

INTEGRATED
REPORT

20
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BUSINESS AS UNUSUAL

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INTEGRATED
REPORT



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About this report

This is ACCIONA's seventh consecutive Integrated Report, drawn up in accordance with the conceptual framework provided by the International Integrated Reporting Council (IIRC) with the goal of providing the reader with a straightforward, coherent picture of the value created by the company over the short, medium and long term.

Content orientation

Each year, this report is drawn up on the basis of the global context and the trends in the markets where the group operates, in order to identify the issues with the greatest impact on ACCIONA's businesses.

These issues are submitted to the company's senior management, who are conversant with ACCIONA's strategy and with the context in which it operates, and feedback is obtained from stakeholders, such as investors, regarding the events that took place during the year and the company's future prospects.

Relevant matters for disclosure

Based on the analysis performed, several relevant matters have been identified and are discussed in the report.



Reporting scope

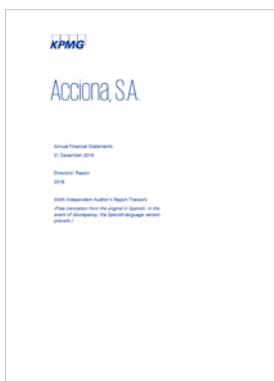
The quantitative data in the report correspond to 2018 and refer to the entire scope of the company or to each of its businesses, as indicated in each case.

To facilitate comprehension of the business and its past performance, the report contains past figures and facts so as to give a broader picture. However, it also contains prospective information based on an analysis of the current context and its expected development, but no commitment is made as to the attainment of such goals since they are subject to risks and uncertainty.

Connectivity

The contents of this report are complemented by other corporate documents and by information on the group's websites.

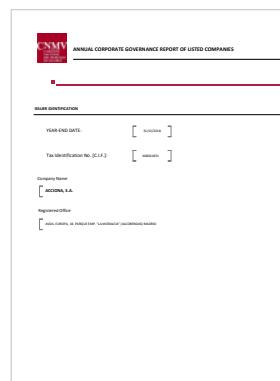
CORPORATE REPORTS



Financial statements



Sustainability Report



Corporate Governance Report



Results

GROUP WEBSITES



ACCIONA
www.accionia.com



ACCIONA ENERGY
www.accionia-energia.com



ACCIONA REAL ESTATE
www.accionia-inmobiliaria.es



ACCIONA INFRASTRUCTURE
www.accionia-infraestructuras.com



BESTINVER
www.bestinver.es



GRUPO BODEGAS PALACIO 1894
www.grupobodegaspalacio.com



Interview with the Chairman

JOSÉ MANUEL
ENTRECANALES

CHAIRMAN
OF ACCIONA

Our main goal with this 2018 *Integrated Report* is to describe how we provide solutions to the needs of today's society while not losing sight of the needs of the future, by generating value in the short, medium and long term for all our stakeholders. We want to credibly convey our commitment to sustainable development and our will to be an agent of the environmental and social change that our society needs.

This report is structured around our proposed solutions for sustainable development. These solutions shape our company's business model — an advanced, forward-looking model that can generate stable, predictable returns going forward.

How would you describe ACCIONA?

We are a unique company that is inherently oriented towards responding to some of the main challenges facing society. Our business opportunities lie at the intersection between what society needs and what the sustainable future of the planet demands.

The challenges we face as a society are urgent and complex, and they involve governments, the private sector, social organisations and citizens alike. They require solutions that can not be addressed in isolation. For that reason, we don't see the company as an activity or set of activities performed in isolation. Our company can not be defined under any single heading. We are, in essence, greenfield developers and operators of essential infrastructure assets, with a special emphasis on renewable energy.

This report aims precisely to probe this issue in depth in order to persuade readers that our company is part of the solution — and not of the problem — to the challenges that we, as a society, must face.

What solutions can the company offer?

In my view, the challenges facing the planet are set out formally in two recent, closely-related milestones: the 2030 Agenda and the Paris Agreement. The planet that we leave to future generations depends to a great extent on whether we achieve both goals. Success, which simply means a planet that is environmentally and socially more sustainable, will require combined efforts by governments, business and citizens and an unprecedented mobilisation of resources.

Responding to the challenges of sustainable development is at the core of ACCIONA's business model. For that reason, we supply cleaner energy, manage the water cycle, create infrastructures that facilitate the ecological transition, and offer electric mobility services, among others. And for that same reason, we are alert to new opportunities that can help us generate business and contribute to sustainable development.

Our close linkage to society's real needs makes us attractive to investors who look to the long term, who see in us a bet not only on the present but also on the future. Our business model also helps us attract the best talent. We at ACCIONA like to know that, through our work, we contribute to building a more sustainable society. I would like to think that our clients see us as a unique company with distinctive value.

How would you describe 2018?

We met or exceeded the goals we set ourselves at the beginning of the year.

During 2018, the company invested in line with its strategic plans, increased operating cash flow and significantly reduced net financial debt

Our business model generates stable cash flows; over 75 % of our EBITDA comes from long-term assets. And 94 % of capital employed is backed by those same assets, a sign of financial prudence that helps us manage the investment risk.

Beyond what this means in the short term — in terms of financial performance, shareholder remuneration and investor confidence — achieving our goals enables us to further our strategy of investing in the planet and responding to the needs of sustainable development.

What makes a company like ours different?

Our core skill is in designing, building and operating complex assets for third parties or for our own portfolio.

I firmly believe that we are a company with numerous distinctive capabilities, where talent, technical capacity, sustainability and innovation provide the energy that enables us to transform ideas into assets. We are convinced that the future will have no room for business models that do not offer a double dividend: preserving the planet while generating value for investors, employees, customers and other stakeholders. That conviction is what has led us to build a company model that is configured to anticipate the needs of tomorrow's society.

And that conviction underpins our competitive advantages. And I dare say it will continue to do so for a long time.

To conclude, where is ACCIONA going?

We are in a dynamic environment in which the needs of society are changing constantly, but there are trends which are undeniable. Environmental risks were not so important just a decade ago. Now, the World Economic Forum's *Global Risk Report* states that they are the most critical risks for our planet's prosperity. And there is every sign that this situation will persist. Access to energy and water, and infrastructures that improve people's lives, will become imperative needs in the coming decades.

In this changing environment, we have continued to advance our solutions, winning new contracts to ensure water supplies in some of the regions with the greatest water stress, current and future, such as the United Arab Emirates and Saudi Arabia.

Also, based on our use of advanced technology with a minimal environmental impact, we are implementing new transport infrastructures in advanced countries such as Norway and Australia.

Moreover, we are leaders in decarbonisation through an energy model focused on renewables, where we increased total capacity in 2018 while attaining record levels of competitiveness and availability.

The global will to transition towards sustainable growth models will underpin our development going forward. Our opportunity lies in sustainable development, and we pursue it fully aware of our abilities and limitations.

We do not know what the future will bring. What we do know is that we will be there wherever there is a need for more sustainable development.

Value creation model

BUSINESS
AS **UNUSUAL**

A REALITY WHICH
NEEDS SOLUTIONS...

Complex
and interconnected
challenges

REDUCE AND COMBAT
GLOBAL WARMING



INCREASE RENEWABLE
ENERGIES CONTRIBUTION
AND FACILITATE ACCESS
TO IT



PALLIATE WATER SHORTAGES
AND GUARANTEE SUPPLY



ALLEViate DEMOGRAPHIC
CONGESTION AND URBAN
CONCENTRATION

...ACCIONA INVESTS
IN THE PLANET...

Its solid capital structure gives
capacity to pursue value-enhancing
opportunities



LONG-TERM ASSET-BASED
BUSINESSES ACCOUNT FOR 75 %
OF EBITDA AND 94 % OF
CAPITAL EMPLOYED

-

**LONG-TERM
ASSET
BUSINESSES**

- Renewable generation
- Infrastructure concessions (Transport, Social and Water)

RISK

**SERVICE
BUSINESSES**

- Infrastructure services
- Financial services

+

**GREENFIELD
DEVELOPMENT
BUSINESS**

- Greenfield infrastructure – EPC
- Renewable energy development
- Property development

ACCIONA is a company with a presence in over 40 countries that invests, develops and operates infrastructure, with a particular emphasis on renewable energy. The company's strategy focuses on addressing the complexity of the challenges defined by the United Nations Sustainable Development Goals through innovative responses in areas such as the energy transition, water, cities and transport.

