.L.	Paseo de la Castellana 39, Madrid	835,635	51.00%	Partícipes en Brasil, S.A.	Full consolidation	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

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Arteris Participações, S.A.	Av. Presidente Juscelino Kubtschek, 1.455 9º Andar - CEP 04543-011 - São Paulo / SP (Brazil)	16,352	41.97%	Arteris Brasil, S.A.	Full consolidation	Holding company	Deloitte
Autovias, S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	32,349	41.97%	Arteris Brasil, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Centrovias Sistemas Rodoviários, S.A.	Rodovia Washington Luis, KM 216,8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brazil)	21,171	41.97%	Arteris Brasil, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Concessionária de Rodovias do Interior Paulista, S.A.	Rodovia Anhanguera - SP 330 - Km 168 - Pista Sul - Jardim Sobradinho - CEP 13601-970 Araras. SP (Brazil)	32,201	41.97%	Arteris Brasil, S.A. / Arteris Participações, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Vianorte, S.A.	Rodovia Atílio Balbo - SP 322 - km 327,5 - Praça Pedágio - Sertaozinho - SP - CP 88 - CEP - 14173 - 000. (Brazil)	25,982	41.97%	Arteris Brasil, S.A.	Full consolidation	Concession and operation of toll road in São Paulo (Brazil)	Deloitte
ViaPaulista S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	312,042	41.97%	Arteris Brasil, S.A.	Full consolidation	Construction and operation of dual carriageway in São Paulo (Brazil)	Deloitte
Autopista Planalto Sul, S.A.	Avda. Afonso Petschow nº 4040 - Bairro Industrial - Rio Negro - CEP 83880-000 - PR (Brazil)	240,613	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Fluminense, S.A.	Avda.Sao Gonçalo, nº 100, un 101 Bairro Boa Vista - Sao Gonçalo Shopping - RJ - CEP 24466-315 (Brazil)	227,936	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Autopista Fernão Dias, S.A.	Rodovia BR-381, km 850,5 - Pista Norte - CEP 37550-000 - Bairro Ipiranga - Pouso Alegre - MG (Brazil)	327,831	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Régis Bittencourt, S.A.	Rodovia SP 139, nº 226, Bairro Sao Nicolau - CEP 11900-000 - Registro - SP (Brazil)	257,388	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Autopista Litoral Sul, S.A.	Avenida Santos Dumont, nº 935 - Edifício Neogrid - Bairro Santo Antônio - CEP 89218-105 - Joinville - SC (Brazil)	291,825	41.97%	Arteris Brasil, S.A.	Full consolidation	Road construction and operation	Deloitte
Latina Manutenção de Rodovias Ltda.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	14,117	41.97%	Arteris Brasil, S.A.	Full consolidation	Upkeep and repair of dual carriageways in São Paulo (Brazil)	Deloitte

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

APPENDIX II. Joint ventures included in the scope of consolidation

Company	Registered office	Ownership interest		Shareholder company	Consolidation method	Line of business	Auditor
		Cost (thousands of euros)	% (*)				
Through Abertis Autopistas España							
Areamed 2000, S.A.	Avda. Diagonal, 579-587 5ª planta 08014 Barcelona	11,342	50.00%	Abertis Autopistas España	Equity method	Operation of service areas	Other auditors
Through Abertis Mobility Services, S.A.							
Trans-Canada Flow Tolling Inc.	1200, Waterfront Centre, 200 Burrard Street, Vancouver BC V6C3L6 (Canada)	-	50.00%	Emovis SAS	Equity method	Toll road operator	Other auditors

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

APPENDIX III. Associates included in the scope of consolidation

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
DIRECT OWNERSHIP INTEREST											
Concesionaria Vial de los Andes, S.A. (COVIANDES)	Avenida Calle 26 nº 59-41.Piso 9 (Edificio CCI) Santafé de Bogotá (Colombia)	18,564	40.00%	31,046	9,721	47,524	(12,160)	Abertis	Equity method	Infrastructure concession operator	Deloitte
Constructora de Infraestructura Vial, S.A.S. (CONINVIAL)	Avenida Calle 26 nº 59-41.Piso 9 (Edificio CCI) Santafé de Bogotá (Colombia)	8	40.00%	28,359	16,901	1,021	(3,276)	Abertis	Equity method	Construction	Deloitte
INDIRECT OWNERSHIP INTEREST											
Through Abertis Autopistas España, S.A.											
Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA) (6)	Autopista C-16, km 41. Barcelona	49.568	23.72%	-	-	-	-	Acesa	Equity method	Toll road concession operator	Deloitte
Ciralsa, S.A.C.E.	Av. Maisonnave, 41. Alicante	- (7)	25.00%	-	-	-	-	Aumar	Equity method	Construction, upkeep and operation of toll roads	Deloitte
Alazor Inversiones, S.A.	Carretera M-50, Km. 67,5 Área de Servicio la Atalaya Villaviciosa de Odón (Madrid)	- (7)	31.22%	-	-	-	-	Iberpistas	Equity method	Holding company	Deloitte
Infraestructuras y Radiales, S.A. (IRASA)	Ctra. M100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	- (7)	30.0%	-	-	-	-	Iberpistas / Avasa	Equity method	Administration and management of infrastructure	Deloitte

(6) Financial statements as at 31 December 2017, latest information available

(7) Carrying amount of ownership interest zero at 31 December 2019 due to impairment losses recognised.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest Cost (thousands of euros)	% (*)	Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	277	25,50%	855	219	1.675	60	Trados-45	Equity method	Upkeep and maintenance of toll roads	Deloitte
Bip & Drive, S.A.	Paseo de la Castellana 95, Torre Europa, Planta 16, 28046 Madrid	4,214	35,00%	22,317	12,733	259,719	1,418	Abertis Autopistas España	Equity method	Marketing of tags	Other auditors
Accesos de Madrid, C.E.S.A. (8)	Carretera M-50, Km. 67,5 Área de Servicio la Atalaya Villaviciosa de Odón (Madrid)	- (9)	31,22%	-	-	-	-	Alazor Inversiones	Equity method	Toll road concession operator	Deloitte
Autopista del Henares, S.A.C.E. (HENARSA)	Ctra. M100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	- (9)	30,00%	-	-	-	-	Infraestructuras y Radiales	Equity method	Toll road concession operator	Deloitte
Erredosa Infraestructuras S.A. (ERREDOSA)	Ctra. M100 Alcalá de Henares a Daganzo Km 6,3 28806 Alcalá de Henares	- (9)	30,00%	-	-	-	-	Infraestructuras y Radiales	Equity method	Administration and management of infrastructure	Deloitte

Through Abertis Motorways UK Ltd.

Road Management Group Ltd. (RMG)	Cannon Place, 78 Cannon Street, London EC4N 6AF (UK)	13,760	33.33%	169,756	123,570	47,254	6,481	Abertis Motorways UK, Ltd.	Equity method	Toll road concession operator	Other auditors

Through Holding d'Infrastructures de Transport, S.A.S

A'lienor S.A.S.	40, rue de Liége 64000 Pau- (France)	96,471	35.00%	1,142,293	814,668	66,479	10,867	Sanef	Equity method	Toll road concession operator	Deloitte
Alis S.A.	Lieu-dit Le Haut Groth 27310 Bourg-Achard, (France)	2,258	19.67%	1,120,051	895,422	87,235	18,760	Sanef / Sapn	Equity method	Toll road concession operator	Deloitte
Routalis S.A.S	11, avenue du Centre 78280 Guyancourt. (France)	12	30.00%	3,436	2,196	11,824	1,196	Sapn	Equity method	Management of terrestrial transport infrastructure	Deloitte

(8) Financial statements as at 31 December 2016, latest information available

(9) Carrying amount of ownership interest zero at 31 December 2019 due to impairment losses recognised.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

Company	Registered office	Ownership interest: Cost (thousands of euros)	Ownership interest: % (*)	Assets	Liabilities	Revenue	Profit / (Loss)	Shareholder company	Consolidation method	Line of business	Auditor
Leonord S.A.S	Immeuble First Part Dieu - 2 avenue Lacassagne - 69003 LYON, (France)	244	35.00%	98,811	97,928	18,662	178	Sanef	Equity method	Management of operating contracts	Other auditors

Through Abertis Internacional

Pedemontana Veneta S.p.A. [10]	Verona (VR) Via Flavio Gioia 71	1,116	28.74%	9,520	3,817	192	93	Autostrada Bs Vr Vi Pd SpA	Equity method	Infrastructure management	Other auditors
G.R.A. di Padova S.p.A.	Venezia (VE) Viale Ancona 26	- [11]	30.52%	3,829	1,777	-	(49)	Autostrada Bs Vr Vi Pd SpA	Equity method	Infrastructure management	Other auditors
C.I.S. S.p.A. in liquidaz. in concordato preventivo	Vicenza (VI) Contra' Gazzolle 1	- [11]	22.71%	10,746	12,196	5	(228)	A4 Holding, S.p.A.	Equity method	Construction and maintenance	Other auditors

[10] Financial statements as at 31 December 2017, latest information available.

[11] Carrying amount of ownership interest zero at 31 December 2019 due to impairment losses recognised.

(*) Corresponds to the % of ownership of Abertis Infraestructuras, S.A. (direct or indirect) with respect to each of the investees.

This Appendix is an integral part of Note 2-g.i to the consolidated financial statements for 2019 and should be read in conjunction therewith.
Conversion of amounts in currencies other than the euro at year-end exchange rates.

ABERTIS INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2019

DISCLOSURES REQUIRED UNDER ARTICLE 262 OF THE SPANISH LIMITED LIABILITY COMPANIES LAW AND UNDER ARTICLE 49 OF THE COMMERCE CODE

ANNEX. Monitoring of the CSR plan

ANNEX. Annual Corporate Governance Report

****

Madrid, 4 March 2020

ABERTIS INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR 2019

abertis
commitment & delivery

Contents

1

Letter to the Shareholders and Stakeholders

Abertis is one of the world's leading operators in toll road management, with 8,500 kilometres of high-capacity roads and electronic toll management systems, with presence in 15 countries in Europe, the Americas and Asia. Thanks to the collaborative efforts of its more than 13,000 employees, the Group has a solid foundation to face the future with rigour and confidence. Its experience and financial strength, together with the excellence of its industrial model, and its long-term vision, make the company in a central player in the search for solutions to one of the greatest global challenges: the sustainable management of various infrastructures of the future.

In 2019 Abertis reached a new milestone in its history, with the signing of an agreement to purchase the concession group Red de Carreteras de Occidente (RCO), one of the largest toll road operators in Mexico. The Group, together with the Singapore sovereign wealth fund GIC, sealed an agreement for the acquisition of the 70% ownership interest that Goldman Sachs Infrastructure Partners holds in RCO. The transaction will be carried out through a consortium, whereby Abertis will acquire 50.12% of RCO for close to EUR 1,500 million.

RCO wholly owns 5 concession operators that manage 8 toll roads stretching over a total of 876 kilometres. RCO's toll road network is one of the most important in Mexico and forms the backbone of the communication routes in the central-western region of the country, connecting the country's main industrial corridor (El Bajío) and its two largest cities (Mexico City and Guadalajara).

This acquisition represents an important growth transaction for the Abertis Group, whereby it obtains a foothold in a country that offers a commitment to public-private partnership. It also consolidates Abertis's presence as a toll road operator in the Americas, where it already has a strong presence in Chile, Brazil, Argentina and Puerto Rico.

Abertis thus adds nearly 900 kilometres to its network and contributes to the extension of the average life of its concession portfolio. With the obtainment of control of RCO, Abertis demonstrates its ability to replace the future loss of revenue arising from the expiry of concessions with other assets with solid future prospects and a long concessional life. The Group will establish a new growth platform in Mexico, a target market that the Company has actively explored in recent years, and which will facilitate the analysis of future opportunities.

This transaction represents a further step forward in Abertis's international growth strategy. Growth transactions such as RCO, together with divestments, such as the executed at Hispasat in 2019, the efficient debt management - in 2019, Abertis has made issues for more than EUR 6.000 million, making it the leading Spanish issuer during the year - and a new efficiency plan of nearly EUR 150 million in annual savings constitutes the Action Plan planned by the company's shareholders. As part of this plan, the Abertis Group will continue to analyse future opportunities that arise in the medium and long term.

Main Aggregates

In 2019, traffic on the Group's toll road network continued to rise in most countries, with average daily traffic (ADT) 1.9% higher than in 2018. The increase in Spain (+4.3%), France (+1.0%) and Brazil (+4.1%) is particularly noteworthy.

The increase in traffic and tolls enabled Abertis to improve its aggregates for 2019. Revenue has increased to EUR 5,361 million, while EBITDA reached EUR 3,737 million (+5% in comparable terms with respect 2018). The consolidated net profit for the year was EUR 352 million, after the process of allocating the purchase price of the merger between Abertis and Abertis Participaciones (without considering this effect, the result would have been EUR 1,101 million) In addition, the Group's total investment in 2019 amounted to 670 million euros, the vast majority of which corresponded to investment to improve the network.

Furthermore, as the world's leading toll road operator, road safety is a priority for Abertis. In this regard, in 2019 the Group reduced the mortality rate on its toll roads (-10%) and the number of deaths in road accidents (-7.5%). All of this is the result of extensive efforts in prevention and safety improvement carried out in all countries.

Sustainable Management

The 2019 management report incorporates information on the organisation's performance in economic, environmental, social and good governance terms, and consists of a management report with two annexes that go into greater detail on information related to non-financial performance and corporate governance.

Abertis has been a member of the United Nations Global Compact since 2005, and through this communication it hereby formalises the renewal of its commitment with the Principles of the Global Compact and the United Nations' Sustainable Development Goals (SDG). Note the special contribution of our company to SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities) in which the strategic programmes of Road Tech and Road Safety have a high potential for impact.

The group’s materiality analysis was updated in 2019, which made it possible to formally identify the material aspects for Abertis Mobility Services, and those of the countries not included in the first analysis have been revised. As a result, adjustments will have to be assessed, both in the management and information gathering systems, in order to incorporate the new material aspects identified, in addition to continuing work to directly involve stakeholders during the next financial year.

The Appendix on Follow-up of the CSR Master Plan provides detail on the performance indicators and the degree of compliance with the targets established in the Plan for each of the strategic objectives. The reduction reflected in the number of deaths caused by traffic accidents, the number of occupational accidents among direct employees and the greenhouse gas emissions are some of the positive developments in the excersise. We will continue to work towards achieving the targets relating to supplier assessment and approval, circular economy and social commitment to local communities, while at the same time evaluating the CSR Master Plan and updating the strategy for managing material environmental, social and good governance aspects in the medium term

Marcelino Fernández Verdes

Chairman

Francisco José Aljaro Navarro

Chief Executive Officer (CEO)

2

Summary of the year's performance

2.1 Abertis in 2019

Abertis is one of the international market leaders in the management of toll roads, with nearly 8,500 km of high-capacity, quality roads in 15 countries in Europe, the Americas and Asia, of which more than 8,100 kilometers are managed directly.

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

Through an internationalization strategy implemented by the Group in recent years, 74% of Abertis' revenue now are obtained outside Spain, with France, Italy, Brazil and Chile being particularly important.

For Abertis, driver safety is a priority. The Group continuously invests in smart technologies and engineering to ensure that its customers experience a safe, comfortable, fast and easy journey when they choose the Group's toll roads.

Committed to research and innovation, Abertis combines advances in high-capacity infrastructure with new technologies to drive innovative solutions to meet the mobility challenges of the future.

Some of the Group's main aggregates of 2019 are as follows:

	2019	Change vs. 2018
Total ADT	26,269	+1.9%
Fatality rate	1.0	-9.7%
Electronic toll transactions	67.2%	+2.0 p.p.
Revenue	EUR 5,361 million	+2.0%
Ebitda	EUR 3,737 million	+5.3%
Net profit	EUR 352 million	-79.1%

The Group is concerned with creating value for society, combining its commitment to shareholders and employees with its contribution to the growth of the countries in which it operates.

	2019
Tax contribution	EUR 1,951 million
Occupational accidents frequency rate	8.7
CO_{2e} emissions/revenue	3,985 TN/Mn€
Initiatives implemented for the community	260
Purchases from local suppliers	83.7%

Corporate structure

Abertis Infraestructuras, S.A. is the Parent Company of a Group in which, in some cases, it is the sole shareholder and, in others, it is the majority shareholder of the holding companies of various business lines and geographical markets in which the Group operates. The structure of the Abertis Group at 31 December 2019 is summarized as follows:

abertis

Spain	France	Italy	Brazil	Chile	Puerto Rico	Argentina	Indian	UK	Ireland	USA	Colombia
Acesa	Sanef	Autostrada BsVrViPd	Autovias	Autopista Central	Metropistas	GCO	JEPL	RMG	Emovis Op. Ireland Ltd.	Emovis Technologies US, Inc.	Coviandes
Aucat	Sapn	A4 Trading	Centrovias	Autopista del Sol	APR	Ausol	TTPL	Dartford Crossing	Emovis Tech. Ireland Ltd.		
Invicat	Alis	A4 Mobility	Intervias	Rutas del Pacífico			Abertis India Toll Road Services	Mersey Gateway			
Aumar	Routalis		Vianorte	Elqui							
Iberpistas	Aliénor		Litoral Sul	Autopista Los Andes							
Castellana	Emovis		Planalto Sul	Autopista Libertadores							
Avasa	Eurotoll		Fluminense	Gesa							
Aulesa			Fernao Dias								
Túnels de Barcelona i del Cadí			Régis Bittencourt								
Autema			Via Paulista								
Trados 45			Arteris Participações								

The detail of the Group's subsidiaries, joint ventures and associates at 31 December 2019 and of the Group's percentages of ownership therein is shown in Appendices I, II and III, respectively, to the consolidated financial statements.

In the current year, there have been the merger between Abertis Infraestructuras, S.A. (Absorbing company) and Abertis Participaciones, S.A.U. (Absorbed company). This merger has been effective for accounting purposes since 1 January 2019.

Additionally, 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). The latter, 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).

2.2. 2019 Milestones

January-March

- Merger of Abertis Infraestructuras, S.A (Absorbing Company) and Abertis Participaciones, S.A.U (Absorbed Company).
- Issue of bonds in the Euromarket for a total amount of approximately EUR 3,000 million.
- Payment of an extraordinary dividend (EUR 10,93 gross per share).
- VíasChile organizes the Smart Mobility Megatrends seminar, with significant public involvement.

April-June

- Abertis Infraestructuras, S.A replaces Abertis HoldCo, S.A. in the borrowe position of two financing agreements amounting to EUR 9,950 millon and EUR 970 millon respectively.
- Distribution of dividends with a charge to the previous year's profit (EUR 0,96 gross per share).
- The Abertis Foundation joins the Road Safety Collaboration Group promoted by United Nations.
- Expansion to Brazil of the global alliance between the Abertis Foundation and UNICEF to improve road safety for children.
- Abertis, through Emovis, has been awarded an electric vehicle toll road management project in Utah (US).
- Road safety forums are held in Argentina, Chile and Italy.

July-September

- Issue of bonds in the Euromarket for an amount of EUR 1,300 million. Through this issue, the Company obtains long-term financing at very attractive rates, enabling it to refinance short- and medium-term maturities of its borrowings.
- Issue of bonds in the Euromarket for a total amount of approximately EUR 1,500 million. This issue enables the Company to refinance short- and medium-term maturities of its borrowings.
- Appointment of Fabio Cerchiai as director of the Parent Company, representing Atlantia, covering the vacancy caused by the resignation of Giovanni Castellucci.
- Commencement of the tests of the INFRAMIX project for connected infrastructure on the AP-7 toll road in Girona, Spain.
- The Abertis Foundation promotes the "Castellet Declaration for the Protection of Biodiversity".

October-December

- Agreement between Abertis, GIC and Goldman Sachs Infrastructure Partners for the acquisition of the fund's 70% ownership interest in Red de Carreteras de Occidente (Mexico).
- Sale to Red Eléctrica Corporación of the 89,68% ownership interest in Hispasat for EUR 933 million.
- The Abertis International Chairs Network presents the XVI International Transport Infrastructure and Road Safety Awards.
- Abertis Autopistas joins the Corporate Integrity Program promoted by Transparency International Spain, and the Arteris integrity program is recognized externally.
- Abertis joins the actions to fight against climate emergency at the United Nations Climate Change Conference (COP 25).

3

Strategy

3.1 Business model

Abertis is a global leader in toll road management: it manages nearly 8,500 km of high-capacity roads worldwide (direct and indirect management) and is present in 15 countries. Abertis is the top toll road operator in Spain, Chile and Brazil, and also has a significant presence in France, Italy and Puerto Rico.

The Group acts with integrity, guided by its values:

- Leading on the basis of the principles of responsibility and trust in people.
- Finding solutions to develop infrastructure based on dialogue and cooperation with its stakeholders.
- Anticipating and adapting to the needs of its customers and users through innovation and continuous improvement.
- Promoting efficiency in the organization based on a simple and pragmatic approach.
- Being transparent to showcase its rigour and credibility.

Basis for the creation of value

- Be the industry's benchmark company. Abertis can combine quality and innovation.
- Our long-term commitment and high-quality services make us a great ally for public authorities.
- Continuous investment in smart technologies and engineering, ensuring the highest levels of service in the toll road network on a daily basis to guarantee customers a swift, comfortable, easy and safe journey.
- Combine financial strength and industry experience: we have a great financing capacity in world markets and the best know-how in the industry.
- Be part of the solution to the problems related to the increase in global traffic, such as traffic congestion and climate change.

Industry vision

Engineering

The Group has a professional team constantly dedicated to maintaining the highest level of service, quality and technology on its toll roads, ensuring that their maintenance is optimal in order to help extend their life cycle and controlling the construction risks involved in the expansion and renovation projects to guarantee that schedules are met.

Technology

Abertis's experts promote the use of innovative solutions to increase the efficiency, safety and quality of the service. Its aim is to ensure efficient and safe management of traffic through diligent monitoring of the traffic conditions, efficient control of traffic flows, etc., and by offering continuous information to customers.

Operations

Abertis's industrial team develops and rolls out best practices and policies based on the Group's extensive experience and know-how.

Global presence

Abertis is present in 15 countries in Europe, the Americas and Asia:

Spain

- Control: Acesa, Aucat, Invicat, Aumar[1], Castellana, Avasa, Túnels, Aulesa, Trados 45
- Investees: Autema
  - 9 concessions
  - 1,573 km (direct management)
  - 48 km (indirect management)
  - 1,843 employees
  - 22,249 tones of CO_{2e} (scopes 1 & 2)

France

- Control: Sanef, Sapn, Abertis Mobility Services
- Investees: Alis, Aliénor, Leónord
  - 4 concessions
  - 1,761 km (direct management)
  - 284 km (indirect management)
  - 2,525 employees
  - 16,275 tones of CO_{2e} (scopes 1 & 2)

Italy

- Control: A4 Holding
  - 1 concession
  - 236 km
  - 529 employees
  - 9,296 tones of CO_{2e} (scopes 1 & 2)

Brazil

- Control: Centrovias, Intervias, Via Paulista, Fernão Dias, Fluminense, Régis Bittencourt, Litoral Sul, Planalto Sul
  - 8 concessions
  - 3,373 km
  - 4,416 employees
  - 26,681 tones of CO_{2e} (scopes 1 & 2)

Chile

- Control: VíasChile, Autopista Central, Rutas del Elqui, Rutas del Pacífico, Autopista del Sol, Autopista Los Libertadores, Autopista los Andes
  - 6 concessions
  - 773 km
  - 1,160 employees
  - 12,951 tones of CO_{2e} (scopes 1 & 2)

Puerto rico

- Control: Metropistas, Autopistas de Puerto Rico, Abertis Mobility Services
  - 2 concessions
  - 90 km
  - 57 employees
  - 1,956 tones of CO_{2e} (scopes 1 & 2)

[1] The AUMAR concession contract has expired on 31 December 2019

Argentina

- Control: Ausol, Grupo Concesionario del Oeste
  - 2 concessions
  - 175 km
  - 2,062 employees
  - 15,795 tones of CO_{2e} (scopes 1 & 2)

India

- Control: Isadak, Trichy Tollway Private Limited, Jadcherla Expressways Private Limited
  - 2 concessions
  - 152 km
  - 47 employees
  - 2,140 tones of CO_{2e} (scopes 1 & 2)

Colombia

- Investee Coviandes

United kingdom

- Control: Abertis Mobility Services, Dartford Crossing, Mersey Gateway – Free-flow operation
- Investee: RMG A1-M Alconbury-Peterborough, A419/417 Swindon-Gloucester

Ireland

- Control: Abertis Mobility Services[2]; M-50 (Dublin) – Free-flow operation

United States

- Control: Abertis Mobility Services[2]; Research and development centre (New York)

Canada

- Control: Abertis Mobility Services[2], Blue Water Bridge

Croatia

- Control: Abertis Mobility Services[2]; Research and development centre

Hungary

- Control: Abertis Mobility Services[2]; Operations office

3.2 Strategic approach

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

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

i) Financial flexibility

Based on the line of action in recent years, which has consisted of focusing on the toll roads business, in October 2019 the Group sold its 89,68% ownership interest in Hispasat to Red Eléctrica Corporación for EUR 933 million.

Following this sale, and having disposed of the ownership interest in Cellnex in 2018, Abertis completed the process of focusing on the toll roads business.

[2] Abertis Mobility Services has 744 employees

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

Along these lines, in the current year, Abertis acquired an additional 1% of the share capital of the Spanish company Trados-45, S.A. for EUR 4.8 million, thus obtaining a 51% interest therein. This acquisition enables Abertis to fully consolidate that company.

ii) Efficiencies

Having completed the efficiencies plan for the 2015-17 period with cumulative savings of EUR 416 million, the Group approved the third efficiencies plan definied until 2021, which is estimated to give rise to savings of EUR 510 million, concentrated mainly in the businesses in France, Brazil, Italy and Spain. This plan seeks to maximize synergies and obtain value added through the contributions of all the shareholders in the technology, operations and engineering areas; focused on improving EBITDA through optimization of operating and personnel costs and revenues.

iii) Growth

The growth of Abertis is driven by two lines of action:

- Growth on the basis of 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 achieving 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.

Lastly, studies will be performed on whether the Group should gain a foothold in countries with high growth potential, in regions such as South and Central America.

In October 2019 Abertis entered into an agreement to acquire 50.12% of the Mexican group Red de Carreteras de Occidente (RCO) for approximately EUR 1,500 million. This agreement is subject to various authorizations which are expected to be obtained in the first half of 2020. RCO is one of the main operators in Mexico, managing 877 km through five concessions, which expire between 2025 and 2048.

On completion of the transaction, Abertis will be present in 16 countries, substantially increasing the average concession term and offsetting almost in full the loss of EBITDA from the upcoming end of the ACESA concession in 2021.

4

Corporate Governance

The vision, mission and values of Abertis contribute to achieving the Parent's purpose and underlay its short-, medium- and long-term strategy.

The vision of Abertis is to be a leading global operator in infrastructure management serving mobility and communications.

The mission of Abertis is to sustainably and efficiently promote and manage infrastructure that contributes to the development of society in harmony with the wellbeing of its employees and long-term value creation for its shareholders.

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 directors' report.

The governance model is based on the Board of Directors and the various committees, and the top priorities are excellence in good governance, promoting corporate social responsibility and good corporate governance practices. In this regard, on 10 December 2018 the Extraordinary General Meeting of Abertis Infraestructuras, S.A. resolved to amend the Parent's bylaws to adapt them to the Group's new corporate situation.

Also, and as a result of the Parent's new shareholder structure, the aforementioned Extraordinary General Meeting resolved to change the composition of the Company's Board of Directors, and it was established in Article 23.c) of the bylaws that the Board of Directors can incorporate any specialized committees it deems appropriate, those specifically mentioned being the Audit and Appointments and Remuneration Committees. On 26 November 2019, the Board of Directors has appointed the Audit Committee and the Appointments and Remuneration Committee.

4.1 Board of Directors

The Extraordinary General Meeting held on 2018 December 10th approved the appointment of Francisco José Aljaro Navarro, Carlo Bertazzo, Giovanni Castellucci, Marcelino Fernández Verdes and Pedro José López Jiménez as directors of Abertis.

Subsequently, on 17 September 2019 Giovanni Castellucci resigned as director and on 25 September 2019 the Board of Directors resolved to appoint by co-optation Fabio Cerchiai as director of the Parent, in replacement for Mr Castellucci. Accordingly, the composition of the Board of Directors is as follows:

- 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

4.2 Board Committees

As mentioned previously, the Audit and Nomination and Remuneration Committees were constituted on 26 November. The Audit Committee comprises the following members:

- Pedro José López Jiménez, Chairman.
- Marcelino Fernández Verdes.
- Carlo Bertazzo.

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

The main functions of the Audit Committee are to report to the Shareholders' Meeting on the outcome of the audit of the Group, to supervise the Group's internal control, internal audit and risk management systems, to monitor the process of preparing and presenting the financial information, to propose to the Board of Directors the appointment of the Group auditor, to issue an annual report on the auditor's independence in relation to the Group and to report to the Board of Directors on all matters provided for in the Law, the Bylaws and the Board Regulations.

The Appointments and Remuneration Committee comprises the following members:

- Fabio Cerchiai, Chairman.
- Carlo Bertazzo.
- Pedro José López Jiménez

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

The main functions of the Appointments and Remuneration Committee are to submit to the Board proposals for the appointment of Directors and Senior Executives, and to propose to the Board policies on the remuneration of Directors and Senior Executives.

4.3 Executive team

Abertis's executive team at 31 December 2019 is structured as follows:

- Francisco José Aljaro Navarro, Chief Executive Officer (CEO).
- André Rogowski Vidal, Chief Financial Officer (CFO).
- Josep Maria Coronas Guinart, General Secretary.
- Martí Carbonell Mascaró, Chief Planning and Control Officer.
- Jordi Fernandez Montolí, Chief Technical Officer.
- Joan Rafel Herrero, Director of People.
- Sergi Loughney Castells, Director of Corporate Reputation and Communication.
- Arnaud Quémard, General Manager of Sanef.
- Anna Bonet Olivart, General Manager Autopistas España.
- Gonzalo Alcalde Rodriguez, General Manager A4 Holding.
- Julián Fernández Rodes, General Manager Metropistas.
- Andrés Barberis Martín, General Manager Vias Chile.
- Esteban Pérez, General Manager Ausol and GCO.
- André Dorf, General Manager Arteris.
- Josep Quiles Pérez, General Manager Abertis India.
- Christian Barrientos Ribas, General Manager Abertis Mobility Services.

5

Compliance and risk management

5.1 Ethics and compliance

The Abertis Group is fully committed to carrying on its business activities with integrity, transparency and complying, at all times, with applicable legislation. The Group's business units have their own ethics and crime prevention committees, as well as their compliance functions.

The Group has a standardized crime prevention model. The degree of implementation is monitored by Abertis' compliance function. The model's main parameters are as follows:

1. Organizational structure of the compliance model
2. Resources
3. Identification of criminal risks with their related action plans
4. Operational polices/rules and controls for crime prevention
5. Ethics, compliance and anti-corruption culture awareness training/campaigns
6. Ethics channels available on the business units' websites
7. Disciplinary regime applicable to employees of the Abertis Group when they violate the Group's Code of Ethics or the Codes of Ethics of the Group's business units

The compliance functions of Abertis and Abertis Autopistas España have implemented mechanisms to oversee compliance with their respective crime prevention models. The degree of implementation was audited by Abertis's internal audit department.

Ethics and compliance rules of the Abertis Group

The Group's fundamental ethics and compliance rules are as follows:

- The Code of Ethics
- The Compliance Policy
- The Anti-corruption Rules

These rules apply to all the business units, whose respective managing bodies adhere to them or approve their own codes of ethics, compliance policies and anti-corruption rules with the aim of adapting to the specific features of the business and the country in question, while following the Group's main guidelines.

All the Abertis Group's business units also have internal rules that implement the ethical principles established in the Abertis Group's Code of Ethics.

Updating of criminal risk identification

All the countries in which the Abertis Group operates have regularly updated criminal risk maps, except for India where work is in progress in this connection. Furthermore, in 2019 Sanef drew up a risk map focused solely on activities that pose risks of corruption and influence peddling.

Ethics and compliance training

The Group's business units have given training and carried out awareness campaigns focused on the following aspects:

1. Ethical values
2. Compliance model
3. Anti-corruption
4. Use of the ethics channel
5. Workplace harassment

Virtually all the countries have carried out specific training in the areas of anti-corruption, the Code of Ethics and workplace harassment. 44.5% of executives and managers have taken part in this training, which involved more than 6,000 people during the year.

Ethics channel

All the Group's business units have whistleblowing mechanisms for reporting irregularities of all kinds that guarantee confidentiality in the management of all the communications received.

Abertis' ethics channel can be accessed through the website www.abertis.com, together with the Group's Code of Ethics and compliance rules.

In 2019, 445 communications of breaches of the Code of Ethics were received, and 87.4% of the cases classified as open were duly resolved.

Distribution of communications resolved by type of resolution

	2019
Discarded	57.9%
Warnings	18.8%
Dismissal	10.5%
Other disciplinary measures	12.8%

The compliance management model is composed of:

1. Board of Directors - Audit and Control Committee - constituted in November 2019
2. Corporate Ethics and Crime Prevention Committee – Chief Compliance Officer
3. Local Ethics and Crime Prevention Committees – Local Compliance Officers

5.2 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.

Main risks and internal control

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

Type of risk	Main risks	Control measures
Environmental 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 in mobility. • Regulatory and socio-political changes. • Catastrophe risks. • Change in concession terms and conditions and/or rebalancing.	• Internationalization and selective growth policy and Investment Committees. • Cooperation with public authorities. • Efficiency plans. • 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 covenants and debt repayment.	• Monitoring of interest rate and exchange rate management policy. • Monitoring and extension of debt maturities and monitoring of potential impacts on credit rating.
Industrial risks.	• Customer and employee safety. • Risks of adaptation and rapid response to technological changes in operating systems and to the emergence of new technologies. • Construction project control risks. • Correct infrastructure maintenance and infrastructure quality risks. • Training and retention of talent risks. • Supplier dependence. • Interruption of business. • 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 operations. • Manipulation of information, corruption and misappropriation fraud. • Contingencies, ongoing inspections and appeals. • Compliance with legislation, internal regulations and contractual obligations.	• Internal Control over Financial Reporting (ICFR) system organization and supervision model. • The compliance model in place at the Group. • Adoption of the Code of Good Tax Practices.

The main risks that arose in 2019 are related to political and social instability in some of the countries in which the Group operates (mitigated by internationalization and geographical diversification), to the restrictions on the availability and terms and conditions of public and private financing in certain countries (mitigated by strict financial discipline), to damage caused by adverse weather conditions (mitigated by a corporate insurance coverage and contingency plan policy) and to the reduction of the average life of the toll road concessions and expiry of the concessions (mitigated by the growth of the asset portfolio resulting from the agreement to acquire the 50.12% ownership interest in the Red de Carreteras de Occidente Group in Mexico).

6

Safe and innovative toll roads (R&D)

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 the customer.

52.4% of toll road revenue has a road safety management system in place, and 38.7% is certified under the ISO 39001 international standard. In addition, the toll roads in Chile have implemented and certified an emergency management and incident response system in accordance with the ISO 22350 international standard.

6.1 Road Safety

Abertis makes road safety its top priority, 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 highest international quality 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' toll roads.

In this way, in recent years the Group has achieved an improvement in accident and mortality rates in the main units of the Group. The mortality rate continued on a downward trend in 2019, whereas the accident rate was slightly negative

	2019	% Change 2019 - 2018	% Change 2018 - 2017	% Change 2017 - 2016	% Change 2016 - 2015
Accident rate (IF1)	20.2	+1.7%	-6.4%	-3.2%	-2.6%
Fatality rate (IF3)	1.0	-9.7%	-10.0%	-6.1%	-5.4%

(*) Data calculated homogenizing the scope of consolidation in the respective years

Abertis continues to work on a vision of road safety that shares the values of the Global Plan for the Decade of Action for Road Safety 2011-2020, which is founded on five pillars: (i) safe infrastructure; (ii) road safety management; (iii) safer vehicles; (iv) safer road users; and (v) post-crash response.

Main actions taken in 2019

GLOBAL

- Report titled "The impact of road traffic accidents with child victims", prepared by the London School of Economics and commissioned by Abertis.
- Continuation of the "Rights of Way" project with UNICEF: 2019 saw the commencement of the programme in Brazil.
- Inclusion of Abertis, through its Foundation, in the Road Safety Collaboration Group promoted by United Nations.
- The Group's Global Road Safety Observatory.

SPAIN

- Cinema campaign #PuedoEsperar aimed at raising awareness of the danger of using a mobile phone at the wheel.
- Observatory on the behavior of toll road drivers in Spain.
- Study on the behaviour of drivers in tunnels.
- Fire drill at Aucat (C-32 toll road).

FRANCE

- Observatory on the behaviour of toll road drivers.
- Eye-tracking tests to study the impact of distractions while driving.
- The "Déconnectez, restez concentrés" campaign to raise awareness of the risk of using mobile phones.
- "Gardez vos distances": a campaign to keep a safe following distance.
- "On pose pour la pause" photo competition against drowsiness at the wheel

ITALY

- "The Blackout" awareness campaign on the danger of driving under the effects of alcohol or drugs. (Areté Award for the best corporate campaign 2019).
- First Annual Observatory on the behaviour of toll road drivers.
- Awareness campaign for young and novice drivers #Usalatesta.
- First Forum on Road Safety

BRAZIL

- Construction of an escape lane for trucks that lose braking power on the Serra do Cafezal toll road.
- Safety exercise in relation to hazardous products on the Régis Bittencourt toll road.
- Distribution of safety kits to pedestrians and cyclists traveling on the toll roads managed by ViaPaulista.
- Awareness activities to celebrate National Traffic Week.
- Participation in Maio Amarelo, a month focused on road safety awareness building.
- Escola Project

CHILE

- "El Apagón" awareness campaign on the dangers of driving under the effects of drink or drugs.
- Campaign against throwing stones at vehicles.
- "Movilidad segura" campaign for pedestrians and cyclists.
- Second edition of the Road Safety Manual for Teachers.
- Seminar on Intelligent Mobility.

- Seminar on technology applied to safety on toll roads.
- Session on road safety at work.
- Signing of the National Road Safety Accord.

PUERTO RICO

- Awareness campaign with the singer Kany García.
- Remodelling of the Educational Park for Traffic Safety (PESET) for elementary school children.
- Other campaigns on the use of safety belts, safety seats or respect for speed limits.

ARGENTINA

- Technical survey of toll road structures and definition of an action plan.
- The "Todos con cinturón, y atrás también" campaign to promote the use of seatbelts both in the front and back of cars.
- Second Road Safety Forum.

INDIA

- Improvement of infrastructures: construction of metal barriers, better signalling, creation of pedestrian crossings, improvement of safety on toll plazas, etc.
- Awareness programme in schools.
- Campaigns aimed at users and inhabitants of towns near toll roads.

6.2 Road Tech

Abertis has reached the conclusion that the management of the mobility of the future will bring important challenges but also great opportunities. Therefore, the Group has developed its "Road Tech" strategic programme, which brings together road infrastructure and new technologies, with the objective of making the Group a platform for safer, smarter and more sustainable mobility.