ACCIONA IS A **CARBON-NEUTRAL COMPANY: ZERO NET GREENHOUSE GAS EMISSIONS**

... BECAUSE IT IS EXPERT IN DESIGNING SOLUTIONS...



... THAT ENHANCE THE WELL-BEING OF PEOPLE AND THE PLANET.

ACCIONA turns ideas into essential **assets** for society and the future



ENERGY INFRASTRUCTURE



WATER INFRASTRUCTURE



CIVIL INFRASTRUCTURE



SUSTAINABLE CITIES



FINANCIAL SERVICES

Few players have the **capabilities** required to meet the challenges



- TALENT
- INNOVATION
- SUSTAINABILITY
- RISK MANAGEMENT

Positive impacts on the goals that enable sustainable development



About ACCIONA

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

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

The company applies its *business as unusual* approach with close to forty thousand professionals, 7,510 M€ in revenues and 1,245 M€ in EBITDA in 2018.

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

ACCIONA OFFERS ITSELF
AS AN **EXPERT IN DESIGNING**
A BETTER PLANET THROUGH
ITS *BUSINESS AS UNUSUAL*
MODEL

ACCIONA businesses

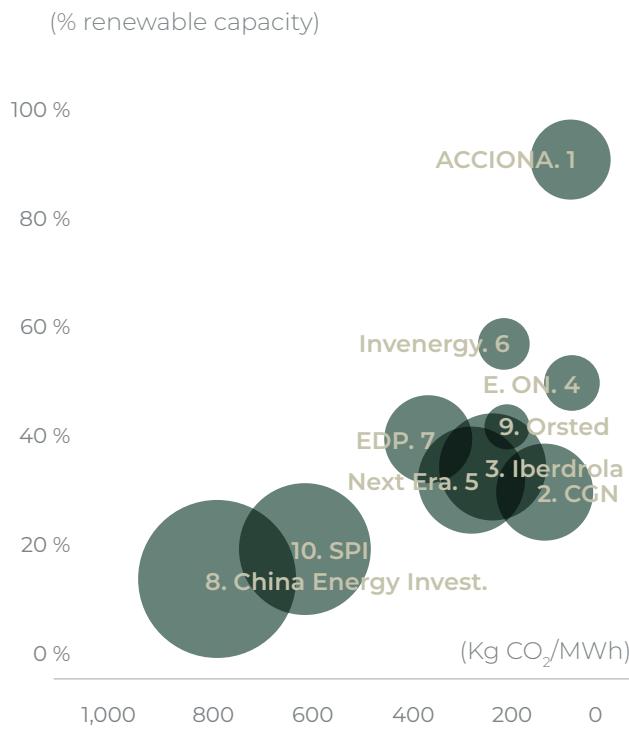


ENERGY

The world's leading renewable-only electric utility.

With over 20 years of experience, ACCIONA Energy is positioned as a key actor in the transition from the current energy model to a decarbonised economy, one that ensures a secure electricity supply that is cost-competitive and environmentally friendly.

Since 2015, it has topped the Energy Intelligence league table of the world's greenest utilities.

TOP 10 PRODUCERS OF GREEN ENERGY

Source: ACCIONA, based on the 2018 Energy Intelligence New Energy Green Utilities report.

ACCIONA HEADS THE WORLD'S 100 GREENEST UTILITIES

Keys to success

- **100 % renewable**
Only renewable energy, with no conventional energy legacy.
- **Focus on the most efficient renewable technologies**
Present in the main renewable energies (with a focus on wind and photovoltaic).
- **Company-owned assets in 16 countries**
Geographical diversification to reduce risk.
- **Vertical integration**
Presence and knowledge of the entire value chain.
- **Solutions for clients**
Selling green energy to clients, diversifying products and offerings.
- **At the forefront of innovation**
Maximising operating efficiency, and pioneering new business models.
- **Good corporate citizenship**
Managing the social and environmental impact of its projects.
- **Long-term view**
Vocation to operate assets over their entire life cycle.

**INFRASTRUCTURE**

Specialists in developing sustainable solutions that respond to humanity's global challenges.

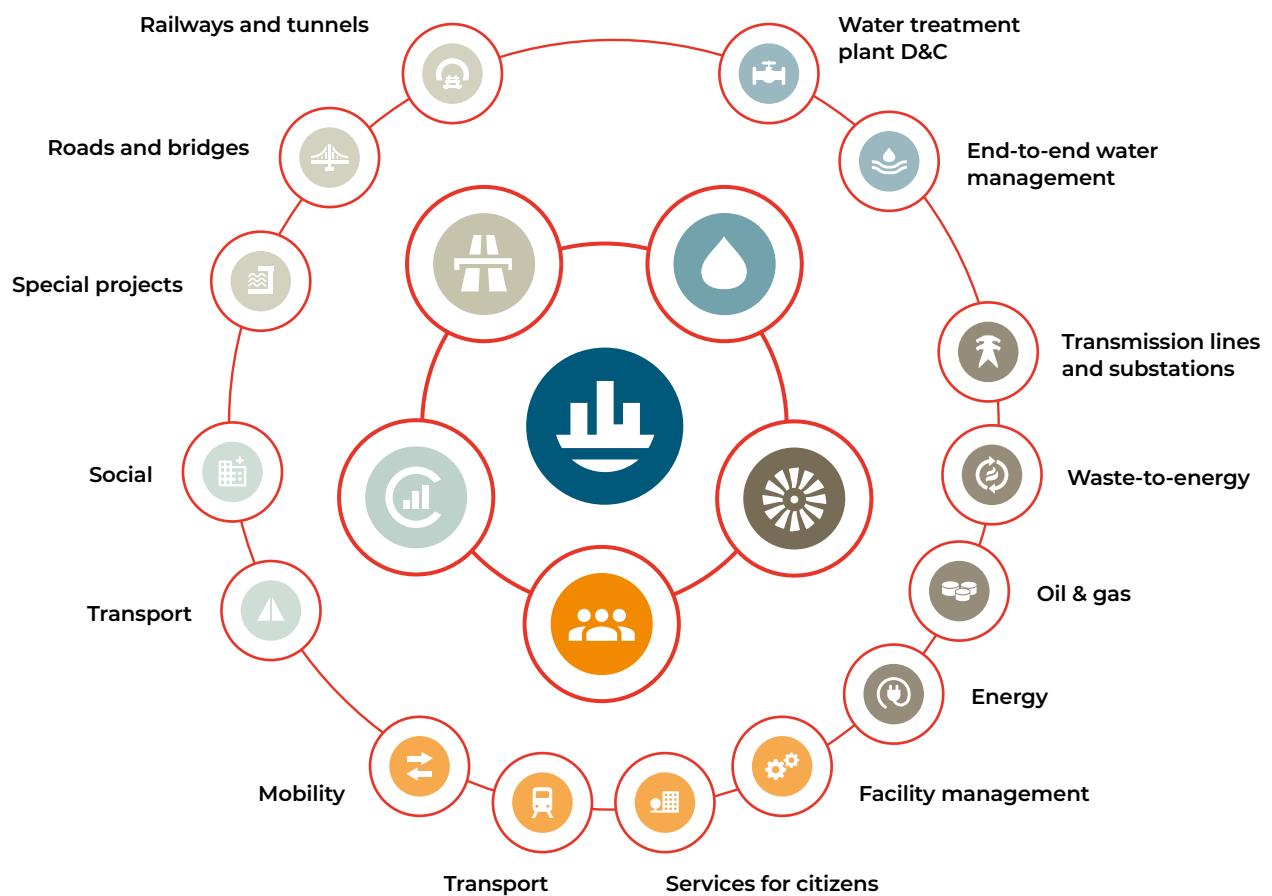
ACCIONA Infrastructure is positioned as a leader in the design, construction and operation of assets and services that adapt to the specific needs of each project in the fields of construction, water, industry, concessions and municipal services.

Its organisational structure, based on business units with a high degree of technical specialisation and synergies between them, enables it to cover the assets' entire life cycle, favouring end-to-end project development.

INFRASTRUCTURE ORGANISATION CHART

■ Infrastructure
■ Construction
■ Concessions

■ Water
■ Services
■ Industrial



ORGANISATIONAL
STRUCTURE BASED ON **HIGHLY
SPECIALISED BUSINESS UNITS**
WITH STRONG SYNERGIES
BETWEEN THEM

Keys to success

- **Specialists in complex projects**

Focus on innovation in solutions, in execution, and in technical excellence in the end product.