At Abertis, innovation encompasses many areas. On the one hand, through analysis of how new mobility trends can impact the traditional business. On the other, through a commitment to a new line of business, based on Mobility as a Service (MasS), which shifts the focus of mobility away from the mode of transport to the individual, who understands mobility as a point-to-point service, with new and different needs.

Mobility as a service

Abertis Mobility Services is the Group's business line whose goal is to respond to Mobility as a Service (MasS), which aims to become the pioneer in modern and efficient mobility focused on various types of customers: on the one hand, authorities and road operators (B2A), through the subsidiary Emovis, and on the other, vehicle fleet companies (B2B), through Eurotoll, one of the largest issuers of electronic payment devices, or OBUs (On-Board-Units) in Europe. Lastly, citizens are the direct customers of subsidiaries such as Bip&Go and Bip&Drive, in the toll payment device sector.

Connected toll roads

Abertis promotes projects aimed at new mobility challenges, such as the preparation of toll roads for electric, connected or autonomous vehicles.

The programme is based on the following pillars:

- Solutions for intelligent toll roads and integrated mobility. The Group participates in the European C-Roads project for cooperative transport and autonomous driving systems, to find advanced communication solutions applied to mobility between vehicles and infrastructure and application of the Internet of Things to monitor the state of the infrastructure, as well as to improve service and optimize operations.
- Solutions for connected and autonomous vehicles, such as the project for the deployment of Cooperative Intelligent Transport Systems (C-ITS) to exchange information on traffic conditions (SCOOP@F Project).
- Solutions for electric vehicles, such as the projects for the development of wireless on-road charging (Fabric) and electric corridors for heavy vehicles (E-way corridor).

Electronic tolls and free-flow systems

The Abertis Group is committed to the innovations brought about by electronic and barrier-free toll technology thanks to its many advantages: a smoother journey, a more modern toll road adapted to its customers' payment systems, greater safety for customers and road workers, and greater respect for the environment thanks to savings in fuel consumption and polluting emissions.

Abertis offers free-flow mobility solution advisory, design, implementation, operation and maintenance services through its Emovis technology and services division. The division operates some of the world's largest electronic toll infrastructure in the UK, Ireland, the US and Canada. It operates in seven countries: Canada, the US, Puerto Rico, the UK, Ireland, France and Croatia.

The percentage of automatic transactions or using electronic tolls increased at the Group to 83% (+1.2pp) of the total, of which 72% are uniquely electronic toll transactions (+6.9 pp). India, Argentina and Chile stand out among those that have seen the highest growth.

Main actions carried out at Road Tech in 2019

- Sanef brought into service the first 100% barrier-free toll in the country, installed on the A4 toll road (Paris-Strasbourg) near the city of Boulay.
- Toll roads (Spain) carried out a test as part of the European Inframix programme, to experiment with the coexistence of vehicles connected to conventional vehicles on a section of the AP-7 toll road.
- The Utah Department of Transportation (USA) awarded Emovis a project to implement and operate a payment system for the exclusive road use of electric vehicles. The objective of this project is to manage the collection of an infrastructure financing fee from electric vehicles, to compensate for the fact that they do not pay the fuel tax with which infrastructure is financed in the US.
- Emovis renewed the toll system of the Mersey Bridge tunnels, resulting in a greater fluidity of traffic through the infrastructure.

7

Value creation

7.1 Shareholders

Aggregates and results

Average Daily Traffic (ADT), the main activity indicator, experienced a comparable increase of 1.9% to reach 26,269 vehicles at 31 December 2019, which had a positive impact on Group revenue.

The activity levels of most of the Group’s toll road concession operators, with the exception of Chile and Argentina, improved in 2019. The detail of their ADT counts until the close at 31 December 2019 is as follows:

	Km	ADT 2019	% Change vs 2018
Toll roads Spain	1,573	23,039	4.3%
Toll roads France	1,761	25,517	1.0%
Toll roads Italy	236	65,517	0.2%
Toll roads Brazil	3,418	20,275	4.1%
Toll roads Chile	773	26,752	(3.2%)
Toll roads Puerto Rico	90	69,369	0.3%
Toll roads Argentina	175	81,471	(0.9%)
Toll roads India	152	22,438	7.9%
Abertis	**8,177**	**26,269**	**1.9%**

As shown, activity on Abertis’s toll roads had experienced growth at 2019 year-end, due to solid increases in the traffic count reported in the main countries in which the Group operates. Of particular note in this connection are the levels of activity achieved in Spain (which have been rising since 2016 and continue to do so) and the increase in traffic in France.

Also noteworthy is the dynamic nature of the activity in Brazil, ongoing since 2018, following a strike in the transport industry in May of that year.

Lastly, activity in Chile slumped in 2019 as a result of the social crisis affecting the country since October 2019, which has had a negative impact on light and heavy vehicle traffic, with the Autopista del Sol toll road being the the most affected concession.

The main aggregates in the consolidated statement of profit or loss for 2019 and 2018 are as follows:

Millions of euros	**2019**	**2018**
Operating income	5,361	5,255
Operating expenses	(1,624)	(1,706)
Gross operating income	**3,737**	**3,549**
Depreciation and amortisation charge	(2,705)	(1,377)
Construction revenue and costs	20	21
Profit from operations	**1,052**	**2,193**
Financial loss	(610)	(23)
Loss of companies accounted for using the equity method	(3)	(7)
Profit/(Loss) before tax	**439**	**2,163**
Income tax	(109)	(295)
Profit/(Loss) from continuing operations	**329**	**1,868**
Loss from discontinued operations	(6)	(33)
Profit for the year	**323**	**1,835**
Attributable to non-controlling interests	(29)	153
Attributable to the Company's shareholders	**352**	**1,682**

Operating income amounted to EUR 5,361 million, representing an increase of 2.0% compared to 2018, due mainly to:

- The positive performance of the activity and the impact of the average toll revision at the toll road concession operators.
- The changes in the 2019 perimeter arising from the takeover of Autopistas Trados 45 and the entry into operation of Via Paulista in January.

These impacts were partially offset by:

- The negative performance of the Brazilian real, the Chilean peso and the Argentine peso, the average exchange rates of which suffered a depreciation of 3%, 4% and 56%, respectively, compared to the average exchange rates in 2018, which led to a EUR 119 million decrease in Group revenue.
- The expiry of the concession arrangement with the Brazilian company Via Norte, belonging to the Arteris subgroup, in May 2018.

EBITDA

EBITDA reached EUR 3,737 million, up 5% on 2018. The Group's results were positively affected by the implementation of a series of measures designed to improve efficiency and optimize operating expenses, on which the Group will continue to focus in the coming years:

EBITDA by country (Mn€)	**2019**	**2018**
Spain	1,283	1,172
France	1,258	1,200
Chile	445	421
Brazil	339	293
Italy	232	235
Puerto Rico	116	92
Argentina	27	124
Others	37	12

Financial result and depreciation

Since 1 January 2019, the Group's results have included the effects of the takeover of the Group itself and the merger between Abertis and Abertis Participaciones and, consequently, the fair values of the assets and liabilities of Abertis arising from the process of allocating the purchase price, which had a negative impact of EUR 749 million in 2019, mainly due to the annual depreciation of the revalued assets following this transaction.

The negative evolution of the financial result is due to the positive impact in 2018 from the sale of 34% of Cellnex's share capital of EUR 605 million.

Income tax

The income tax expense amounts to EUR 109 million, the tax rates in the main countries in which Abertis operates being as follows: Spain, 25%; France, 34.4%; Italy, 31.4% (27.9% in 2018); Brazil, 34%; and Chile, 27%.

Profit

The consolidated profit for 2019 exercise attributable to shareholders was EUR 352 million, following the process of allocating the purchase price and the subsequent merger between Abertis and Abertis Participaciones (without considering this effect, the profit would have been EUR 1,101 million).

The decrease in net profit is due mainly to the negative impact of the EUR 605 million capital gain obtained from the sale of 34% of Cellnex Telecom in 2018 and the negative impact of EUR 749 million in 2019 from the purchase price allocation and the subsequent merger between Abertis and Abertis Participaciones mentioned above.

Balance sheet performance

The main aggregates in the consolidated balance sheet (presented in condensed format) for 2019 and 2018 are as follows:

Millions of euros	31 December 2019	31 December 2018		31 December 2019	31 December 2018
Property, plant and equipment	451	412	Share capital and reserves attributable to the Company's shareholders	5,873	4,122
Goodwill	7,927	4,383	Non-controlling interests	1,962	1,804
Other intangible assets	25,571	14,171	**Equity**	**7,835**	**5,926**
Investments in associates and interests in joint ventures	409	217	Bond issues and bank borrowings	24,112	15,420
Other non-current assets	3,523	3,180	Other non-current liabilities	6,930	3,549
Non-current assets	**37,881**	**22,362**	**Non-current liabilities**	**31,042**	**18,969**
Other current assets	2,168	1,922	Bond issues and bank borrowings	2,254	1,293
Cash and cash equivalents	2,645	2,737	Other current liabilities	1,563	1,935
Current assets	**4,813**	**4,659**	**Current liabilities**	**3,817**	**3,228**
Non-current assets classified as held for sale and discontinued operations	-	1,622	Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	520
Assets	**42,694**	**28,643**	**Equity and liabilities**	**42,694**	**28,643**

At 31 December 2019, total assets amounted to EUR 42,694 million, representing an increase of 49% compared to 2018 year-end. This was due mainly to the impact of the revaluation of the assets following the merger between Abertis and Abertis Participaciones.

Approximately 60% of the total assets relate to others intangible assets (mainly concessions) in line with the nature of the Group's infrastructure management business.

Consolidated equity amounted to EUR 7,835 million, representing a 32% increase with respect to 2018 year-end which, was mainly affected by:

- The positive impact of EUR 12,845 million arising from the revaluation of assets following the process of allocating the purchase price and the merger between Abertis and Abertis Participations.
- The negative impact of the extraordinary and ordinary dividend of EUR 9,963 million and EUR 875 million respectively, both distributed during the financial year 2019.

- The positive impact of the profit for the year of 352 million euros.

Investments

Total investment by the Group in 2019 amounted to EUR 670 million and related primarily to expansion (83% of the total investment), mainly in respect of:

- Increasing the capacity of the toll roads, particularly those located in Brazil (EUR 232 million) and in France to improve and extend the network (EUR 217 million).
- Increasing the capacity of the toll roads in Chile and implementing Free Flow electronic toll systems (EUR 75 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 through investments of EUR 600 million in the next five to six years in exchange for an extension of the concession arrangements (two years for Sanef and three years and eight months for Sapn). To date, a cumulative investment of EUR 417 million has been made.

Of note in this regard is the fact that on 24 July 2018 Sanef entered into an agreement with the French government to implement a new investment plan to modernise its network. Under this agreement, Sanef will invest EUR 122 millons in a number of projects in exchange of an additional tariff increase for the period 2019-2021 (0,225% for Sanef and 0,218% for Sapn).

This new plan will enable the French road network to be improved on the basis of four fundamental objectives, namely, improved safety, traffic flow, service quality and environmental sustainability, while giving fresh momentum to the French economy through major work to boost activity and employment, thereby enhancing the country's business fabric.

The main projects envisaged include building various link roads, increasing the number of parking spaces for high-occupancy vehicles and various programmes to protect the network's water resources.

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 2019 was the road surface recovery work, the creation of dual carriageways in Fluminense (in respect of which progress is continuing to be made) and the "Contorno de Florianópolis" construction project in Litoral Sul, in accordance with the provisions of the respective concession arrangements. With respect to the concessions in Sao Paolo 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. It should also be noted that the Vianorte concession was returned to the grantor on 17 May 2018.

In Chile, the Group has implemented Free Flow electronic toll systems on Rutas del Pacífico and Autopistas del Sol during 2019. In addition, work has begun to increase the capacity of the Autopistas del Sol concession with the construction of a third lane.

In Spain, the differences in interpretation and, consequently, the various legal proceedings opened in relation to the AP-7 convention remain open.

The Group's operating investment in 2019 amounted to EUR 111 million (17% of the total).

Main investments

The Group is continuing to focus its efforts on controlling operating expenses to improve efficiency, and on investing in the development and expansion of the capacity of its own assets, having invested over EUR 670 million in 2019, of which approximately 41% were in Brazil, 38% in France, 12% in Chile and 3% in Spain.

The main operations in 2019 were as follows:

2019 was characterized by continued organic and inorganic growth of the operations in Europe, the Americas and Asia, with the following acquisition being particularly noteworthy:

- Abertis reached an agreement in October to acquire an ownership interest of 50.12% in Red de Carreteras de Occidente (RCO) in Mexico for an approximate amount of EUR 1,500 million. The acquisition will be completed in 2020, once the necessary permits have been obtained from the Mexican public authorities.

Additionally, in the context of performing operations to consolidate and bolster the Group's position as controlling shareholder with an industrial role, the following transaction is noteworthy:

- During the current year, Abertis, through its wholly-owned subsidiary Iberpistas, completed the acquisition of an additional 1.00% of the share capital of Autopistas Trados 45, totaling EUR 4.8 million, as a result of which its ownership interest amounts to 51.00% of that company's share capital. Due to this transaction, Abertis now holds a controlling interest in Autopistas Trados 45.

In parallel, and with a view to increasing the average term of the current concession portfolio, the following agreements are significant:

- In March 2018, Autopista del Sol, a subsidiary of the Abertis group in Chile, signed an agreement with the Chilean Ministry of Public Works to make new investments in Autopista del Sol (Ruta 78) for approximately EUR 150 million, in exchange for the extension of the current contract, which ends in May 2019, until March 2021. In August 2019, a new agreement was signed with the Chilean Ministry of Public Works (MOP) to extend the concession contract by 8 months, (which will end in November 2021) in order to compensate for investments, loss of income and higher costs associated with the implementation and operation of the system.

In addition to investments for inorganic growth and increasing the average life of its portfolio, Abertis has also been attentive to expanding the capacity of its motorways.

Finally, in October 2019 Abertis completed the sale of its 89.68% stake in Hipasat. This operation had no impact on the Group's results

Financial management

Gross financial debt to credit institutions at 31th December 2019 (excluding debts to companies accounted for using the equity method and interest on loans and bonds and other liabilities) amounted to 25,608 million and represents, on the one hand, 327% of equity, which is higher than at the end of 2018 (269%) due to the increase in gross financial debt detailed below, and the increase in equity mentioned above and, on the other hand, represents 60% of liabilities and equity, which is slightly higher than at the end of 2018 (56%).

On the other hand, Abertis's net financial debt (including debts to companies accounted for using the equity method and interest on loans and debentures and other liabilities) has been increased by EUR 9.035 million in 2019 up to EUR 21,573 million.

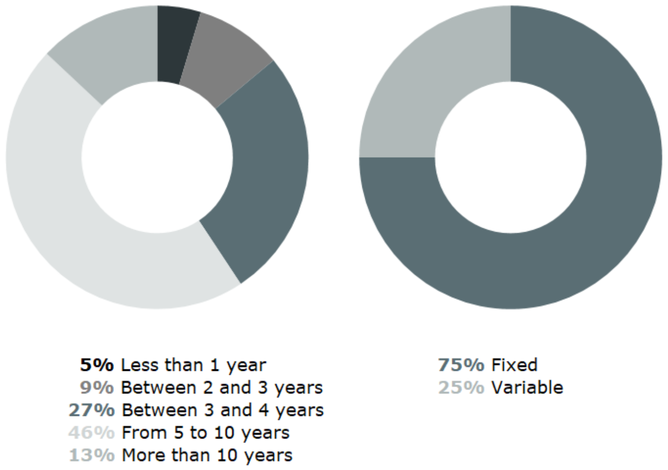
The aforementioned increase in bank debt (both gross and net) is mainly due to:

- The payment of an extraordinary dividend of EUR 9,963,410 thousand paid, mainly, through the assumption of the contractual position of Abertis HoldCo, S.A. as credited in various financing contracts for an amount of EUR 9,817,195 thousand.
- The merger of Abertis with Abertis Participaciones, S.A., which had an impact on the Group's financial debt as a result of the purchase price allocation process, amounted to EUR 740,953 thousand at 31 December 2019.
- Other additional impacts such as the payment of dividends for 2018, investments in the period and the disposal of Hispasat.

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

In practice, this continues to result in a sound financial structure, with a high average maturity of debt (5.6 years at the end of 2019 for 5.0 years at the end of 2018) and, following a policy of minimizing exposure to financial risks, a high percentage of debt is at a fixed rate or fixed through hedges (75% at the end of 2019 for 82% at the end of 2018), largely minimizing the possible effects of tensions in the credit market.

Type of debt by maturity and interest rate



In this regard, the following transactions carried out by various Group companies in 2019 are noteworthy:

- Under the Euro Medium Term Note Program (EMTN) registered with the Central Bank of Ireland (CBI) in Dublin on 6 March 2019, Abertis has issued new bonds for EUR 5,867 million.
- The contracting of EUR 1,250 million in new loans with credit institutions.
- The disposal of existing bilateral loans for a total amount of EUR 1,065 million, being available at 31 December 2019 an amount of EUR 815 million
- The contracting by Arteris Via Paulista of a new loan with BNDES for the amount of EUR 810 million.
- The bond issue by Vias Chile for a total amount of EUR 469 million.
- The bond issue by Arteris for a total amount of EUR 555 million.
- The bond issue by Metropistas for a total amount of EUR 268 million.
- Under the Euro Commercial Paper Programme (ECP) registered with the Central Bank of Ireland (CBI) in Dublin on 28 June 2019, Abertis has carried out issues of promissory notes amounting to EUR 150 million already settled.

It should be noted that with these and other operations, the Group reinforces its capacity to take advantage of the opportunities offered by the credit market to obtain attractive conditions and continue to generate value for its shareholders.

Finally, it should be noted that the high level of cash flow generated by most of Abertis's core businesses enables it to maintain a financial balance that makes it possible to make new investments to improve the infrastructures it currently manages, as well as to continue, within the current economic and financial environment, the selective policy of growth investments developed in recent years without the need for additional capital contributions by shareholders.

Credit Quality Management

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

In this regard, Abertis has 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. Abertis went from a long-term rating of "BBB" to one of "BBB-", owing to the impact of the methodological adaptation of its shareholder Atlantia on the Parent Company. The short-term credit rating at that date was "A-3", which was also revised in the year from "A-2".

On the other hand, in the latest report, dated October 2019, the international credit rating agency Fitch Ratings Ltd. maintained Abertis' long-term "BBB" credit rating and awarded it a short-term "F3" credit rating.

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

Alternative Performance Measures (APM)

Abertis considers that certain Alternative Performance Measures (APMs) provide useful financial information in addition to that obtained from the applicable accounting standards (EU-IFRSs) for assessing the performance of the Group and which is used by management in its decision-making processes. In this regard, in accordance with the recommendations issued by the European Securities and Markets Authority (ESMA).

The definition and determination of main APM used is as follows:

Revenues

Relates to the caption of consolidated statements of profit or loss "Operating income".

	2019	2018
Revenues – Operating income	5,361,265	5,255,381

Opex or Operating expenses

Relates to the caption of consolidated statements of profit or loss "Operating expenses".

	2019	2018
Opex – Operating expenses	4,336,054	3,083,142

Ebit – Profit from operations

Relates to the caption of consolidated statements of profit or loss "Profit from operations".

	2019	2018
EBIT – Profit from operations	1,051,838	2,193,252

Ebitda - Gross operating profit

Ebitda or Gross Operating Profit is defined as EBIT adjusted by the captions of the consolidated financial statements "Depreciation and amortisation charge", "Changes in impairment losses on assets" and "Capitalised borrowing costs":

	2019	2018
EBIT – Profit from operations	1,051,838	2,193,252
+Depreciation and amortisation charge	2,704,720	1,377,321
+/- Changes in impairment losses on assets	299	(589)
- Capitalised borrowing costs	(20,336)	(21,013)
EBITDA – Gross operating result	**3,736,521**	**3,548,971**

The Group considers Ebitda as an operational indicator that measures the cash generation capacity of its assets, while it is an indicator widely used by analysts, investors, credit rating agencies and other stakeholders.

Ebitda margin

Ebitda margin is a relative indicator used by the Group to analyze the operating performance of its assets, representing the relative weight of Ebitda on revenues:

	2019	2018
Ebitda – Gross operating profit	3,736,521	3,548,971
Revenue (Operating income)	5,361,265	5,255,381
Ebitda margin	**69.69%**	**67.53%**

Regarding this APM, It is important to highlight that "Ebitda margin" is not a measure adopted in accounting standards and does not have a standardised meaning and, therefore, cannot be compared to the Ebitda margin of other companies.

Ebitda contribution

"Ebitda Contribution" is the percentage reflecting the proportion of the Ebitda contributed by each of the business against that of the whole Group.

Gross debt

"Gross debt" is defined as the non-current and current "Bank loans" and "Bond issues and other loans" line items as shown in Note 16 of the consolidated financial statements:

	2019	2018
Bank loans	7,965,382	4,982,698
Bond issues and other loans	17,642,791	11,029,432
Gross debt	**25,608,173**	**16,012,130**

Net debt

"Net Debt" is defined as "Gross Debt" less the "Cash and cash equivalents" line item in the consolidated financial statements:

	2019	2018
Gross debt	25,608,173	16,012,130
Cash and cash equivalents	(2,644,889)	(2,737,070)
Net debt	**22,963,284**	**13,275,060**

The Group uses the "Net Debt" as a measure of its solvency and liquidity as it indicates the current cash and equivalents in relation to its total debt liabilities. "Net Debt" and "Ebitda" derived measures are frequently used by analysts, investors and rating agencies as an indication of financial leverage.

Net Financial Debt

"Net Financial Debt" is defined as "Financial liabilities" (current and non-current) less "Other financial assets" (current and non-current) and "Cash and cash equivalents" line items of the consolidated financial statements.

“Net Financial Debt” is an indicator of the portion of the investments financed by net financial liabilities.

The reconciliation of APM with the Group consolidated financial statements is as follows:

	2019	**2018**
Non-current financial liabilities	24,637,247	15,757,865
Current financial liabilities	2,361,529	1,654,482
Other non-current financial assets	(2,445,327)	(2,193,542)
Other current financial assets	(335,358)	(211,698)
Cash and cash equivalents	(2,644,889)	(2,737,070)
Net financial debt – continuous operations	**21,573,202**	**12,270,037**
Non-current financial liabilities	-	238,348
Current financial liabilities	-	75,550
Other non-current financial assets	-	(3,535)
Other current financial assets	-	(114)
Cash and cash equivalents	-	(41,949)
Net Financial debt – discontinued operations	**-**	**268,300**
Net financial debt	**21,573,202**	**12,538,337**

Capex

Relates to the "Purchases of property, plant and equipment, intangible assets and other concession infrastructure" line item in the consolidated statements of net cash flows from investing activities:

	2019	**2018**
Purchases of property, plant and equipment, intangible assets and other concession infrastructure	641,404	619,733

The Company considers this an important indicator because it represents the ability of the Company to expand its portfolio through the discretionary use of cash in investments for the improvements of the highway network for agreed returns in the case of the road assets and measuring how effectively the Company is redeploying resources to build a perpetual business model as it contributes for EBITDA replacement and the increase of the duration its portfolio.

Discretionary cash flow

"Discretionary cash flow" is defined as Ebitda plus/minus finance income and costs, minus income tax expense and plus/minus cash adjustments to: (i) finance income and expenses, (ii) income tax, (iii) IFRIC12 and other provisions, (iv) concession arrangements – financial asset model, and (v) dividends received from financial investments, associates and joint ventures.

The Group believes that the “Discretionary cash flow” is one of the most important indicators of its capacity to generate an available stream of resources from the operations, net from the mandatory uses of cash for taxes and interest expenses, to be used mainly and according to the Group strategy to repay debt, distribute dividends and expand its portfolio.

The reconciliation of this APM with the Group's consolidated financial statements is as follows:

	2019	2018
Ebitda	3,736,521	3,548,971
Finance income	513,164	387,978
Finance costs	(1,129,064)	(1,013,713)
Income tax	(109,335)	(295,501)
Adjustments:		
Exchange gains	(239,741)	(182,198)
Exchange losses	131,310	29,113
Impairment (expected credit losses)	137,198	128,441
Provisions for loans and guarantees granted to associates and other financial assets	1,263	936
Deferred tax assets-amount charged/(credited) to profit loss	146,921	61,207
Deferred tax liabilities-amount charged/(credited) to profit or loss	(502,184)	(227,189)
Deferred tax	(355,263)	(165,982)
Period provisions (reversals)	172,656	188,946
Interest cost	30,710	32,301
Amounts used in the year	(250,143)	(250,352)
Provisions required under IFRIC 12 (non-current and current)	(46,777)	(29,105)
Period provisions (reversals)	6,519	46,610
Interest cost	3,871	13,814
Amounts used in the year	(67,237)	(48,301)
Other provisions (non-current and current)	(56,847)	12,123
Charge to the consolidated statement of profit or loss due to economic compensation	(37,515)	(113,702)
Charge to the consolidated statement of profit or loss due to financial compensation (with Section B of Schedule 3 of Royal Decree 457/2006)	(200,626)	(157,877)
Amounts used in the year	104,470	92,996
Concession arrangements – financial asset model	(133.671)	(178,583)
Dividends received from financial investments, associates and joint ventures	15,023	8,142
Discretionay cash flow	**2,463,781**	**2,250,622**

Use of financial instruments

The policy followed in relation to derivative financial instruments is described in Note 3.e) to the 2019 consolidated financial statements. Also, the details of these instruments at year-end are described in Note 12 to these financial statements.

Treasury shares

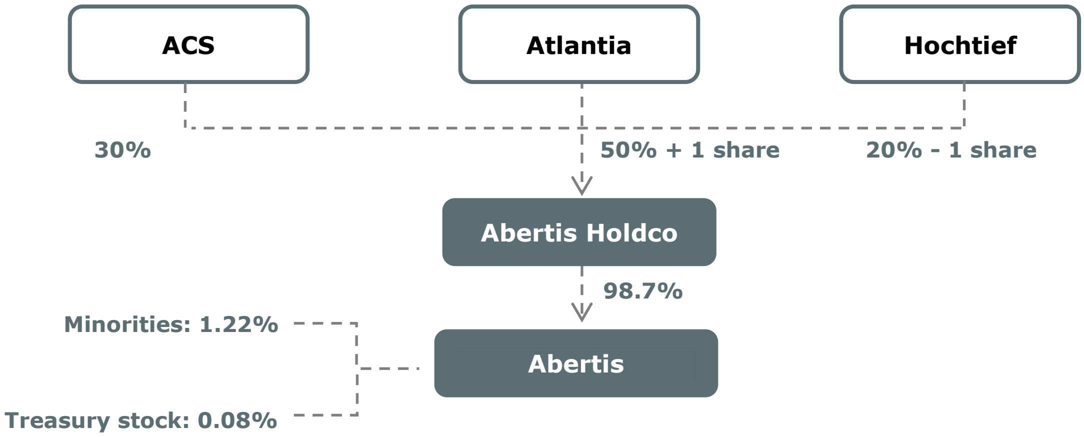
As a result of the transactions carried out in the present exercise 8acquisition), the treasury shares held at 2019 December 31th represented 0.08% of the share capital of Abertis Infraestructuras, S.A. The changes in the treasury share portfolio in 2019 and 2018 were as follows:

	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**

	Number	Par value	Acquisition cost/sales proceeds
At 1 January 2018	78,815,937	236,448	1,168,679
Retirement (capital reduction)	(78,815,937)	(236,448)	(1,168,679)
Acquisition	8,500	26	156
At 31 December 2018	**8,500**	**26**	**156**

Shareholder structure

The detail of the Abertis Group's shareholder structure at 31 December 2019 is as follows:



Dividend distribution policy

The Parent distributed the dividends described in Note 15-e) to the consolidated financial statements for 2019, maintaining a sustainable distribution policy.

7.2 Society

i) Tax contribution

Abertis' tax policy is based on transparency and application of tax law in a responsible and prudent manner.

The Group is committed to its obligation to pay tax to contribute towards the public funds that provide the public services that are essential for the social and economic development of the countries in which it operates.

Since 2014 Abertis has voluntarily adhered to the Code of Good Tax Practices, which contains recommendations agreed between the Spanish tax authorities and the Forum of Large Companies. The company complies with the action principles set out therein.

Abertis, following the guidelines that have governed its operations since it was established, avoids the use of opaque structures, processes or systems for tax purposes, aimed at shifting profit to low tax jurisdictions (tax havens) or preventing the tax authorities from identifying the party ultimately responsible for the activities or the ultimate holder of the assets or rights involved. In addition, the Board of Directors is regularly informed of the tax policies applied.

Total tax contribution in 2019

	Taxes borne[3]	Taxes collected	Total contribution (EUR million)
France	580	312	892
Spain	139	382	521
Chile	84	94	178
Brazil	121	39	160
Italy	41	60	101
Argentina	58	16	74
Other[4]	18	7	25
Total	**1,041**	**910**	**1,951**

Abertis makes a quantifiable economic and social contribution by paying tax to the authorities of the various countries in which it operates. These payments involve making a considerable effort to comply with the formalities relating to reporting and cooperation with the tax authorities, as well as significant responsibilities.

Following the OECD cash basis methodology, the total tax contribution of the Abertis Group in 2019 amounted to EUR 1,951 million, of which EUR 1,041 million relate to taxes borne[5] and EUR 910 million to taxes collected[6]. In this connection, the Abertis Group includes all fully consolidated subsidiaries[7].

In 2019, for every EUR 100 of Abertis' revenue, EUR 36 were earmarked for tax payment. Specifically, EUR 19 went towards the payment of taxes borne and EUR 17 to the payment of taxes collected.

The tax contribution per kilometer of toll roads directly managed by Abertis amounted to EUR 234,795, of which EUR 124,232 relate to taxes borne and EUR 110,563 to taxes collected

---

[3] Included in the input tax is the profit tax paid, which amounts to EUR 528 million, as detailed below: France EUR 283 million, Spain EUR 74 million, Chile EUR 81 million, Brazil EUR 40 million, Italy EUR 29 million, Argentina EUR 19 million and Others EUR 2 million.

[4] Includes United Kingdom, Holland, Puerto Rico, Mexico, India, among others.

[5] Taxes borne are those which represent an effective cost for the company (payments of income tax, local taxes, indirect taxes on goods and services and employer social security contributions).

[6] Taxes collected are those which do not affect profit or loss but are collected by Abertis on behalf of the tax authorities or are paid on behalf of other taxpayers (value added tax, withholdings and employee social security contributions).

[7] Including the taxes paid by the Hispasat group, classified as non-current assets held for sale, amounting to EUR 23 million (EUR 16 million of taxes borne and EUR 7 million of taxes collected).

ii) Contribution to the environment

The application of preventive measures to preserve the environment and reduce pollution enables Abertis to incorporate efficiency, responsibility and sustainability into the global management model.

Abertis' strategic environmental objectives consist of carbon footprint reduction, the development of products and services based on positive environmental and social criteria, circular economy innovation and the promotion and conservation of natural capital.

The implementation of environmental management systems based on the ISO 14001 international standard constitutes the main tool for systemizing the analysis of significant environmental aspects relating to the organization's activity. An environmental management system has been implemented at Abertis facilities which account for 79% of the revenue for 2019, except for certain subsidiaries in Chile, Argentina, Puerto Rico and India, which nevertheless perform specific environmental management procedures.

Also, the total resources earmarked for measures aimed at minimizing environmental impact, including measures relating to cleaning and gardening, urban waste management, environmental impact studies and optimization of energy and water consumption, reached EUR 25.4 million, 9.3% up on the previous year.

Climate change

The direct and indirect use of materials and fossil fuels is one of the main sources of greenhouse gas emissions associated with Abertis' activities.

Formal identification of the risks and opportunities arising from climate change enables the organization to incorporate these aspects into its operations across the board, thus ensuring a joint action framework for each of the Group's business units. However, the actions taken differ depending on each country's specific market features.

Abertis thus makes an annual carbon footprint calculation in accordance with the international standards in force with a twofold objective: to achieve accountability and monitor performance in terms of contribution to climate change. The analysis, assessment and external publication of Abertis' carbon footprint by organizations such as Carbon Disclosure Project helps us to target our actions so that the established reduction goals can be achieved.

Scope 1 and 2 emissions, encompassing direct energy consumption and indirect emissions from electricity, dropped by 4.7% with respect to the previous year, in keeping with Abertis' strategic objectives. Scope 3 emissions, which include those from vehicles travelling on toll roads, account for 99.5% of the Group's total emissions. In 2019 total CO_{2e} emissions decreased by 3.1% in absolute terms to 20.4 million tones. In revenue-related terms, the increase has been higher up to 4.9%, at 3,984.6 tonnes of CO_{2e} per EUR million.

The main steps taken in order to reduce scope 1 and 2 greenhouse gas emissions include the following: the replacement of the vehicle fleet with less polluting vehicles; the implementation of energy efficiency measures; the installation of mechanisms for generating clean electricity; and the replacement of lighting.

The following actions were taken to reduce scope 3 emissions: the recovery of construction waste; the implementation of procedures to reduce consumption of materials and water, the installation of electric vehicle charging stations; the rollout of plans for the use of alternative fuels in infrastructure; and the use of asphalt capable of reducing the emissions generated by vehicles.

Circular economy

Establishing direct and indirect waste recovery procedures enables the life cycle of these products to be altered so that they can re-enter the production cycle as raw materials. Innovation and cooperation with different stakeholders are key for reducing the environmental impact generated by Abertis' activities.

In this regard, Abertis' main goal is to recover construction waste, since this is the largest category of waste generated (96.2% of all non-hazardous waste in 2019). Thus, in 2019 34,680.2 tones were recovered in Spain, Brazil and Italy, representing 3.4% of the total volume generated.

Hazardous and non-hazardous waste increased significantly overall to 1,066,262 tones, 99.9% of which is non-hazardous waste. How each category of waste is processed varies depending on the waste manager and the legal framework in force in each country. 4.1% of hazardous and non-hazardous waste was recovered, whilst 95.5% ended up in landfill.

Biodiversity and natural capital

A total of 1,667 km of toll roads managed by Abertis in Brazil, France, Spain, Chile and Italy pass through specially protected natural areas for biodiversity. The initiatives undertaken aim to protect and showcase natural areas, and they also have a positive effect on conservation of the biodiversity to which those areas are home.

Environmental surveillance and environmental liability recovery programmes, the installation of wildlife crossings and fences, compensatory planting, carrying out awareness campaigns and environmental education in conjunction with the local communities, and emergency, conservation and cleaning plans are the main actions undertaken to ensure the achievement of the established objectives.

Also, the Group’s toll roads periodically monitor noise levels in order to identify points of high noise pollution requiring specific action.

In 2019 measurements were taken at 41% of the total kilometers of toll road in Spain, Brazil, Chile and Italy. In addition, noise-reducing asphalt continues to be used and reforestation programmes continue to be implemented in order to mitigate the acoustic impact of the infrastructure.

iii) Contribution to the community

The generation of positive synergies with the local community is one of Abertis’ strategic objectives, and the achievement of this goal is based on the development of projects in conjunction with the main stakeholders on aspects relating to road safety, the environment, culture and social accessibility.

In 2019 resources earmarked for community projects and sponsorship totalled EUR 3.7 million, with a participation in over 260 initiatives.

98.1% of the projects executed are social investments and initiatives aligned with the long-term business, 73.4% were carried out in Spain and Latin America and 76.2% are linked to the following Sustainable Development Goals (SDG): SDG 3 (Good Health and Well-being); SDG 4 (Quality Education); and 11 (Sustainable Cities and Communities).

In addition to its involvement in local community projects, Abertis participates in various general and sector-specific associations, sharing expert knowledge to achieve operational, strategic and social improvements. In 2019 the Group’s various subsidiaries formed part of 40 associations with which a total of 70 meetings were held.

The Abertis Foundation

The Abertis Foundation headquarters, Castellet castle, also house the UNESCO International Centre for Mediterranean Biosphere Reserves, constituting a flagship for the local community.

The Foundation’s activity is based on the following pillars: road safety; social action; and care for the environment. In 2019 the United Nations granted the Abertis Foundation membership of its Road Safety Collaboration Group, making Abertis the first infrastructure sector company to form part of this group. The Foundation also implemented various awareness campaigns to improve road safety (“Puedo Esperar”, “Te queda una vida”, “El Apagón”) in Spain, Chile and Italy, and promoted the study “The Impact of Road Traffic Accidents with Child Victims” in partnership with the London School of Economics.

The “Declaration of Castellet for the Protection of Biodiversity” and participation in the COP25 activities in Madrid are some examples of the environmental initiatives undertaken in 2019 which, along with the other activities carried out, are detailed in the Foundation’s annual report, which is available on its website.

Abertis Chairs

The International Network of Abertis Chairs presented the XVI International Prizes for Transport Infrastructure Management and Road Safety, recognizing the best work submitted in the national editions of the same award (Spain, France, Puerto Rico, Chile and Brazil).

iv) Quality management and customer orientation

Abertis's strategic objectives relating to user and customer stakeholders are, on the one hand, the provision of a quality service (in terms of fluidity, convenience and customer information) and, on the other hand, the development of quality products and services that have a positive environmental and social impact and demonstrate good governance.

Consequently, the lines of work on the basis of which the specific quality management procedures and actions are developed involve the implementation of international management systems, namely, quality, road safety and information security management systems, with a constant focus on ensuring continuous improvement.

Thus, there is a quality management system -in accordance with ISO 9001- in place at Abertis facilities which account for 61.9% of the year's revenue, and 52.4% is certified.

Communication and engagement channels

There are various customer and user communication and engagement channels, including the more traditional channels, such as telephone support and customer service provided in person, as well as general media and social networks. The rollout and use of digital channels to promote real-time communication, together with specific maintenance information, is becoming increasingly common across the different business units, thus meeting the expectations of this stakeholder group.

Specific toll road user satisfaction surveys are carried out on a regular basis to identify the most highly valued aspects, as well as the areas of work linked to the continuous service quality improvement system. In 2019 Sanef, Metropistas, A4 Holding and Emovis carried out quality and satisfaction surveys and were able to incorporate the improvements into the action plans for the coming year.

Also, all the subsidiaries have formal mechanisms in place for receiving queries, complaints and suggestions. These tools are widely used by users, and in 2019 they received a total of 1.3 million communications, of which 95.3% were queries and 99.9% were addressed.

v) Supplier and supply chain management

The rejection of all forms of corruption, the development of products and services that have a positive ESG impact and the generation of positive synergies with the local community are the main strategic objectives as far as supplier management is concerned. Added to this is the cross-cutting impact of subcontracted companies on the achievement of the other strategic objectives established by Abertis.

Abertis is aware of this significant contribution, and its relationship with suppliers is therefore based on the parameters established in the Code of Ethics and Corporate Social Responsibility policy, both of which are clearly set out in the procurement policy in force and in the regulations on procurement operations.

The implementation of electronic procurement systems contributes towards the alignment of parameters and procedures and also facilitates data collection, which together contribute towards continuous improvement. In 2019 work was undertaken to harmonize supplier assessment and approval criteria across the various business units, irrespective of the technological tools used. 2019 also saw the commencement of work to migrate to a supplier assessment platform that is directly linked to suppliers' economic management.

Supplier assessment in accordance with environmental, social and good governance criteria, together with the inclusion of social and environmental clauses in tenders and competitions, is one of the mechanisms that have been established to ensure compliance with corporate standards beyond organizational boundaries. The main activities performed by the organization's suppliers include miscellaneous maintenance services, specific machinery and equipment, raw materials, fuel, connectivity products and other external professional services.

Abertis worked with a total of 13,915 suppliers in 2019, of which 3,811 are considered principal, 655 strategic and 701 critical. 27.9% of the strategic suppliers and 25% of the critical suppliers were assessed on the basis of environmental, social and good governance parameters, and a total of 12 critical suppliers were audited. 95.8% of competitions and tenders carried out in 2019 included social and environmental clauses.

Spain, Brazil and Chile have a supplier assessment tool that enables suppliers to be rated in accordance with specific CSR criteria.

Number of suppliers assessed in accordance with the CSR rating		
CSR Rating	**2018**	**2019**
A+	177	307
A	379	159
B	211	80

The economic impact associated with Abertis' level of procurement is high, and the local community is therefore involved where possible. Local procurement in 2019 dropped slightly to 83.7% of all purchases made.

7.3 Human team

i) Talent management

The people that make up Abertis' human team share the organization's values and principles, which focus on achieving the strategic objectives affecting this particularly significant stakeholder.

Guaranteeing occupational health and safety, developing a satisfied and committed team that is aligned with the organizational values, ensuring equal opportunities, enhancing job quality and attracting, developing and retaining professional talent in a multicultural setting are all strategic objectives for which various plans and programmes have been developed.

The characteristics of the workforce remained constant in relation to previous years, in terms of both gender and type of contract and working hours. 95% of executives are from the local community in which the organization operates

Total headcount by type of contract and working hours			
	Total	**Male**	**Female**
Headcount	**12,851**	61.8%	38.2%
Permanent contract	96.5%	97.0%	95.7%
Full-time contract	91.0%	94.7%	84.9%

Equivalent average headcount by country 2019	
Brazil	35.8%
France	20.3%
Argentina	15.7%
Spain	14.3%
Chile	9.0%
Italy	4.0%
Rest	0.9%
Total	**12,733**

Diversity and equality

The organization's commitment to equal opportunities and non-discrimination, as well as the promotion of diversity, is set out clearly in both its code of ethics and its strategic objectives.

Specific training and the rollout of work-life balance measures contribute towards furthering gender balance. 21.8% of executive positions and 27.9% of management positions are held by women, which shows that the upward trend established in recent years has stabilized. Also, 229 employees availed themselves of parental leave in 2019, 76.9% of whom were women, with a retention rate of 89.6% for women and 98% for men.

The existence of specific equal opportunities regulations varies depending on the different countries in which the organization operates, not all of which lay down the same requirements. In Spain, in addition to the obligation to have equality plans in place, there are other requirements, namely: non-discrimination in selection processes; training and promotion; the obligation to provide the same remuneration for similar positions; and the establishment of diversity hiring quotas.

The existing differences in remuneration are linked mainly to length of service and the specific characteristics of the various job positions. In global terms, women's remuneration was 70.4% of men's in 2019, virtually unchanged with respect to the previous year.

Abertis meets the legal requirements relating to the hiring of differently abled employees, both directly and through the application of alternative measures. The total number of differently abled employees increased slightly to 382.3 in the equivalent average headcount.

ii) Professional development

Job quality, talent promotion and training and knowledge networks are the key components of professional development management at Abertis.

Talent promotion

Talent retention and the consolidation of long-term relationships that enable professional and personal growth are the cornerstones for achieving one of Abertis' strategic objectives, namely to ensure that at least 62% of executive and management vacancies are filled by internal candidates.

The performance appraisal is one of the key tools for professional development and, together with the management by objectives system, aims to align efforts and actions towards the achievement of the organization's strategic objectives. 100% of executive positions, 96.6% of management positions and 59.2% of the rest of the workforce are involved in a management by objectives system.

Also, the executive development programmes establish a proactive training and growth framework focusing on the internal promotion of the employees forming part of Abertis' human team. A total of 55 people from all countries participated in the Abantis programme in 2019. Also, in global terms, a total of 237 men and 128 women were promoted internally during the year.

Work climate surveys and meetings linked to the performance review processes help assess and identify improvement actions. The frequency of these surveys and meetings varies across the different business units. In 2019 Metropistas, Emovis in France and a number of the subsidiaries in Brazil conducted a work climate survey, the results of which will contribute towards the assessment and development of action for the coming years.

Training and knowledge networks

Knowledge sharing and the promotion of best practices constitute the foundation for developing training and professional development plans and activities at Abertis. The Connectis platform has been consolidated as an internal knowledge network for all Group subsidiaries, with over 100 chats started in 2019. It involves the following departments: the technical area (engineering, operations and technology); the customer service area; legal advisory; compliance; and procurement.

With the exception of three subsidiaries in Brazil, every business unit has training plans in place. These training plans enable the training needs of the human team to be identified and planned in keeping with the organization's objectives and the job requirements.

The average number of training hours in 2019 was 17.5 hours per employee (19.1 hours for men and 15 hours for women), and the related economic investment amounted to EUR 2.7 million. A total of 13,736 hours of corporate social responsibility training were provided, involving mainly Brazil, France, Spain and Chile.

iii) Health and safety

The areas of Road Safety and the Smart Risk Programme create a framework for managing occupational health and safety at the organization. These areas are closely linked to one another, and they share positive synergies and the same strategic objective: 0 accidents and 0 deaths.

Management and monitoring

The implementation of occupational health and safety management systems at each of the business units enables the levels of risk associated with the different job positions to be formally identified. Abertis complies with the legal requirements in force by rolling out measures and action plans aimed at removing risk and thereby reducing occupational accidents.

90.6% of revenue for 2019 has an occupational health and safety management system in place, based on both international standards (such as OHSAS 18001 and ISO 45001) and in-house standards relating to the legislation in force. Operations in India and Argentina, a subsidiary in Brazil and a business unit in Puerto Rico do not have this kind of system in place.

The health and safety committees allow employees to participate directly in the oversight and monitoring of the action plans and related management systems. In 2019 these committees met 378 times to discuss issues related to risk assessment, follow-up on accidents that had taken place, improved protective equipment and developments in training activities. 77.5% of the direct workforce and 72.8% of the indirect workforce are covered by the health and safety committees.

Both direct and indirect employees are covered by the management systems in place. This means that in addition to the employees, a total of 13,856 indirect workers participate in the different preventive and training activities provided under these systems. In 2019 45,692 hours of occupational health and safety training were given to workers associated with the organization.

Accident rate

The total number of recordable accidents of direct employees in 2019 was 287, of which 206 involved loss of days. 66.9% of the recordable accidents and 70.4% of the accidents resulting in sick leave occurred among men. There were also three workers fatalities, one in Chile (direct worker), one in Argentina (indirect worker) and one in Brazil (indirect worker).

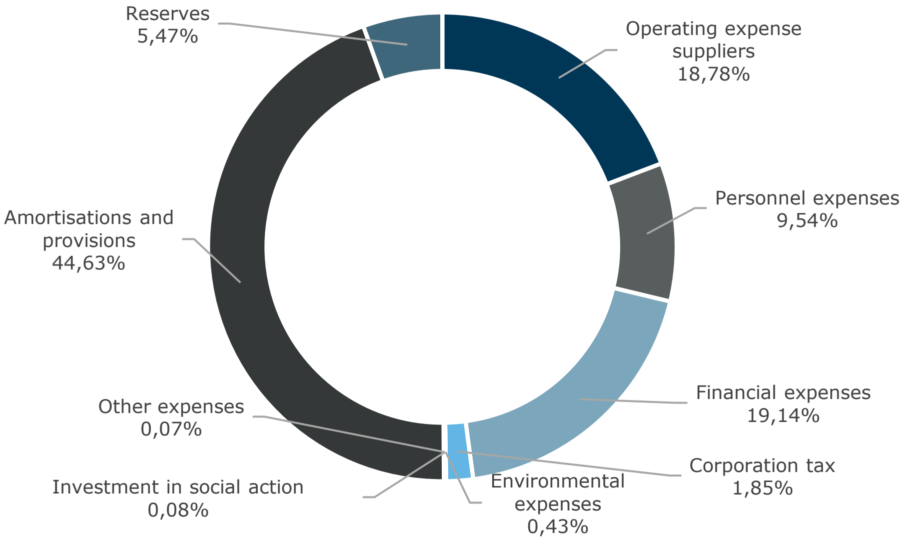
The global downward trend in the number of accidents continues to be consolidated with a reduction of 25.4% in 2019. The variation across countries is similar, although Spain, Puerto Rico, Chile and Italy experienced an increase in the number of occupational accidents resulting in sick leave in 2019. The number of accidents involving indirect workers also increased slightly to a total of 207 accidents in 2019.

The main causes of occupational accidents include the following: same-level falls; handling moving objects; contusions, road traffic accidents, collisions; and stress.

The incidence, frequency and severity rates, which relate the number of occupational accidents to the number of hours worked and the number of employees, evolved differently. The global incidence and frequency rates decreased significantly by 20.5% and 23%, respectively, to 16.2 to 8.7, due to the reduction in the number of accidents. The severity rate increased to 0.67, due to the changes in days lost in France, Spain, Argentina and Italy.

7.4 Value added statment

The Value Added Statement graphically represents the profit and loss account structured according to the organization's stakeholders, with the aim of visualizing the distribution of the economic value generated by the organization. 53.9% of the economic value created during 2019 has been distributed, a parameter that increases slightly in relation to the previous year.



8

About this report

The directors' report for 2019 was prepared, in addition to in accordance with the requirements of current legislation, in accordance with international non-financial reporting standards, as detailed in the chapter on methodology of the Appendix on Follow-up of the CSR Master Plan.

The content structure of the directors' report consists of the content directly presented in the main text of the report, together with two information appendices: on the one hand, the Appendix on Follow-up of the CSR Master Plan, and on the other, the Annual Corporate Governance Report. These appendices expand on and detail the level of depth of the qualitative and quantitative data presented in the main text of the directors' report, and include elements such as the GRI Content Index, the table of equivalences with the Law on Non-Financial Information and the external review report on the non-financial information.

The scope of the information presented in the directors' report and appendices is detailed in the chapter on methodology of the Appendix on Follow-up of the CSR Master Plan, although it should be considered that the scope of the non-financial information is 97.8% of revenue for the year, while the scope of the financial information is 100% of revenue.

9

Subsequent events

There were no other events subsequent to those indicated in Note 28 to the 2019 consolidated financial statements.

10

Future prospects

Foreseeable evolution

During 2020 exercise, the Abertis strategic plan 2019-21 is expected to be further developed, focusing on the creation of value through three pillars:

Financial flexibility

Increased financial flexibility: with a view to 2020, it is expected to continue developing a sound financial structure with a high average maturity of debt and following a policy of minimising exposure to financial risks.

Efficiencies

In the area of efficiencies, the Group will continue the efforts made in recent years, not only in the Corporation but also in the various business units. Specifically, the lines of action set out in the efficiency plan defined until 2021, focused on improving EBITDA through an optimization of operating and personnel expenses and revenues.

Growth

The Group intends to continue to focus its energies on growth (with a clear commitment to international development), a strategic priority that is already being carried out through the search for new operations, as well as extensions to existing concessions in exchange for new investments. All of this is done with the aim of maintaining itself as one of the leading groups and a reference in the motorway infrastructure sector, without forgetting its vocation for service to customers, public authorities and society in general.

The Group will continue to analyze opportunities in its more traditional markets, such as Europe and America, with the aim of promoting a balanced mix of new and more mature concessions in its portfolio, always attentive to new possibilities for the Group and its shareholders.

In this regard, in relation to the agreement reached in 2019 for the acquisition of 50.12% of the Mexican group Red de Carreteras de Occidente ("RCO"), it is expected to obtain the approvals of the regulatory market in that country during the first half of 2020, which will allow the takeover.

In parallel with the development of the strategic financial plan, the signature programs (strategic programs) of Road Safety and Road Tech coordinate and ensure the mainstreaming of their underlying principles, ensuring that the actions taken are aligned with the achievement of the objectives of both programs. The deployment of these programmes will continue over the coming years, considering them to be a key aspect of the Abertis Group's value creation model.

Similarly, next year will be the last year in which the Corporate Social Responsibility Master Plan (CSRMP) will be in force, and it will therefore be necessary to prepare the evaluation of the plan, while at the same time developing the actions of direct involvement with stakeholders, and to assess the options for the continuity of the plan, ensuring its integration into the organization’s strategy and its link to the material aspects updated during 2019.

Appendix to the 2019 Directors' Report

Follow-up of the CSR Master Plan

abertis

commitment & delivery

Contents

1

Stakeholders and materiality

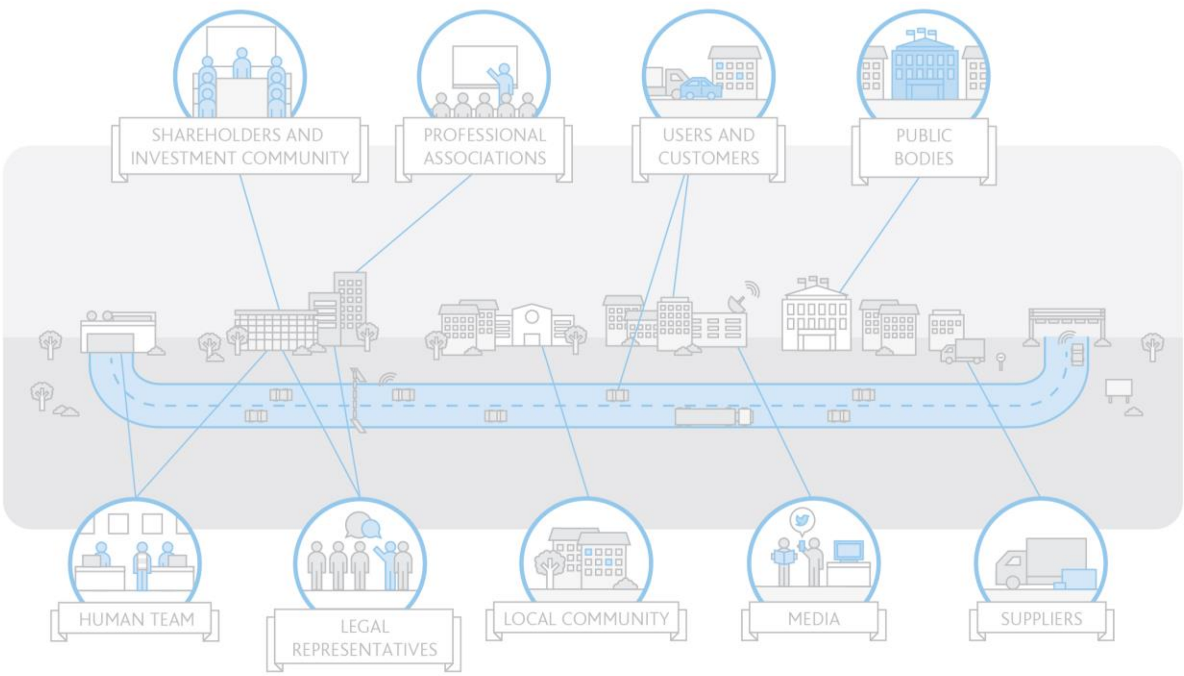
Stakeholders

The update of the materiality analysis carried out in 2019 made it possible to review the global stakeholder map, as well as the specificities of each stakeholder, partially incorporating the activities of Mobility Services and considering the specific characteristics of the countries included in the Abertis Group after the previous materiality analysis.

The global stakeholder map for 2019 retains almost all the nuances identified to date. In addition to the change in the composition and characteristics of shareholders and the investment community already mentioned in 2018, the incorporation of public authorities and private sector organisations as customers for the services provided by the mobility services business line should be noted. These customers include toll road managers, both public and private, and also include the end user of the services as a relevant agent in the development of the activity. The expectations of all these stakeholders are similar to those already identified in the case of the toll road business, with a high level of relationship linked to the development of turnkey projects.

Also, the type of products and services provided by the suppliers of the mobility services business is different from that of the toll road business, being considered critical in this case, both as a result of the role played by the activity in the value chain and of the type of impacts generated, especially in relation to products of a technological nature.

The review and incorporation of the stakeholder maps of Italy and India has not given rise to significant changes in their characteristics. The incorporation of the individual stakeholder maps of each of the subsidiaries of the mobility services business, present in various countries, will remain pending and will complete the updating exercise being carried out this year.



Materiality

The work performed in 2019 on the materiality update was based on the reference standards already included in the previous materiality, together with others published in the intervening period, and include the principles and standards of Accountability regarding stakeholder engagement, ISO 26000, the GRI standards (SRS), the United Nations Global Compact and the Sustainable Development Goals, the Ruggie Principles of Business and Human Rights, the ILO Fundamental Conventions and the OECD guidelines for multinational companies, in addition to the management system standards related to the organization's activities and the recommendations of the Task Force on Climate Related Financial Disclosures.

Based on the previous review of the results and methodology of the current materiality, the life cycle of the organization's two main businesses was reviewed and formalised. In addition, a specific sector benchmarking and a geographical benchmarking were carried out, in which all the countries in which both toll road and mobility services activities are carried out were considered.

The life cycle of the toll road business retained all the attributes already identified, without any significant changes, while the life cycle of the mobility services business was formally defined. This exercise made it possible to identify the diversity of suppliers involved in the value chain as well as the social characteristics of the products and services provided by this business line. These include ITS (Intelligent Transportation System) products, among which electronic tolling systems, traffic management, intelligent urban mobility and connected vehicles can be found, all with a very specific and relevant component of accessibility, security and confidentiality in the activity's value chain.

The comparative analysis of the industry included various private organizations that share the same sector of activity with both toll roads and mobility services, although in some cases their characteristics differ from those of Abertis. Based on the public information available from the organizations analysed, and on the parameterization of those aspects considered to be relevant and very relevant, environmental, social and good governance aspects were detected which, taken as a whole, are considered to be very relevant for each of the sectors. This separation and analysis evidenced the relevance of aspects such as governance, occupational health and safety and work and working conditions, which are common to all sectors of activity, together with considerations of a more specific nature such as environmental aspects in the case of toll roads and aspects of human rights and access to technology in the case of mobility services.

The geographical benchmarking included both a review of the countries already analysed (Brazil, France, Spain, Chile, Argentina and Puerto Rico) and an analysis of the countries in which Abertis currently operates, including Italy, India, Ireland, the UK, the US, Canada, Hungary and Croatia. Based on the information published by the government websites of each of the countries and some specific studies available, those priority aspects were detected for each of the countries, regardless of the economic activity carried on in them. Aspects related to human rights, fundamental labour rights, environmental considerations, prevention of corruption and aspects of the relationship with local communities have been explained as very relevant.

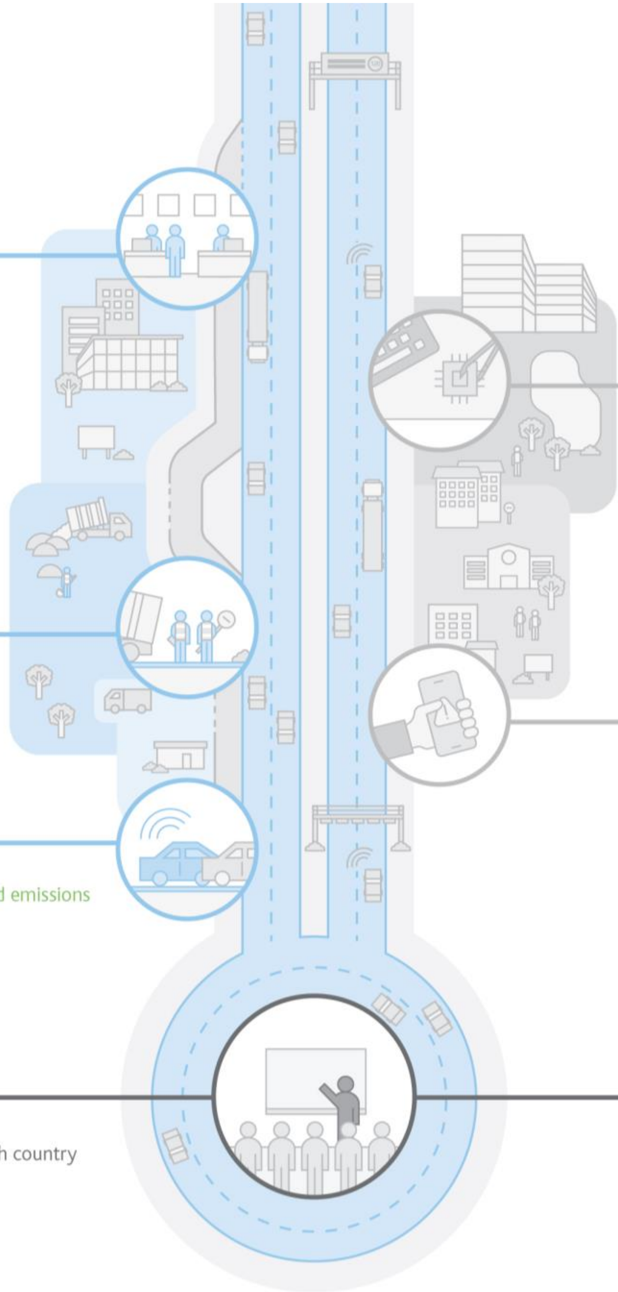
In addition to these sources of information, a detailed analysis was also made of external Spanish and international regulations on environmental, social and good governance matters, to which internal regulations were added, which include the policies and codes of conduct in force at the Abertis Group together with the management systems and other related procedures implemented.

The main developments in the material aspects of the Abertis Group include occupational health and safety outside the organizational frontiers for the toll road business, together with the aspects of human rights, employment, occupational health and safety and security and confidentiality outside the organisation for the mobility services business. All the actions taken were documented and make up the 2019 Materiality Dossier, which was used as the basis for the preparation of the infographic presented below. The objective thereof is to graphically illustrate the material aspects identified in each stage of the value chain together with the organizational frontiers inherent to them. It is worth considering the inclusion, next year, of the direct participation of the stakeholders of each one of the countries to validate the prioritisation made in this year's update.

GRI SRS: 102-9, 102-10, 102-21, 102-29, 102-43, 102-44, 102-46, 103-1, 303-1

MATERIAL ASPECTS IN THE LIFE CYCLE AND SDG

Suppliers Abertis Clients



TOLL ROADS

Operation and management

Abertis:
- Local purchases
- Employment
- Professional development
- Talent retention
- Occupational health and safety
- Diversity and equal opportunity
- Positive social and environmental criteria
- Appraisal of suppliers
- Energy and water consumption
- Material consumption
- Biodiversity
- Noise

Suppliers:
- Occupational health and safety
- Material consumption
- Energy and water consumption
- Climate change and emissions

Construction and maintenance

Abertis:
- Material consumption
- Energy and water consumption
- Climate change and emissions
- Occupational health and safety
- Waste and waste water
- Biodiversity
- Restoration of habitats

Suppliers:
- Occupational health and safety
- Material consumption
- Energy and water consumption
- Climate change and emissions

Use

Clients:
- Road safety
- Climate change and emissions
- User satisfaction
- Local community

MOBILITY SERVICES

Design and development

Suppliers:
- Employment
- Human Rights
- Occupational health and safety
- Material consumption
- Energy and water consumption
- Climate change and emissions

Abertis:
- Employment
- Professional development
- Talent retention
- Occupational health and safety
- Local purchases
- Appraisal of suppliers
- Energy and water consumption
- Positive social and environmental criteria
- Diversity and equal opportunity

Implementation

Clients:
- Road safety
- Security and confidentiality
- Climate change and emissions
- Local community

CROSS-CUTTING ISSUES

Governance, human rights and stakeholders

- Human rights
- Fair operating practices
- Mechanisms for complaints

- Prevention of corruption
- Ethical code and regulations for each country
- Transparency and accountability

GRI SRS: 102-15, 102-21, 102-29, 102-44, 102-46, 102-47, 103-1, 303-1, 308-2, 414-2

2

CSR Master Plan

Implementation status

The 2016-2020 CSR Master Plan (CSRMP) is in its final phase, with one year remaining for the completion and subsequent evaluation of the objectives initially established. The update of the materiality analysis carried out, the stakeholder involvement work planned for the coming year and the Group's new strategic plan will serve as the basis for assessing the changes required within the framework of the strategy related to the cross-cutting corporate social responsibility management at Abertis.

Responsibility for monitoring and managing the CSRMP is held by the Abertis Group's Board of Directors, and coordination at operational level is carried out by the Group's Corporate Reputation and Communication Department.

The degree of achievement of the CSRMP objectives remains similar to the levels of 2018, without significant progress in overall terms. The trend is positive in some of the targets set, although the manner in which certain of them are formulated makes it difficult to establish a specific degree of achievement (as is the case with the quantitative target of axis 1, zero non-compliance, or those of axis 4, zero deaths and zero accidents). The infographic on the following page shows, within the time frame of the CSRMP, the trend associated with each of the quantitative objectives and the degree of their achievement.

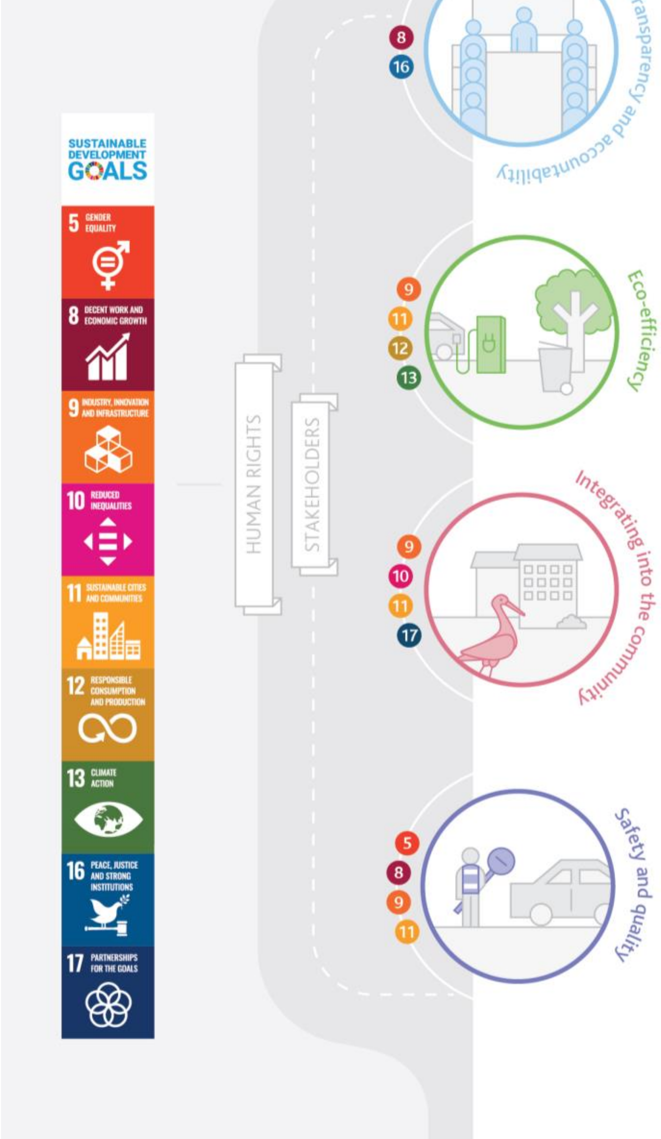
In 2019, the Company continued to work on the Global Reporting Initiative by continuing to participate in the Corporate Leadership Group on Digital Reporting and through its involvement in a workshop on the evaluation of the implementation of the Non-Financial Information Law in Spain among small- and medium-sized enterprises.

The Abertis Group also continued to take part in external assessments in the areas of environmental, social and good governance performance, although their number fell this year due to the change in the type of company from listed to unlisted. In addition to the preparation of the questionnaire of the Carbon Disclosure Project 2019 initiative (available on its website), the external agencies MSCI and Sustainalytics included the Abertis Group in the scope of their assessment work.

The content of this chapter, structured according to the different strategic axes of the CSRMP, provides detailed qualitative and quantitative information on environmental, social and good governance performance. An infographic introduces each axis and summarises both the strategic objectives and the quantitative objectives, as well as the material aspects, the fundamental matters of ISO 26000 and the related Sustainable Development Goals.

GRI SRS: 102-11, 102-12, 102-15, 102-20, 102-26, 102-29, 102-31, 103-1, 103-2, 303-1

DEGREE OF ACHIEVEMENT OF THE 2016-2020 CSR MASTER PLAN OBJECTIVES



STRATEGIC OBJECTIVE	QUANTITATIVE TARGETS
Development of an organisational culture founded on ethical principles	100% stakeholder involvement in respect of the code of ethics 0 non-compliances
Rejection of all forms of corruption	100% stakeholder involvement in respect of prevention of corruption 50% of critical suppliers evaluated and approved 35% of critical suppliers analysed according to CSR score Improvement in average CSR score
Achieving excellence in terms of good governance practices	Improve listed companies' level of compliance with the Good Corporate Governance Code 100% of complaints handled 100% of activities analysed in respect of Human Rights
Reducing the organisation's carbon footprint and the activities thereof	Reduction in category 1 and 2 emissions (10% by 2020 compared with 2015) Consolidate a common scope 3 calculation methodology for the whole Group Identify actions to implement which will have an impact on vehicle emissions Standardise the Group's energy management
Development of products and services with positive social and environmental criteria	Progressive increase in the percentage of electronic toll use (80% target for transactions and volume) Encourage the use of less-polluting vehicles (which produce less emissions or are more efficient) Identify development opportunities for new products and services
Innovation based on circular economy criteria for the activity's value chain	30% of materials used in maintenance and construction recycled Recovery of 30% of waste produced in construction Establish estandardised reuse procedures for materials and waste
Generating positive synergies with the local community	Increase in community-related projects Maintain local purchase level 100% of complaints handled
Fostering and preserving natural capital	Foster biodiversity in areas around motorways Identify services provided by ecosystems regarding noise Identify and contribute to the preservation of natural species in areas around motorways
Guaranteeing and promoting road safety	50% reduction in road traffic accidents 0 deaths 100% of complaints handled
Guaranteeing occupational health and safety	0 accidents (direct or indirect)
Fostering quality employment	Improved talent retention practices Increase in the average number of training hours provided Analyse and improve job satisfaction
Ensuring equal opportunities	Achieve gender balance in all professional categories Ensure equal pay throughout the entire organisation Ensure non-discrimination in promotion processes Progressive increase in the presence of employees with functional diversity in the workforce
Quality products and services that generate positive ESG impacts	Increase in products and services for specific groups Develop regular education and road safety campaigns in local communities Development and promotion of products and services focused on the reduction of the digital divide

Trend 2019: positive negative similar Achievement: 1-5

GRI SRS:102-26, 102-29, 102-31, 103-1, 103-3

abertis

abertis

GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

MATERIAL TOPIC

CORE SUBJECT ISO26000

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- 100% stakeholder involvement in respect of the code of ethics
- 0 non-compliances
- Improve listed companies' level of compliance with the Good Corporate Governance Code
- 100% of complaints handled
- 100% of activities analysed in respect of human rights

- 100% stakeholder involvement in respect of prevention of corruption
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

SUSTAINABLE DEVELOPMENT GOALS | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

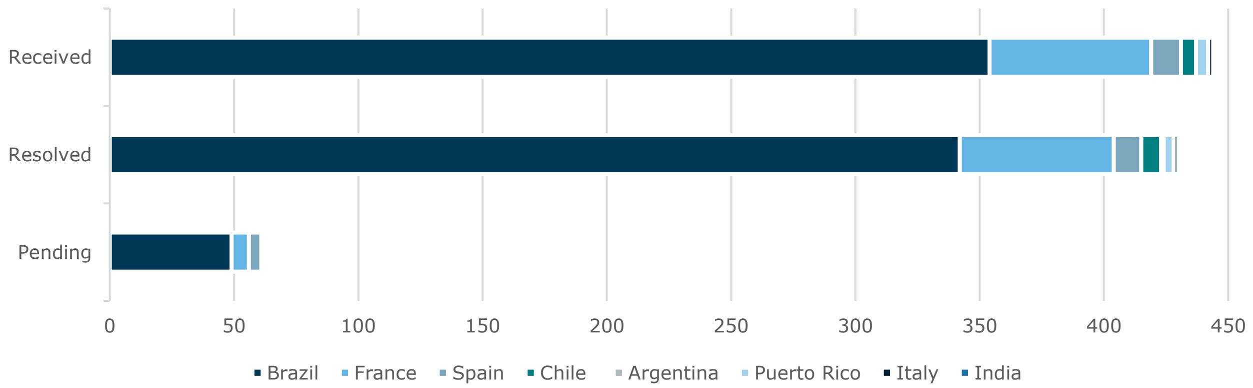
GRI SRS: 103-2

Axis 1: Good governance, transparency and accountability

Organisational culture

The compliance model implemented at the Abertis Group seeks to ensure an organisational culture based on ethical behaviour, anti-corruption and abidance by the law. The associated governance structure and the awareness and training actions implemented by each of the countries contribute to ensuring the correct functioning of the existing whistle-blowing channels, together with the impact on the change in behaviour of all the stakeholders involved.

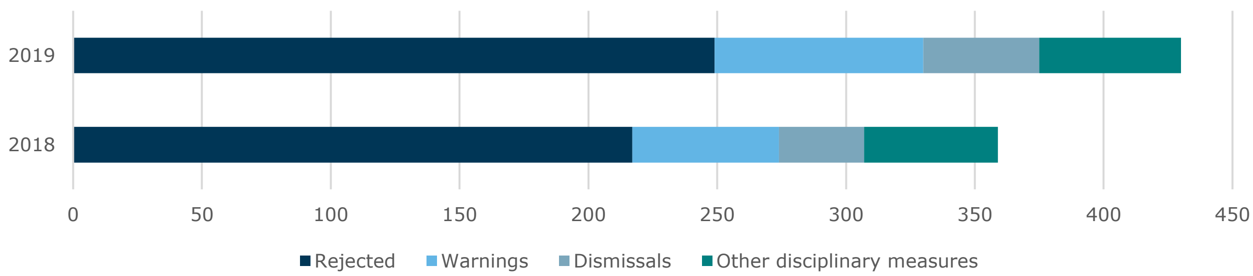
Total number of complaints handled during the year by country



In 2019 the total number of complaints received increased by 21.6% on the previous year, and 445 incidents of non-compliance with the code of ethics were reported. The number of complaints resolved, which include cases pending from the previous year, increased by 20.1% on 2018, totalling 431.

The main changes compared to 2018 were in Brazil and France, which continued to carry out specific training and awareness projects. Also, most of the causes of the complaints received are non-compliance with internal policies (including occupational health and safety policies), workplace harassment and conflicts of interest, among others.

Total complaints resolved by type of resolution



The total number of pending complaints for the year increased 29.2% compared to 2018, reaching a total of 62. 87.4% of total complaints classified as open during the year were resolved. Of these, 57.9% were discarded, 18.8% involved warnings, 12.8% other disciplinary measures and 10.5% ended in the dismissal of the persons involved.

The number of cases of non-compliance in 2019 continued the trend of recent years and increased to 181. This change had an impact on the total number of complaints ending in warnings, which increased accordingly.

Rejection of all forms of corruption

The Abertis Group's compliance model includes a standardized anti-corruption model, which means that all the Group's business units have the same kind of internal rules that seek to prevent acts that entail a greater risk of corruption at the Abertis Group.

These rules also describe the operational controls implemented by each business unit to prevent corruption. In turn, Abertis's Internal Audit function audited the degree of implementation of the design of the anti-corruption model in all the Group's business units.

Compliance training contributes to the implementation of an organisational culture. The compliance model establishes the mandatory nature of the compliance training provided annually by the Abertis Group's various compliance functions. 44.5% of the executives and heads of department received anti-corruption training, 40.5% on the Code of Ethics and 35.3% on workplace harassment.

People trained in 2019

	Anti-corruption	Code of ethics	Workplace harassment
Brazil	5,537	5,561	4,525
France	74	0	0
Spain	313	138	49
Chile	142	142	142
Argentina	397	397	397
Puerto Rico	0	57	0
Italy	456	456	456
India	63		
Total	**6,982**	**6,751**	**5,569**

It is also worth highlighting the game developed in Brazil to reinforce the rollout of the compliance programme, which through classroom training sessions involved almost 4,000 participants, representing over 80% of the total number of employees. Similarly, online training on the code of ethics and corruption prevention was provided to suppliers and service providers in Brazil, reaching 46% of strategic suppliers. Brazil's Integrity Programme, which includes these actions, received external recognition in an assessment of more than 500 organisations in the country in terms of compliance.

With regard to management areas, of particular note was the implementation at Abertis, Abertis Autopistas España and Sanef of electronic platforms which allow the crime prevention model to be supervised and evaluated. However, at Sanef the focus is on anti-corruption prevention in order to comply with the provisions of the French anti-corruption law Sapin II. In addition, in Brazil and Sanef, processes were implemented so that the compliance and purchasing functions can evaluate the corruption risks of their suppliers and partners. The implementation in Brazil of an online platform for the management of legal requirements and socio-environmental risks is another significant development.

Lastly, work began on obtaining ISO 37001 certification for the anti-bribery management system in 2020. Once Abertis obtains this certification, it will be rolled out across all the business units. Therefore, Abertis has completed the design of the administrative compliance management supervision system with respect to the environmental, labour, personal data protection, tax and financial information areas. In 2020 these areas will be supervised using Abertis's electronic platform.

The accession in 2019 of Spanish toll roads to Transparency International Spain's Integrity Forum, together with Brazil toll roads' prior adherence to the Business Pact for Integrity and Against Corruption promoted by the Ethos Institute, explicitly evidence the Group's commitment to preventing corruption, while publicising the existence of associated rules and procedures that can be effectively applied to all stakeholders.

GRI SRS: 103-3, 205-2

Excellence in good governance

The Annual Corporate Governance Report details the existing good governance mechanisms at the Group, while complying with the requirements of transparency and accountability in this area. Also, there is considerable information related to this aspect that is publicly available on the Group's website.

The creation of the Board of Directors committees in 2019 affects the total number of recommendations of the Code of Good Governance applicable to the Company, which increases to 42. Abertis complies with 84% of the recommendations (18% evidence partial compliance), while it does not comply with a total of 7.

The existence of complaint mechanisms allows the organisation to channel and respond to all communications related to the rules and procedures in force, with regard to both cross-cutting issues (code of ethics) and other more specific areas (environmental or social). Almost all complaints were addressed and resolved in the year, and are detailed in each of the parts of this document.

Work on incorporating human rights aspects into due diligence procedures has begun and is at an embryonic stage. Accordingly, it is important to continue working in an integrated manner with the supplier compliance and evaluation procedures in order to incorporate human rights aspects into the organization's decisions.