- **Custom financing solution**

Develops custom funding approaches for customers and mediates to facilitate investment flows.

- **End-to-end infrastructure development**

A presence throughout the value chain, optimising synergies between project phases.

- **Risk management is a priority**

Rigorous management of risk throughout the contract life cycle, with a focus on returns.

- **Talent and innovation**

Highly qualified workforce and innovation teams.

- **Sustainable approach**

Assessment and management of projects' social and environmental impacts.

- **Geographical focus**

Sustained growth in platform countries and selective entry into new markets with controlled risk.

Keys to success

- **Sound technical and commercial experience.**

- **Focus on real estate development, centred on more profitable assets.**

- **A pioneer in using sustainability as a factor in the design of eco-efficient homes**

- **Greater international presence.**

BESTINVER

Bestinver offers asset management services — mutual funds, pension funds and institutional mandates — with a focus on long-term returns.

Keys to success

- **Experienced team with extensive knowledge of finance.**

- **Established reputation in the market.**

- **A single investing approach.**

- **Appropriate risk management.**

- **Long-term view.**

**OTHER BUSINESSES**

ACCIONA's complementary businesses are also a response to the challenges on the horizon.

In recent years, its long-term growth potential has resulted in a significant improvement in its contribution to the company's bottom line.

REAL ESTATE

A real estate developer and housing rental company with over 25 years' experience in Spain and other countries, having developed over 9,000 homes.

A reality that needs solutions

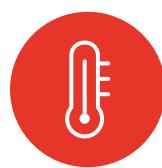
The world faces a growing number of complex inter-related challenges. Faced with this reality, ACCIONA is part of the solution and turns these challenges into opportunities to improve well-being.

Global challenges

Reduce and combat global warming¹

The increase in temperatures since the pre-industrial era is having a negative impact on people's lives, on economies and ecosystems. As the world heats up, there is a growing likelihood of extreme weather events, such as droughts or floods in coastal regions, becoming more severe, intense and prolonged.

A total of 197 countries approved the Paris Agreement, which defines a roadmap for reducing greenhouse gas emissions and measures to adapt to climate change.

	+ 1 °C GROWTH WITH RESPECT TO PRE-INDUSTRIAL ERA	+ 1.5 °C GROWTH BETWEEN 2030 AND 2052, WITH RESPECT TO PRE-INDUSTRIAL ERA	26 - 77 cm GLOBAL INCREASE IN OCEAN LEVELS IN 2100
407 ppm RECORD CONCENTRATION OF CO ₂ IN 2018	183 COUNTRIES WITH MITIGATION AND ADAPTATION PLANS	2 - 4 BN \$/year DIRECT HEALTH COST OF CLIMATE CHANGE IN 2030	

¹ Source: National Oceanic and Atmospheric Administration.
World Health Organization.
IPCC. Global Warming of 1.5 °C Report.
Carbon Brief. Fossil-fuel emissions in 2018 increasing at fastest rate for seven years.
UNFCCC. NDC Registry.

Increase the contribution of clean energy and facilitate access to it²

Energy — its production and use — is the biggest contributor to climate change. Growth in energy demand and the need to decarbonise power generation in order to subsequently electrify the economy means that renewables and energy efficiency go hand in hand.



13 % WORLD POPULATION WITHOUT ACCESS TO ELECTRICITY	+ 25 % ENERGY DEMAND THROUGH 2040	- 40 % EMISSIONS DUE TO ENERGY EFFICIENCY
+ 1.7 % GHG EMISSIONS IN 2018 DUE TO HIGHER ENERGY CONSUMPTION	74 % GHG EMISSIONS FROM ENERGY PRODUCTION AND USE	- 45 % GHG EMISSIONS IN 2030, BASELINE 2010 TO ACHIEVE CARBON NEUTRALITY BY 2050

Palliate water shortages and guarantee supply³

Almost half of the world's population is affected by water shortages, and that figure will probably rise with global warming. Mitigating these shortages and guaranteeing access will require the development of innovative water treatment technologies.



38 % POPULATION IN AREAS OF WATER STRESS	20 - 30% GROWTH IN WORLD WATER DEMAND THROUGH 2050	~ 30 % GROWTH IN DEMAND FOR INDUSTRIAL WATER
28 % POPULATION WITHOUT SAFE DRINKING WATER	60 % POPULATION WITHOUT SAFE SANITATION	2.6 M DEATHS PER YEAR RELATED TO WATER QUALITY

² Source: IPCC. Global Warming of 1.5 °C Report.
IEA. World Energy Outlook 2018.

³ Source: World Urbanization Prospects. United Nations World Water Development Report 2019.
United Nations: Sustainable Development Goal no. 15.

Alleviate demographic congestion and urban concentration⁴

Rapid growth of cities and growing migration from the countryside to cities have led to an increase in megacities. This results in emerging challenges, such as sustainable mobility and proper resource management.



80 %
OF GDP
IS GENERATED
IN CITIES

~ 7,700 M
WORLD POPULATION
IN 2018, 55 % IN
CITIES

~ 10,000 M
WORLD POPULATION
IN 2050, 68 % IN
CITIES

3 %
LAND AREA
OCCUPIED BY
CITIES

9 / 10
PEOPLE BREATHE
POLLUTED AIR

x 2
DEMAND FOR
PASSENGER
MOBILITY IN CITIES
IN 2050

THE CALL FOR ACTION IS
UNMISTAKEABLE: **THERE IS A NEED
AND A DEMAND FOR SOLUTIONS
TO ADDRESS THE CHALLENGES,
BOTH PRESENT AND FUTURE**

⁴ Sources: World Health Organisation.
United Nations.
Arthur D. Little. *The Future of Mobility 3.0*.

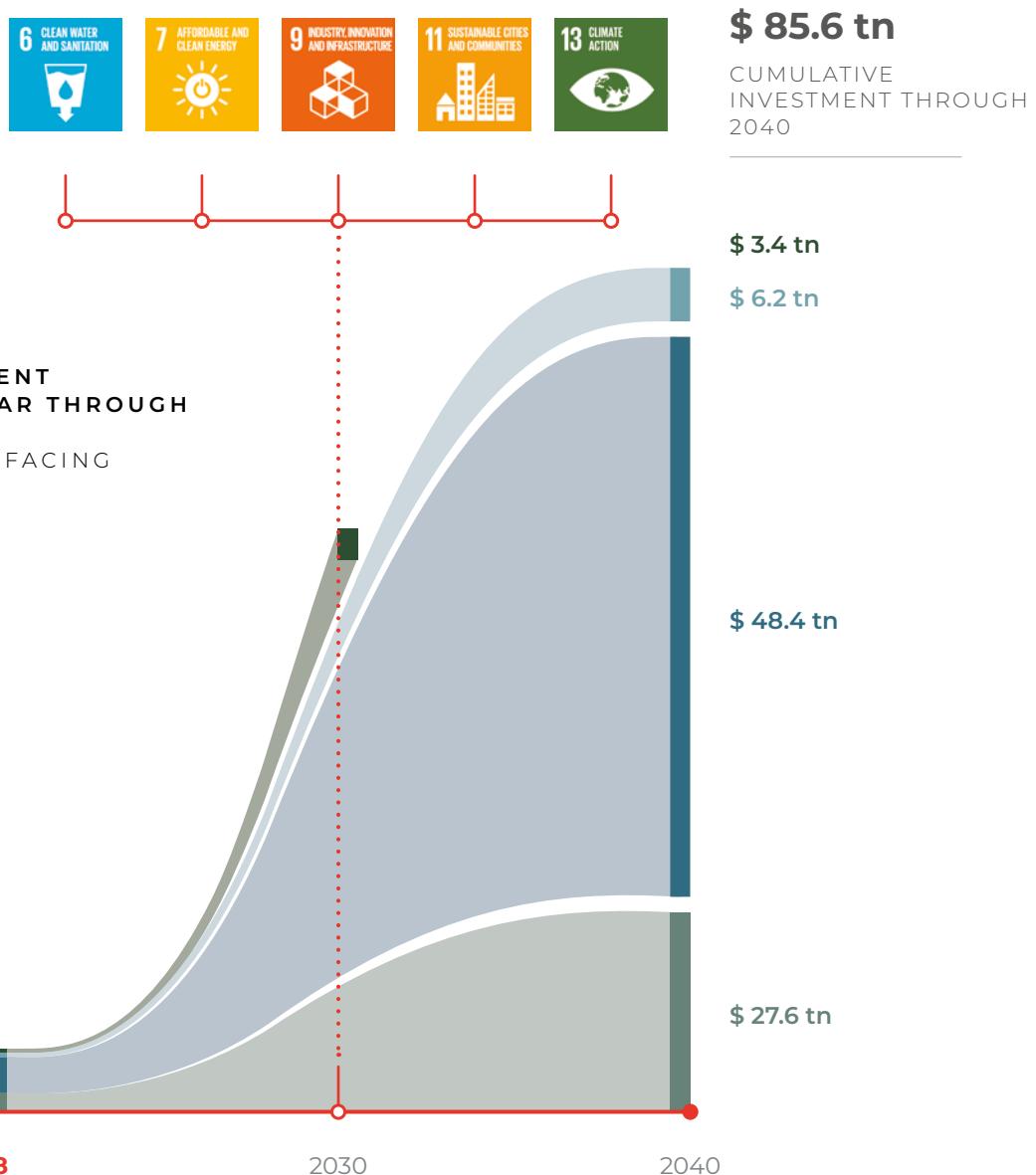
Over three years ago, 193 States adopted the 2030 Agenda, a roadmap towards sustainable development with concrete goals that require an unprecedented volume of investment to be mobilised. Funding is oriented towards the construction of more sustainable development models.