GRI SRS: 102-16, 103-3

abertis

ECO-EFFICIENCY

MATERIAL TOPIC

CORE SUBJECT ISO26000

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- Reduction in category 1 and 2 emissions (10% by 2020 compared with 2015)
- Consolidate a common scope 3 calculation methodology for the whole Group
- Identify actions to implement which will have an impact on vehicle emissions
- Standardise the Group's energy management
- Progressive increase in the percentage of electronic toll use (60% target for transactions and volume)
- Encourage the use of less-polluting vehicles (which produce less emissions or are more efficient)
- Identify development opportunities for new products and services

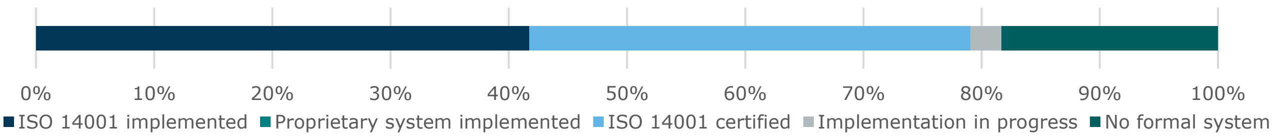
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score
- 30% of materials used in maintenance and construction are recycled
- Recovery of 30% of waste produced in construction
- Establish standardised reuse procedures for materials and waste

Axis 2: Eco-efficiency

The strategic objectives of Axis 2 of the CSR Master Plan consist of reducing the carbon footprint, boosting the circular economy and developing products and services that have a positive environmental impact. The material impacts managed under this strategic axis consist of energy and material consumption, the generation of greenhouse gas emissions and particulate pollutants in the toll road use phase, waste generation and the possibility of waste recovery, as well as the potential for developing transformation incentives through the creation of products and services that have a positive environmental impact, such as the promotion of electric vehicle recharging stations, or the development of real-time traffic management technology.

There is an environmental management system -in accordance with ISO 14001- in place at Abertis facilities covering 79% of revenue. Such systems enable aspects that have a significant environmental impact to be formally identified, actions to be planned in order to manage these aspects and related measurement indicators to be compiled. Although these systems have not been put in place in Chile, Argentina, Puerto Rico and India, specific environmental management procedures are carried out in those countries.

Environmental management system (percentage breakdown of Abertis' revenue)



With respect to the toll roads in Brazil, as part of the rollout of the environmental management systems, a digital platform and related application have been designed so that any environmental infringements relating to the construction projects or the operation and management of infrastructure in the country can be reported directly. Also, Mobility Services in France has held specific meetings directly involving employees in order to maintain the management systems that have been implemented, including the environmental management system.

Carbon footprint reduction

2019 saw the continuation of work to include the climate change-related risks and opportunities in the formal risk assessment systems in place at the organisation. Up-to-date risk maps for each country are expected to be rolled out in the coming year in order to specify and contextualize those risks with a view to continuing work to establish the financial value of those risks and opportunities.

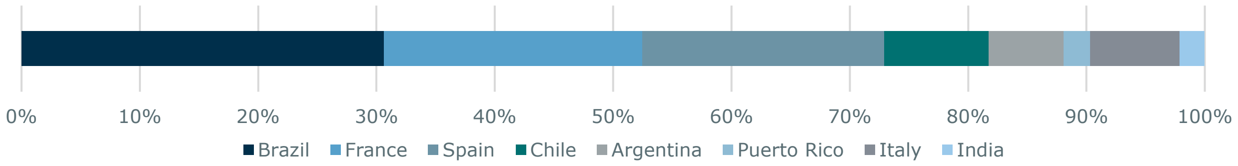
The greenhouse gas emissions generated in the use phase of the toll road activity lifecycle constitute virtually the entire carbon footprint of the organization (99.5% of total emissions in 2019). Since various stakeholder groups are able to have an effect on reducing greenhouse gas emissions, the established targets differ depending on the organizational boundaries concerned.

The fuel consumption of the vehicle fleet and electricity consumption are the main sources of scope 1 and 2 greenhouse gas emissions. Scope 3 currently consists of the emissions arising from material and water consumption, waste management, employee journeys and toll road use. Studying these categories and any changes arising in their regard on an annual basis enables the organization to evaluate carbon footprint performance over the year. Participation in the annual Carbon Disclosure Project questionnaire, the responses to which are publicly accessible, focuses on reporting carbon footprint performance in a specific and technical manner.

The organization's total emissions in 2019 decreased by 3.1% with respect to the previous year and currently stand at 20.4 million tonnes. The reduction affects both scope 1 and 2 emissions (4.7% lower) and scope 3 emissions (3.1% lower). This trend applies to virtually all the countries except for Italy and India, where progress has been made in compiling information, which has affected the total data for the year.

The relative aggregates with respect to revenue performed in a similar manner, and the organisation's carbon intensity now stands at 3,984.6 tonnes of CO_2 per million euros (4.9% lower than the previous year) overall and 21 tonnes of CO_2 per million euros (6.4% lower than the previous year) considering only scope 1 and 2 emissions.

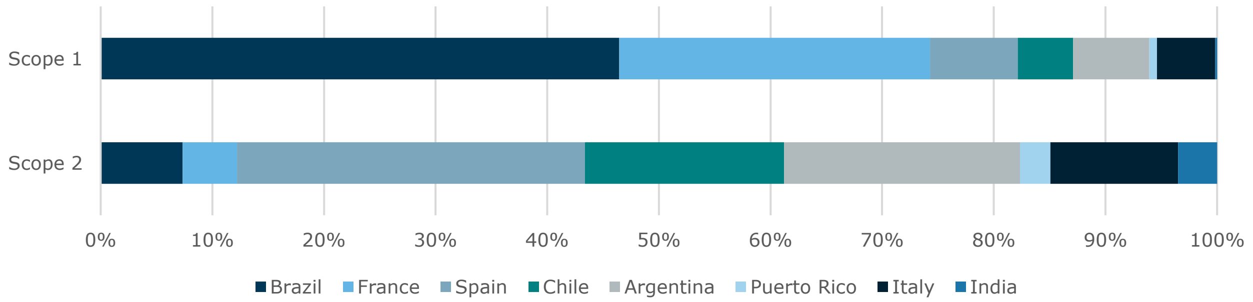
Percentage distribution of total CO_2 emissions for 2019 by country



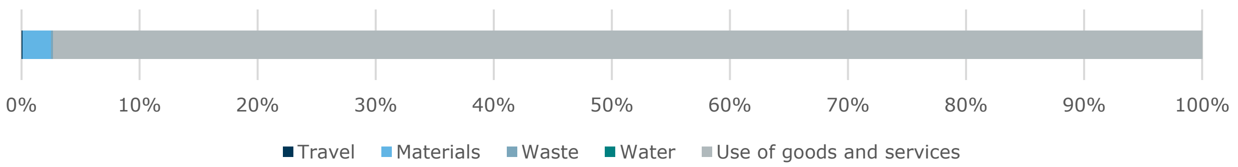
CO_{2e} emissions generated by country (tonnes)

	Scope 1	Scope 2	Scope 3	Total
Brazil	22,329.7	4,351.3	6,209,186.8	6,235,867.7
France	13,385.1	2,889.9	4,427,377.3	4,443,652.3
Spain	3,770.9	18,477.8	4,143,720.8	4,165,969.5
Chile	2,383.7	10,567.2	1,783,870.7	1,796,821.5
Argentina	3,280.8	12,515.1	1,273,477.5	1,289,273.4
Puerto Rico	333.2	1,622.4	445,385.8	447,341.4
Italy	2,513.4	6,782.4	1,541,547.2	1,550,842.9
India	75.8	2,064.1	426,090.2	428,230.2
Total	**48,072.5**	**59,270.2**	**20,250,656.3**	**20,357,999.0**

Percentage distribution of scope 1 and 2 CO_2 emissions by country



Percentage distribution of scope 3 emissions by source



The reductions in fuel consumption affected the changes in the scope 1 emissions, the decrease in which exceeded the increase in electricity consumption which led to the rise in scope 2 emissions. The changes in material consumption and journeys occurred in the scope 3 categories, which dropped in 2019, these being the main reasons for the reduction in emissions of this scope.

In 2019 a pilot project for the use of the permeable paving technique, an innovative methodology that improves road surface durability against oil spills, was implemented. This prevents significant infrastructure damage, thus improving maintenance-related efficiency and reducing consumption of related materials and energy, as well as emissions relating to both maintenance and use.

The Italian toll roads have worked on the design of an alternative fuel dissemination plan in accordance with the legislative requirements in force in Italy. Also, the electric vehicle charging station dissemination plan was rolled out with the aim of having the entire lengths of two of the toll roads covered by these stations in 2025. The Spanish toll roads have a fleet renewal plan in place, in addition to the preventive maintenance plan, by means of which a portion of the fleet is replaced each year. At present, 52% of the fleet is categorized as low emission.

Work to replace lighting with LED lighting continued in Spain and Brazil, and eco-friendly wall paints were used on buildings located in service areas of the toll roads in Italy. These paints absorb atmospheric pollutants and are capable of reducing the energy requirements associated with air conditioning in summer, thanks to their reflective properties. There are plans to extend the use of construction materials of this kind to other toll roads in 2020.

Changes in total emissions – Tonnes of CO_{2e}

	2017	2018	2019	Change with respect to 2018
Scopes 1 and 2	124,894.2	112,592.1	107,342.6	-4.7%
Scope 3	20,819,356.7	20,900,955.2	20,250,656.3	-3.1%
Total	**20,944,250.9**	**21,013,547.3**	**20,357,999.0**	**-3.1%**

Changes in scope 1 and 2 emissions - Tonnes of CO_{2e} in relation to activity

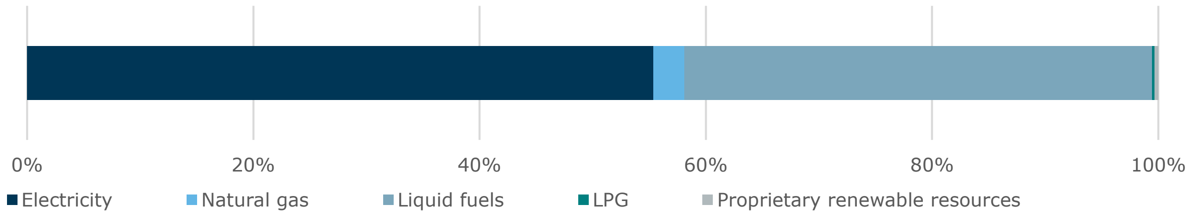
	2017	2018	2019	Change with respect to 2018
Toll roads (Tn/ADT)	5.04	4.46	4.06	-8.8%

Changes in total emissions[i] – Tonnes of CO_{2e} per million euros of revenue

	2017	2018	2019	Change with respect to 2018
Scopes 1 and 2	24.9	22.4	21.0	-6.4%
Scope 3	4,164.9	4,166.9	3,963.6	-4.9%
Total	**4,189.9**	**4,189.4**	**3,984.6**	**-4.9%**

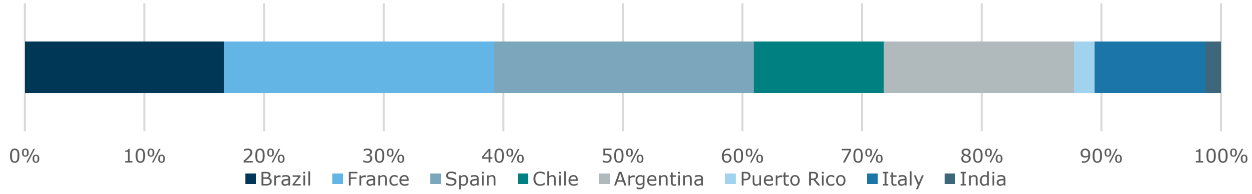
The total energy consumption for 2019, which is directly related to the scope 1 and 2 emissions, dropped by 3.2% overall to 404,821 MWh, due mainly to the decrease in the consumption of liquid fuels, a category which represents 41.3% of the total direct energy consumption for the year. LPG consumption also decreased by 15.8% to a total of 980.6 MWh. Lastly, the increase in electricity consumption rendered this the organization's most important energy source, representing 55.3% of the total direct energy consumed in the year. Own renewable energy sources remained unchanged with respect to the previous year. In addition to the hydroelectric energy plant in Spain and the solar energy micro-generation plants in Brazil, two solar PV plants were installed on the Italian toll roads in 2019. The total energy from these sources decreased slightly, due mainly to weather conditions, which gave rise to lower production at the hydroelectric plant.

Percentage distribution of 2019 energy consumption by source (MWh)



General contents
GRI contents

Percentage distribution of 2019 electricity consumption by country (MWh)



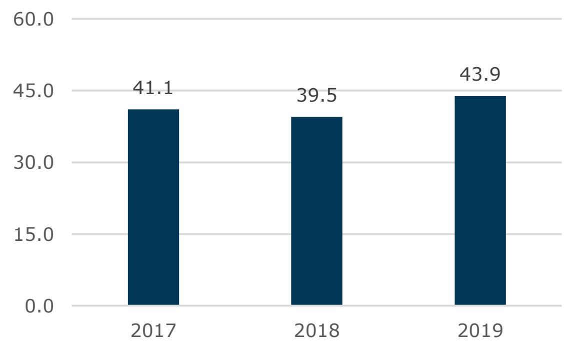
Electricity consumption by country (MWh)

	2017	2018	2019	Change with respect to 2018
Brazil	33,611	26,850	37,318	39.0%
France	51,905	54,710	50,611	-7.5%
Spain	51,588	50,650	48,626	-4.0%
Chile	25,499	23,945	24,287	1.4%
Argentina	34,399	35,018	35,646	1.8%
Puerto Rico	3,286	3,338	3,853	15.4%
Italy	1,129	959	20,824	NC
India	2,873	2,497	2,874	15.1%
Total	**204,289**	**197,966**	**224,038**	**13.2%**

Electricity consumption by country in relation to activity[ii] (MWh/ADT)

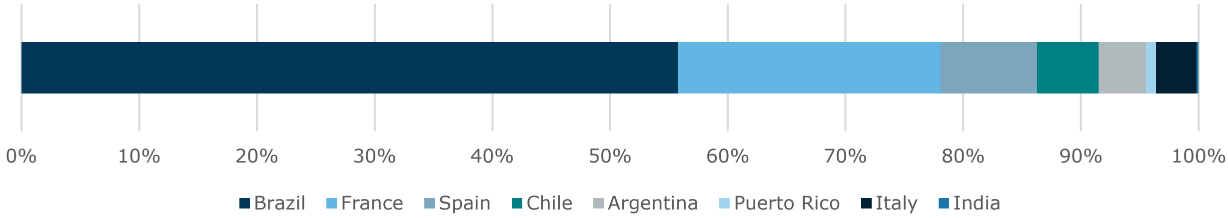
	2017	2018	2019	Change with respect to 2018
Brazil	1.81	1.38	1.84	33.5%
France	2.09	2.17	1.98	-8.6%
Spain	2.39	2.22	2.04	-7.9%
Chile	0.95	0.87	0.91	4.7%
Argentina	0.42	0.43	0.44	2.8%
Puerto Rico	0.05	0.048	0.056	15.1%
Italy	0.02	0.01	0.32	NC
India	0.15	0.12	0.13	6.7%
Total	**8.28**	**7.68**	**8.53**	**11.1%**

Changes in electricity consumption in relation to revenue (MWh per million euros)



The increases in electricity consumption reported in Brazil and Italy, relating mainly to improvements in data compilation, together with the increases in Puerto Rico and India, affected the total changes in electricity consumption in both absolute and revenue-related terms. The relative aggregates did not undergo such a significant change as the absolute aggregates, increasing by 11.1% compared to 13.2% in the latter case.

Percentage distribution of liquid fuel consumption in 2019 by country (litres)



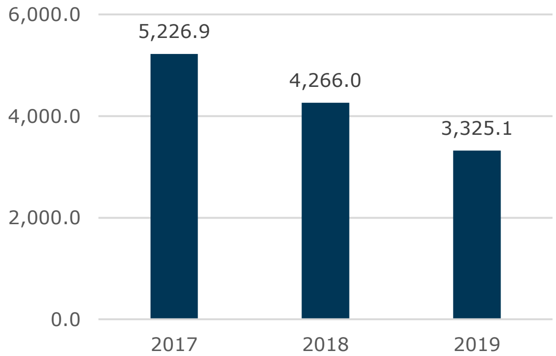
Liquid fuel consumption by country[iii] (litres)

	2017	2018	2019	Change with respect to 2018
Brazil	17,138,845	12,403,392	9,473,051	-23.6%
France	4,465,507	4,301,586	3,798,815	-11.7%
Spain	1,417,518	1,337,477	1,386,285	3.6%
Chile	1,869,449	1,835,554	887,293	-51.7%
Argentina	665,936	682,412	686,740	0.6%
Puerto Rico	291,892	162,110	142,784	-11.9%
Italy	116,844	646,262	584,892	-9.5%
India	30,630	28,907	28,344	-1.9%
Total	**25,996,621**	**21,397,700**	**16,988,204**	**-20.6%**

Liquid fuel consumption[iv] by country in relation to activity (l/ADT)

	2017	2018	2019	Change with respect to 2018
Brazil	924.6	637.0	467.2	-26.6%
France	179.8	170.2	148.9	-12.5%
Spain	67.9	60.5	60.1	-0.6%
Chile	69.7	66.4	33.2	-50.1%
Argentina	8.0	8.3	8.4	1.6%
Puerto Rico	4.5	2.3	2.1	-12.2%
Italy	1.8	9.9	8.9	-9.7%
India	1.6	1.4	1.3	-9.2%
Total	**1,054.0**	**829.6**	**646.7**	**-22.1%**

Changes in liquid fuel consumption in relation to revenue (litres per million euros)



88.7% of liquid fuel consumption for the year relates to consumption by the vehicle fleet. All the countries except for Spain and Argentina reduced their liquid fuel consumption, with the most significant changes arising in Chile (due to the limitations in the scope of data), Brazil, France and Puerto Rico.

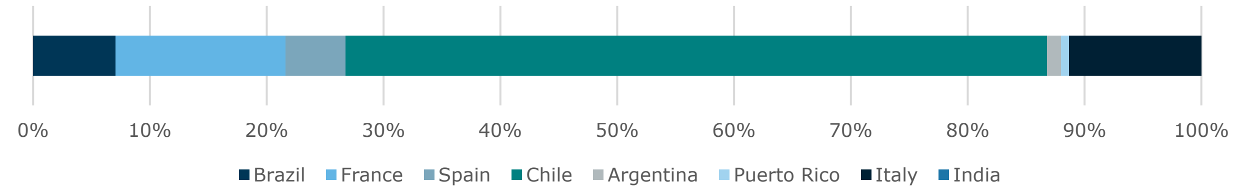
The organisation's fleet consists of 3,306 vehicles in total, representing a 7.9% increase compared to the previous year. 85.2% of the vehicles use fossil fuels such as petrol or diesel, while the remaining 14.8% run on ethanol or electricity.

Also, the rise in the consumption of natural gas in France, as well as the inclusion of the Italian data in the scope, affected the total consumption of this fuel, which increased by 63.5% compared to the previous year.

Natural gas consumption by country (kWh)[v]

	2017	2018	2019	Change with respect to 2018
Brazil	---	31,654	123,534	290.3%
France	5,447,718	5,774,990	6,379,530	10.5%
Spain	64,412	70,285	70,574	0.4%
Argentina	50	29	45	53.3%
Italy	875,372	1,010,324	4,685,624	363.8%
Total	**6,387,552**	**6,887,283**	**11,259,306**	**63.5%**

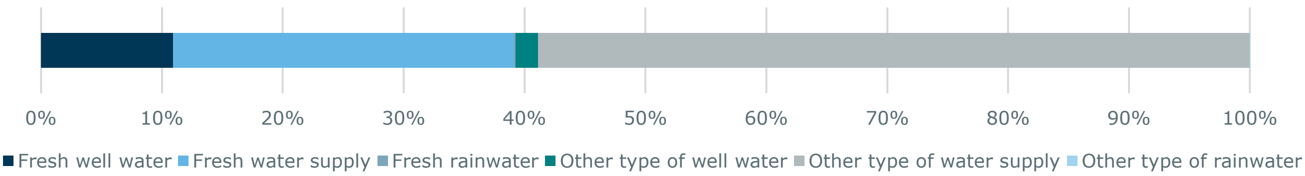
Percentage distribution of 2019 water consumption by country (m^3)



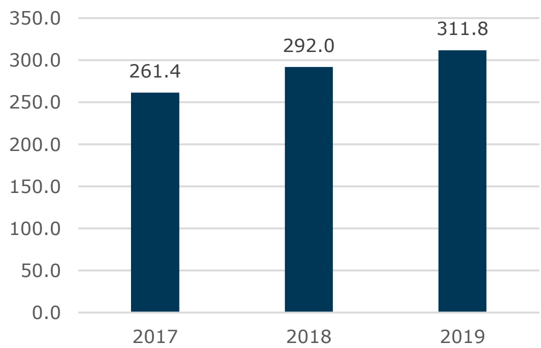
Water consumption[vi] by country (m^3)

	2017	2018	2019	Change with respect to 2018
Brazil	140,831	130,060	112,404	-13.6%
France	346,474	285,615	231,896	-18.8%
Spain	83,677	94,943	81,459	-14.2%
Chile	587,571	734,441	956,716	30.3%
Argentina	21,338	16,293	19,528	19.9%
Puerto Rico	24,982	13,097	10,789	-17.6%
Italy	95,285	190,343	180,107	-5.4%
India	142	0	0	0
Total	**1,300,300**	**1,464,792**	**1,592,899**	**8.7%**

Water consumption in 2019, broken down by source and type of water (m^3)



Changes in water consumption in relation to revenue[vii] (m^3 per million euros)



All the countries reduced their water consumption, although the changes arising in Chile and Argentina linked to weather conditions affected the global data, which increased by 8.7% overall and 6.8% in aggregates relative to revenue.

The consumption of water from sources owned by the organisation, specifically wells and rainwater, decreased with respect to the previous year to 12.8% of the total water consumed in the year. Also, 39.3% of total water consumption relates to fresh water, the rest being another type of water not suitable for direct human consumption.

In addition to the environmental management systems that have been implemented, which consider energy consumption to be an environmental aspect with a significant impact, and the energy audits performed in some of the countries in which the organisation operates according to the legislation in force, the Italian toll roads are working to implement an energy management system.

Also, actions to estimate the greenhouse gas emissions and pollutants relating to the vehicles that use the toll roads continued in 2019. Progress needs to be made with respect to the adjustment of estimates, involving all the countries, in order to fine tune the calculations and thus be able to measure the results of the actions implemented in this regard.

Circular economy innovation

The use of recycled materials in the maintenance and construction processes associated with infrastructure management enables waste to be recovered and returned to the production cycle, thus reducing the impact associated with the primary extraction of materials of this kind. There is a positive trend in the consumption of recycled materials, particularly in the case of granules and asphalt agglomerate, the level of consumption of which is high. 14.7% of the materials consumed in 2019 -23.6% in the case of asphalt agglomerate- were recycled, which represents a 9.4% increase in absolute terms with respect to the previous year and 17.7% in percentage terms.

Total materials consumed by country (tonnes)[viii]

	Granules	Asphalt agglomerate	Concrete	Metals	Paints	Salt
Brazil	384,881	497,559	54,893	1,176	6,067	0
France	1,452,003	747,660	137,368	7,644	1,078	32,190
Spain	9,659	66,121	1,870	752	993	8,649
Chile	1,124	37,270	707	185	18	0
Argentina	104,669	85,563	56,253	915	457	0
Puerto Rico	96	1,456	514	80	3,735	0
Italy	0	366,947	332	2,189	1,777	3,672
Total	**1,952,431**	**1,802,576**	**251,937**	**12,942**	**14,125**	**44,510**

The total consumption of materials in 2019 dropped by 7% with respect to the previous year to 4,082,435 tonnes, due to the diverse nature of the planned maintenance work and the weather conditions. The main changes arose in the consumption of metals and paints, together with asphalt agglomerate and salt. Besides these materials, a total of 3,660 tonnes of de-icing fluid (in Spain and Italy), 254 tonnes of paper and 2,988 tonnes of miscellaneous materials, mainly asphalt and other construction materials, were consumed in 2019.

Changes in total material consumption (tonnes)

	2017	2018	2019	Change with respect to 2018
Granules	1,514,320	1,695,890	1,952,431	15.1%
Asphalt agglomerate	2,112,564	2,238,890	1,802,576	-19.5%
Concrete	271,285	233,057	251,937	8.1%
Metals	31,950	49,362	12,942	-73.8%
Paints	31,478	88,992	14,125	-84.1%
Salt	66,964	74,844	44,510	-40.5%

Construction and demolition waste constitute the main category of waste generated by the organization's activity, specifically, 96.2% of total waste for the year. The recovery of this type of waste significantly affects the environmental impact of waste management. The percentage of construction and demolition waste recovered remains low, totalling 3.4% of the waste generated (34,680 tonnes), mainly in Spain and, to a lesser extent, in Brazil and Italy.

Waste generated (tonnes)

	2017		2018		2019	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Brazil	7,243.1	90.9	8,604.7	254.4	17,238.9	643.7
France	250,000.8	628.1	266,066.2	134.7	989,534.2	72.4
Spain	42,748.2	187.6	47,095.8	307.3	38,386.3	259.7
Chile	19,503.3	7.8	1,824.6	8.0	7,788.2	6.9
Argentina	2,019.7	5.5	2,684.0	7.3	4,596.9	21.2
Puerto Rico	6,713.9	0.5	3,678.7	0.0006	5,465.2	0
Italy	1,881.6	11.9	2,300.5	8.3	2,238.7	9.5
Total	**330,110.7**	**931.8**	**332,254.4**	**720.0**	**1,065,248.5**	**1,013.5**

The total waste generated in 2019 reached 1,066,262 tonnes, which is significantly higher than the 2018 figure due to the inclusion of new waste in the data under the category of non-hazardous waste in France. 99.9% of the waste generated is non-hazardous, and this percentage remains unchanged with respect to previous years. The processing of each type of waste is carried out in accordance with the legislation of each country, and most waste ended up in landfill in 2019 (95.5% of all waste generated).

Total non-hazardous waste generated and treated by type

	Tonnes generated	Percentage treated
Tyres and scrap rubber	995.3	83.8%
Scrap metal (mixed metals, air-conditioning units and extinguishers)	3,094.8	79.5%
Construction and demolition waste	1,025,735.0	99.9%
Garden waste	2,216.9	97.9%
Domestic waste (rubbish)	20,679.8	99.2%
Sludge from biological treatment plants (septic tank sludge)	5,220.5	92.4%
Other	7,306.2	69.1%
Total	**1,065,248.5**	**99.6%**

Total hazardous waste generated and processed, by type

	Tonnes generated	Percentage treated
Used oil	29.5	88.1%
Contaminated metal and plastic packaging	18.6	100.0%
Absorbents, Sepiolite (contaminated rags)	39.9	96.7%
Waste containing hydrocarbons	170.6	100.0%
Soil contaminated with diesel fuel	91.4	100.0%
Other	663.5	97.9%
Total	**1,013.5**	**98.2%**

The organization's activities also give rise to waste water, which is largely comparable to domestic waste water. Where necessary, the pertinent processing is carried out to purify and properly dispose of waste water. The total waste water generated by the organization's activities increased with respect to the previous year, due to the improved quality of the compiled data.

Total waste water (cubic metres) generated, by type of water and disposal destination

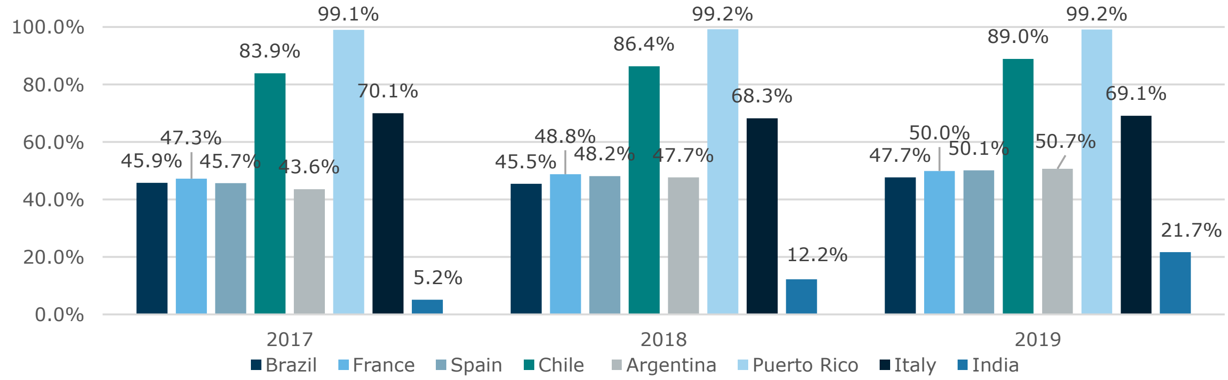
	Fresh water	Other type of water
Surface water	3,287.0	3,287.0
Groundwater	418,910.5	23,578.0
Sea water	0	0
Third party	5,093.0	0
Total	**427,290.5**	**26,865.0**

Products and services development

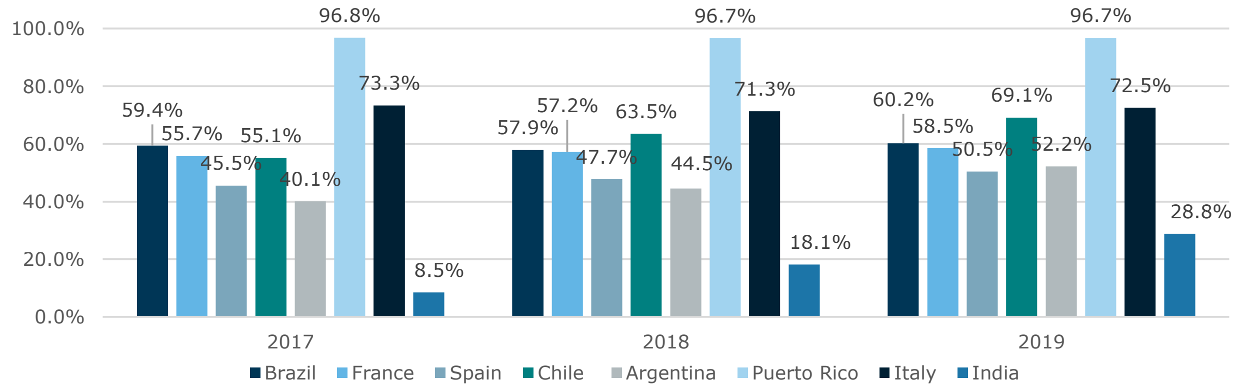
The R+D projects performed in 2019 and detailed in Axis 4 of this appendix envisage the future rollout of new products associated with both electric and connected vehicles, the implementation of which generates a positive environmental and social impact.

The more widespread use of electronic tolls as the main payment mechanism consolidates the upward trend that caused the objective initially established in the CSR Master Plan to be amended. In 2019, the level of use of this payment method, which enables the greenhouse gas emissions associated with stopping to be reduced, reached 59.4% of total revenue and 67.2% of total transactions, representing an increase of 3.9% and 2.9%, respectively, compared to the previous year.

Percentage of electronic toll use (percentage of transactions)[ix]



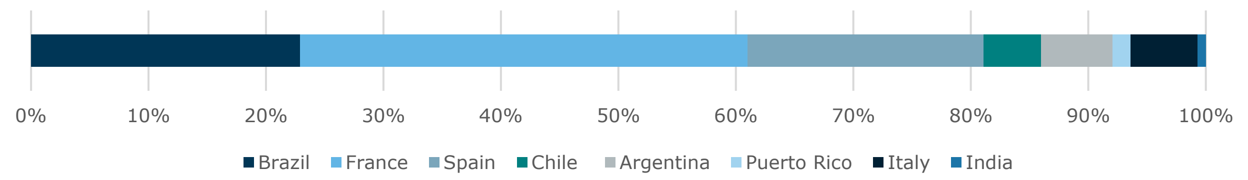
Percentage of electronic toll use (percentage of revenue)[x]



Cooperation with different stakeholder groups to develop products and services that have a positive environmental and social impact guarantees the involvement of all stakeholders in the value chain of the business. This is especially important as far as suppliers are concerned, given the significant effect on management of the impact of infrastructure construction and maintenance actions in particular. The different countries take steps to involve suppliers in the application of the environmental and employment procedures in place. Also, supplier assessment and selection based on environmental, social and good governance criteria enables aspects relating to the CSR Master Plan to be incorporated when making procurement and hiring decisions. Work was performed in 2019 to standardize assessment criteria independently of the system used to implement them.

The total number of suppliers with whom the organisation worked in 2019 dropped with respect to the previous year to 13,915, 27.4% of which are the principal suppliers. 655 in total are considered strategic suppliers and 701 are critical suppliers, due to the type of product or service that they provide. 27.9% of the strategic suppliers and 25% of the critical suppliers were assessed on the basis of environmental, social and good governance parameters. Also, a total of 12 audits were performed in Spain on this type of supplier, and a specific findings report was issued for each of them.

Number of suppliers in 2019, broken down by country



abertis

INTEGRATING INTO THE COMMUNITY

MATERIAL TOPIC

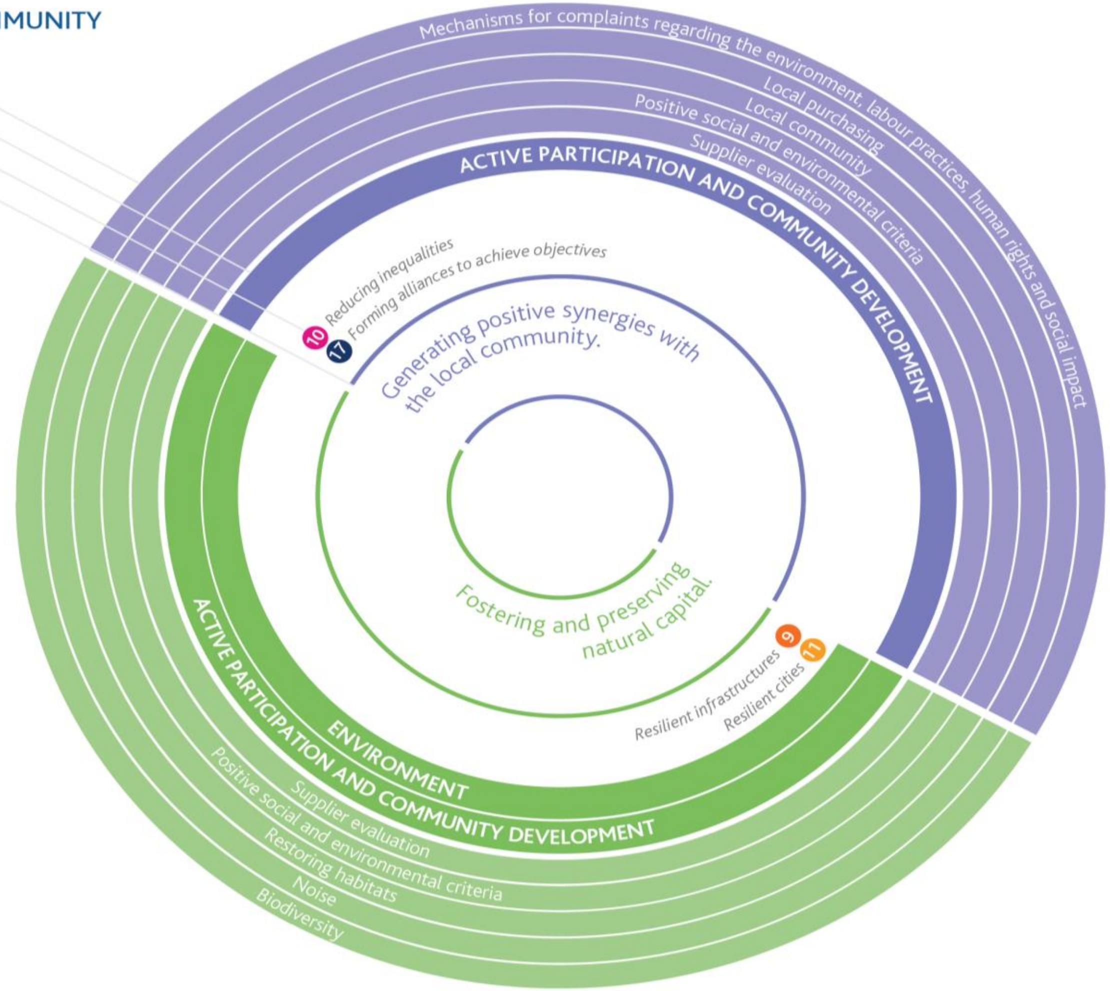
CORE SUBJECT ISO26000

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- Increase in community-related projects (both in terms of number of beneficiaries and allocated resources)
- Maintain local purchase level
- 100% of complaints handled



- Foster biodiversity in areas around motorways
- Identify services provided by ecosystems regarding noise
- Identify and contribute to the preservation of natural species in areas around motorways
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

GRI SRS: 103-2

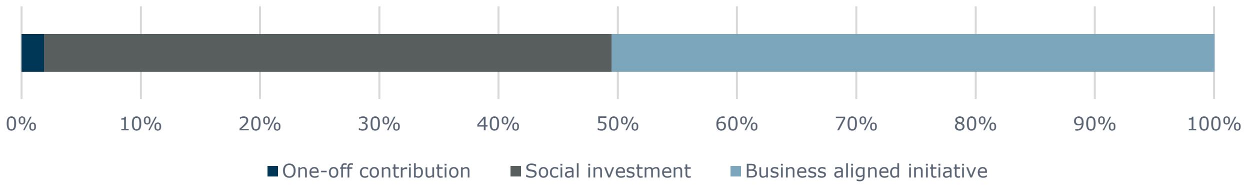
Axis 3: Integrating into the community

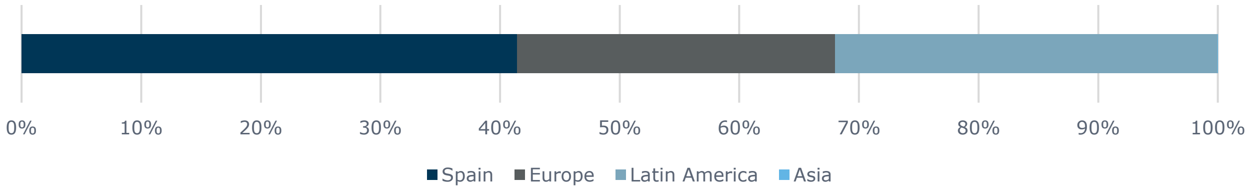
Positive synergies with the local community

Cooperation with organizations and projects in the local communities where the organisation operates, both directly and through the Abertis Foundation, is the main framework for relations with a territory. Participation in professional associations and the prioritisation of local suppliers complete the actions that seek to establish mechanisms of involvement, which aim to increase the value created for the local community beyond the carrying on of Abertis' main activity.

The total number of initiatives in which the Group has participated in 2019 has decreased in relation to 2018, reaching 260 and EUR 3.7 million, 98.1% of which include social investments and initiatives aligned with the business. Spain, Europe and Latin America account for the majority of the projects, and there were no significant changes compared with previous years.