The call for action is unmistakeable: there is a need and a demand for solutions to address the challenges, both present and future.

WORLDWIDE INVESTMENT TO RESPOND TO THE CHALLENGES FACING THE WORLD

■ Energy infrastructure
■ Water infrastructure

■ Civil infrastructure*
■ Sustainable development



*Includes roads, railways, airports and ports.
Source: ACCIONA, using data from Global Infrastructure Hub.

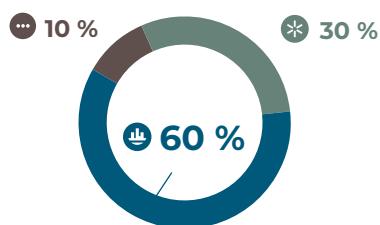
A stable, predictable and growing business

Results of the year

2016 Change of trend and rising capex

REVENUES

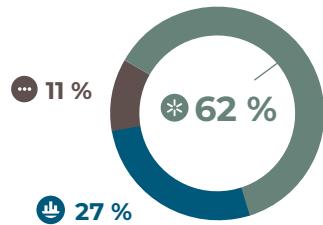
5,977 M€ | 3,087 M€ SPAIN
2,890 M€ INTERNATIONAL



Note: consolidation adjustments amounting to -98 M€.

EBITDA

1,192 M€ | EBITDA MARGIN
19.9 % (+2.0 pp)



EBT

312 M€ ORDINARY EBT



408 M€ TOTAL EBT

Note: consolidation adjustments amounting to -3 M€.

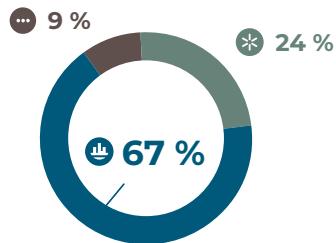
352 M€ ATTRIBUTABLE NET PROFIT

INVEST
IN THE PLANET

2017 Investment focused on preserving strategic profitability

REVENUES

7,254 M€ | 3,172 M€ SPAIN
4,082 M€ INTERNATIONAL



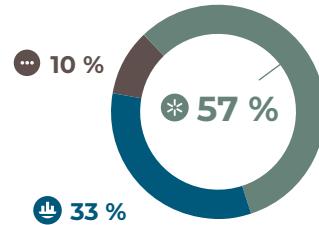
→

+3.5 %

Note: consolidation adjustments amounting to -113 M€.

EBITDA

1,275 M€ | EBITDA MARGIN
17.6 % (-2.4 pp)



→

→

-2.4 %

EBT

382 M€ ORDINARY EBT



→

→

-1.2 %

356 M€ TOTAL EBT

Note: consolidation adjustments amounting to 1 M€.

220 M€ ATTRIBUTABLE NET PROFIT

→

+42.8 %

→



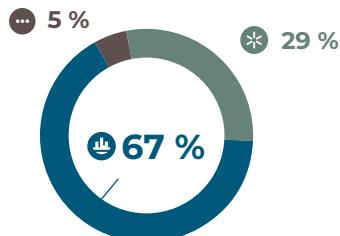
2018 Sound operating performance and growth visibility

REVENUES

7,510 M€

3,181 M€ SPAIN

4,329 M€ INTERNATIONAL



Note: consolidation adjustments amounting to -147 M€.

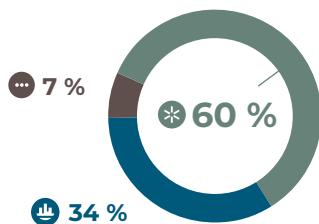
5,059 M€ ▲2.4 % (vs. 2017)
Construction and Industrial ▲4.2 %
• High production volume due to execution of large international projects

392 M€ ▲43.2 % (vs. 2017)

EBITDA

1,245 M€

EBITDA MARGIN
16.6 % (-1.0 pp)



Note: consolidation adjustments amounting to -3 M€.

743 M€ ▲2.4 % (vs. 2017)
• Power generation in Spain ▲2.5 %
- Deconsolidation of CSP; higher output and higher wholesale prices in Spain
• International power generation ▲8.5 %
- New capacity in operation

419 M€ ▼1.8 % (vs. 2017)
Sustained high volume and margin
• Construction 205 M€ ▲3.9 %
• Industrial 23 M€ ▲136.8 %
• Concessions 49 M€ ▼12.4 %
• Water 113 M€ ▼13.1 %
• Service 30 M€ ▼13.6 %

86 M€ ▼30.9% (vs. 2017)
• Impact of the sale of Trasmediterranea

EBT

377 M€

ORDINARY EBT



509 M€ TOTAL EBT

Note: consolidation adjustments amounting to -2 M€.

328 M€

ATTRIBUTABLE NET PROFIT

2016

Change of trend and rising capex

NET FINANCIAL DEBT

5,131 M€

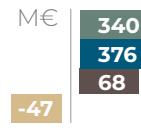
NFD/EBITDA **4.31 X**

AVERAGE COST OF DEBT 4.74 %



CAPEX

737 M€



-64 M€

DIVESTMENTS

673 M€

NET CAPITAL EXPENDITURE

2017

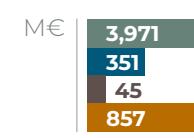
Investment focused on preserving strategic profitability

NET FINANCIAL DEBT

5,224 M€

NFD/EBITDA **4.10 X**

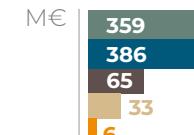
AVERAGE COST OF DEBT 3.77 %



-17.1 %

CAPEX

849 M€



+20.5 %

-201 M€

DIVESTMENTS

648 M€

NET CAPITAL EXPENDITURE

Approach in 2019

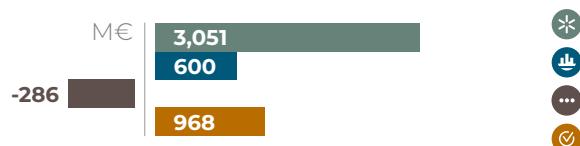
- **STABLE BUSINESS MANAGEMENT**
- **GOOD PROSPECTS** IN OPERATING TERMS
- **GENERATING NEW INVESTMENT OPPORTUNITIES**
- **PRESERVING** BALANCE SHEET STRENGTH



2018 Sound operating performance and growth visibility

NET FINANCIAL DEBT

4,333 M€ | NFD/EBITDA **3.48 X**
AVERAGE COST OF DEBT 3.55%



CAPEX

1,023 M€



-1,420 M€

DIVESTMENTS

398 M€

NET CAPITAL EXPENDITURE

Trends in 2019

▲ EBITDA

(MID-SINGLE DIGIT)

< 4.0X

NFD/EBITDA

~ 1,000 M€

GROSS CAPITAL EXPENDITURE

2019 DIVIDEND:
DOUBLE-DIGIT GROWTH

NET PROFIT (ORDINARY): DOUBLE-DIGIT GROWTH

Share performance and prospects

The share¹ performed well in 2018, outperforming the IBEX 35 by 28 %. The closing price was 73.90 €, 8.61 % more than at the beginning of the year, and market capitalisation was 4,231 M€.