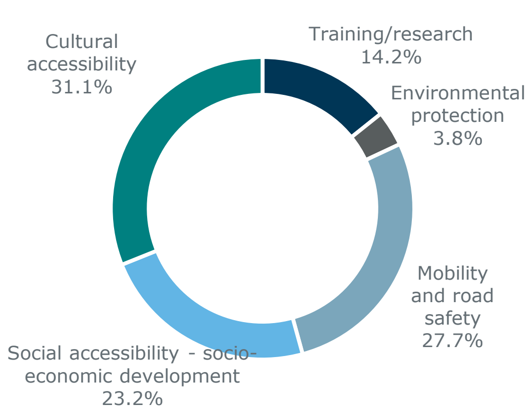
Percentage breakdown of contributions in 2019 by motivation and geographic setting

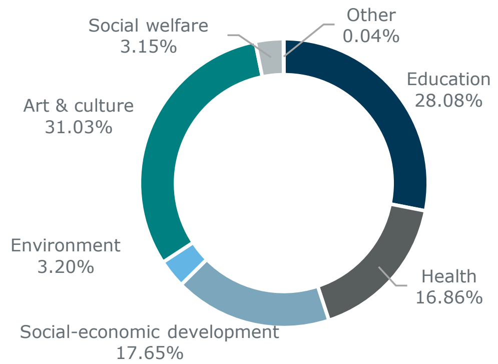




Mobility and road safety together with accessibility and economic development account for 50.9% of the total earmarked in 2019. Some of the projects we have participated in include: the educational programme "Build your future" in Chile, through which a total of 44 students with high social and economic vulnerability managed to access higher education with 30 workers from Via Chile who have acted as tutors; the launch of a social micro-patronage platform and the participation in a programme aimed at the labour insertion of women through the learning of computer programming tools in France; the continuation of the Escola Project in Brazil, Chile and Argentina, the main exponent of the relationship between education and road safety from the earliest stages; and the promotion of accessibility to culture through travelling exhibitions of such significant artists as El Greco, Miró and Gaudí in France, Chile and Brazil.

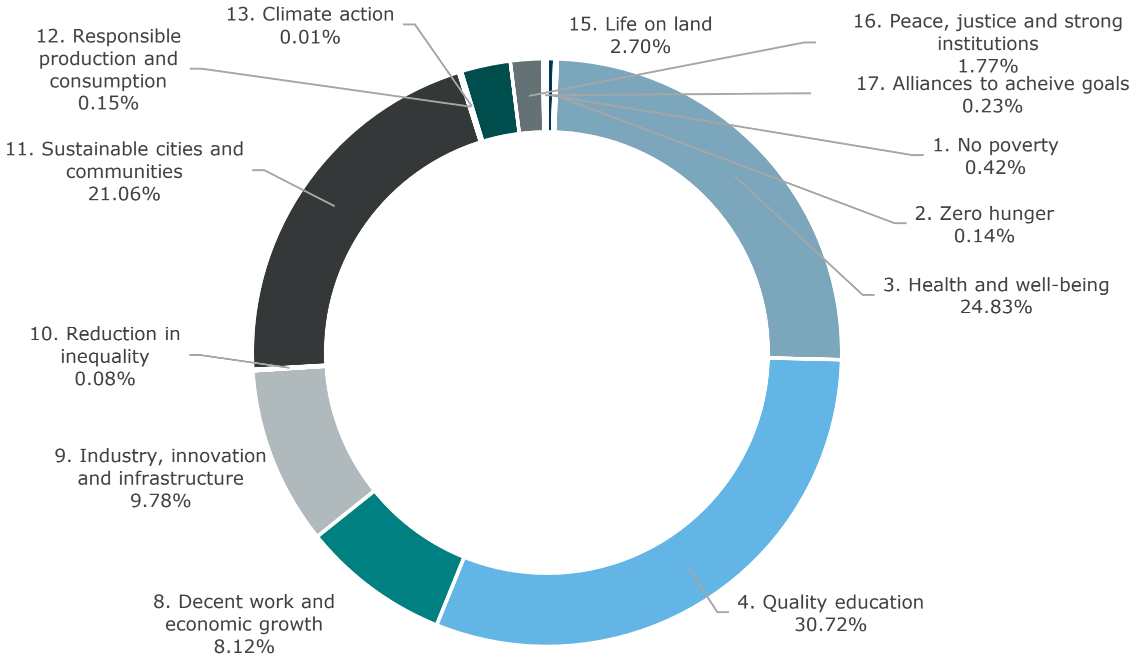
Percentage distribution of contributions in 2019 by theme (Abertis classification and LBG classification)





For the second year in a row, the application of the LBG methodology to analyse and register social action projects and sponsorships makes it possible to establish direct links with the Sustainable Development Goals (SDG). Thus, 99.4% of the contributions made are linked with one or other of the SDG, of which 76.2% are related to goals of Good Health and Well-Being (SDG 3), Quality Education (SDG 4) and Sustainable Cities and Communities (SDG 11). The classification of road safety projects between SDG 3 and SDG 11 has an impact on the changes that occurred with respect to 2018, although there were no significant changes in the percentage distribution of projects according to their contribution to the SDGs.

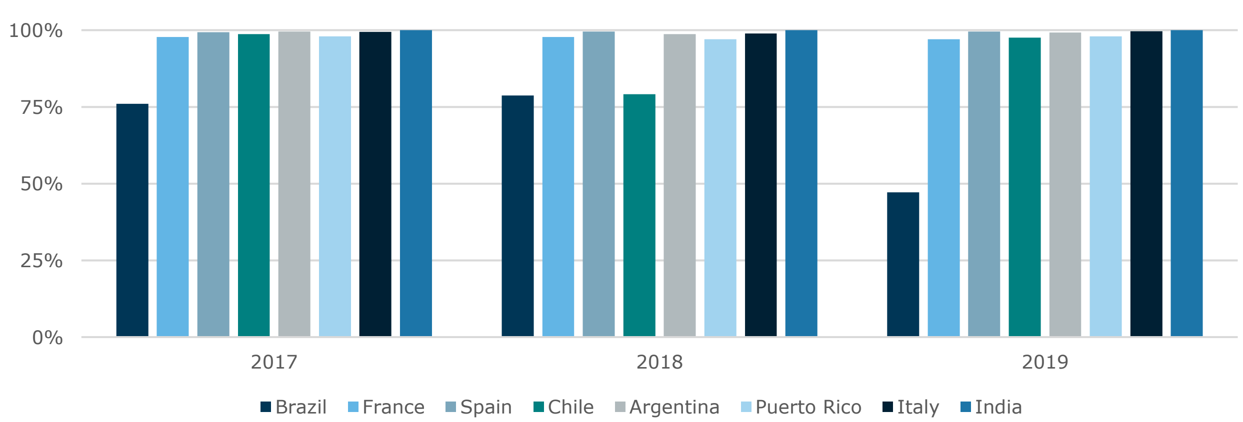
Percentage distribution of 2019 contributions by Sustainable Development Goal



The existing communications channels for the management of claims include specific channels for the users of the services provided as well as organization-wide mechanisms such as the ethics channels and direct relations with agents such as the Abertis Foundation. Of particular note was the development of a website dedicated to sustainability and CSR in Chile for communication with, and assistance to, all the stakeholders.

Social and economic development through the promotion of local purchasing makes it possible to integrate operational and social objectives through procurement practices linked to the organisation's core activity. 83.7% of purchases in 2019 were made from local suppliers; a percentage that is slightly lower than in 2018 due to the changes that took place in Brazil.

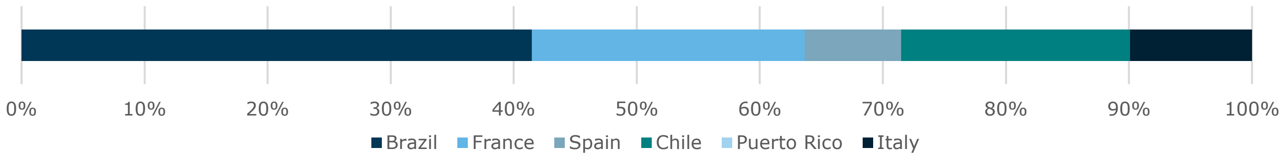
Changes in the percentage of local purchases



Fostering and preserving natural capital

Of the total kilometres managed directly by Abertis (1,667 km), 20.5% are located in areas of special protection for biodiversity, thus affecting a total of 23,372.3 hectares Brazil, France, Italy and Spain account for virtually all of these highly biodiverse lands, which are home to protected species included on international protection lists.

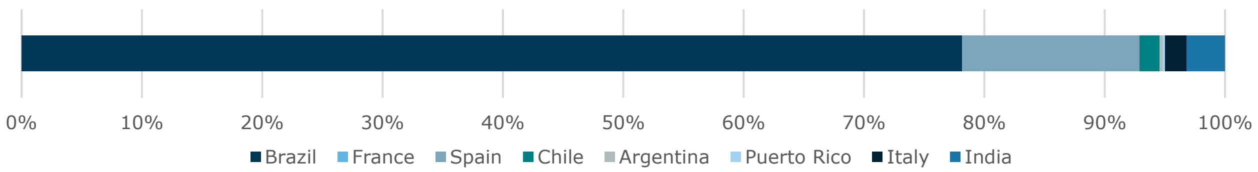
Percentage breakdown of kilometres affecting protected areas by country



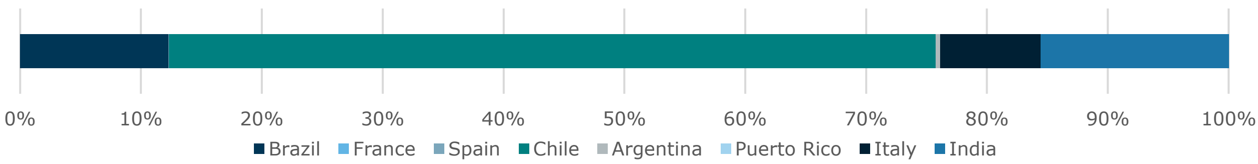
The installation of wildlife crossings continues to positively affect the fragmentation of the land and the associated impacts on the natural species living alongside the toll roads. Of particular note was the work carried out in Brazil to systematise environmental procedures related to fauna, the suppression of vegetation, waste management, relations with suppliers and significant environmental aspects in general, which are currently in the training phase for their effective implementation across all the concession operators. Partnerships with beekeepers for the preservation of biodiversity in France also continued, and awareness and waste and plastic collection campaigns were implemented in India and France.

The total number of animals run over increased slightly compared to 2018, reaching a total of 18,811 cases, mainly in Brazil and Spain. In addition to the programmes to reclaim environmental liabilities, reforestation initiatives were carried out which in 2019 saw the replanting of 249,734 examples of plant species. This year-on-year increase was due to the actions implemented in Brazil, Chile, Italy and India under the specific action programmes related to the construction and maintenance projects performed.

Percentage distribution of animals run over by country



Percentage distribution of species replanted by country



The installation of noise barriers and reforestation were the main actions implemented to remedy the acoustic impact of the infrastructures. A total de 3,333.9 km in 2019 were subject to noise impact studies. Air quality also has an impact on the natural species that live around toll roads and, therefore, the main indicators of pollutant emissions from the organization's direct activity are estimated annually, considering that actions to promote less polluting vehicles contribute to the reduction of emissions from vehicles travelling on the toll roads.

Pollutant emissions in 2019

	VOCs from Combustion	NMVOCs from Combustion	CH4	NO_x	NO	NO_2
Tonnes	23.85	24.62	1.89	230.71	160.55	31.66
	N_2O	NH_3	PM 2.5	PM10	PM from Combustion	SO_x
Tonnes	0.71	1.72	13.42	14.70	10.44	3.26

abertis

SAFETY AND QUALITY

MATERIAL TOPIC
CORE SUBJECT ISO26000
SUSTAINABLE DEVELOPMENT GOALS
STRATEGIC OBJECTIVE

QUANTITATIVE TARGETS:

- 50% reduction in road traffic accidents (United Nations Decade of Action for Road Safety)
- 0 deaths
- 100% of complaints handled
- Increase in products and services for specific groups
- Develop regular education and road safety campaigns in local communities
- Involve stakeholders in the development and promotion of products and services focused on the reduction of the digital divide and promotion of accessibility thereto

- 0 accidents (direct or indirect)
- Improved talent retention practices
- Increase in the average number of training hours provided
- Analyse and improve job satisfaction
- Achieve gender balance in all professional categories
- Ensure equal pay throughout the entire organisation
- Ensure non-discrimination in promotion processes
- Progressive increase in the presence of employees with functional diversity in the workforce
- 50% of critical suppliers evaluated and approved
- 35% of critical suppliers analysed according to CSR score
- Improvement in average CSR score

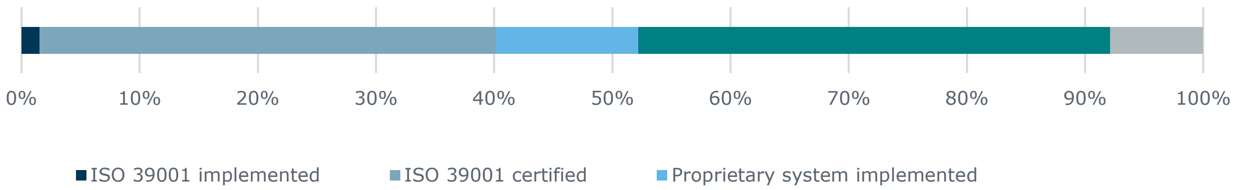
Axis 4: Safety and quality

Guaranteeing and fostering road safety

One of Abertis's two strategic axes, Road Safety, defines the importance of road safety to the Group's operations business. This material topic is one of the areas involving a greater capacity to create value and reduce adverse impacts in society and, accordingly, a variety of activities are carried out in the context of infrastructure operation and management, together with awareness and innovation actions.

52.4% of the revenue of the toll road business has a road safety management system in place and 40.3% is based on the ISO 39001 international standard. It should be added that Chile implements an emergency and incident response management system certified in accordance with the ISO 22350 standard and has developed an accident prediction model.

Road safety management system (percentage distribution of the toll road business revenue)



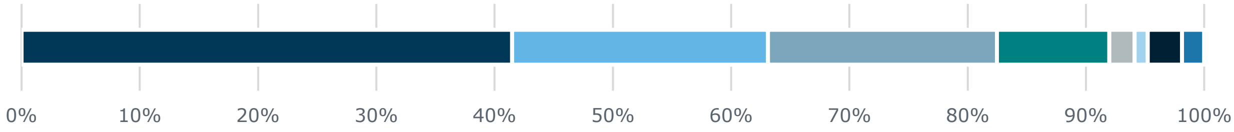
The maintenance and operations business has a direct impact on some of the most significant road safety risks. Accordingly, preventive measures and measures to adapt infrastructure are planned annually and rolled out in an integrated manner with ordinary operations. The performance of emergency drills in Spain and Brazil, implementation of new technological systems for real time traffic monitoring in Italy and Chile and monitoring of maintenance activities in Argentina, signalling measures in Spain, Chile, Puerto Rico and Brazil, the installation of metal barriers in Brazil and India, and lighting measures, reflective elements and plastic median barriers in Chile are a few examples of the actions carried out during the year.

Awareness campaigns are the main mechanism for influencing road user behaviour, which is another issue with a significant impact on the risk of traffic accidents. In 2019 a total of 740 road safety campaigns were run in all the countries in which Abertis carries on business activities. These include most notably the repetition of the internationally recognised "El Apagón" campaign in Italy, Italy's involvement in the Global Road Safety Week, the adaptation of the campaign themes to the findings of the observatory of road behaviour in Argentina, the performance of specific awareness measures relating to mobile phone usage at the wheel in Spain and France, the Safe Pedestrian campaign in Chile, the roll out of actions specifically targeting motorcyclists in Brazil and the awareness scheme in schools in India.

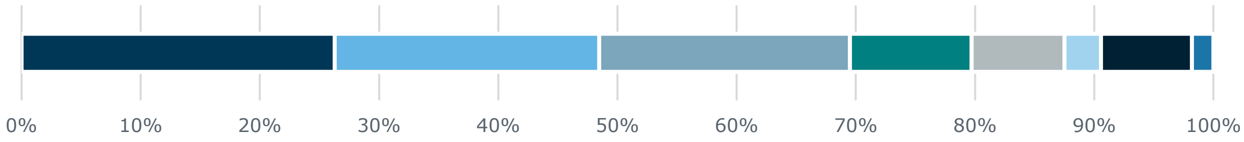
The driving behaviour observatory, a specific study of driver behaviour carried out annually, was conducted in Spain, France, Italy and Puerto Rico, in addition to a global edition of the observatory, and enabled the adaptation of awareness measures and maintenance and operations activities to the practices and conduct associated with the risk of road accidents. A pilot study focused on analysing distractions at the wheel was also conducted in France. As a result of this experiment it was possible to observe how in a journey of 662 km, a driver's attention is diverted on a total of 910 occasions, implying being distracted from the road for 30 minutes or 65 km of the journey.

In addition, road safety forums were set up in Brazil, Chile, Argentina and Italy. These spaces aim to share knowledge and set up alliances with the different stakeholders directly and indirectly involved in the promotion of road safety. Setting up alliances is crucial to managing road safety and achieving the targets established as organizational commitments as well as those of a supra governmental nature established by the main agents at international level. Events of particular note included the extension of the agreement with UNICEF for the performance of activities in relation to the "Rights of Way" project in Brazil, as a result of which a report on "The impact of road traffic accidents with child victims" was prepared in 2019, the Group's involvement through the Abertis Foundation in the United Nations Road Safety Collaboration and adherence to the National Accord for Road Safety in Chile.

Distribution of km managed in 2019 by country



Distribution of km travelled in 2019 by country



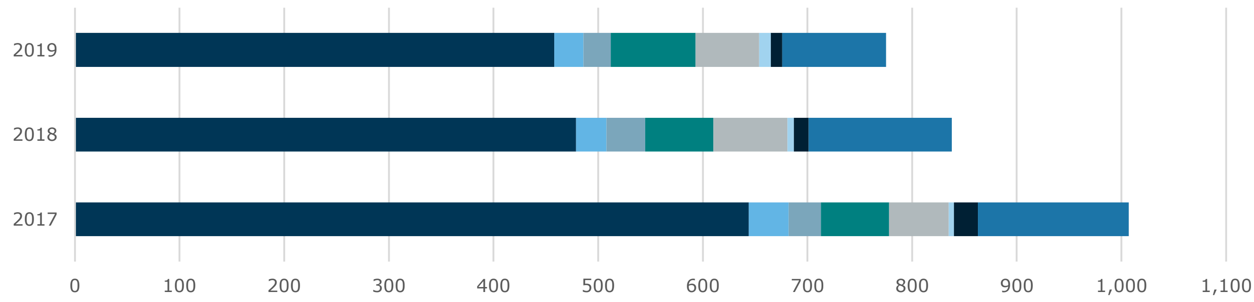
The total number of km managed included within the scope of the CSR master plan did not change with respect to 2018, although there was a slight increase in the associated activity. Average daily traffic (ADT) changed by 1.9% in global terms, with general increases in all the countries studied except in Italy and Puerto Rico, where traffic figures were basically constant, and in Argentina and Chile, where ADT decreased by 0.9% and 3.2%, respectively.

The evolution of the number of road accidents and of road accident fatalities varied greatly, with a 4.2% increase in the number of road accidents while the number of fatalities fell by 7.5% in global terms. The main changes in line with this overall trend arose in Chile, Argentina, Brazil and France in terms of the number of road accidents and in Spain, Italy, India and Argentina in relation to the number of fatalities.

Total number of road accidents[xi]

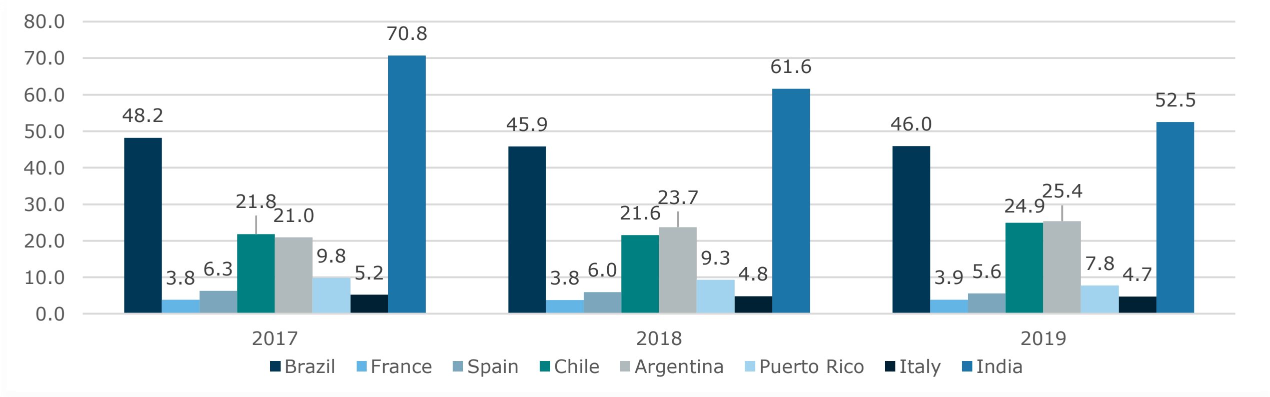
	2017	2018	2019	Change with respect to 2018
Brazil	9,660	8,599	8,959	4.2%
France	615	620	641	3.4%
Spain	890	871	874	0.3%
Chile	1,639	1,687	1,885	11.7%
Argentina	1,583	1,398	1,467	4.9%
Puerto Rico	220	213	177	-16.9%
Italy	291	273	267	-2.2%
India	770	711	703	-1.1%
Total	**15,668**	**14,372**	**14,973**	**4.2%**

Changes in the number of traffic accident fatalities[xii]

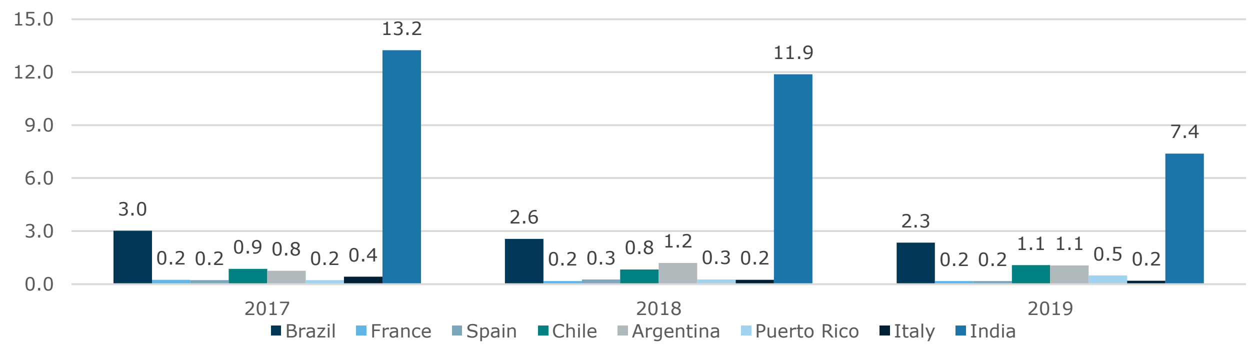


The increase in the number of traffic accidents and the decrease in traffic accident fatalities, together with the variation in the number of kilometres travelled has a direct impact on the accident and mortality rates, which are the main indicators used to monitor this material topic. Accordingly, the overall accident rate increased by 1.7%, to 20.2, and the mortality rate decreased by 9.7% in relation to 2018 to 1. The increases observed in the accident rates for Chile and Argentina offset the significant decreases recorded in Puerto Rico, Italy and Spain. In the case of the mortality rate, the overall reduction was diluted by the increases observed in Puerto Rico and Chile.

Changes in accident rate by country[xiii]



Changes in mortality rate by country[xiv]

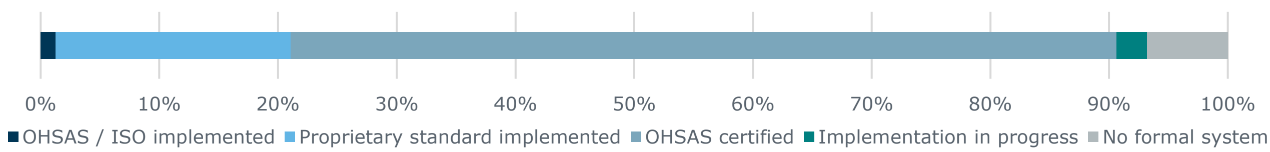


Guaranteeing occupational health and safety

Individual involvement, the type of tasks performed together with the business activities carried on by the organization impact on the level of importance of occupational health and safety. As a result, the relevance of this material topic has grown gradually and is now identified as being of key importance both within and outside the organization.

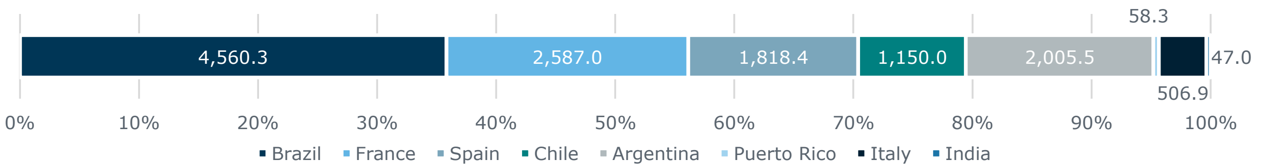
All the business activities, except for toll roads in Argentina and India, one of the concession operators in Brazil and another in Puerto Rico (implementation is currently underway in this case), have an occupational health and safety management system in place that complies with legal requirements in force. The concession operators with a certified system conducted internal audits in 2019.

Occupational health and safety management system (percentage distribution of Abertis' revenue)

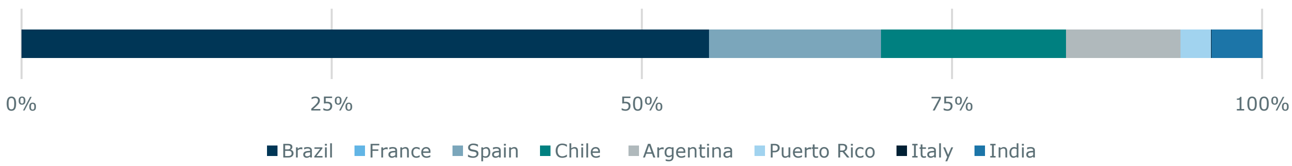


The scope of the systems implemented encompasses all the activities carried on by each of the subsidiaries, and covers all the direct and indirect workers. The direct headcount included within the scope of this document amounted to a total of 12,851 employees at December 31st (12,733.4 employees in terms of equivalent average headcount) which represents 95.1% of the Group's total headcount. Also, the number of subcontracted workers carrying out tasks at corporate facilities increased slightly with respect to 2018 and amounted to 13,856 people at December 31st.

Equivalent average headcount by country (direct workers)



Total indirect workers at December 31st by country



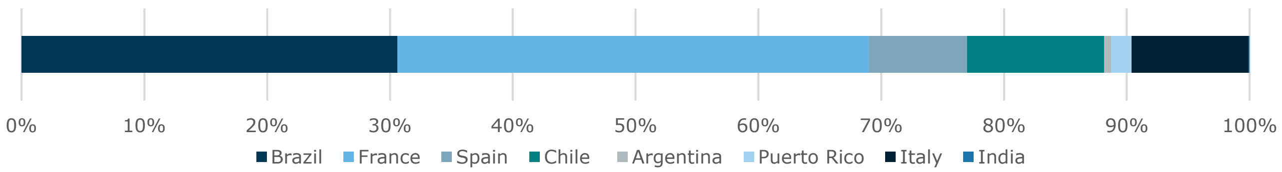
The actions taken are coordinated by the management system, and include, inter alia, a risk assessment of the job position, the definition of the preventive measures required (at functional and training level), the performance of inspections and safety visits, the delivery of training and the performance of drills.

Risk assessments are conducted using proprietary tools in the form of risk matrices or checklists, or by means of standards defined by the legal frameworks in certain countries. In order to formalise these actions, technical analyses of the job positions are conducted, direct observation of the environment and the tasks undertaken is carried out, external factors that may impact on the associated risks are identified and work guidelines are reviewed, among other activities. The risk levels identified range from low to medium or significant, and the highest levels of risk are generally those associated with traffic-related tasks which imply contact with vehicles.

The occupational health and safety committees coordinate periodic monitoring of the actions scheduled in the systems and provide the main collective work space for employees to raise concerns in the area of prevention and occupational risk. 77.5% of the direct headcount and 72.8% of the indirect headcount are covered by the occupational health and safety committees.

One of the concession operators in Puerto Rico held the first occupational health and safety trade fair which was attended by direct and indirect workers. Similarly, the toll road business in Brazil continued to hold the Safety at Work Week in which awareness and training initiatives were strengthened among all the entities working with the organization, including most notably the Occupational Health Round Tables. The toll road business in Chile updated the occupational risk matrices and also held an occupational safety innovation contest, while continuing to hold Safety Month and training sessions and revising the specific rules for entities that work with the organization. A total of 45,692 hours of training were provided in the area of occupational health and safety with important decreases in Brazil, Chile and Italy.

Total hours occupational health and safety training provided



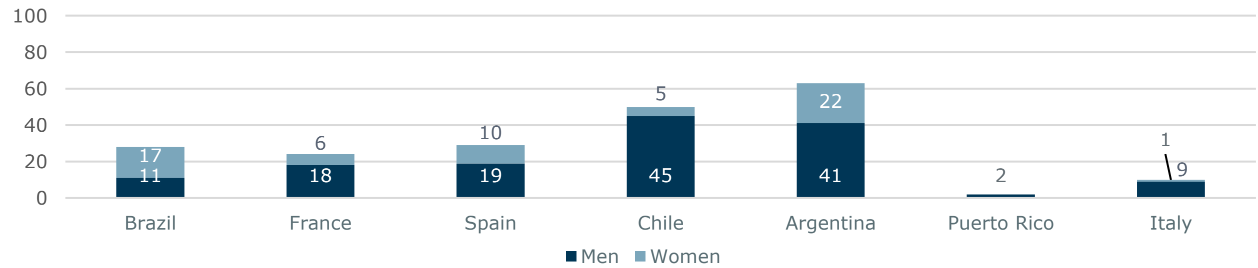
The incident recording systems include technological software that gather data on all the occupational incidents and accidents that occur at substantially all of the concession operators, except in India. These tools enable automation of the management and recording of the related incident investigation proceedings, while ensuring that formalities are initiated in real time. Of particular note in 2019 was the implementation of a new application in the toll road business in Spain to manage and monitor all the actions in relation to the occupational health and safety management system and the joint occupational risk prevention service, including the analysis of accidents and incidents, performance of risk assessments, inspections, observations and audits, as well as monitoring of all preventive actions and any non-compliance.

In accordance with current legislation, the toll road businesses in Spain, Argentina, Brazil and Italy provided occupational health services. These services include regular medical check-ups and in some cases, access to specific wellness services.

The welfare benefits offered by these countries include healthy lifestyle campaigns, medical insurance and vaccination campaigns, and campaigns to raise awareness and prevent certain diseases or illnesses of importance to each local community.

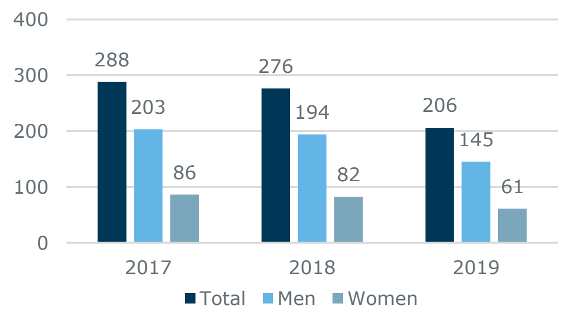
In 2019 a new GRI standard was adopted in relation to occupational health and safety and, accordingly, the accident rate has been broken down into recordable accidents and accidents with days away from work. The total number of recordable accidents during the year amounted to 287, of which a total of 206 resulted in lost working days. 66.9% of the total recordable accidents and 70.4% of total accidents with days away from work involved men. The decrease in the number of accidents with days away from work is significant, down 25.4% on 2018 in global terms, and down 25.3% for men and 25.6% for women. This trend is observed across all countries, except Spain, Chile and Puerto Rico, where the number of accidents with days away from work increased slightly.

Number of accidents with days away from work in 2019 by gender and country (direct workers)[xv]

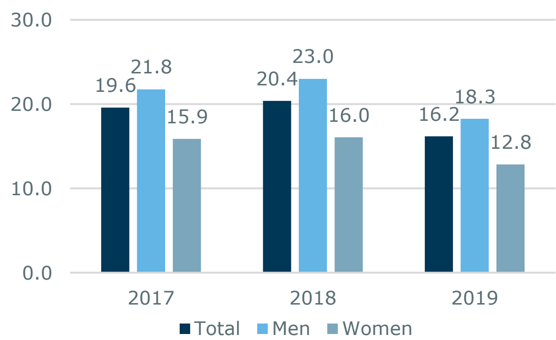


The principal causes of occupational accidents include: falls on the same level, manipulation of moving objects, contusions, road traffic accidents, collisions, insect bites and aggressions. In 2019 there were no instances of occupational disease or illness among direct or indirect workers and nor had any been identified at the date of this document. The main factors associated with potential occupational disease or illness include the presence of chemical pollutants, such as fumes produced by combustion engines, incorrect posture and road maintenance work.

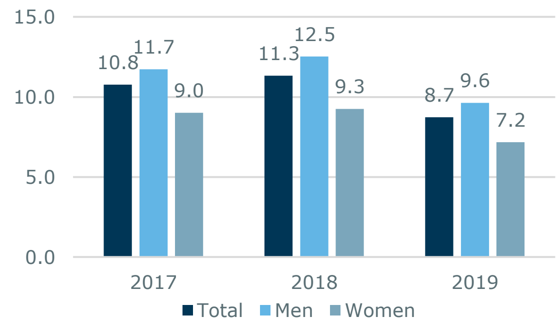
Changes in total number of accidents with days away from work by gender



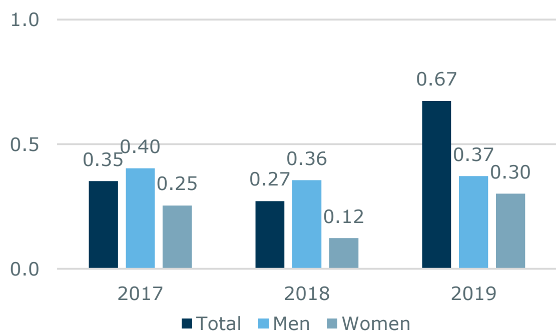
Changes in frequency rate by gender



Changes in incidence rate by gender

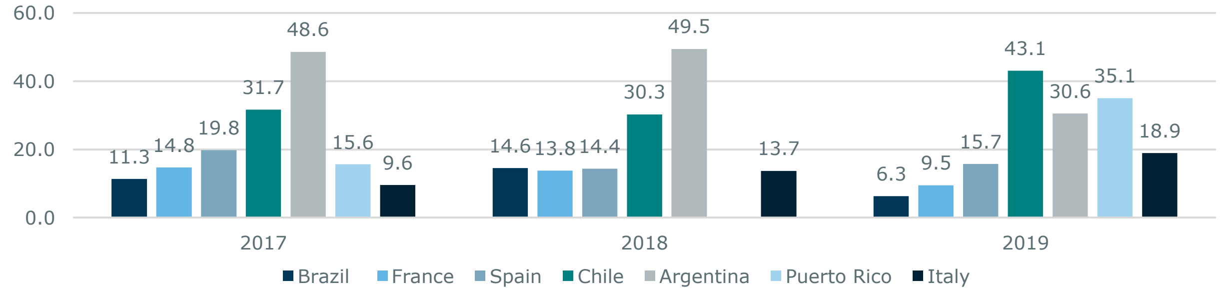


Changes in severity rate by gender

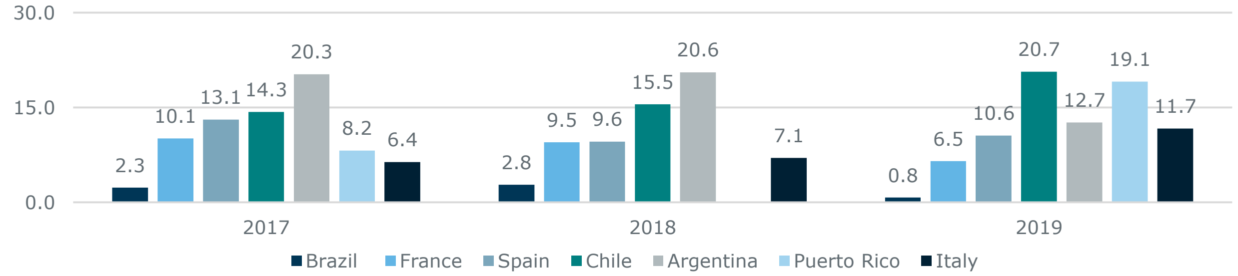


The incidence and frequency rates once again followed a downward trend due, on the one hand, to the decrease in the number of accidents and, on the other hand, to the changes in the headcount. Significant decreases were reported for both rates; a 20.5% decrease in the incidence rate and a 23% decrease in the frequency rate in global terms. The trend relating to these two rates was observed in all the countries, except Spain, Chile and Italy. The severity rate was substantially higher as a result of changes that took place in France, Spain, Argentina and Italy.

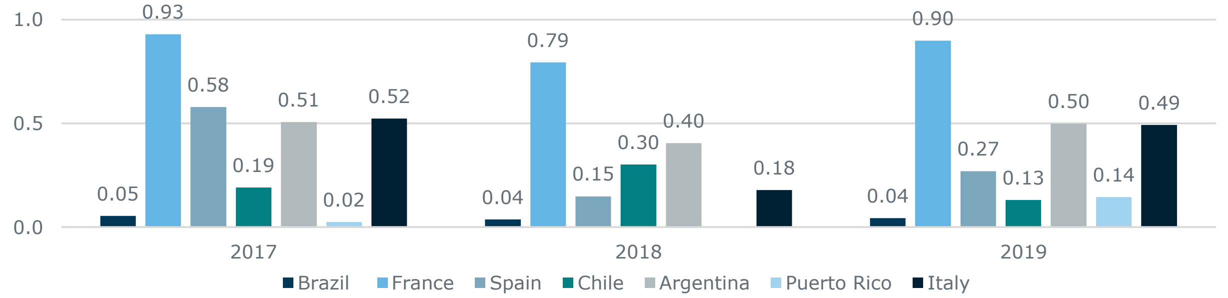
Changes in incidence rate by country



Changes in frequency rate by country

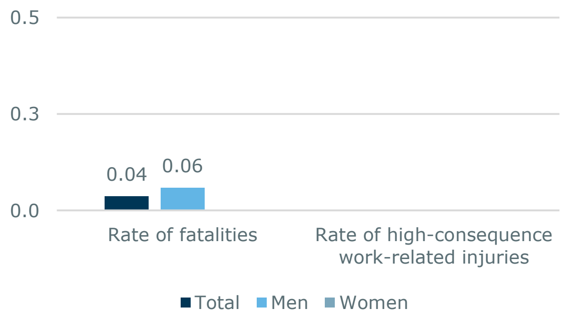


Changes in severity rate by country



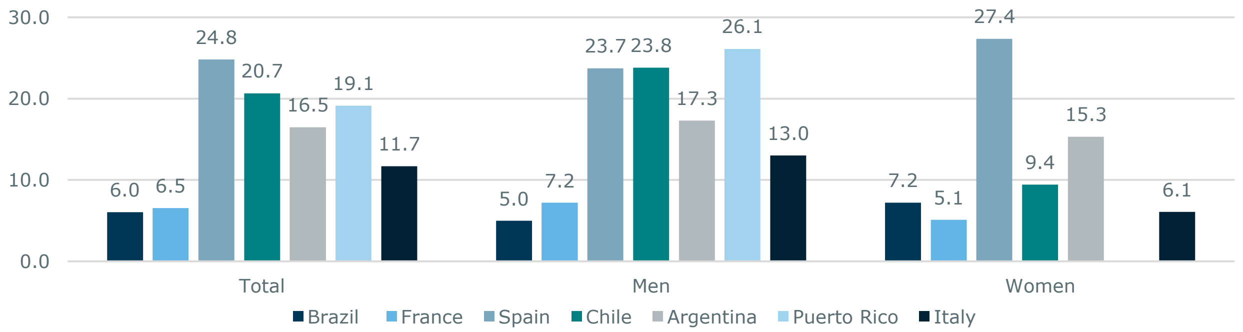
In 2019 one man (direct employee) died in Chile, another man (indirect worker) died in Argentina and a third man (indirect worker) died in Brazil as a result of two hits by a car and a traffic accident. These figures affect the rate of fatalities and rate of high-consequence work-related injuries, both of which are new indicators introduced for the first time this year, which for Chile were 0.41 in global terms and 0.53 for men. The main factors with an impact on the risk levels associated with fatalities and high-consequence work related injuries are contact with vehicles and contact with traffic in general (collisions and hits by cars).