KEY FIGURES 2018

57,259,550²

SHARES
AT 31/12

4,231 M€

CAPITALISATION
AT 31/12

73.90

CLOSING PRICE 31/12
(€/SHARE)

3,896 M€

(2017)

68.04

(2017)

59.82

LOW
(€/SHARE)

82.30

HIGH
(€/SHARE)

8.61 %

APPRECIATION
IN THE YEAR

64.85

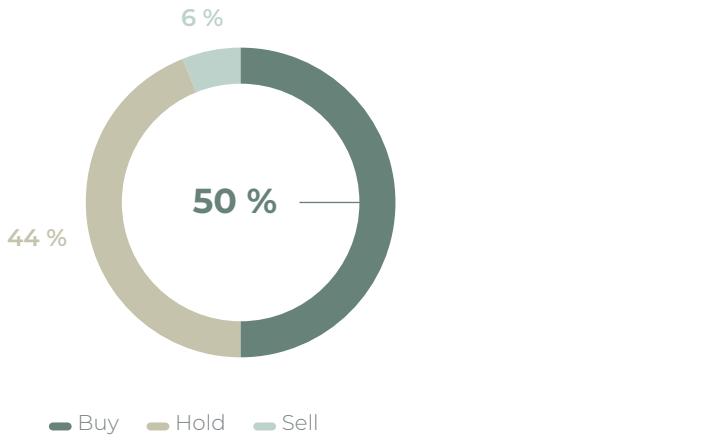
(2017)

85.87

(2017)

(3.79)

(2017)



ANALYSTS' RECOMMENDATIONS AT 31/12

¹For more information, visit the shareholder and investor section of ACCIONA's website:
<https://www.accion.com/shareholders-investors/stock-market-information/>

²By end-March 2019, ACCIONA had reduced capital and amortisation of shares, with the result that its capital stock was represented by 54,856,653 ordinary shares.

SHAREHOLDER RETURN: PERFORMANCE VS. IBEX 35



CONSOLIDATION OF THE DIVIDEND

BOARD OF DIRECTORS
WILL PROPOSE TO THE **2019**
SHAREHOLDERS'
MEETING

3.5

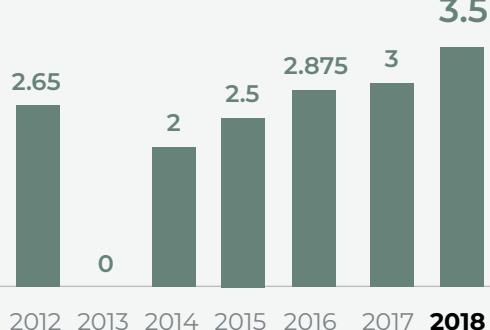
€/SHARE DIVIDEND

+17 %
VS. 2017

58 %
PAYOUT

DIVIDEND EVOLUTION

(€/share)



Stable EBITDA over the long term

ACCIONA's business and capital employed are concentrated in stable, predictable businesses.

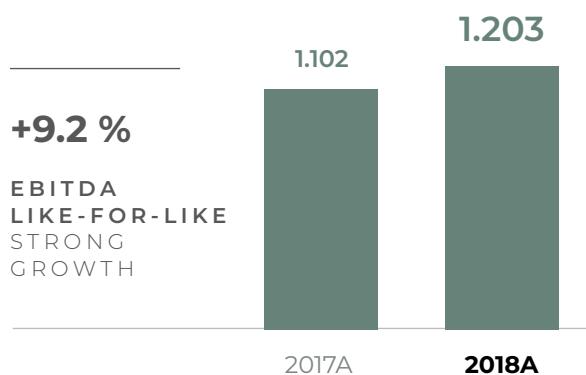
EBITDA amounted to 1,245 M€ in 2018 (2.4 % less than the previous year), 60 % of which was from the Energy division, 34 % from Infrastructure and 7 % from Other Activities.

In like-for-like terms, excluding the contribution from businesses sold in 2017 and 2018 (Ruta 160, solar thermal business in Spain, Trasmediterranea and Rodovia do Aço), EBITDA increased by 9.2 % with respect to 2017, to 1,203 M€.

The selective investment policy applied in recent years has enabled ACCIONA to generate stable cash flows that are sustainable in the long term. In terms of the underlying nature and risk profile of the company's business, long-term assets contribute 75 % of EBITDA and account for 94 % of capital employed.

EBITDA LIKE-FOR-LIKE

(M€)



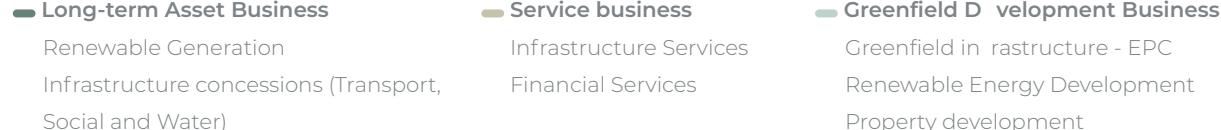
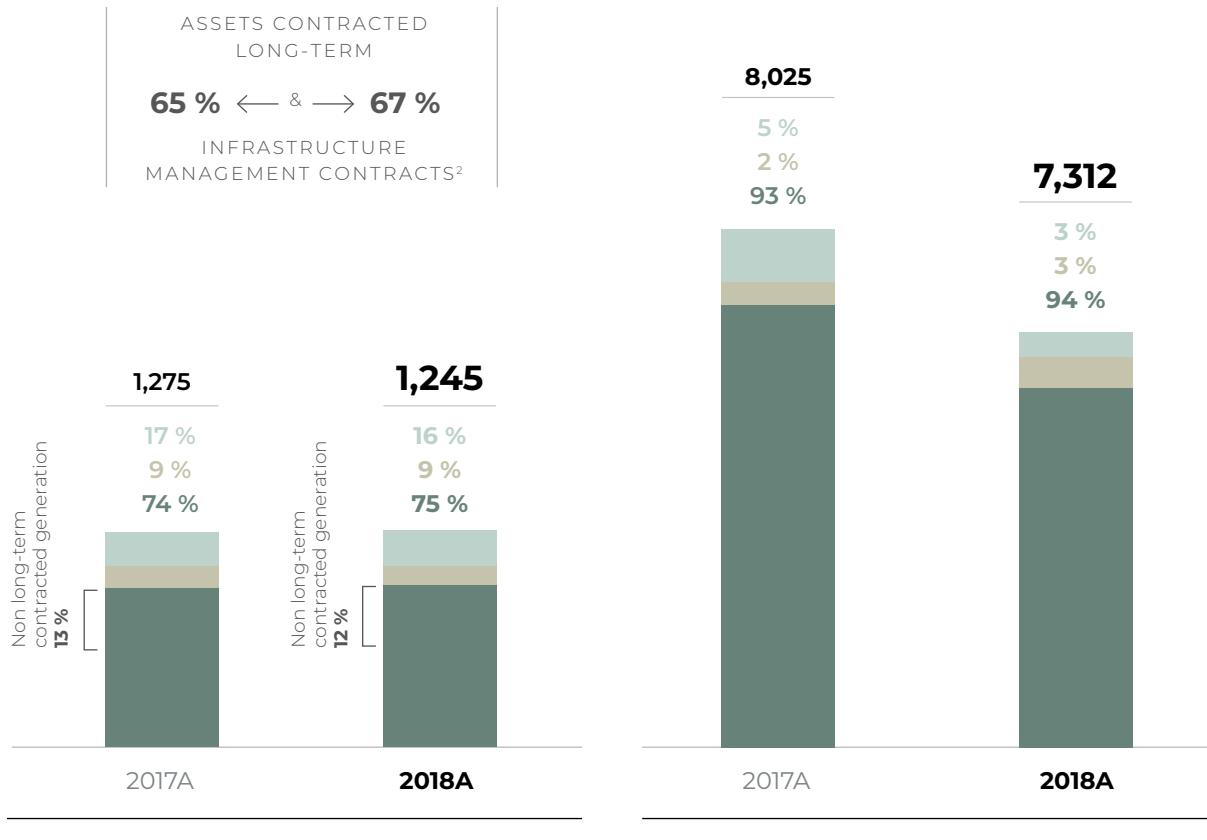
EXCLUDING THE CONTRIBUTION FROM ASSETS THAT WERE SOLD IN 2017 AND 2018 **EBITDA INCREASED BY 9.2 % OVER THE PREVIOUS YEAR**

LONG-TERM ASSETS CONTRIBUTE

75 %
OF EBITDA

REPRESENTING
94 % OF CAPITAL EMPLOYED
IN 2018

EBITDA AND CAPITAL EMPLOYED BY TYPE OF ACTIVITY¹



¹The percentages are calculated with respect to EBITDA and capital employed before consolidation adjustments, structural costs, etc.

²% EBITDA from renewable power generation excluding the part not under long-term contract + Infrastructure concessions + Infrastructure services.

³Does not include capital employed in equity-accounted affiliates (2017A: 1,331 M€; 2018A: 962 M€).

Debt performance and projections

Indebtedness was reduced significantly in 2018 and the company's credit quality improved.

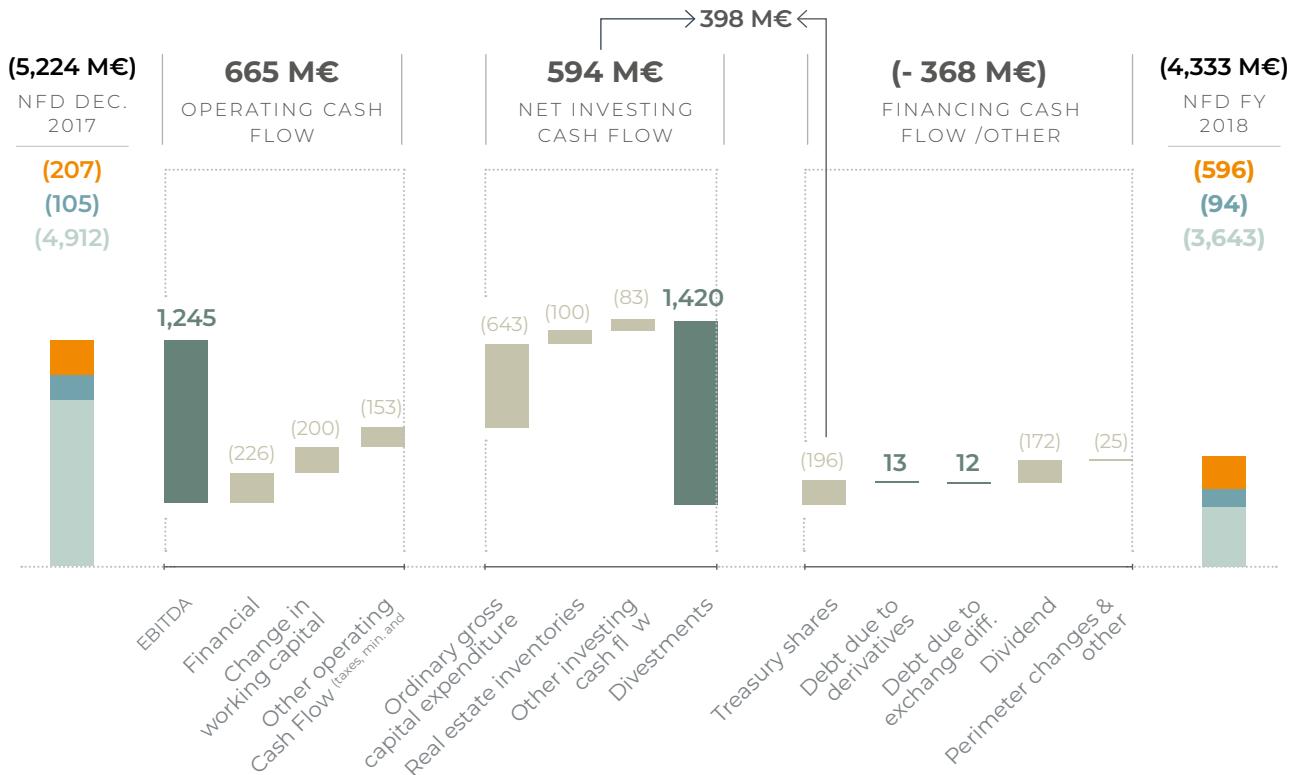
Net debt was reduced to 4,333 M€ (17.1 % less than in 2017) as a result of divestments during the year offsetting capital expenditure. This reduction was also assisted by the increase in operating cash flow to 665 M€.

As a result, the net financial debt/EBITDA ratio was 3.48, below the 4.0 target announced at the beginning of 2018. That ratio includes 600 M€ of debt related to projects under construction. Excluding those projects, the underlying ratio would have been 3.0.

RECONCILIATION OF NET DEBT 2018

(M€)

- Derivatives
- Debt associated with construction in progress

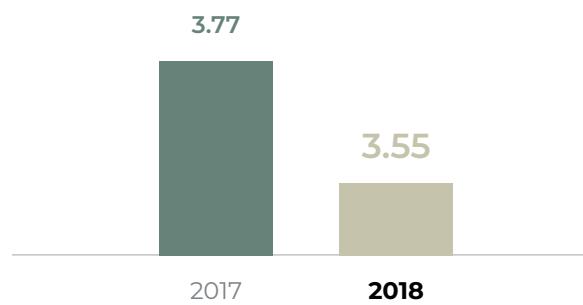


The refinancing transactions performed during the year extended the average term of the debt to 4.25 years (from 4.13 at the end of 2017) while at the same time reducing its cost to 3.55 %.

New syndicated loans increased the weight of corporate debt to 75 % of the total, consolidating the company's finance policy.

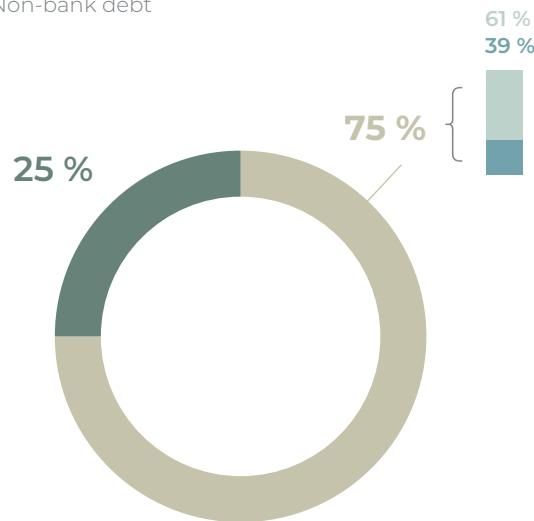
AVERAGE COST OF DEBT

(percentage)



DEBT CLASSES IN 2018

- Project debt
- Corporate debt
- Bank debt
- Non-bank debt



During the early months of 2019, a new syndicated loan was signed in Australia (AU \$ 400 million with a maturity of five years), and the first ESG-linked funding was arranged, in addition to green finance arranged in the past.

ESG SYNDICATED LOAN

- Amounting to 675 M€ and maturing in 5 years, with the possibility of an extension of 1+1 years.
- The credit spread will be adjusted on the basis of company's sustainability rating (which assesses ACCIONA's performance in environmental, social and governance matters).
- Underwriters: BBVA, Santander, Intesa, Crédit Agricole, Unicredit, NatWest.
- Fixed interest rate for the term of the loan and a hedge for an additional 5 years, i.e. 10 years of protection.
- Margins and fees are lower than in the 1,300 M€ syndicated loan arranged in 2017.
- Refinances short-term debt, extends the average duration and reduces costs.

Investing for stable growth

ACCIONA has a balanced portfolio of assets, with returns that ensure its competitiveness and balance sheet strength.

In 2018, capital expenditure totalled 1,023 M€, 20.5 % more than the previous year, while gross capital expenditure amounted to 643 M€.

The bulk of capital expenditure is concentrated in ACCIONA Energy, where gross capex amounted to 554 M€ in the year, ensuring the division's growth (in terms of new installed capacity) in the short and medium term, through the construction of new wind farms in Chile, Mexico, Australia and the United States, and photovoltaic farms in Ukraine.

Following the Geotech acquisition in 2017, the Infrastructure division reduced capital expenditure in 2018 to 146 M€, of which 33 M€ were to acquire Andes Airport Services.

Other Activities reduced capex to 28 M€, although 100 M€ were earmarked for ongoing real estate developments.