Rate of fatalities and high-consequence work-related injuries in 2019 by gender



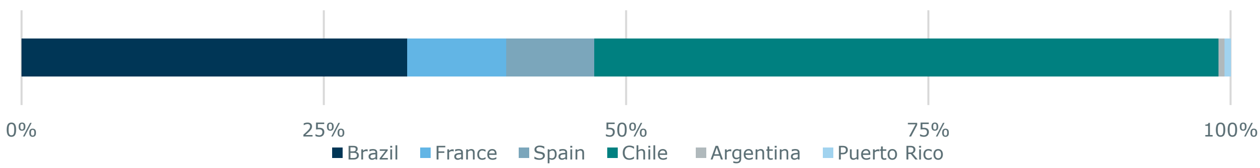
The recordable accident rate in 2019 was 12 (12.8 for men and 10.9 for women). This indicator compares the total number of recordable accidents with the total number of hours worked and is standardized, in the same way as for the fatality rate and the severity rate, per 1 million hours worked. As this is the first year in which these data are recorded and compiled no historical data are available in this connection.

Rate of recordable accidents in 2019 by country and gender



The total number of accidents among indirect workers increased compared to 2018 to 207 cases, while the total number of lost workdays and the total number of hours worked fell. Falls on the same level, contusions, road traffic accidents and collisions, overexertion and contact with chemical substances are the main causes of the accidents that arose in this group.

Distribution of accidents of subcontracted workers by country



Fostering employment quality

Deploying talent retention practices, increasing hours of training and conducting work climate surveys are the specific goals set out in the strategic objective related to professional development and employment quality.

The proportion of the headcount with a permanent employment contract increased slightly compared to 2018 to 96.5% at December 31st in overall terms (97% for men and 95.7% for women). The distribution by country was very similar, fluctuating between 80% as the lowest percentage and 100% as the highest.

Average equivalent workforce with permanent contracts by professional category, country and gender

	Executives		Heads of department		Other workers	
	Men	Women	Men	Men	Women	Men
Brazil	11.9	4.2	221.4	66.9	2,170.9	2,085.1
France	9	6	236.3	101.8	1,341.8	735.5
Spain	23.7	6.8	106.3	45.1	1,111.2	525.4
Chile	7.5	1	55.7	12.7	814.1	229.5
Argentina	6	1	29	12	1,078.5	694.5
Puerto Rico	4.8	---	5.6	7	32.1	8.8
Italy	8	1	21	2	375.1	96.8
India	---	---	5	1	38	3

Workforce by professional category, country and gender as of December 31th

	Executives		Heads of department		Other workers	
	Men	Women	Men	Men	Women	Men
Brazil	12	4	214	64	2,118	2,004
France	9	6	239	102	1,435	797
Spain	20	6	103	46	1,186	631
Chile	6	1	55	16	832	250
Argentina	6	1	25	12	1,177	841
Puerto Rico	4	---	6	7	32	8
Italy	11	1	21	2	387	107
India	---	---	5	1	38	3

The distribution of the headcount by working day remained virtually constant, both globally and by country, with a uniform percentage across all the countries except Spain, in which the headcount with part-time working hours increased to 33.8% (23.3% for men and 55.7% for women).

Percentage of headcount by working hours

	2018			2019		
	Men	Women	Total	Men	Women	Total
Full-time	94.3%	83.9%	90.4%	94.7%	84.9%	91%
Part-time	5.7%	16.1%	9.6%	5.3%	15.1%	9%

The total number of new hires increased slightly in 2019 reaching 2,923 individuals, of whom 59.8% had permanent employment contracts and 52.2% were women. 75.5% of the total new hires with permanent employment contracts were located in Brazil, while in the case of temporary contracts, the countries where these were in the majority were Brazil, France, Chile and Argentina (91.6%).

Number of new hires by age group, gender and type of employment contract

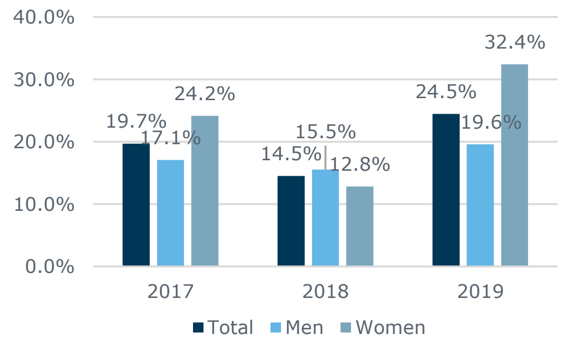
	Permanent employment contract		Temporary employment contract	
	Men	Women	Men	Women
Under 30 years old	281	320	273	414
From 31 to 50 years old	489	470	190	232
Over 51 years old	122	65	41	26
Total	**892**	**855**	**504**	**672**

On the other hand, the number of dismissals decreased 23.6% as compared with the previous year, totalling 1,076 persons. 91.7% of the dismissed persons are in the category of other workers, and 89.1% of the total is concentrated in Brazil and Chile.

Number of dismissals by age group, gender and professional category

	Executives		Heads of department		Other workers	
	Men	Women	Men	Men	Women	Men
Under 30 years old	0	0	0	1	139	107
From 31 to 50 years old	0	1	45	10	199	164
Over 51 years old	8	1	17	6	244	134
Total	**8**	**2**	**62**	**17**	**582**	**405**

Changes in rate of global employee turnover by gender

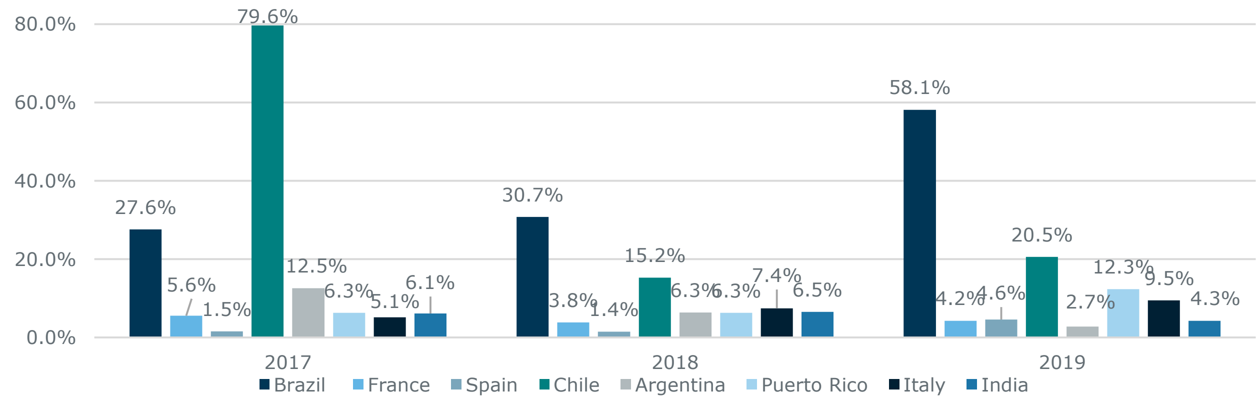


The organizational changes that occurred within the Group have had an impact on the rate of employee turnover in Brazil, Spain, Chile, France and Italy. The employee turnover rate increased in global terms in 2019 and this increase was substantially higher among men and occurred to a similar extent in all the professional categories. The rate includes the number of employees who leave due to dismissal, resignation or retirement in the year in comparison with the headcount at December 31st by professional category and gender.

Rate of global employee turnover by professional category and gender

	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Executives	14.1%	23.5%	20.5%	5.3%	23.5%	10.5%
Heads of department	5.3%	6.7%	9.4%	4.5%	15.6%	23.0%
Other	16.7%	22.4%	16.0%	13.3%	19.9%	33.0%

Changes in employee turnover rate by country

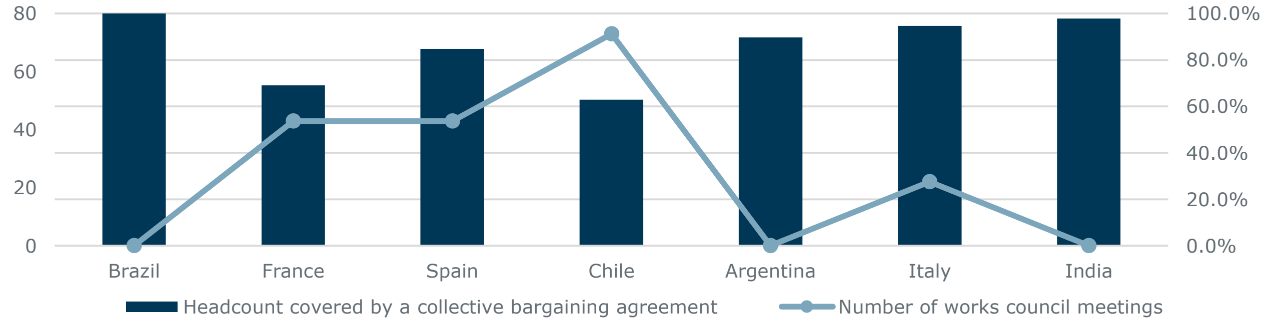


Employee turnover rate by gender and country

	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Brazil	35.6%	16.6%	37.6%	22.7%	50.1%	67.2%
France	5.6%	5.6%	4.2%	3.1%	3.8%	5.0%
Spain	1.3%	1.8%	0.9%	2.4%	3.5%	6.9%
Chile	26.2%	246.2%	14.4%	17.8%	18.1%	28.5%
Argentina	2.0%	0.3%	6.3%	6.4%	3.2%	2.0%
Puerto Rico	8.9%	0%	4.4%	10.5%	9.5%	20.0%
Italy	5.8%	2.8%	8.0%	5.0%	10.0%	7.3%
India	6.7%	0%	7.1%	0%	4.7%	0.0%

82.3% of the headcount at December 31st is covered by a collective bargaining agreement, which is slightly below the figure for 2018. The 41 works councils recorded a slight decrease in activity in 2019 and held a total of 193 meetings. All the countries, except Puerto Rico, have this collective framework in place, although the scope of the framework in each case varies depending on the local context.

Percentage of headcount covered by a collective bargaining agreement and number of works council meetings



The performance assessment mechanisms allow two-way communication channels to be established aimed at ensuring professional development and achieving the objectives defined within a common assessment framework. Now in their third year, the "CRECE" dialogues organized in Spain provide an example of a space for work and reflection for professionals in management positions that focus on building loyalty and retaining talent by means of workshops specially designed to encourage conversation on a range of professional topics between two engaged professionals.

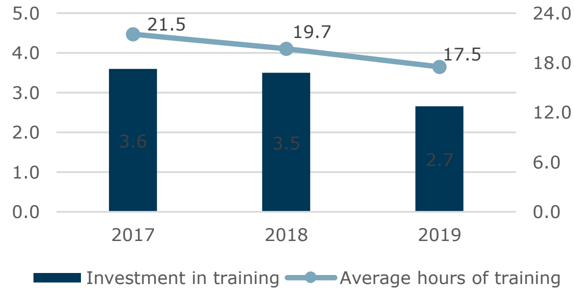
All the countries have a performance-based management assessment framework, which involves 62.1% of the total headcount distributed as follows: 100% executive positions, 96.6% of the heads of department and 59.2% of the remaining headcount, and the percentages are similar for men and women. At corporation level, all the employees are included in a performance-based management programme.

Management by objectives by professional category, gender and country

	Executives		Heads of department		Other workers	
	Men	Women	Men	Women	Men	Women
Brazil	100%	100%	97.6%	84.9%	94.8%	91.7%
France	100%	100%	100%	100%	81.8%	91.4%
Spain	100%	100%	100%	100%	9.9%	7.4%
Chile	100%	100%	90.9%	83.3%	27.0%	64.6%
Argentina	100%	100%	93.1%	100%	7.4%	9.4%
Puerto Rico	100%	---	100%	100%	100%	100%
Italy	100%	100%	100%	100%	89.7%	88.8%
India	---	---	100%	100%	100%	100%

The training programmes in place in almost all the countries enable systematic identification of training requirements and coordinated planning of the response initiatives. Similarly, the Abantis programme involving professionals in all countries, seeks to underpin talent retention through professional development.

Change in total investment in training (€M) and the average hours of training per employee



The total hours of training in 2019 decreased 14.9% to 225,102 hours, mainly as a result of changes in Brazil and Chile. The average hours of training also decreased, although to a lesser extent, by 11.2%, to 17.5 hours per Group employee. The investment in training also reflected this trend with a 24% decrease in the amount dedicated to training to EUR 2.7 million.

Average hours of training by professional category, gender and country

	Executives		Heads of department		Other workers	
	Men	Women	Men	Women	Men	Women
Brazil	28.2	28.3	39.6	31.0	23.2	20.1
France[xvi]	---	---	0.3	1.3	16.1	6.1
Spain	44.9	24.8	59.3	65.3	21.1	11.5
Chile	39.8	67.0	104.9	19.7	25.7	41.9
Argentina	56.1	34.0	53.2	83.3	1.6	1.8
Puerto Rico	7.1	---	10.8	16.4	15.8	21.0
Italy	17.6	74.0	22.6	10.5	12.3	10.4
India	---	---	19.0	28.5	13.3	11.2

Total number of hours of training by professional category, gender and country

	Executives		Heads of department		Other workers	
	Men	Women	Men	Women	Men	Women
Brazil	338	113	8,128	2,265	49,439	40,174
France	---	---	60	129	23,170	4,893
Spain	897	149	6,108	3,006	25,013	7,271
Chile	239	67	5,770	236	21,362	10,635
Argentina	337	34	1,330	999	1,828	1,497
Puerto Rico	29	---	65	115	504	168
Italy	194	74	474	21	4,777	1,110
India	---	---	95	29	504	34

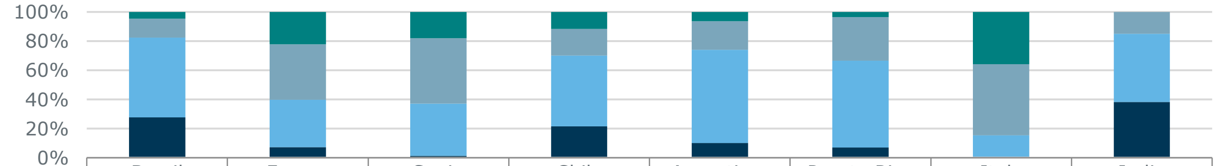
Periodic measurement of employee satisfaction makes it possible to identify areas for improvement with a direct impact on talent retention, professional development and organisational growth. In 2019, the Puerto Rican toll road business conducted an employee satisfaction analysis, the findings of which indicated a level of employee engagement of 90% and earned external recognition for its occupational management and quality employment practices. The toll road business in Brazil also conducted a new survey that indicated a global level of involvement of 84% among the participants. Emovis, in France, obtained a score of 80% in its annual satisfaction questionnaire. In addition to the results, the action proposals generated are incorporated into the action plans to ensure the effectiveness of the continuous improvement systems deployed.

Guaranteeing equal opportunities

The principles of equal opportunities and non-discrimination are embedded in Abertis's Code of Ethics and Corporate Social Responsibility policy, and integrated into the different rules and organizational procedures currently in place. The goals forming part of this strategic objective include the achievement of a gender balance and equal pay, non-discrimination in selection processes and an increase in the number of differently abled employees in the workforce.

In 2019 the distribution of employees remained constant in terms of age group and advances towards a gender balance were achieved in global terms, with 61.8% of the workforce at December 31st being men and 38.2% women. Also, 2019 saw a slight increase in the presence of women in executive and managerial positions to 21.8% of the total executive positions and 27.9% of the total managerial positions.

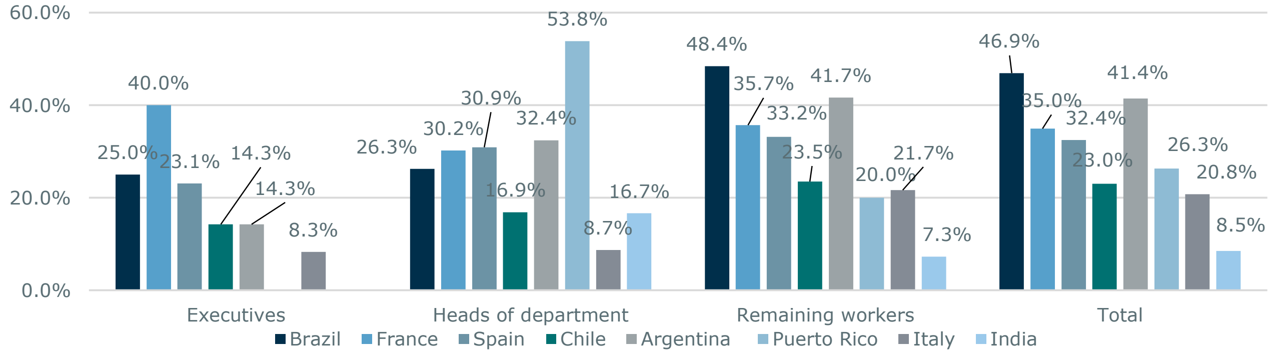
Distribution of employees at December 31st by age group and country



	Brazil	France	Spain	Chile	Argentina	Puerto Rico	Italy	India
>55	199	575	359	135	128	2	189	0
45-55	573	982	893	212	407	17	259	7
30-45	2,417	841	714	562	1,319	34	77	22
<30	1,227	190	26	251	208	4	4	18

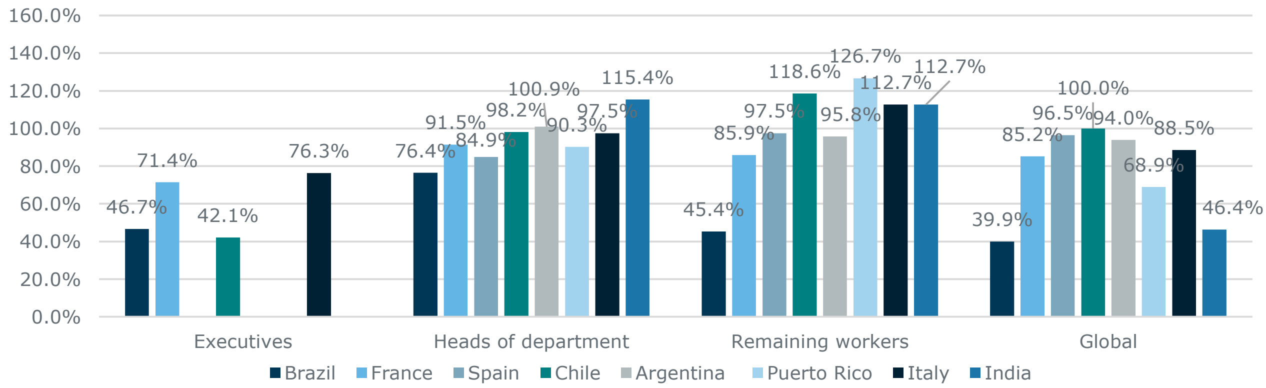
<30 30-45 45-55 >55

Percentage of women by professional category and country



The variables with the greatest impact on pay differentials are the existence of different collective bargaining frameworks and seniority in the job. The changes that have taken place in the workforce have had an impact on the ratio of women's to men's pay, which has remained constant throughout 2019, at 70.4% overall, 77.3% for management positions, 88.1% for heads and 74.2% for other workers.

Percentage of average remuneration of women compared to men by professional category and country[xvii]



The percentage of remuneration at the corporate headquarters remained basically the same with respect to 2018 at 54.7%; however, this value is skewed by the large number of executive positions held by men forming part of the headcount. Equal opportunities legislation differs greatly and varies depending on each country, although all the countries have some type of regulation in place in this connection. The provision for equal opportunities plans in Spain is one example, and another is the obligation to employ a minimum percentage of differently able employees in force in Brazil, France, Spain and Chile.

Training groups that are underrepresented in each of the job positions and adapting working hours to achieve a work-life balance are just two examples of the initiatives adopted that focus on achieving a gender balance across all the professional categories.

The introduction of a local minimum wage in current legislation is a practice shared by all the countries except Italy. In general, the local minimum wage increased in 2019, and the ratio of the entry level wage to the local minimum wage was reduced in certain countries. Despite this, there were no significant changes in relation to this indicator compared to 2018.

Starting salary compared to local minimum wage by country

	Men	Women
Brazil	107.9%	107.4%
France	104.4%	101.9%
Spain	130.1%	129.9%
Chile	100.0%	100.0%
Argentina	287.3%	287.3%
Puerto Rico	165.8%	165.8%
India	163.0%	213.7%

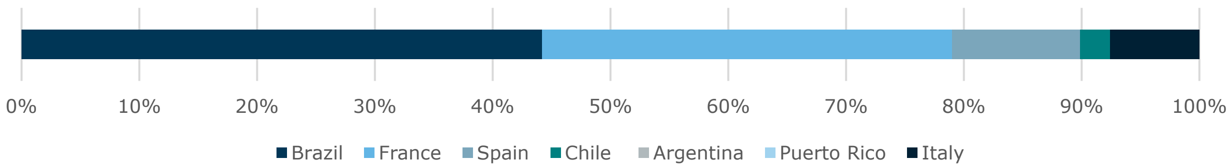
Parental leave enables employees to balance their work and family lives, particularly if they have minors in their care. A total of 229 individuals took parental leave in 2019, 76.9% of whom were women. The global retention rate was 94.3% for men and 73.3% for women, although the distribution across the countries is not uniform.

Retention rate by gender and country

	Individuals taking parental leave		Individuals that returned to work after parental leave ended		Individuals still employed at the organisation 12 months later	
	Men	Women	Men	Women	Men	Women
Brazil	16	110	93.8%	100%	79.1%	88.5%
France	1	5	100%	100%	20%	100%
Spain	30	19	96.7%	96.6%	100%	73.7%
Chile	0	13	---	61.5%	---	100%
Argentina	0	24	---	100%	---	100%
Puerto Rico	0	0	---	---	---	---
Italy	6	5	100%	100%	100%	100%
India	0	0	---	---	---	---

The equivalent average headcount of differently abled employees increased by 22.5% compared to 2018, to a total of 382.3 individuals. The main changes arose in Brazil, Spain and Chile. It should be noted that Brazil, France, Spain and Chile have minimum hiring quotas in place for this group, either by means of direct employment or through the application of alternative measures such as purchasing and arranging goods and services from and donations to special employment centres and occupational placement companies.

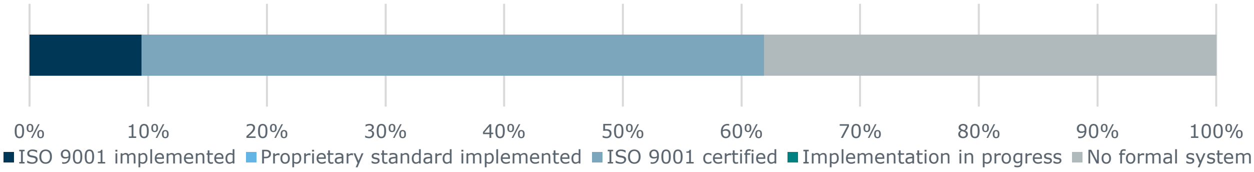
Distribution of average headcount of differently abled workers by country



Quality products and services with positive social impacts

Establishing management systems designed to achieve continuous improvement both in road safety and service quality enables the systematization of the improvement actions taken. 61.9% of the organization's revenue has a quality management system in place in accordance with ISO 9001, and 52.4% of revenue has system certification.

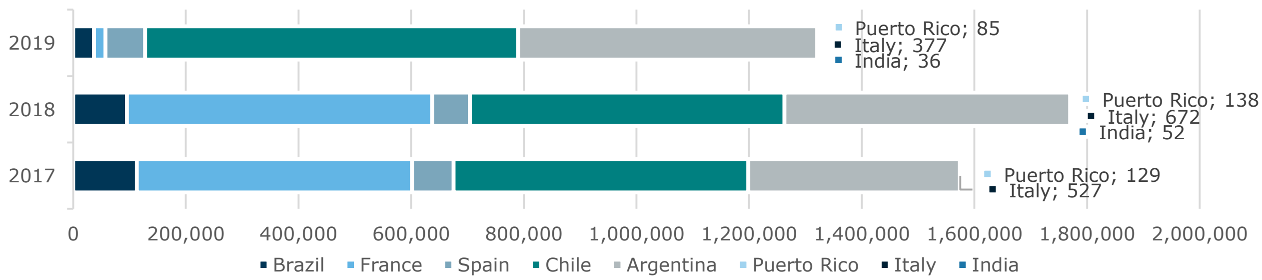
Quality management system (percentage distribution of Abertis' revenue)



Continuous communication and the availability of real time communication channels are an important aspect of the quality of the service provided. The incorporation of a voice assistant by radio Sanef 107.7 in France to request real time traffic information, the development of a digital strategy in Puerto Rico, the design and launch of a specific website for ongoing communication of any roadworks being carried out on toll roads in Argentina, the promotion of local tourist destinations through digital platforms in Puerto Rico and Italy, and the deployment of Wi-Fi networks in Brazil to improve communication channels in emergency situations, are some examples of the actions taken during the year.

Management of queries, complaints and suggestions facilitates identification of areas for improvement and makes it possible to fulfil the expectations of road users and the organization's customers. The toll road businesses in France and Puerto Rico, one of the subsidiaries in Italy and Emovis France conducted customer and user satisfaction surveys with results that were consistent with the earlier findings.

Changes in the number of queries, complaints and suggestions by country[xviii]



In 2019 a total of 740 road safety campaigns were carried out in all the countries, more than half of which were performed in Brazil, as described in the road safety section of this strategic axis. Knowledge transfer between countries and observation of driving behaviour world wide enable campaigns to be adapted to ensure that they focus on the aspects of driving behaviour most closely related to traffic accidents.

The inclusion of environmental and social considerations in Research and Development projects (R&D) will make it possible to include any positive and negative impacts of an environmental or social nature at the outset of the design and creation phases of new products and services. In 2018 and 2019 a total of 53 R&D projects had been initiated with an average length of between 1 and 5 years. 47.2% of the projects underway are of an internal nature, 34% correspond to industrial cooperation projects and 18.9% are Spanish or European projects. The main areas of innovation include cooperative intelligent transport systems, digital transformation, tolling and methods of payment, infrastructure, energy and the electricity transformation. It should be noted that 75% of the completed projects are to be used to generate market-ready or tested solutions, just under 10% are for the creation of a prototype and approximately 15% are feasibility studies or preliminary research. The INFRAMIX project, in relation to the roll out of autonomous vehicles in Spain, and the DATA CITY project involving the study of improvements for future mobility management and commuting into cities, are two examples of projects in progress in 2019.

3

Methodologies and International Equivalences

Preparation methodology

Standards and principles

For the first time, the Appendix on Follow-up of the CSR Master Plan for 2019 is presented together with the Directors' Report to the Financial Statements. This document, together with the Annual Corporate Governance Report (ACGR) and the other corporate publications (which include most notably the Carbon Disclosure Project questionnaire for its 2019 edition) completes the information relating to economic, financial, environmental, social and good governance performance for 2019.

This appendix extends and elaborates on the environmental, social and good governance (ESG) information summarised in the Directors' Report to the Financial Statements, which was treated, gathered and prepared in accordance with the requirements contained in the reference international standards:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards (SRS) of 2016 (except the standard on occupational health and safety and the standard on water and effluents which date from 2018) in accordance with the standards (comprehensive option).
- Policy for preparation of the UN Global Compact Communication of Progress (CoP).
- Accountability Stakeholder Engagement principles.
- United Nations Sustainable Development Goals.

In addition to the foregoing standards, other technical and methodological measurement frames of reference were considered, as detailed below, together with the recommendations of external measurement bodies on environmental, social and good governance (ESG) matters. These considerations satisfy in full the requirements established in the Non-Financial Information Law in force in Spain since 2018, together with other procedural matters, including the external verification of the non-financial information and its publication at the same time and in the same form as the organization's financial statements.

The various procedures and mechanisms for the management and preparation of the financial statements aim to respond to the principles for defining report content and ensuring report quality addressed in the GRI Foundation Standard (SRS 101), and cover both systems for the management of issues with significant social, environmental and good governance impacts and also specific technological tools for the compilation of non-financial information.

Principles for defining report content in accordance with GRI

Stakeholder inclusiveness	•Ongoing involvement •Updating of the materiality analysis
Sustainability context	•Figures at local level •Global management approach and SDG
Materiality	•Updating of the materiality analysis •Formal approval of aspects
Completeness	•Sufficient information •Conservation of the level of segregation and detail

GRI SRS: 101, 102-49, 102-54

Principles for defining report quality in accordance with GRI

Balance	•Annual performance •Balanced treatment of the facts
Comparability, accuracy and reliability	•Traceability, analysis and historical data •External review
Timeliness	•Annual publication in due time and form with the economic and financial information.
Clarity	•Data synthesis •Conserving structure

A team of more than 140 collaborators present in all the countries participate directly or indirectly in the management, processing and compilation of the non-financial information for the Directors' Report and the Appendix on Follow-up of the CSR Master Plan, validation and publication of which is the responsibility of the Board of Directors of Abertis.

Scope of the information

The non-financial information disclosed in the Directors' Report and the Appendix on the Follow-up of the CSR Master Plan takes into consideration 97.8% of the Group's revenue for 2019 and 95.1% of the headcount at December 31st. The changes in the scope of the information compared to 2018 include changes in the company name of certain Italian subsidiaries, the restructuring of the operators in Chile and the temporary exclusion of one of the Puerto Rican subsidiaries (APR) due to the inability to gather data in relation to a large portion of the non-financial indicators related to a period of internal transition.

Companies included in the scope of the non-financial information

Toll roads	**Spain -** Autopistas, Acesa, Aucat, Invicat, Aumar, Iberpistas, Castellana, Avasa, Aulesa and Túnels
	France - Sanef, Sapn, Bip & Go, SE BPNL SAS and Sanef Aquitaine
	Italy - A4 Holding, A4 Mobility, Autostrada Bs Vr Vi Pd SpA and A4 Trading Srl
	Brazil - Arteris, Autovias, Centrovias, Intervias, Planalto Sul, Fluminense, Fernão Dias, Régis Bittencourt, Litoral Sul, Via Paulista and Latina Manutenção de Rodovias
	Chile - Vías Chile, Autopista Central, Autopista Los Libertadores, Autopista del Sol, Autopista Los Andes, Rutas del Elqui, Rutas del Pacífico and the concession operators forming Operavías
	Puerto Rico - Metropistas
	Argentina - Ausol and GCO
	India - Jadcherla Expressways Private Limited and Trichy Tollway Private Limited
	Abertis Mobility Services - Emovis SAS
Central services	Abertis Infraestructuras and the Abertis Foundation

The business activities included in the 2.2% of revenue excluded from the scope of the non-financial information relate to those carried on by the following companies:

- With a direct ownership interest: Abertis Infraestructuras Finance B.V, Abertis Motorways UK Ltd, Abertis Mobility Services SL (except for Emovis SAS), Infraestructuras Viarias Mexicanas, S.A de CV, and Abertis Telecom Satélites S.A.
- With an indirect ownership interest: Autopista Trados 45 S.A., Leonord Exploitation SAS, Sanef 107.7 SAS, Abertis India, S.L., Abertis India Toll Road Services LLP, Mulhacen, Globalcar Services Spa, A4 Mobility Srl and Vianorte.

Calculation methodologies

The indicators disclosed in the Directors' Report and the Appendix on Follow-up of the CSR Master Plan were prepared in accordance with the methodological standards detailed below:

- Calculation references contained in the frames of reference detailed above (mainly GRI).
- ISO 14064:1-2012, based on "The Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard" and the criteria established in the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" published in 2011 by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) for the calculation of the carbon footprint.
- London Benchmarking Group for the quantification of the contribution to the community.
- Specific conditions set out in the applicable legal frameworks in force, such as the Non-Financial Information Law in Spain and the framework for carbon footprint calculations in France.

The restatements of non-financial information, together with the scope limitations other than the disclosures included in the section, are identified using notes to the figures to which they refer.

External review

In line with the practice implemented for over ten years and in accordance with the requirements established in the Non-Financial Information Law in force in Spain, the non-financial information was reviewed externally by an independent audit firm, in accordance with the Spanish and international reference guidelines in relation to the assurance of non-financial information (International Standard on Assurance Engagements (ISAE) 3000 and guidelines of the Spanish Institute of Certified Public Accountants, among others). The external auditor's report included in this appendix details the findings of the review as well as the comments and recommendations made by the team in charge of the audit.

GRI SRS: 101, 102.48, 102-56, 305-1, 305-2, 305-3

External assurance report

Deloitte.

Deloitte, S.L.
Avda. Diagonal, 654
08034 Barcelona
España

Tel: +34 932 80 40 40
www.deloitte.es

Translation of a report originally issued in Spanish.
In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

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

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the non-financial information included in the Consolidated Management Report (hereinafter, CMR) of Abertis Infraestructuras S.A., and subsidiaries ("Abertis" o "the Abertis Group"), for the year ended December 31, 2019.

The Consolidated Management Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their exhaustive option ("GRI standards"), that was subject matter of our verification. In this regard, our work was limited solely to verification of the reliability and adequacy of the contents of the information identified in the "GRI content index" and "Equivalence with Law 11/2018 on non-financial information and diversity" in the CMR Appendix.

Responsibilities of the Directors

The preparation and content of the Abertis's Consolidated Management Report is the responsibility of the Board of Directors of Abertis. The non-financial information included in the CMR was prepared in accordance with the content specified in current Spanish corporate legislation, in accordance with GRI standards in their exhaustive option, and with the standards established in the AA1000AP (2008) Assurance Standard issued by AccountAbility, as well as other criteria described as indicated for each matter in the "Equivalence with Law 11/2018 on non-financial information and diversity" of the CMR Appendix.

This responsibility of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the CMR and the non-financial information to be free from material misstatement, whether due to fraud or error.

The Directors of Abertis are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the CMR is obtained.

Our Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements. Also, we have applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000AP (2008) and on the sustainability performance indicators (type 2 moderate assurance).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of Abertis that participated in the preparation of the CMR, which includes the non-financial information, reviewing the processes used to compile and validate the information presented in the CMR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Abertis personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the CMR based on the materiality analysis performed by Abertis and described in the "Stakeholders and materiality " section of the Apendix of the CMR, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2019 CMR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the "Stakeholders and materiality" section in the Appendix of the CMR.
- Verification, by means of sample-based review tests, of the information relating to the non-financial information contents included in the 2019 CMR, and the appropriate compilation thereof based on the data furnished by Abertis's information sources.
- Obtainment of a representation letter from the directors and management.

Basis of the qualified conclusion

As a result of the procedures carried out and the evidence obtained, inaccuracies have been identified by partial presentation or omissions of the contents required by GRI Standards in its exhaustive version or by current commercial regulations regarding non-financial information. The inaccuracies detected are detailed in the "Basis of Qualified Conclusion" table attached to this report, which is an integral part of it.

Qualified Conclusion

Based on the procedures performed and the evidence obtained, except for the effect of the issues described in the "Basis of Qualified Conclusion" section, no matter has come to our attention that causes us to believe that:

a) The non-financial information included in "GRI content index" in the Appendix of the Abertis Consolidated Management Report for the year 31 December 2019 was not prepared, in all material respects, , including the reliability and adequacy of the contents, in accordance with GRI standards in their exhaustive version.

b) Abertis's non-financial information included in "Equivalence with Law 11/2018 on non-financial information and diversity" in the Appendix of the Abertis Consolidated Management Report for the year 31 December 2019 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and in keeping with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the Annex.

c) Abertis did not apply in the preparation of the CMR the principles of inclusivity, materiality and responsiveness as described in the CMR Annex, in accordance with AA1000AP (2008), namely:

- Inclusivity: Abertis has developed a stakeholder participation process, enabling stakeholders to be considered in the development of a responsible approach.
- Materiality: the materiality determination process is geared towards identifying and understanding the issues that are material or significant for Abertis and its stakeholders.
- Responsiveness: Abertis responds, through specific actions and commitments, to the material issues identified.

Additional information

Pursuant to the provisions of the AA1000AS (2008) standard, we presented to management of Abertis our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality and responsiveness. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

As indicated in the Annex section of the CMR "Stakeholders and materiality", Abertis has a materiality study which has been updated through internal consultation and regulatory updates. We recommend for 2020 to carry out an update of the materiality analysis through the participation and consultation of all the stakeholders in the different countries, so that it is representative of both the different businesses, and of all the countries in which the Abertis Group has a stable presence.

Responsiveness

The scope of the countries is consolidated, so we recommend that Abertis work on the improvement of the non-financial information control, adjusting deadlines and extending training to the different business units involved in order to continue improving the quality of the information.

In 2017, the international deployment of the 2016-2020 CSR Master Plan began, which is monitored, but does not end up being integrated into the daily activity of the organization. In this sense, it is recommended to define concrete actions that allow a complete development and integration of the Master Plan.

Use and distribution

This report was prepared in accordance with the content specified in current Spanish corporate legislation, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.

AA1000
Licensed Assurance Provider
000-14

Xavier Angrill Vallés
4 March of 2020

Annex to the Independent Auditor's report of Abertis Infraestructuras, S.A. and its subsidiaries

Basis of Qualified Conclusion

GRI Standard		Non-financial Information Law	Basis of conclusion
102-8	Information on employees and other workers	Employment	The annual average of part-time contracts is presented by sex and professional category, not being informed by age.
102-38	Annual total compensation ratio	Employment	The ratio is not broken down by region. And in its calculation the remuneration for pension plans has not been considered.
302-2	Energy consumption outside of organization	Sustainable use of resources	There is no information on energy consumption outside the organization.
303-1 (c)	Interactions with water as a shared resource	Sustainable use of resources	A description of how water-related impacts are addressed are not included.
306-2	Waste by type and disposal method	Circular economy and waste prevention and management	The type of treatment for each type of waste is not broken down.
306-3 (c)	Significant spills	Circular economy and waste prevention and management	There is no information related to the impacts of the significant spills reported.
403-5	Worker training on occupational health and safety	Health and Safety	A description of occupational health and safety training provided to workers is not included.
403-9 (b)	Work-related injuries	Health and Safety	No information is provided on accidents and rates related to workers who are not employees. The review has been limited to the data provided relative to own employees.
405-2	Ratio of basic salary and remuneration of women to men	Employment	The ratio of average women remuneration with respect to men by professional category and country is broken down, but not the average remuneration of men and women in absolute terms by sex, age, or professional category.
412-2	Employee training on human rights policies or procedures	Human rights	Although there is information regarding the training provided in the Abertis Group, specific information on human rights training is not provided.

GRI content index

The reference provided in the GRI content index corresponds to the page number in the Appendix on Follow-up of the CSR Master Plan. Cross references to other documents include the initials of the related publication. Cross references to Financial Statements and Corporate Annual Governance Report are related to the Spanish publications.

Foundation and general content

General content	Page/Direct response	Omissions	External verification
GRI 101 Foundation 2016			
101 Reporting principles	42-43		√ - 45-48
GRI 102: General disclosures 2016 **Organizational profile**			
102-1 Name of the organization	Abertis Infraestructuras S.A.		√ - 45-48
102-2 Activities, brands, products, and services	Management Report (MR) 5-6		√ - 45-48
102-3 Location of headquarters	Avenida Pedralbes, 17, Barcelona		√ - 45-48
102-4 Location of operations	MR 9-10		√ - 45-48
102-5 Ownership and legal form	MR 31		√ - 45-48
102-6 Markets served	MR 8-10		√ - 45-48
102-7 Scale of the organization	MR 5, 31, 36		√ - 45-48
102-8 Information on employees and other workers	31, 34		√ - 45-48
102-9 Supply chain	4, 22; MR 35-36 Content note (a)		√ - 45-48
102-10 Significant changes to the organization and its supply chain	4		√ - 45-48
102-11 Precautionary principle or approach	6; MR 15-16		√ - 45-48
102-12 External initiatives	6; MR 6-7, 18-19, 32 Content note (b)		√ - 45-48
102-13 Membership of associations	MR 34		√ - 45-48
Strategy			
102-14 Statement of the highest governance body	MR 3-4		√ - 45-48
102-15 Key impacts, risks, and opportunities	5-6; MR 3-4, 8-11, 15-16		√ - 45-48
Ethics and integrity			

GRI SRS: 102-55

abertis

General content	Page/Direct response	Omissions	External verification
102-16 Values, principles, standards, and norms of behavior	11; MR 8, 14-15		√ - 45-48
102-17 Mechanisms for consultation and resolution of queries about ethics	9; MR 15		√ - 45-48
Governance			
102-18 Governance structure	MR 12-13		√ - 45-48
102-19 Making decisions	MR 12-13		√ - 45-48
102-20 Executive-level responsibility for economic, environmental, and social topics	6		√ - 45-48
102-21 Consulting stakeholders on economic, environmental, and social topics	3-5		√ - 45-48
102-22 Composition of the highest governance body and its committees	MR 12-13		√ - 45-48
102-23 Chair of the highest governance body	MR 12		√ - 45-48
102-24 Nominating and selecting the highest governance body	Corporate Governance Annual Report (CGAR) 7-8, 12-13		√ - 45-48
102-25 Conflicts of interest	MR 14-15; CGAR 15-16		√ - 45-48
102-26 Role of highest governance body in setting purpose, values, and strategy	6-7; MR 10-11		√ - 45-48
102-27 Collective knowledge of highest governance body	MR 12-13; Corporate website (Board of Directors)		√ - 45-48
102-28 Evaluating the highest governance body's performance	There is currently no specific policy in this connection.		√ - 45-48
102-29 Identifying and managing economic, environmental, and social impacts	3-7; MR 14-16		√ - 45-48
102-30 Effectiveness of risk management processes	MR 14-16		√ - 45-48
102-31 Review of economic, environmental, and social topics	6-7; MR 14-16		√ - 45-48
102-32 Highest governance body's role in sustainability reporting	43		√ - 45-48
102-33 Communicating critical concerns	9; MR 15		√ - 45-48
102-34 Number and nature of critical concerns	9; MR 15		√ - 45-48
102-35 Remuneration policies	CGAR 8, 13; Content note (c)		√ - 45-48
102-36 Process for determining remuneration	CGAR 8, 13; Content note (c)		√ - 45-48
102-37 Stakeholders' involvement in remuneration	Stakeholder involvement in remuneration is currently not envisaged.		√ - 45-48

abertis

General content	Page/Direct response	Omissions	External verification
102-38 Annual remuneration ratio	Content note (d)	It is not currently possible to disclose the remuneration ratio by country due to questions of confidentiality, as the remuneration of the individuals with the highest remuneration in the rest of the countries is non-public information.	√ - 45-48
102-39 Percentage increase in annual remuneration ratio	Content note (e)		√ - 45-48
Stakeholder inclusiveness			
102-40 List of stakeholder groups	3		√ - 45-48
102-41 Collective bargaining agreements	36-37		√ - 45-48
102-42 Identifying and selecting stakeholders	3		√ - 45-48
102-43 Approach to stakeholder engagement	3-4		√ - 45-48
102-44 Principle topics and considerations addressed	4-5		√ - 45-48
Financial statement reporting practice			
102-45 Entities included in the consolidated financial statements	43; Financial Statements (FS) 267-282		√ - 45-48
102-46 Defining report content and topic boundaries	4-5, 42-43		√ - 45-48
102-47 List of material topics	5		√ - 45-48
102-48 Restatement of information	44, 74; Restatements were identified in each case by direct notes.		√ - 45-48
102-49 Changes in financial statement reporting practice	42		√ - 45-48
102-50 Reporting period	1 January to 31 December 2019.		√ - 45-48
102-51 Date of most recent report	2018 reporting period, published in 2019.		√ - 45-48
102-52 Reporting cycle	Annual		√ - 45-48
102-53 Contact point for questions regarding the report	Email: sostenibilidad@abertis.com or postal address at the headquarters, for the attention of Patricia Garcia.		√ - 45-48
102-54 Claims of reporting in accordance with the GRI Standards	42		√ - 45-48
102-55 GRI content index	49-60		√ - 45-48
102-56 External review	44-48		√ - 45-48

Economic material topics

Standard	Page	Omissions	External verification
GRI 103 Management approach 2016 **Linked to Economic performance (201), Market presence (202), Indirect economic impacts (203), Procurement practices (204), Anti-corruption (205) and Anti-competitive behavior (206).**			
103-1 Explanation of the material topic and its boundaries	3-7; Content note (f)		√ - 45-48
103-2 Management approach and its components	6, 8, 23; MR 10-11, 14, 17, 32		√ - 45-48
103-3 Evaluation of the management approach	7, 9-10, 24-25; MR 14-15, 17-24, 32, 41		√ - 45-48
GRI 201 Economic performance 2016			
201-1 Direct economic value generated and distributed	MR 39		√ - 45-48
201-2 Financial implications and other risks and opportunities due to climate change	13; CDP 2019 Section C2		√ - 45-48
201-3 Defined benefit plan obligations and other retirement plans	Content note (g) FS 59, 226-228		√ - 45-48
201-4 Financial assistance received from government	FS 106		√ - 45-48
GRI 202 Market presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	40		√ - 45-48
202-2 Proportion of executives hired from the local community	MR 36		√ - 45-48
GRI 203 Indirect economic impacts 2016			
203-1 Infrastructure investments and services supported	MR 17-20, 24-25		√ - 45-48
203-2 Significant indirect economic impacts	MR 17-20, 32, 34-36		√ - 45-48
GRI 204 Procurement practices 2016			
204-1 Proportion of spending on local suppliers	25		√ - 45-48
GRI 205 Anti-corruption 2016			

Standard	Page	Omissions	External verification
205-1 Operations assessed for risks related to corruption		The quantitative data on the number and percentage of centres assessed in this connection is not applicable, given that although the risk analysis is corporate and includes 100% of the activities, it is not carried out at specific centres.	√ - 45-48
205-2 Communication and training about anti-corruption policies and procedures	10		√ - 45-48
205-3 Confirmed incidents of corruption and actions taken	Content note (h)		√ - 45-48
GRI 206 Anti-competitive behaviour 2016			
206-1 Legal actions for anti-competitive behaviour; anti-trust and monopoly practices	No legal actions were made in this regard		√ - 45-48

Environmental material topics

Standard	Page	Omissions	External verification
GRI 103 Management approach 2016 **Linked to: Materials (301), Energy (302), Water and effluents (303), Biodiversity (304), Emissions (305), Effluents and waste (306), Environmental compliance (307), Supplier environmental assessment (308)**			
103-1 Explanation of the material topic and its boundaries	3-7; Content note (g)		√ - 45-48
103-2 Management approach and its components	6, 12-13, 23; MR 10-11, 33		√ - 45-48
103-3 Evaluation of the management approach	7, 13-15, 19-22, 26; MR 19-20, 34, 41		√ - 45-48
GRI 301 Materials 2016			
301-1 Materials used by weight or volume	19		√ - 45-48
301-2 Recycled input materials used	19		√ - 45-48
301-3 Reclaimed products and their packaging materials		Not applicable given that Abertis does not produce products. This impacts on the entire indicator.	---
GRI 302 Energy 2016			
302-1 Energy consumption within the organization	15-18		√ - 45-48
302-2 Energy consumption outside of the organization	14-15	The figure on energy consumption outside of the organization is not disclosed in a direct manner.	√ - 45-48

Standard	Page	Omissions	External verification
		Currently, it may be estimated based on the scope 3 emissions. The IT systems required to enable disclosure of this information in future reports are under development.	
302-3 Energy intensity	16-17		√ - 45-48
302-4 Reduction of energy consumption	15-17		√ - 45-48
302-5 Reductions in energy requirements of products and services	13-15		√ - 45-48
GRI 303 Water and effluents 2018			
303-1 Interactions with water as a shared resource	4-6, 12-13, 18		√ - 45-48
303-2 Management of water discharge-related impacts	21; Quality standards are set according to legal requirements.		√ - 45-48
303-3 Water withdrawal	18		√ - 45-48
303-4 Water discharge	21		√ - 45-48
303-5 Water consumption	18		√ - 45-48
GRI 304 Biodiversity 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	26		√ - 45-48
304-2 Significant impacts of activities, products, and services on biodiversity	26		√ - 45-48
304-3 Habitats protected or restored	26		√ - 45-48
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Content note (i)		---
GRI 305 Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	14-15, 44		√ - 45-48
305-2 Energy indirect (Scope 2) GHG emissions	14-15, 44		√ - 45-48
305-3 Other indirect (Scope 3) GHG emissions	14-15, 44		√ - 45-48
305-4 GHG emissions intensity	15		√ - 45-48
305-5 Reduction of GHG emissions	15		√ - 45-48

Standard	Page	Omissions	External verification
305-6 Emissions of ozone depleting substances (ODS)	No significant impacts were identified in connection with these concepts.		---
305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	26; In the case of NOx and SOx, direct emissions are also not significant.		---
GRI 306 Effluents and waste 2016			
306-1 Water discharge by quality and destination	21 (data estimated based on the discharge volume)		√ - 45-48
306-2 Waste by type and treatment method	20	The type of treatment for each type of waste is not disclosed. Work is underway to obtain this information and publish it in future reports.	√ - 45-48
306-3 Significant spills	Content note (j)		√ - 45-48
306-4 Transport of hazardous waste		Not applicable given that Abertis does not transport hazardous waste. This applies to the entire indicator.	---
306-5 Water bodies affected by water discharges and/or runoff		Not applicable given the nature of Abertis' activities. This omission refers to the entire indicator.	---
GRI 307 Environmental compliance 2016			
307-1 Non-compliance with environmental laws and regulations	Content note (k)		√ - 45-48
GRI 308 Supplier environmental assessment 2016			
308-1 New suppliers that were screened using environmental criteria	22		√ - 45-48
308-2 Negative environmental impacts in the supply chain and actions taken	5, 22; MR 35-36		√ - 45-48

Social material topics

Standard	Page	Omissions	External verification
GRI 103 Management approach 2016 Linked to: Employment (401), Labor/Management Relations (402), Occupational Health and Safety (403), Training and Education (404), Diversity and Equal Opportunity (405), Non-discrimination (406), Freedom of Association and Collective Bargaining (407), Forced or Compulsory Labor (409), Security Practices (410), Human Rights Assessment (412), Local Communities (413), Supplier Social Assessment(414), Public Policy (415), Customer Health and Safety (416), Marketing and Labeling (417), Customer Privacy (418), Socioeconomic Compliance (419), Noise and Road Safety			
103-1 Explanation of the material topic and its boundaries	3-7; Content note (f)		√ - 45-48
103-2 Management approach and its components	6, 8, 23, 27; MR 10-11, 14, 17, 19, 32, 34, 36-39		√ - 45-48
103-3 Evaluation of the management approach	7, 9-11, 24-25, 28-41; MR 15, 18-19, 19-20, 32, 35-36, 38-39, 41		√ - 45-48
GRI 401 Employment 2016			
401-1 New employee hires and employee turnover	35-36		√ - 45-48
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Content note (l)		√ - 45-48
401-3 Parental leave	40		√ - 45-48
GRI 402 Labour/Management Relations 2016			
402-1 Minimum notice periods regarding operational changes	Content note (m)		√ - 45-48
GRI 403 Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	30; MR 38		√ - 45-48
403-2 Hazard identification, risk assessment, and incident investigation	31		√ - 45-48
403-3 Occupational health services	31		√ - 45-48
403-4 Worker participation, consultation, and communication on occupational health and safety	31		√ - 45-48
403-5 Worker training on occupational health and safety	31		√ - 45-48
403-6 Promotion of worker health	31		√ - 45-48
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30-31		√ - 45-48
403-8 Workers covered by an occupational health and safety management system	30		√ - 45-48

abertis

Standard	Page	Omissions	External verification
403-9 Work-related injuries	31-34		√ - 45-48
403-10 Work-related ill health	Content note (n)		√ - 45-48
GRI 404 Training and Education 2016			
404-1 Average hours of training per year per employee	37-38		√ - 45-48
404-2 Programs for upgrading employee skills and transition assistance programs	37-38		√ - 45-48
404-3 Percentage of employees receiving regular performance and career development reviews	37		√ - 45-48
GRI 405 Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	35, 39; MR 12-13; Corporate website (Board of Directors)		√ - 45-48
405-2 Ratio of basic salary and remuneration of women to men	39		√ - 45-48
GRI 406 Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	None were identified		√ - 45-48
GRI 407 Freedom of Association and Collective Bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None were identified		√ - 45-48
GRI 409 Forced or Compulsory Labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None were identified		√ - 45-48
GRI 410 Security Practices 2016			
410-1 Security personnel trained in human rights policies or procedures		The exact figure relating to the percentage of security staff is not currently available. We are developing the necessary information systems in order to have this figure in future reports.	√ - 45-48
GRI 412 Human Rights Assessment 2016			
412-1 Operations that have been subject to human rights reviews or impact assessments	11		√ - 45-48
412-2 Employee training on human rights policies or procedures	MR 38		√ - 45-48

Standard	Page	Omissions	External verification
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	There were no significant investment agreements subject to human rights reviews.		√ - 45-48
GRI 413 Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	24-25		√ - 45-48
413-2 Operations with significant actual and potential negative impacts on local communities	24-25; MR 34-35; Content note (f)		√ - 45-48
GRI 414 Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	22		√ - 45-48
414-2 Negative social impacts in the supply chain and actions taken	5, 22; MR 35-36		√ - 45-48
GRI 415 Public Policy 2016			
415-1 Political contributions	Content note (o)		√ - 45-48
GRI 416 Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	28-30		√ - 45-48
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of this type occurred.		√ - 45-48
GRI 417 Marketing and Labeling 2016			
417-1 Requirements for product and service information and labeling	41		√ - 45-48
417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of this type occurred.		√ - 45-48
417-3 Incidents of non-compliance concerning marketing communications	No incidents of this type occurred.		√ - 45-48
GRI 418 Customer Privacy 2016			
418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	No complaints were received in this regard		√ - 45-48
GRI 419 Socioeconomic Compliance 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	Content note (p)		√ - 45-48
Noise			

Standard	Page	Omissions	External verification
Number of kilometres of toll road that were subject to noise impact assessments	26		---
Road Safety			
Fatality rate	30		√ - 45-48
Accident rate	30		√ - 45-48

Content notes

a) The 2015 CSR Report contains details of the organization's value chain which provide further disclosures on the content presented in 2019, as they remain valid, taking into account the changes that have occurred and are described in the Appendix. [GRI SRS 102-9]

b) In addition to the bodies mentioned in this document, Abertis forms part of the Global Reporting Initiative (Gold Community) and the Carbon Disclosure Project (contributor). [GRI SRS 102-12]

c) For more information, see the "Appointments and Remuneration Committee report on the Remuneration Policy amendment proposal" in the 2018 Extraordinary General Meeting documentation. [GRI SRS 102-35]

d) The ratio of the CEO's remuneration and the average remuneration in Spain in 2019 is 63.3 (2018: 37.8). To calculate the remuneration ratio, a weighted average was taken of the remuneration earned in the year of the Spanish companies within the non-financial information scope, and of their headcount at December 31st. The remuneration of the highest-paid individual was calculated taking into account the total cash remuneration received each year, not including life insurance premiums and contributions to pension funds or other long-term saving systems. [GRI SRS 102-38]

e) The ratio of the change in the CEO's remuneration from 2018 to 2019 and the change in the average remuneration in Spain in that period was 3.6. The changes relate to total remuneration earned, without taking into account life insurance contributions and contributions to pension funds or other long-term saving systems. [GRI SRS 102-39]

f) The 2015 CSR Report contains details of the materiality analysis performed, which provide further disclosures on the content presented in 2019, as they remain valid. [GRI SRS 103-1, 413-2]

g) The toll roads in France, Spain and Puerto Rico and the headquarters contribute to the workers' pension plans, the funds of which are managed by the corresponding committees in each country. [GRI SRS 201-3]

h) A total of 12 complaints regarding breaches of the Code of Ethics were made in the year in relation to anti-corruption matters, in addition to two outstanding from the previous year. Following the appropriate investigations, nine cases were discarded, four resulted in dismissal and one is pending resolution, as it was communicated in November 2019. [GRI SRS 205-3]

i) The toll roads in Brazil operate in areas containing the following species included on the IUICN Red List, by level of extinction risk. Endangered: Vinaceous-breasted amazon, Yellow boa constrictor, Buffy-tufted marmoset. Vulnerable: Oncilla, Southern tamandua, Small red brocket, White-lipped peccary,Tapir, Brown howler, Amazon tree boa, Brazilian snake-necked turtle. Least concern: Yellow-bellied trogon, Ocelot, Cougar, Water opossum, Howler monkey, Southern naked-tailed armadillo, Guaribai, Jaguarundi. Near threatened: Margay, Maned wolf, Lontra, Jaguar. Data deficient: Cutia, Red Brocket. In addition to other species of flora and fauna, such as the Lontra, Yellow-legged tinamou, Buffy-fronted seedeater, Jaguarundi, Solitary tinamou and Venezuelan red howler, among others. The toll roads in Spain operate in areas containing 10 animal species included on the IUICN Red List. [GRI SRS 304-4]

j) Total volume of 2019 spills accounted for 6,421 litres, and occurred in Chile and Brazil related to road accidents. [GRI SRS 306-3]

k) In 2019 a total of two fines were received in relation to environmental matters: one in Spain for EUR 640 in relation to water discharge; and a second, in Brazil, for EUR 756.7, due to administrative matters related to the environmental licence. [GRI SRS 307-1]

l) The employee benefits offered make no distinction between types of working hours and contracts. [GRI SRS 401-2]

m) The minimum notice period is 30 days in all countries except Chile, where it is 45 days, and in France, where the period depends on the period of consultation with the corresponding bodies. [GRI SRS 402-1]
n) No ill-health of this type was detected. [GRI SRS 403-3]
o) Contributions of this type were not made. Abertis is registered in the European Union Transparency Register. [GRI SRS 415-1]
p) Various socio-economic fines were imposed in 2019, specifically 4 penalties in Spain amounting to EUR 30,316 in relation to occupational health and safety and employment conditions; 1 in France amounting to EUR 25,000 in relation to supplier-related operational matters; and 17 penalties in Brazil amounting to EUR 63,436.8 in relation to activity-related matters, such as the system's operational rate and road maintenance and cleaning. [GRI SRS 419-1]

Links with the Global Compact Ten Principles (2000)

Global Compact principles	Equivalence with the GRI G4 Content Index
Human rights	
Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	Sub-category - Human Rights: all aspects. Sub-category - Society: local communities.
Principle 2 – Businesses should make sure they are not complicit in human rights abuses.	Sub-category - Human Rights: all aspects.
Labour standards	
Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11 Sub-Category - Labour practices and decent work: Labour/management relations. Sub-category - Human Rights: Freedom of association and collective bargaining.
Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour.	Sub-category - Human Rights: Forced and compulsory labour.
Principle 5 – Businesses should uphold the effective abolition of child labour	Sub-category - Human Rights: Child labour.
Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-10 Sub-category - Labour practices and decent work: all aspects. Sub-category - Human Rights: Non-discrimination.
Environment	
Principle 7 – Businesses should support a precautionary approach to environmental challenges.	Category - Environment: all aspects.
Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	Category - Environment: all aspects.
Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	Category - Environment: all aspects.
Anti-corruption	
Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	Sub-category - Society: Anti-corruption and Public policy.

Links with OECD Guidelines for Multinational Enterprises (2011)

OECD Guidelines	Equivalence with the GRI G4 Content Index
IV. Human rights	Sub-category - Human Rights: all aspects. Sub-category - Society: Local communities, Supplier assessment for impacts on society and Grievance mechanisms for impacts on society.
V. Employment and industrial relations	G4-11 Economic category - Economic performance. Sub-category - Labor practices and decent work: all aspects. Sub-category - Human Rights: Non-discrimination, freedom of association and collective bargaining, Child labor and Forced and compulsory labor Sub-category - Society: local communities.
VI. Environment	Category - Environment: all aspects. Sub-category - Labor practices and decent work: Occupational health and safety, and Training and education. Sub-category - Society: Local communities, Supplier assessment for impacts on society and Grievance mechanisms for impacts on society. Sub-category - Product responsibility: Customer health and safety.
VII. Combating bribery, bribe solicitation and extortion	Sub-category - Labor practices and decent work: Labor practices grievance mechanisms. Sub-category - Society: Anti-corruption, Public policy, Supplier assessment for impacts on society and Grievance mechanisms for impacts on society.
VIII. Consumer interests	Sub-category - Product responsibility: all matters.
IX. Science and technology	None.
X. Competition	Sub-category - Society: Anti-competitive behavior, Compliance, Supplier assessment for impacts on society and Grievance mechanisms for impacts on society.
XI. Taxation	Economic category - Economic performance. Sub-category - Society: Anti-competitive behavior and Compliance.

Links with the Guiding Principles on Business and Human Rights (2011)

Equivalence with the GRI G4 Content Index
General Standard Disclosures
Strategy and analysis: G4-1.
Governance: G4-45, G4-46 and G4-47.
Specific Standard Disclosures
Disclosures on management approach: G4-DMA.
Category - Environmental: Supplier environmental assessment (G4-EN32, G4-EN33, aspect-specific DMA guidance) and Environmental grievance mechanisms (G4-EN4, aspect-specific DMA guidance).
Category - Social. Sub-category - Labor practices and decent work: Supplier assessment for labor practices (G4-LA14, G4-LA15, aspect-specific DMA guidance) and Labor practices grievance mechanisms (G4-LA16, aspect-specific DMA guidance).
Category - Social. Sub-category - Human rights: all aspects.
Category - Social. Sub-category - Society: – Supplier assessment for impacts on society (G4-SO9, G4-SO10, aspect-specific DMA guidance) and Grievance mechanisms for impacts on society (G4-SO11, aspect-specific DMA guidance).

Links with the Sustainable Development Goals (2019)

Based on the document prepared by the GRI in the framework of the SDG Compass project and the new GRI standards for 2018, the following table of equivalents was prepared in accordance with the SDGs identified as relevant.

Sustainable Development Goals	Topic	Equivalents with the GRI (SRS) G4 Content Index
5. Achieve gender equality and empower all women and girls.	Economic inclusion	103-2
	Equal pay for men and women	202-1, 405-2
	Gender equality	401-1, 404-1, 404-3, 405-1
	Infrastructure investment	201-1, 203-1
	Non-discrimination	406-1
	Parental leave	401-3
	Women in leadership	102-22, 102-24, 405-1
	Workplace violence and harassment	414-1, 414-2
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Change productivity at organisations, in sectors of activity and in the whole economy	203-2
	Diversity and equal opportunity	405-1
	Income, salary and benefits	202-1, 401-2
	Economic inclusion	103-2
	Economic performance	201-1
	Eradication of forced or compulsory labor	409-1
	Employee training	404-1, 404-2, 404-3
	Employment	102-8, 202-2, 401-1
	Energy efficiency	302-1, 302-2, 302-3, 302-4, 302-5
	Equal pay for men and women	405-2
	Freedom of association and collective bargaining	102-41, 407-1
	Indirect impacts on the creation of employment	203-2
	Jobs supported in the supply chain	203-2
	Employment practices in the chain of suppliers	414-1, 414-2
	Labor/Management relations	402-1
	Efficiency of materials	301-1, 301-2
	Non-discrimination	406-1
	Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
	Parental leave	401-3
	Resource efficiency of products and services	301-3
	Water efficiency	303-3, 303-4, 303-5
	Youth employment	401-1
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Infrastructure investment	201-1, 203-1
	Research and development	201-1
10. Reduce inequality within and among countries.	Economic development in areas of high poverty	203-2
	Equal pay for men and women	405-2
	Direct foreign investment	203-2
	Infrastructure investment	203-1

Sustainable Development Goals	Topic	Equivalents with the GRI (SRS) G4 Content Index
11. Make cities inclusive, safe, resilient and sustainable.	Sustainable transport	203-1
12. Ensure sustainable consumption and production patterns.	Air quality	305-1, 305-2, 305-3, 305-6, 305-7
	Energy efficiency	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments	103 (305, 306, 307)
	Efficiency and recycling of materials	301-1, 301-2
	Procurement practices	204-1
	Product and service information and labeling	417-1
	Resource efficiency of products and services	301-3
	Discharges	306-3
	Transport	302-1, 302-2, 305-1, 305-2, 305-3
	Waste	306-2, 306-4
	Water efficiency	303-3
	Water quality	306-1
13. Take urgent action to combat climate change and its impacts.	Energy efficiency	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments	103 (305, 306, 307)
	Greenhouse gas emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
	Risks and opportunities due to climate change	201-2
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Anti-corruption	205-1, 205-2, 205-3, 415-1
	Compliance with laws and regulations	307-1, 206-1, 419-1, 416-2, 417-1, 417-2, 418-1, 419-1
	Effectiveness, accountability and transparency in governance	102-23, 102-25
	Ethical and legal behaviour	102-16, 102-17
	Grievance mechanisms	103-2
	Inclusive decision-making	102-21, 102-22, 102-24, 102-29, 102-37
	Non-discrimination	406-1
	Privacy protection	418-1
	Security	410-1
	Workplace violence and harassment	414-1, 414-2
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Direct foreign investment	203-2

Equivalence with Law 11/2018 on non-financial information and diversity

In line with the guidelines prepared by the GRI in the "Linking GRI standards and the EU directive on non-financial and diversity disclosure" document and the included equivalents tables, the main relationships between Law 11/2018 on non-financial information and diversity and the content of the GRI Sustainability Reporting Standards are summarised below.

NFI Law 11/2018		Relevant GRI standards and content
Business model		
Description of the Group's business model	Brief description of the Group's business model, which will include its business environment, organisation and structure, the markets in which it operates, its objectives and strategies and the main factors and trends that could affect its future development.	GRI 102-2 Activities, brands, products, and services GRI 102-4 Location of operations GRI 102-6 Markets served GRI 102-15 Key impacts, risks, and opportunities GRI 102-7 Scale of the organization
Information on environmental matters		
Policies	Policies that the Group applies, which include the due diligence procedures for the identification, assessment, prevention and mitigation of risks and significant impacts and for verification and control, as well as the measures adopted.	GRI 103-2 The management approach and its components (with a view to the GRI 300 series) GRI 103-3 Evaluation of the management approach
Main risks	The main risks related to these matters linked to the Group's activities, among others, when they are pertinent and proportionate, its commercial relationships, products or services that may have a negative impact in these areas, and how the Group manages these risks, explaining the evaluation and detection procedures used in accordance with national, European or international frameworks in relation to each area.. Information should be included on the impacts detected and they should be detailed, particularly in relation to principal risks at short, medium and long term.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-11 Precautionary Principle or approach GRI 102-30 Effectiveness of risk management processes GRI 201-2 Financial implications and other risks and opportunities due to climate change
General	Current and foreseeable effects of the Group's activities on the environment and, where applicable, health and safety.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-29 Identifying and managing economic, environmental, and social impacts GRI 102-31 Review of economic, environmental, and social topics
	Environmental certification or assessment procedures.	GRI 102-11 Precautionary Principle or approach GRI 102-29 Identifying and managing economic, environmental, and social impacts

NFI Law 11/2018		Relevant GRI standards and content
		GRI 102-30 Effectiveness of risk management processes
	Resources used to prevent environmental risks.	GRI 102-29 Identifying and managing economic, environmental, and social impacts
	Application of the precautionary principle.	GRI 102-11 Precautionary Principle or approach
	Provisions and guarantees for environmental risks.	GRI 307-1 Non-compliance with environmental laws and regulations
Pollution	Measures to prevent, reduce or redress carbon emissions that seriously affect the environment, taking into account any type of activity-specific atmospheric pollutants including noise and light pollution.	GRI 103-2 Management approach (with a view to GRI 302 and 305) GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in energy requirements of products and services GRI 305-5 Reduction of GHG emissions GRI 305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste. Actions to combat food waste.	GRI 103-2 Management approach (with a view to GRI 306) GRI 301-1 Materials used by weight or volume 301-2 Recycled input materials used GRI 301-3 Reclaimed products and their packaging materials GRI 303-1 Interactions with water as a shared resource GRI 306-1 Water discharge by quality and destination GRI 306-2 Waste by type and disposal method GRI 306-3 Significant spills
Sustainable use of resources	Water consumption and supply in accordance with local limitations.	GRI 303-3 Water withdrawal GRI 303-4 Water discharge GRI 303-5 Water consumption
	Consumption of raw materials and measures adopted in order to improve the efficiency of their use.	GRI 103-2 Management approach (with a view to GRI 301) GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled input materials used GRI 301-3 Reclaimed products and their packaging materials
	Energy: Direct and indirect consumption, Measures adopted to improve energy efficiency, Use of renewable energies	GRI 102-2 Management approach (with a view to GRI 302 Energy) GRI 302-1 Energy consumption within the organization (energy from renewable and non-renewable sources) GRI 302-2 Energy consumption outside of the organization GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in energy requirements of products and services
Climate change	Greenhouse gas (GHG) emissions.	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 GHG emissions intensity

NFI Law 11/2018		Relevant GRI standards and content
	Measures adopted to adapt to the consequences of climate change.	GRI 102-15 Key impacts, risks, and opportunities GRI 103-2 Management approach (with a view to GRI 305) GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 305-5 Reduction of GHG emissions
	Medium- and long-term voluntary targets to reduce greenhouse gas emissions and measures implemented to that end.	GRI 103-2 Management approach (with a view to GRI 305-5 Reduction of GHG emissions)
Protection of biodiversity	Measures taken to conserve or restore biodiversity.	GRI 103-2 Management approach (with a view to GRI 305) GRI 304-3 Habitats protected or restored
	Impacts caused by activities or operations in protected areas.	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas GRI 304-2 Significant impacts of activities, products, and services on biodiversity GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
Information on social and personnel-related matters		
Policies	Policies that the Group applies, which include the due diligence procedures for the identification, assessment, prevention and mitigation of risks and significant impacts and for verification and control, as well as the measures adopted.	GRI 103-2 The management approach and its components (with a view to GRI 400) GRI 103-3 Evaluation of the management approach GRI 102-35 Remuneration policies
Main risks	The main risks related to these matters linked to the Group's activities, including, where pertinent and proportionate, its commercial relationships, products or services that may have a negative impact in these areas, and how the Group manages these risks, explaining the evaluation and detection procedures used in accordance with national, European or international frameworks in relation to each area. Information should be included on the impacts detected and they should be detailed, particularly in relation to principal risks at short, medium and long term.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-30 Effectiveness of risk management processes
Employment	Total number of employees by gender, age, country and professional category.	GRI 102-7 Scale of the organization GRI 102-8 Information on employees and other workers GRI 405-1. b) Percentage of employees per employee category in each of the following diversity categories: gender and age group.
	Total number and distribution of employment contracts by type.	GRI 102-8 Information on employees and other workers
	Annual average of indefinite-term, short-term and part-time employment contracts by gender, age and professional category.	GRI 102-8 Information on employees and other workers

NFI Law 11/2018		Relevant GRI standards and content
	Number of terminations by gender, age and professional category.	GRI 401-1.b) Total number and rate of employee turnover during the reporting period, by age group, gender and region.
	Average remuneration and remuneration trends by gender, age and professional category or equal value.	GRI 405-2 Ratio of basic salary and remuneration of women to men
	Gender pay gap	GRI 405-2 Ratio of basic salary and remuneration of women to men
	Remuneration of identical job positions or average remuneration at the company	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage
	Average remuneration of directors and executives, including variable remuneration, attendance fees, termination benefits, payments to long-term savings schemes and any other benefits, broken down by gender.	GRI 102-35 Remuneration policies GRI 102-36 Process for determining remuneration (for the management approach) GRI 201-3 Defined benefit plan obligations and other retirement plans
	Implementation of work disconnection measures.	GRI 402-1 Minimum notice periods regarding operational changes GRI 404-2 Programs for upgrading employee skills and transition assistance programs
	Employees with a disability.	GRI 405-1 Diversity of governance bodies and employees
Organisation of work.	Organisation of working hours.	GRI 102-8. c) Total number of employees by employment type (full-time and part-time), by gender
	Number of hours of absenteeism.	No formal equivalent
	Measures to facilitate work-life balance and shared parental responsibility.	GRI 401-3 Parental leave GRI 103-2 Management approach (with a view to GRI 401)
Health and safety	Healthy and safe working conditions.	GRI 103-2 Management approach (with a view to GRI 403 Occupational health and safety) GRI 403-1 to GRI 403-7 related to the management approach
	Industrial accidents (frequency and severity) broken down by gender.	GRI 403-9 Work-related injuries
	Occupational diseases (frequency and severity) broken down by gender.	GRI 403-10 Work-related ill health
Labour relations	Organisation of social dialogue, including the procedures for informing, consulting and negotiating with employees.	GRI 102-43 Approach to stakeholder engagement (in relation to trade unions and collective bargaining) GRI 402-1 Minimum notice periods regarding operational changes GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
	Percentage of employees covered by collective agreements by country.	GRI 102-41 Collective bargaining agreements
	Assessment of collective agreements, particularly in the occupational health and safety area.	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
Training	Training policies implemented.	GRI 103-2 Management approach (with a view to GRI 404 Training and education)

NFI Law 11/2018		Relevant GRI standards and content
		GRI 404-2 Programs for upgrading employee skills and transition assistance programs
	Total number of training hours by professional category.	GRI 404-1 Average hours of training per year per employee
Accessibility	Universal accessibility for people with disabilities.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
Equality	Measures adopted to promote equal treatment and opportunities between men and women.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity)
	Equality plans.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
	Measures adopted to promote employment.	GRI 103-2 Management approach (with a view to GRI 401 Employment) GRI 404-2 Programs for upgrading employee skills and transition assistance programs
	Protocols against sexual and gender-based harassment.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
	The integration of, and universal accessibility for, people with disabilities.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination)
	Anti-discrimination policy and, where appropriate, diversity management policy.	GRI 103-2 Management approach (with a view to GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination) GRI 406-1 Incidents of discrimination and corrective actions taken
Respect for human rights.		
Policies	Policies that the Group applies, which include the due diligence procedures for the identification, assessment, prevention and mitigation of risks and significant impacts and for verification and control, as well as the measures adopted.	GRI 103-2 The management approach and its components GRI 103-3 Evaluation of the management approach GRI 410-1 Security personnel trained in human rights policies or procedures GRI 412-2 Employee training on human rights policies or procedures
Main risks	The main risks related to these matters linked to the Group's activities, including, where pertinent and proportionate, its commercial relationships, products or services that may have a negative impact in these areas, and how the Group manages these risks, explaining the evaluation and detection procedures used in accordance with national, European or international frameworks in relation to each area. Information should be included on the impacts detected and they should be detailed, particularly in relation to principal risks at short, medium and long term.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-30 Effectiveness of risk management processes
Human rights	Application of due diligence procedures in human rights matters.	GRI 103-2 Management approach (with a view to GRI 412 Human rights assessment) GRI 414-2 Negative social impacts in the supply chain and actions taken

abertis

NFI Law 11/2018		Relevant GRI standards and content
	Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed	GRI 103-2 Management approach (with a view to GRI 412 Human rights assessment) GRI 412-1 Operations that have been subject to human rights reviews or impact assessments GRI 410-1 Security personnel trained in human rights policies or procedures
	Complaints of violations of human rights.	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (with a view to GRI 412 Human rights assessment) GRI 411-1 Rights of indigenous peoples GRI 419-1 Non-compliance with laws and regulations in the social and economic area
	Promotion and fulfilment of the provisions of the fundamental conventions of the ILO in relation to respect for freedom of association and the right to collective bargaining, elimination of discrimination in employment and work, elimination of forced or compulsory labour and effective abolition of child labour.	GRI 103-2 Management approach (with a view to GRI 406 Non-discrimination; 407 Freedom of association and collective bargaining; 408 Child labor; 409 Forced or compulsory labor and 412 Human rights assessment)
Information relating to anti-corruption and bribery issues		
Policies	Policies that the Group applies, which include the due diligence procedures for the identification, assessment, prevention and mitigation of risks and significant impacts and for verification and control, as well as the measures adopted.	GRI103-2 The management approach and its components (with a view to GRI 205) GRI 103-3 Evaluation of the management approach GRI 205-2 Communication and training about anti-corruption policies and procedures
Main risks	The main risks related to these matters linked to the Group's activities, including, where pertinent and proportionate, its commercial relationships, products or services that may have a negative impact in these areas, and how the Group manages these risks, explaining the evaluation and detection procedures used in accordance with national, European or international frameworks in relation to each area. Information should be included on the impacts detected and they should be detailed, particularly in relation to principal risks at short, medium and long term.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-30 Effectiveness of risk management processes GRI 205-1 Operations assessed for risks related to corruption
Corruption and bribery	Measures adopted to prevent corruption and bribery.	GRI 103-2 Management approach (with a view to GRI 205) GRI 205-2 Communication and training about anti-corruption policies and procedures
	Anti-money laundering measures.	GRI 103-2 Management approach (with a view to GRI 205)
	Contributions to foundations and non-profit entities.	GRI 103-2 Management approach (with a view to GRI 205) GRI 201-1 Direct economic value generated and distributed (community investments) GRI 203-2 Significant indirect economic impacts GRI 415-1 Political contributions
Information on the Group		

NFI Law 11/2018		Relevant GRI standards and content
Policies	Policies that the Group applies, which include the due diligence procedures for the identification, assessment, prevention and mitigation of risks and significant impacts and for verification and control, as well as the measures adopted.	GRI 103-2 The management approach and its components (with a view to GRI 413 and 414) GRI 103-3 Evaluation of the management approach
Main risks	The main risks related to these matters linked to the Group's activities, including, where pertinent and proportionate, its commercial relationships, products or services that may have a negative impact in these areas, and how the Group manages these risks, explaining the evaluation and detection procedures used in accordance with national, European or international frameworks in relation to each area. Information should be included on the impacts detected and they should be detailed, particularly in relation to principal risks at short, medium and long term.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-30 Effectiveness of risk management processes
The Group's sustainable development commitments	Impact of the Group's activity on employment and local development.	GRI 203-1 Infrastructure investments and services supported GRI 203-2 Significant indirect economic impacts GRI 204-1 Proportion of spending on local suppliers GRI 413-1 Operations with local community engagement, impact assessments, and development programs GRI 413-2 Operations with significant actual and potential negative impacts on local communities
	Impact of the Group's activity on local populations and on the territory.	GRI 203-1 Infrastructure investments and services supported GRI 203-2 Significant indirect economic impacts GRI 413-1 Operations with local community engagement, impact assessments, and development programs GRI 413-2 Operations with significant actual and potential negative impacts on local communities
	Relationships and dialogue with local community players.	GRI 102-43 Approach to stakeholder engagement (in relation to the community) GRI 413-1 Operations with local community engagement, impact assessments, and development programs
	Association or sponsorship activities.	GRI 102-13 Membership of associations GRI 203-1 Infrastructure investments and services supported GRI 201-1 Direct economic value generated and distributed (community investments)
Outsourcing and suppliers	Inclusion of social, gender equality and environmental issues in the procurement policy.	GRI 103-3 Management approach (with a view to GRI 308 and GRI 414)
	Consideration of social and environmental responsibilities in supplier and subcontractor relationships.	GRI 102-9 Supply chain GRI 103-3 Management approach (with a view to GRI 308 and GRI 414)

NFI Law 11/2018		Relevant GRI standards and content
		GRI 308-1 New suppliers that were screened using environmental criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor GRI 414-1 New suppliers that were screened using social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken
	Supervisory systems, audits and audit findings.	GRI 308-1 New suppliers that were screened using environmental criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 414-2 Negative social impacts in the supply chain and actions taken
Consumers	Consumer health and safety measures.	GRI 103-2 Management approach (with a view to GRI 416 Customer health and safety) GRI 416-1 Assessment of the health and safety impacts of product and service categories GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services GRI 417-1 Requirements for product and service information and labeling
	Grievance mechanisms, complaints received and their resolution.	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (with a view to GRI 416 Customer health and safety) GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
Tax information	Profit/loss by country.	GRI 201-1. Direct economic value generated and distributed
	Income tax paid.	GRI 201-1 Direct economic value generated and distributed
	Government grants received.	GRI 201-4 Financial assistance received from government

[i] 2017 data varied slightly due to a change that took place subsequent to completion of the report.
[ii] The 2018 data for Brazil and Spain varied slightly due to the restatement of the ADT for 2018.
[iii] The 2019 data for Chile has scope limitations, as data is not available for two of the business units.
[iv] The 2018 data for Brazil and Spain varied slightly due to the restatement of the ADT for year.
[v] The 2018 data for Brazil and Spain varied due to the correction of errors detected in the reported information.
[vi] The 2018 data for Brazil was amended due to a change arising after the conclusion of the report.
[vii] The 2018 data for Brazil was amended due to a change arising after the conclusion of the report.
[viii] The data for India were not included since they were not available.