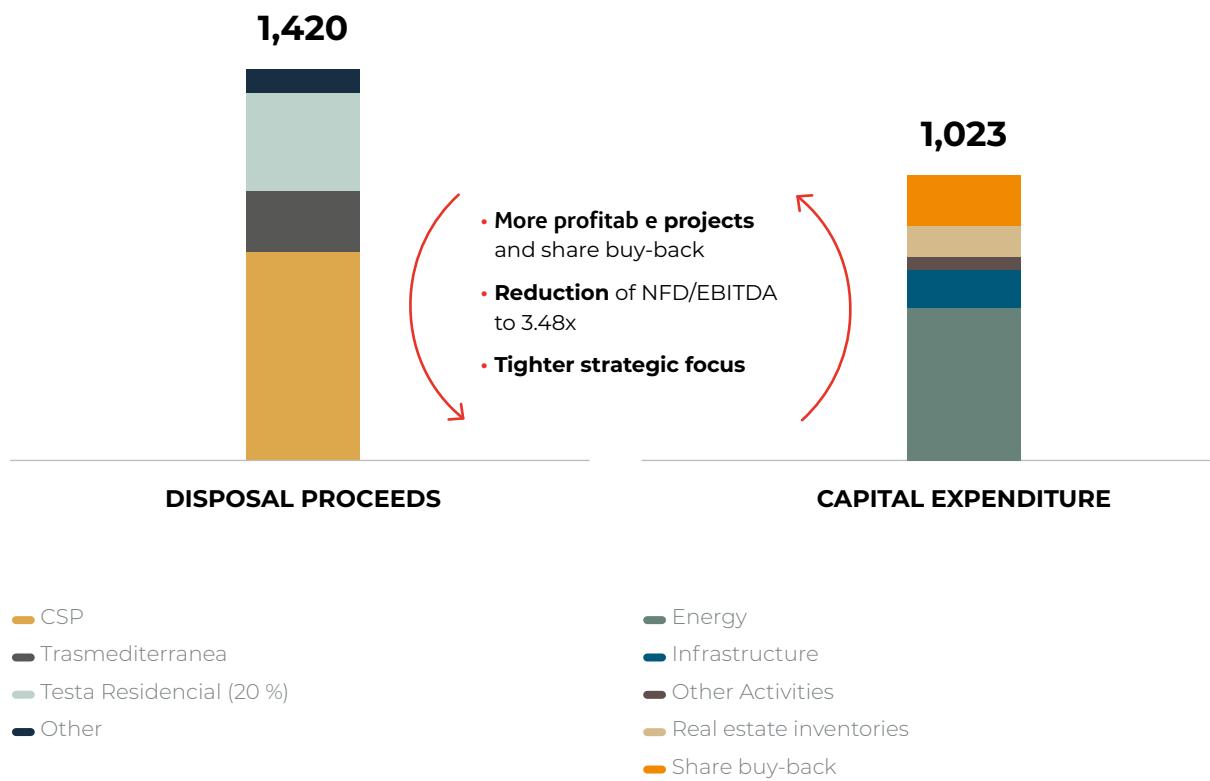
196 M€ were used to repurchase own shares.

Asset rotation

In 2018, ACCIONA recycled capital by seizing market opportunities to divest non-strategic or less profitable assets. Notable divestments included Trasmediterranea, the solar thermal power generation business in Spain, and the stake in Testa Residencial. These operations generated 1,420 M€ in revenues, which will be reinvested in more profitable strategic assets.

CAPITAL EXPENDITURE AND DIVESTMENTS IN 2018

(M€)

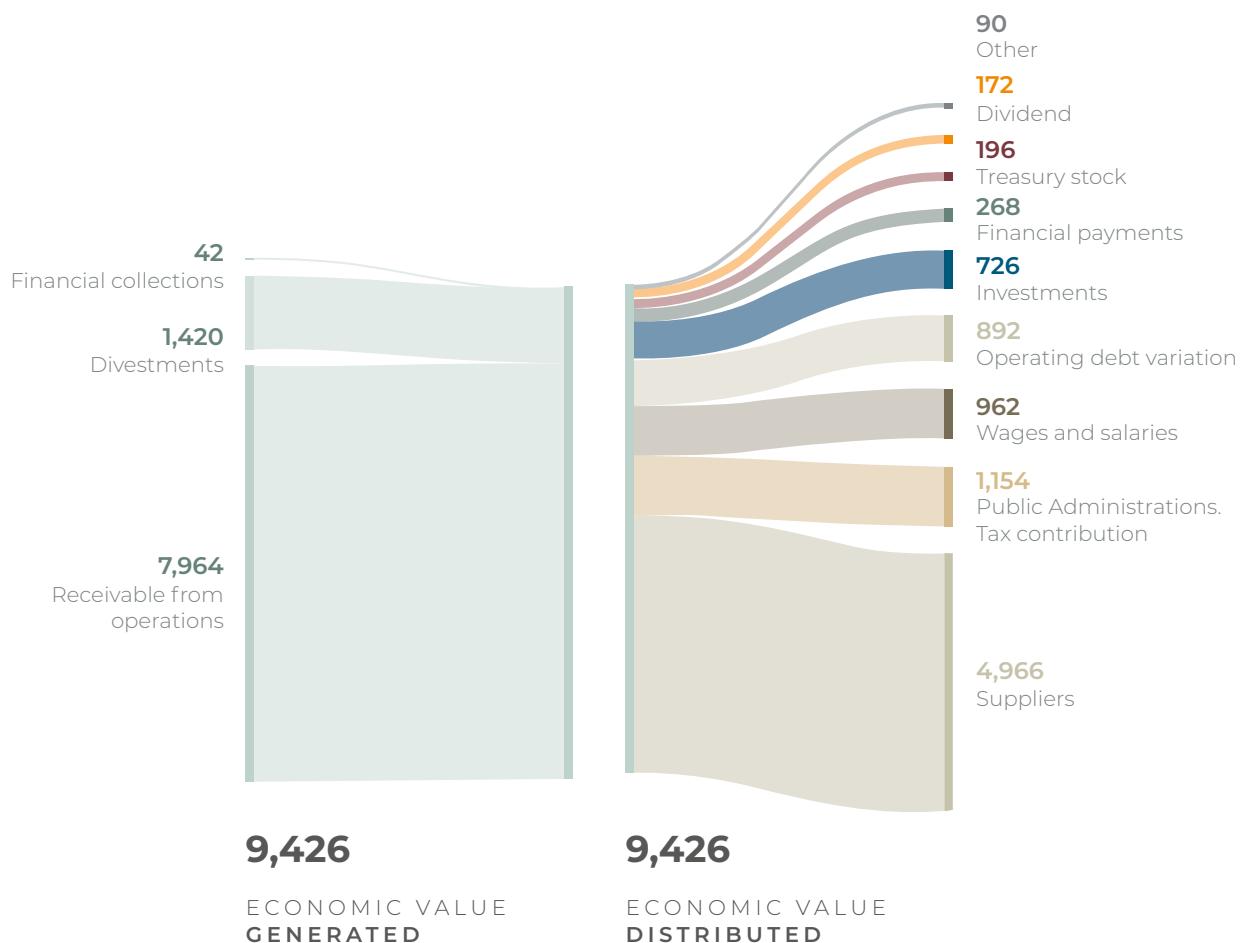


Cash flow and tax contribution in 2018

Social cash flow is a means of calculating the impact that a company has on society and the real value it contributes through the cash flows generated by its activities. It takes account of actual cash inflows and outflows that have an impact on the company's stakeholders.

ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2018

(M€)



**OPERATING RECEIPTS, GOVERNMENT,
SUPPLIERS AND WAGES IN 2018.
BREAKDOWN BY REGION**

Region	Receivable from operations	Public Administrations. Tax contribution	Suppliers	Wages and salaries
Spain	46 %	62 %	35 %	54 %
Rest of Europe	9 %	9 %	10 %	10 %
North America	4 %	2 %	5 %	5 %
Central and South America	22 %	21 %	22 %	18 %
Africa	2 %	2 %	2 %	1 %
Asia and Oceania	16 %	5 %	25 %	12 %
Total (M€)	7,964	1,154	4,966	962

In 2018, ACCIONA's economic and social contribution through the payment of taxes to governments amounted to 1,154 M€, of which 469 M€ (41 %) were taxes paid and 685 M€ (59 %) were taxes collected.

The group's tax contribution in 2018 was stable with respect to 2017 at 3.5 times attributed net profit. Accordingly, of every 100 € of revenues, over 15 € were allocated to paying taxes, mostly in Spain, Ecuador, Mexico, Chile, Poland and Australia. Employment-related taxes were the largest single component.