[ix]The 2018 data for Brazil varied slightly due to a change that took place subsequent to completion of the report.
[x] The 2018 data for Brazil and Spain varied slightly due to a change that took place subsequent to completion of the report.
[xi] 2018 data for Brazil varied due to a change that took place subsequent to completion of the report.
[xii] 2018 data for Brazil varied due to a change that took place subsequent to completion of the report.
[xiii] 2018 data for Brazil, Puerto Rico and India varied slightly due to a change that took place subsequent to completion of the report.
[xiv] 2018 data for Brazil varied slightly due to a change that took place subsequent to completion of the report.
[xv] Data for India have not been included as they were not available.

[xvi] Data for the toll road business in France were not disclosed by professional category.
[xvii] Data for executive positions in Spain were not available for confidentiality reasons.
[xviii] 2017 and 2018 data on Chile were changed due to the detection of an error

Appendix to the 2019
Annual Corporate Governance Report

abertis
commitment & delivery

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 31/12/2019

CIF: A08209769

ABERTIS INFRAESTRUCTURAS, S.A.

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

During this year 2019, the Company's bylaws have not been modified. As mentioned on the previous year, they have 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. urante este ejercicio 2019, no se han modificado los Estatutos Sociales de la Sociedad.

The quorums for convening the General Meeting indicated in article 17 of the Bylaws shall be applicable regardless of the matters to be dealt with in the Meeting.

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.

As an exception, the approval of resolutions relating to the following matters ("Reserved Matters"), when they must be submitted for the approval of the Company's General Meeting, require, 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. The aforementioned Reserved Matters are the following:

(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, 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.

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 Abertis Infraestructuras, S.A. 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.

Two General Meetings were held in 2019, one of which was ordinary and one was extraordinary.

First point of the agenda: The Merger balance sheets as of October 31, 2018 were examined and approved.

It was agreed to approve the Merger Balance sheets as of October 31, 2018 and drew up by Abertis Infraestructuras's Board of Directors on December 10, 2018 and verified by the auditors of the Company's financial statements.

This resolution was adopted by the affirmative vote of 99.9894% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Second point of the agenda: The Common Merger Plan between Abertis Infraestructuras, S.A. and Abertis Participaciones S.A.U. was examined and approved.

As it is established in article 40 of the Structural Modifications of Commercial Companies Law, the Common Merger Plan was approved in all its terms for the absorption of Abertis Participaciones, Sociedad Unipersonal (Absorbed Society) in favor of Abertis Infraestructuras S.A. (Absorbent Society), subscribed by the administration bodies of both Societies, according with article 30 and following of the Structural Modifications of Commercial Companies Law.

This resolution was adopted by the affirmative vote of 99.9894% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Third point of the agenda: Approval of the Common Merger Plan for absorption between Abertis Infraestructuras, S.A. (as Absorbent Society) and Abertis Participaciones, S.A.U. (Absorbed Society).

On 10 December 2018, the Boards of Directors of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. approved the Common Merger Plan for absorption between Abertis Infraestructuras, S.A. (as Absorbent Society) and Abertis Participaciones, S.A.U. (Absorbed Society).

Moreover, the legal structure chosen to carry out the absorbent society businesses integration with the absorbed society, which is the opposite merger, which is characterised for the subsidiary absorbing the holding company.

This resolution was adopted by the affirmative vote of 99.8494% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Fourth point of the agenda: Information related with any important changes in the assets or liabilities of any of the societies related with the Merger, between the writing date of the Common Merger Plan and the General Shareholder's Meeting to approve the merger.

There were not any important modifications in the assets or liabilities of the Societies in this period.

This point of the agenda is simply informative.

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 Meetings held in 2019 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.

It is reported that there are no unions of securities holders issued by the entity and that, therefore, no meetings of such unions have been held.

C. ESTRUCTURA DE LA ADMINISTRACION DE LA SOCIEDAD

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:

Número máximo de consejeros/ miembros del órgano	9
Número mínimo de consejeros/ miembros del órgano	5
Número de consejeros/miembros del órgano fijado por la junta o asamblea	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 5 or 9 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
PEDRO JOSÉ LÓPEZ JIMÉNEZ		10/12/2018
FRANCISCO JOSÉ ALJARO NAVARRO		10/12/2018
CARLO BERTAZZO		10/12/2018
FABIO CERCHIAI		25/09/2019

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	A4 HOLDING S.p.A.	DIRECTOR
FRANCISCO JOSÉ ALJARO NAVARRO	ARTERIS, S.A.	DIRECTOR
FRANCISCO JOSÉ ALJARO NAVARRO	AUTOPISTAS METROPOLITANAS DE PUERTO RICO, LLC	CHAIRMAN
DON FRANCISCO JOSÉ ALJARO NAVARRO	HOLDING D´INFRAESTRUCTURES DE TRANSPORT 2, SAS (HIT 2)	CHAIRMAN
DON FRANCISCO JOSÉ ALJARO NAVARRO	VÍAS CHILE, S.A.	CHAIRMAN
DON FRANCISCO JOSÉ ALJARO NAVARRO	SOCIEDAD CONCESIONARIA AUTOPISTA CENTRAL, S.A.	DIRECTOR
DON FRANCISCO JOSÉ ALJARO NAVARRO	PARTICIPES EN BRASIL S.A.	CHAIRMAN

DON FRANCISCO JOSÉ ALJARO NAVARRO	INVERSORA DE INFRAESTRUCTURAS, S.A.	CHAIRMAN
DON FRANCISCO JOSÉ ALJARO NAVARRO	PARTICIPES EN BRASIL II, S.L.	ADMINISTRATOR DIRECTOR
DON FRANCISCO JOSÉ ALJARO NAVARRO	HOLDING D´INFRAESTRUCTURES DE TRANSPORT, SAS (HIT)	CHAIRMAN
DON FRANCISCO JOSÉ ALJARO NAVARRO	SANEF, S.A.	DIRECTOR

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 t		**Year t-1**		**Year t-2**		**Year t-3**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Board of Directors	0	0.00	0	0.00	6	40.00	6	40.00
Audit and Control Committee		0.00		0.00	1	20.00	2	40.00
Appointments and Remuneration Committee		0.00		0.00	3	60.00	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 Appointments 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.

During the year 2019, the director Mr. Giovanni Castellucci presented his resignation and on September 25, 2019, Mr. Fabio Cerchiai was appointed instead, taking into account said diversity policy. We briefly summarize his professional profile:

Fabio Cerchiai was born in Florence in 1944, has a degree in Economics from the University "La Sapienza" in Rome and holds the title of "Cavaliere del Lavoro".

He began his career at Assicurazioni Generali, where he was appointed Executive Director in 1997 and Vice President in 2001, positions he held until 2002. He has also held numerous positions on the Boards of Directors of the main insurance and financial companies both in Italy and in other countries .

He currently chairs several companies such as UnipolSai, Cerved Information Solutions, SIAT and ARCA Insurance Group. He is also a director of Edizione, the hlding that controls 30.25% of Atlantia. He also serves as an associate professor at the "Universidad Católica del Sagrado Corazón de Milán".

The members of the Board of Directors have been appointed taking into account their technical and professional competencies, their management experiences and their necessary commitment to the position. And all this with the objective to integrate experience and different professional and management competencies and to promote diversity of expertise and experience, considering the weight of the different activities carried out by Abertis and taking into account those areas and sectors that should be subject to specific impulse.

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	26
Variable remuneration	832	
Attendance fees		
Other remuneration	1,260	
TOTAL	3,292	26

Other remuneration includes the liquidation of 1,200 thousand euros for the cancellation of the 2018-2020 Incentive Plan.

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:

Name or company name	Position
ANNA BONET OLIVART	GENERAL MANAGER AUTOPISTAS ESPAÑA
JOSEP MARIA CORONAS GUINART	GENERAL SECRETARY
JOAN RAFEL HERRERO	DIRECTOR OF PEOPLE
MARTÍ CARBONELL MASCARÓ	CHIEF PLANNING AND CONTROL OFFICER
JORGE FERNÁNDEZ MONTOLÍ	CHIEF TECHNICAL OFFICER
SERGIO LOUGHNEY CASTELLS	DIRECTOR OF CORPORATE REPUTATION AND COMMUNICATION
ARNAUD QUEMARD	GENERAL MANAGER OF SANEF
GONZALO ALCALDE RODRÍGUEZ	GENERAL MANAGER A4 HOLDING
JULIÁN FERNÁNDEZ RODÉS	GENERAL MANAGER METROPISTAS
ANDRÉS BARBERIS MARTÍN	GENERAL MANAGER VIAS CHILE
JOSEP QUILES PÉREZ	GENERAL MANAGER ABERTIS INDIA
CHRISTIAN BARRIENTOS RIBAS	GENERAL MANAGER ABERTIS MOBILITY SERVICES
ANDRÉ ROGOWSKI	CHIEF FINANCIAL OFFICER

ESTEBAN PÉREZ	GENERAL MANAGER AUSOL Y GCO
ANDRÉ DORF	GENERAL MANAGER ARTERIS
ROSANA RAMÍREZ BIGORDA	INTERNAL AUDIT
SENIOR MANAGEMENT COMPENSATION (thousand euros)	9,538

The total remuneration amount indicated includes the remuneration of some members of the Management Board with do not have the same position on 31.12.2019, plus 2,500,000 euros due to the cancellation of the Incentives Plan 2018-2020. Related senior management members are only those who hold the position as of 31.12.2019.

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

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
JOSEP MARIA CORONAS GUINART	General Secretary
ANDRÉ ROGOWSKI	Chief Financial Officer

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	Proprietary
MARCELINO FERNÁNDEZ VERDES	MEMBER	Proprietary
CARLO BERTAZZO	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	100.00
% independent directors	0.00
% other non-executive directors	0.00
Number of meetings	0

The Audit and Control Committee has been created on November 26, 2019 and therefore this year has not had the opportunity to meet.

SEE SECTION G.1

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 competences and functions:

a) Inform the general meeting of shareholders about the issues raised in relation to those matters that are the responsibility of the commission and, in particular, about the result of the audit explaining how it has contributed to the integrity of the financial information and the role that the commission has played in that process.

b) Supervise the effectiveness of the internal control of the company, the internal audit and the risk management systems, as well as discuss with the account auditor the significant weaknesses of the internal control system detected in the development of the audit, all without break their independence. For this purpose, and where appropriate, they may submit recommendations or proposals to the administrative body and the corresponding period for follow-up.

c) Supervise the process of preparation and presentation of mandatory financial information and submit recommendations or proposals to the administrative body, aimed at safeguarding its integrity.

d) Submit proposals for the selection, appointment, re-election and replacement of the auditor to the board of directors, taking responsibility for the selection process, in accordance with the provisions of articles 16, sections 2, 3 and 5, and 17.5 of Regulation (EU) No. 537/2014, of April 16, as well as the conditions of its hiring and regularly gather information about the audit plan and its execution, in addition to preserving its independence in the exercise of its functions.

e) Establish the appropriate relationships with the external auditor to receive information on those issues that may pose a threat to their independence, for consideration by the commission, and any others related to the process of developing the audit of accounts, and, where appropriate, the authorization of services other than those prohibited, in the terms referred to in Articles 5, paragraph 4, and 6.2.b) of Regulation (EU) No. 537/2014, of April 16, and as provided in the section 3rd of Chapter IV of Title I of Law 22/2015, of July 20, on Audit of Accounts, on the independence regime, as well as those other communications provided for in the audit of accounts legislation and in the rules of audit. In any case, they must receive annually from the external auditors the declaration of their independence in relation to the entity or entities linked to it directly or indirectly, as well as the detailed and individualized information of the additional services of any kind provided and the corresponding fees received. of these entities by the external auditor or by the persons or entities linked to it in accordance with the provisions of the regulations governing the activity of auditing accounts.

f) Issue annually, prior to the issuance of the account audit report, a report in which an opinion will be expressed as to whether the independence of the account auditors or audit firms is compromised. This report must contain, in any case, the motivated assessment of the provision of each and every one of the additional services referred to in the previous letter, individually considered and as a whole, other than the legal audit and in relation to the regime of independence or with the regulations governing the activity of auditing accounts.

g) Inform, beforehand, the board of directors on all matters provided for in the Law, the Bylaws and the Regulations of the board and in particular, on:

1- The financial information that the company must publish periodically,

2- the creation or acquisition of shares in special purpose entities or domiciled in countries or territories considered tax havens and

3- the 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 / CARLO BERTAZZO
Date of Appointment	26/11/2019

Appointments and Remuneration Committee		
Name	Position	Category
FABIO CERCHIAI	CHAIRMAN	Proprietary
CARLO BERTAZZO	MEMBER	Proprietary
PEDRO JOSÉ LÓPEZ JIMÉNEZ	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	100.00
% independent directors	0.00
% other non-executive directors	0.00
Number of meetings	0

The Appointments and Remuneration Committee has been created on November 26, 2019 and therefore this year has not had the opportunity to meet.

SEE SECTION G.1

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 Appointments and Remuneration Committee has the following competences and functions:

a) Evaluate the necessary skills, knowledge and experience on the board of directors. For these purposes, it will define the necessary functions and skills in the candidates that must fill each vacancy and evaluate the time and dedication necessary for them to effectively perform their duties.

b) Establish a representation objective for the sex less represented on the board of directors and develop guidance on how to achieve said objective.

c) To submit to the Board of Directors the proposals for the appointment of independent directors for their appointment by co-option or for submission to the decision of the general meeting of shareholders, as well as proposals for the re-election or separation of said directors by the general meeting of shareholders.

d) Inform the proposals for the appointment of the remaining directors for their appointment by co-option or for submission to the decision of the general meeting of shareholders, as well as proposals for re-election or separation by the general meeting of shareholders.

e) Inform the proposals for the appointment and separation of senior managers and the basic conditions of their contracts.

f) Examine and organize the succession of the chairman of the board of directors and the chief executive of the company and, where appropriate, make proposals to the board of directors so that such succession occurs in an orderly and planned manner.

g) Propose to the board of directors the remuneration policy of the directors and of the general directors or of those who carry out their senior management functions under the direct dependence of the board, executive committees or delegated directors, as well as individual compensation and other contractual conditions of executive directors, ensuring compliance.

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.	Shareholders	Dividends and other profit distributed	10,698,112
AUTOGRILL IBERIA, S.L.U.	Autopistas Aumar, S.A.C.E.	Commercial	Services rendered	6,086
SOCIEDAD IBÉRICA DE CONSTRUCCIONES ELÉCTRICAS, S.A.	Autopistes de Catalunya, Societat Anònima Concessionària de la Generalitat de Catalunya	Contractual	Services received	1,352
AUTOGRILL COTÉ FRANCE, SAS	Sanef, S.A.	Commercial	Services rendered	1,095
AUTOGRILL ITALIA S.P.A.	Autostrada Bs Vr Vi Pd S.p.A.	Commercial	Services rendered	8,390
AUTOSTRADE PER L ITALIA, S.P.A.	Autostrada Bs Vr Vi Pd S.p.A.	Commercial	Services received	1,428
AUTOSTRADE TECH S.P.A.	A4 Mobility, S.r.l.	Commercial	Services received	3,958
COBRA INSTALACIONES Y SERVICIOS, S.A.	Túnels de Barcelona i Cadí Concessionària de la Generalitat, S.A.	Commercial	Services received	2,300
SICE AGENCIA CHILE, S.A.	Sociedad Concesionaria Autopista Central, S.A.	Commercial	Services received	110
SOCIEDAD IBÉRICA DE CONSTRUCCIONES ELÉCTRICAS, S.A.	Autopistes de Catalunya, Societat Anònima Concessionària de la	Commercial	Services received	2,400

In addition to the operations carried out between the entity or entities of the group, and the shareholders, cooperative cooperatives, owners of proprietary rights or any other of an equivalent nature of the entity established in this section, the following must also be indicated:

- Abertis HoldCo, S.A.-Abertis Infraestructuras, S.A.-Nature of relationship-Type of transaction: Others: Balance receivable and payable with Abertis HoldCo, S.A. for a respective amount of 195,348 thousand euros and 41,491 thousand euros as a result of the tax effect generated by the tax consolidation regime of which Abertis HolCo, S.A. is the parent company.
- Telepass S.p.A.-Sanef, S.A.- Nature of relationship-Type of transaction: Balances to collect by rendered services,-Amount: EUR 6,878 thousands.
- Autostrade per l´Italia S.p.A.-Autostrada Bs Vr Vi Pd S.p.A.- Nature of relationship-Type of transaction: Balances to collect by rendered services, Amount: EUR 63,596 thousands.
- Autogrill Italia S.p.A.-Autostrada Bs Vr Vi Pd S.p.A.- Nature of relationship-Type of transaction: Balances to collect by rendered services, Amount: EUR 3,025 thousands.
- Autostrade Tech S.p.A.-A4 Mobility, S.R.L.- Nature of relationship-Type of transaction: Balances to pay by received services, Amount: EUR 2,851 thousands.

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		

With the information reported by the companies, there is no significant transaction with other group-entities that is not eliminated in the consolidated and is not part of the usual traffic.

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.

The Regulations of the Board of Directors contain in its article 28 and following specific obligations derived from the duty of loyalty and information on interests in the Company itself or from interests in other companies outside the Group, of the members of the Board. In particular, the duty of loyalty obliges the members of the Board of Directors to take the necessary measures to avoid incurring situations in which their interests, on their own or another's account, may conflict with the social interest and with their duties to with the Company excepting the cases in which the Company has authorized the operation with which there is a conflict.

The Directors must notify to the other Directors and, where appropriate, to the Board of Directors of any conflict situation, direct or indirect, that they or persons linked to them may have in the interest of the Company. The affected director shall refrain from intervening in the agreements or decisions regarding the operation to which the conflict refers and his vote shall be deducted for calculating the majority of votes that may be necessary.

In accordance with the Board Regulations, the duty to avoid situations of conflict of interest obliges the director to refrain from carrying out transactions with the company, except in the case of ordinary operations, carried out under standard conditions for clients and of little relevance, understood as those whose information is not necessary to express the faithful image of the assets, the financial situation and the results of the Company. The Director must refrain from using the name of the company or invoke his status as Director to unduly influence the performance of private operations, as well as to make use of social acts, including confidential company information for private purposes and to take advantage of the business opportunities of the company and of obtaining advantages or remuneration from third parties other than the company and its group, associated with the performance of its position, unless it is mere courtesy. The Director must also refrain from carrying out activities on his or her own account or on behalf of others that involve effective competition, whether current or potential, with the Company or that, in any other way, place him in a permanent conflict with the interests of the Company.

The provisions described in this section shall also apply in the event that the beneficiary of the prohibited acts or activities is a person linked to the Director

Situations of conflicts of interest are reported in the annual accounts report.

The Company may waive the situations of conflicts of interest are reported in the annual accounts reports described above in singular cases, authorizing the performance by a Director or a related person of a certain transaction with the Company, the use of certain social assets, taking advantage of a specific business opportunity, obtaining an advantage or remuneration from a third party.

When the object of the authorization is the waiver of the prohibition of obtaining an advantage or the remuneration of third parties or when the dispensation affects a transaction whose value is greater than ten percent (10%) of the social assets, the authorization must be necessarily agreed by the General Meeting.

In other cases, the Board of Directors may also grant the authorization, if the independence of the members that grant it to the dispensed director is guaranteed. In addition, it will be necessary to ensure the safety of the authorized operation for the social heritage or, where appropriate, its performance under market conditions 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 members of 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" approved by the Board of Directors at the proposal 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 inherent to economic performance, arising from decreased demand in certain countries, amended 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.

To determine tolerance levels Abertis has taken three aspects of the corporation as a reference:
• Mission, vision and values.
• Abertis corporate strategy.
• Criticality risk analysis by categories.
Tolerance levels are defined in the risk assessment matrix which provides the basis for the assessment of the inherent and residual risks. Various scales of possible impacts are established taking into consideration economic and reputational criteria, or obligations relating to liability. Given the impact their possible materialisation might have on the achievement of objectives, specific tolerance levels are defined for the risks considered to be critical, indicating action guidelines, deadlines for achievement, the persons responsible and monitoring indicators, in addition to setting out the frequency and content of the information to be furnished to the governing bodies for monitoring and decision-making purposes.

A system of alerts has been set up for the remaining risks to ensure identification of material changes in measurement or significant control weaknesses outside the approved tolerance levels for the related risks.

E.5. Identify whether the entity has risk tolerance levels.

The risks identified in the risk maps of the various business or corporate units are, in the main, risks inherent to the business model and to the various activities carried on by the Abertis Group. Accordingly, to a certain extent the risks could arise in the course of each financial year.

The most significant risks to materialise in the current year were as follows:

- Political and social instability in certain countries in which the Group operates has given rise to uncertainty as to the potential impact on the performance of the Group's activities; however, swift decision-making and the internationalisation and geographical diversification of the businesses has ensured that there was no significant impact on the Group.

- The ongoing restrictions on the availability and terms and conditions of public and private funding pose a risk in terms of the Group's growth strategy (financing of new growth transactions and investment commitments), but have been mitigated thanks to the Group's strict financial discipline with guidelines and limits defined by the governing bodies and comprehensive monitoring of the entire organisation.

- The relevant maturities of some of the highway concessions in the short and medium term, mitigated by the growth of the portfolio of assets resulting from the agreement for the acquisition of the 50,12% stake in the Red de Carreteras de Occidente (RCO) group in Mexico.

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. A group of risks for priority monitoring is defined (at least each quarter) and the risks selected are reviewed by the Audit and Control Committee.

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 2019, Abertis has continued to strengthen its international presence due to the agreement for the acquisition of the 50,12% participation of the Red de Carreteras de Occidente (RCO) group in Mexico.
- 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 reporting (Article 4 of the Board Regulations) and ensuring that its ICFR system is adequate and effective.

- In accordance with the bylaws and 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 the Corporate Risk Control and Internal Audit Department, ensuring its independence and verifying that the recommendations and corrective measures it makes are considered by management.

- The Corporate Management Control and Planning Department (reporting to General Financial Management) is 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 Compensation and Organisation Department of the People and Organisation Area. This department define the general outline of the organisational structure, the distribution of responsibilities and the hierarchy of the job positions, as well as related legislation. The result of these mechanisms is documented in the form of organisational charts (organisational structure), the manuals of functions and job position descriptions (establishing allocation, distribution and segregation of functions) and maps of job position assessments (establishing 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 Corporate Management Control and Planning Department (included in the Group's unified reporting manual), which establish the specific guidelines and responsibilities at each reporting date (close procedures defining the main tasks both at corporate and subsidiary level), including most notably:

- "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.

- "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.

- "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.

Training is provided for new employees, and all employees are required to accept Abertis' Code of Ethics each year. Training is available on the company intranet and the Abertis website.

The core values and principles enshrined in the Code of Ethics are as follows: integrity, honesty, transparency, legal compliance, avoidance of conflicts of interest, treatment of information with the maximum 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 treatment of information must be truthful, so that the Group's economic and financial information reflects 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 Ethical and Crime Prevention Committees and its Compliance functions. All the Group's Ethical and Crime Prevention Committees are presided over by the relevant Local Compliance Officer, in cooperation 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 Ethical and Crime Prevention Committees or by the Group's Compliance functions. Also, these bodies have the cooperation of 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 company 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 Ethical and Crime Prevention Committees and facilitates the reporting of any irregularities of a financial, accounting or non-financial nature.

As established in the whistle-blowing channel procedure, breaches may be reported using an online form (available on the company 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 Chief Compliance Officer of Abertis. The ACC periodically monitors the reports of breaches and of how they are handled and resolved, as well as the detection of risks of non-compliance detected by the Group's corresponding Compliance functions.

- 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 considers 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 to be of crucial importance.

Abertis has a Training Plan for all of its employees, prepared by the Human Resources Department. The actions included in the Plan are linked to the Group's strategic objectives, as well as the Human Resources Department'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 Corporate Management Control and Planning Department in relation to:

- New regulations adopted (accounting, tax, capital markets 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 Corporate Management Control and Planning Department.

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 2019 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 2019 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 2019 specific training was provided in the following areas:

- Accounting training on "New accounting standards on International Financial Reporting Standards (IFRSs), first application of IFRS IFRS16) given by the Consolidation and Accounting Regulations Department.

- Tax courses given by the Corporate Tax Department, in particular, on the latest tax developments in 2019 in the main countries in which Abertis has a presence and international taxation.

- Courses given by the Compliance Department, specifically:
  - On-line training on the misuse of information for management personnel
  - Face-to-face and online training in relation to the Abertis Group's compliance model (model of criminal prevention, prevention of corruption, advocacy lobby, conflicts of interest ...)

- Legal alerts prepared by the Legal Advisory Department on the latest amendments to legislation applicable to Group companies.

The Corporate Management Control and Planning Department has subscriptions to a number of publications and journals on accounting and financial matters and to the website of the International Accounting Standards Board (IASB), which regularly sends new developments and other communications of interest which are analysed to ensure they are taken into consideration when preparing 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 Spanish National Securities Market Commission (CNMV) Circular no. 7/2015, of 22 December, 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 financial reporting of the Abertis Group" ("Risk Identification Policy"), which describes the process for identifying risks of material error or fraud in relation to the consolidated financial statements. 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.

As a result of applying the Risk Identification Policy, an ICFR risk matrix is drawn up for the consolidated group. The purpose of the matrix is to identify the accounts and disclosures which have an associated significant risk with a potential material impact on financial reporting. 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 reporting is performed and documented each year by the General Financial Department (through the Consolidation and Accounting Regulations Management) and the General Directorate of Planning and Control.

- 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 of the financial reporting elements (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 reporting.

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 reporting 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 transactions 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 the Internal Audit function.

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 reporting 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 (Corporate Management Control and Planning 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 of 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 of 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 ICFR system 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 Financial Management and Planning and Control Department and the Financial Department prior to 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
- Quarterly 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 pricing
- Policies to identify and establish levels of approval for significant judgements and estimates

In addition to the risks detected and documented in the "ICFR system risk and control matrix", the scope of the system of internal control over financial reporting is established in order to determine both 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 risk of material 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 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 transactions with a material impact on its consolidated financial statements.

In relation to relevant judgements and estimates, the Group provides information in its annual consolidated financial statements on particularly relevant areas of uncertainty. 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 General Financial Management 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 reporting, the Group identifies, through its Corporate Management Control and Planning Department, which systems and applications are relevant to the preparation of the financial reporting. The systems and applications identified include those used directly at corporate level in the preparation of the consolidated financial reporting, 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 Group companies in Spain have outsourced to a third-party provider certain of the activities associated with economic and personnel management. In this connection, certain risk control and management mechanisms have been established with the provider to ensure the completeness and reliability of the financial information arising from the outsourced activities, including, inter alia: a Management and Oversight Committee for the agreement, 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 reporting.

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 Corporate Management Control and Planning Department) which, among other duties, is in charge of defining, keeping up-to-date and communicating the Group's accounting policies for the purpose 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
- Procedure for receiving and responding to queries regarding the accounting manual (Accounting legislation mailbox)
- Procedure for updating the Reporting Package of accounting information 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 International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), which is compiled by Consolidation and Accounting Legislation Management and updated periodically (as 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. The manual was last updated in September 2018 and, in any event, is reviewed in the last quarter to verify that no significant amendments have been made 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 2019") 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).

The aforementioned "Half-yearly and annual forms" guarantee the homogeneity of information through the following characteristics:

- It is homogeneous and consistent for all countries and businesses.
- It is prepared based on instructions and accounting manual of the Group, unique to all the companies that make up the Group.
- Incorporates the applicable legal, fiscal, commercial and regulatory requirements.

The information of the monthly reporting and the "Forms" is loaded directly by the controllers in the reporting and corporate consolidation system. Periodically (minimum 2 times a year) the structures of the "Forms" are reviewed with the objective of ensuring that they include all the regulatory updates applicable under IFRS-EU.

The entire reporting system is included in the Monthly Reporting Information Manual, which is updated annually by the General Directorate of Planning and Control and which includes processes, dates and complete information about the completion of the reporting, which must be followed by all 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.

In 2019 the ACC or, in its absence, the Board of Directors performed the following activities in relation to the ICFR system:

- Periodical review of the financial information, considering the most relevant judgments and estimates.
- Periodical monitoring of the certifications of the application of controls by the personnel responsible for preparing the financial reporting.
- 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 function (forming part of the General Secretary's Office and Corporate Affairs) that reports to the ACC (which delegates oversight of internal control systems, including the ICFR system). 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 relation to the financial information and the general model of the SCIIF, in 2019 a review was made on the operation of the controls on relevant operations, judgments and estimates and preparation of the financial information. Likewise, reviews have been carried out on the controls of general risks and information systems that are reviewed by applying the periodicity determined by the general review criteria of Internal Audit.

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 assessment activities conducted by the Internal Audit function in 2019, which were submitted to the ACC, no material weaknesses were detected which might have a material impact on the Group's financial reporting for 2019, and 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 reporting (Corporate Management Control and Planning 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 function (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 that was reported for 2019. 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 the financial information (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

Fifth item on the agenda: Approval of the submission of the Merger to the special tax regime established in Chapter VII of Title VII of Law 27/2014, of November 27, on Corporation Tax.

It was agreed to approve, as established in the Common Merger Plan, the special tax regime established in Chapter VII of Title VII of Law 27/2014, of November 27, on Corporation Tax.

For this purpose, and as provided in article 89 of the aforementioned legal text and in articles 48 and 49 of the Corporate Tax Regulation approved by Royal Decree 634/2015, of July 10, it was approved to communicate the implementation of the Fusion operation described and the application of the aforementioned tax regime to the Ministry of Finance in the manner and period established by regulation.

This resolution was adopted by the affirmative vote of 99.9894% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

At the Ordinary General Meeting held on March 19, 2019, the agreements adopted were the following:

First item on the agenda: The Annual Accounts, both individual and consolidated, were approved for the year 2018 and the respective Management Reports, which had been verified by the company's Auditors. The Annual Accounts included the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Equity and the Cash Flow Statement and the Report, which resulted in a benefit of € 2,406,758,000.76 in the individual.

This resolution was adopted by the affirmative vote of 99.9877% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Second item on the agenda: The application of the result corresponding to the fiscal year ended December 31, 2018 and the payment of a dividend in charge of the fiscal year 2018 of € 875,102,756.16 were approved, representing 0.96 euros gross for each of the currently existing and outstanding shares entitled to receive dividends on the date of payment.

This resolution was adopted by the affirmative vote of 99.9877% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Third item on the agenda: The Integrated Annual Report for 2018 was approved, which included the consolidated non-financial statement.

This resolution was adopted by the affirmative vote of 99.9877% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Fourth item on the agenda: The management of the company's Board of Directors was approved during the fiscal year ended December 31, 2018.

This resolution was adopted by the affirmative vote of 99.9877% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Fifth item on the agenda: In accordance with the proposal of the Board of Directors, he was re-elected as Account Auditor of the company, both for individual and consolidated accounts, for a period of one year, that is, for the year 2019, to the firm "Deloitte, SL", with NIF number B-79104469 and domicile in Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid.

This resolution was adopted by the affirmative vote of 99.9078% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Sixth item on the agenda: An extraordinary dividend was distributed with a charge to the merger reserve amounting to € 9,963,409,505.03, representing a gross € 10.93 for each of the existing shares at that time and in circulation with the right to receive dividends on the date of payment. This dividend includes the proportional allocation of which, where appropriate, would correspond to the shares in treasury stock.

This resolution was subject to the suspensive condition that the merger between Abertis Infraestructuras, S.A. (Sociedad Absorbente) and Abertis Participaciones, S.A., Sociedad Unipersonal (Sociedad Absorbida) was fully effective, understood as such, that it was registered in the Mercantile Registry of Madrid.

This resolution was adopted by the affirmative vote of 99.8601% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

Seventh item on the agenda: For the purpose of adapting the remuneration policy to the new social reality due to the exclusion of negotiation of the shares representing the entire share capital of Abertis Infraestructuras, S.A. in the Spanish stock exchanges and the new shareholding structure, the General Meeting, on the initiative of its majority partner, Abertis HoldCo, SA, agreed to modify section 3 "Remuneration policy of the Executive Director in the performance of executive functions" of said policy .

This resolution was adopted by the affirmative vote of 99.8586% of the shares present or represented on the General Meeting (excluding the Company's treasury shares).

COMMENT TO SECTION C.2.2

In this section, we have been required to identify if the members of the Committees are executive, proprietary, independent or other external. These categories apply only to listed companies. Nevertheless, the spaces in the questionnaire require us to fill in a category. Thus, owing to the fact that all board members have been appointed at the proposal of the shareholders representing the 98.7 % of the Company's share capital, the category which has been filled in the questionnaire has been "proprietary", although such category does not apply to non listed companies.

CONTINUATION OF SECTION D.4

The obligation not to compete with the company may only be subject to a waiver in the event that it does not fit to expect harm to the company or the person who can wait is compensated for the benefits that are expected to be obtained from the waiver. The waiver will be granted by express agreement and separate from the General Meeting. In any case, at the request of any partner, the General Meeting will decide on the cessation of the director who develops competitive activities when the risk of damage to the company has become relevant.

Finally, the Internal Code of Conduct of the Company in matters related to the securities markets, establishes that the Affected Persons will act in a conflict of interest situation at all times with loyalty to the Company, regardless of their own interests or those of others and must refrain from intervene or influence decision-making on issues affected by the conflict. Such persons must also communicate to the Company the possible conflicts of interest to which they are subjected by their family relationships, their personal assets, their activities outside the Company or for any other cause.

This Annual Corporate Governance Report was approved by the entity's Board of Directors or managing body at its meeting held on 4th March 2020.

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 information relating to the system of Internal Control over Financial Reporting (ICFR) of the Abertis Group for 2019

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L.
Avda. Diagonal, 654
08034 Barcelona
España

Tel: +34 932 80 40 40
www.deloitte.es

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 GROUP FOR 2019

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

As requested by the Board of Directors of Abertis Infraestructuras, S.A. and Subsidiaries ("the Abertis Group") and in accordance with our proposal-letter dated 7 January 2020, we have applied certain procedures to the information relating to the ICFR system included in section F of the accompanying Annual Corporate Governance Report ("ACGR") of the Abertis Group for 2019, which summarises the internal control procedures of the Abertis Group 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 included in section F of the accompanying ACGR.

It should be noted in this regard that, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Abertis Group in relation to its annual financial reporting, 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 Standards on Auditing, the sole purpose of our assessment of the internal control of the Abertis Group was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Abertis 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 Auditor's 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 establish 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 Group's annual financial reporting for 2019 described in the information relating to the ICFR system included in section F of the accompanying ACGR. 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 audit regulations in force in Spain, we do not express an audit opinion in the terms provided for in those regulations.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Abertis 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, subsequently amended by CNMV Circular no. 7/2015, of 22 December 2015 and CNMV Circular no. 2/2018, of 12 June ("the CNMV Circulars").

2. Inquiries of personnel responsible for preparing the information detailed in point 1 above for the purpose of: (i) obtaining an understanding of the process followed in preparing it; (ii) obtaining information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) obtaining information on whether the control procedures described are in place and functioning at the Abertis Group.

3. Review of the explanatory documents supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel responsible for preparing the information describing the ICFR system. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Board of Directors.

4. Comparison of the information detailed in point 1 above with the knowledge on the Abertis 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 Group to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.

6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel 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 in Article 540 of the Consolidated Spanish Limited Liability Companies Law and in the CNMV Circulars for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

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

Ana Torrens Borrás
Registered in ROAC under no. 17762

4 March 2020