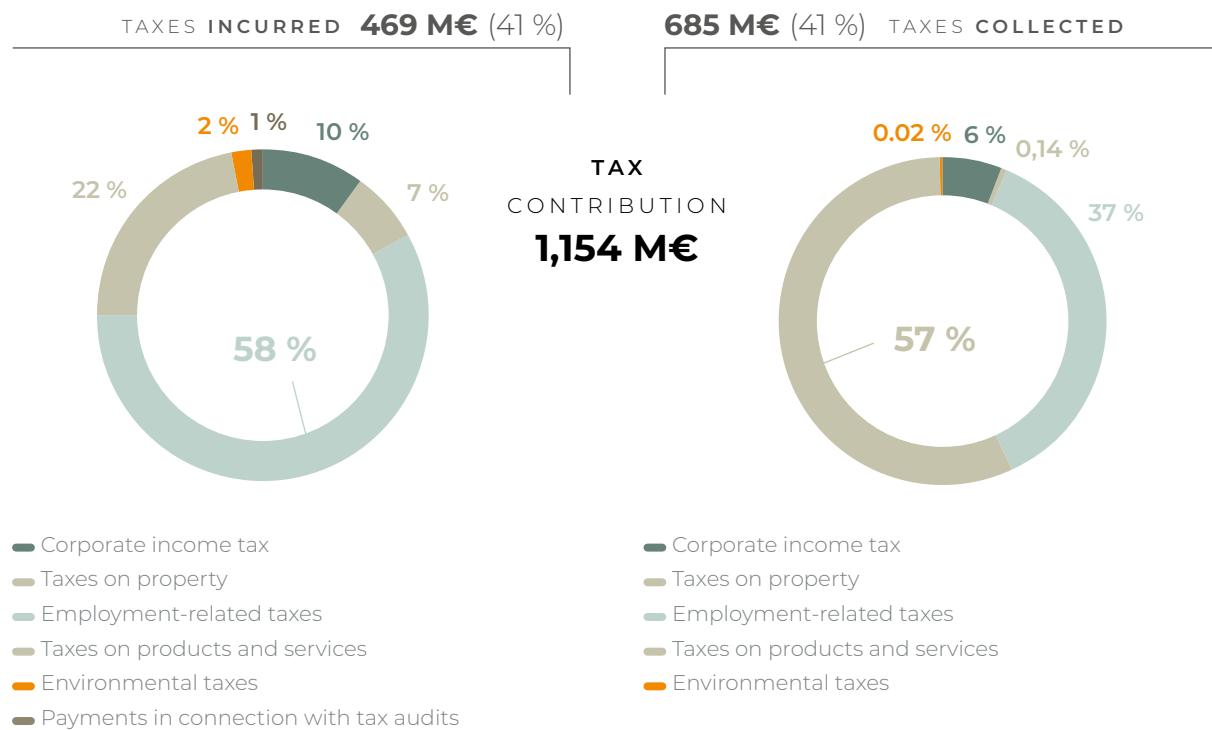
In line with group tax policy, ACCIONA continues to advance in transparency with respect to tax reporting, having broken down tax payments by country and voluntarily presented the group's *Annual Tax Transparency Report*¹.

THE GROUP'S TAX
CONTRIBUTION IN 2018 WAS
STABLE WITH RESPECT
TO 2017

¹Annex to the AEAT Code of Good Tax Practices.

TAX CONTRIBUTION IN 2018. BREAKDOWN OF TAXES INCURRED AND COLLECTED

(M€)



TOTAL TAX CONTRIBUTION 2018. BREAKDOWN BY COUNTRY

(M€)

Country	Taxes incurred	Taxes collected	Total	% of total
Spain	299	419	718,5	62
Ecuador	62	31	93	8
Mexico	16	55	70	6
Chile	16	32	48	4
Poland	11	34	45	4
Australia	10	32	42	4
Norway	4	21	25	2
Portugal	9	14	23	2
South Africa	1	17	18,5	2
Other countries	40	31	71	6
Total (M€)	469	685	1,154	100

Key events in the year

JANUARY

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

MARCH

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

MAY

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



FEBRUARY

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

APRIL

- **Commencement of the Palmas Altas project in Texas**, ACCIONA's 9th wind farm in the USA, with a capacity of close to 145 MW. 
- Signature, with **about 30 Spanish multinationals, of a manifesto** for a more ambitious energy transition. 
- **ACCIONA receives two Distinctions** at the Global Water Intelligence 2018 Awards.  

JUNE

- **Commissioning of the Mount Gellibrand wind farm** (132 MW), Australia's fourth largest. 
- **Commissioning of the El Cortijo wind farm** (183 MW) in Tamaulipas, the first such plant under Mexico's Energy Reform. 



ENERGY
INFRASTRUCTURE



WATER
INFRASTRUCTURE



CIVIL
INFRASTRUCTURE



SUSTAINABLE CITIES



DISTINCTIONS

JULY

- Adoption of **target to reduce the company's greenhouse gas emissions by 16 % by 2030** with respect to 2017, validated by Science Based Targets.



- Contract to **build the Al Khobar desalination plant** in Saudi Arabia for Saline Water Conversion Corporation (> 200 M€).



- **Contract to complete construction of the Cerro Dominador solar thermal plant (110 MW)** in Chile.



SEPTEMBER

- Commencement of **construction of a photovoltaic complex in Ukraine** with 57 MWp peak capacity, to be commissioned in 2019.



- Award of **two water management contracts in Tuscany and Puglia, Italy (31.57 M€)**.



- Contract to **build the E6 highway in Norway** for state-owned company Nye Veier (410 M€).



NOVEMBER

- For the **4th consecutive year, ACCIONA was ranked the greenest electric utility in the world** by Energy Intelligence.



- **Entry into the Portuguese real estate market** with the development of 100 homes in Lisbon (Portugal).



- ACCIONA celebrates centenary of the Seira (Spain) hydroelectric plant, a milestone in the development of northern Aragon.



AUGUST

- **Contract to supply 100 % renewable electricity** for the two main facilities of LATAM Airlines Group in Chile.



- World record set by tunnel boring machines in the Quito Metro project (Ecuador), after digging 1,490 metres in 30 days.



OCTOBER

- **Sale of the stake in Testa Residencial (20 %)** to Blackstone (379 M€).



- Launch of **shared electric scooter service recharged with 100 % renewable energy in Madrid, Spain**.



- Contract to **build the first waste-to-energy plant in Australia (434 M€)**.



DECEMBER

- **Contract to build and operate the Shuqaiq 3 desalination plant, Saudi Arabia (750 M€)**.



- Commencement of the **project to extend** ACCIONA's technology for traceability of **renewable power using blockchain to other countries**.



- At the climate summit in Poland, ACCIONA supported **stepping up the ambition of the national targets for emission reduction** under the Paris Agreement.



ACCIONA's success factors

Few players have the capabilities required to meet the challenges.

Talent

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

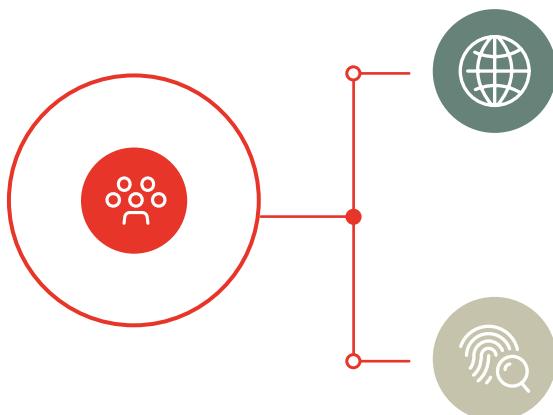
ACCIONA attracts, hires, and works constantly to retain, the best professionals by offering them value propositions that contribute to their growth within the company.

The company's human resources strategy is articulated around the 2018-2022 Strategic Plan and defines elements that are common to the entire organisation for appropriate talent management. During the year, the company made progress in the implementation of a new

tool that will streamline people management processes, favouring objective decision-making and a global culture based on continuous feedback between employees.

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

PEOPLE-CENTRIC



HORIZONTAL COMMUNICATION

Improvement of communication processes with employees through continuous feedback and enhanced internal communication processes.

ACCELERATING PROCESS DIGITALISATION

Accelerating the adoption of new digital technologies that allow employees to manage processes globally and adapt the work environment to new ways of working.

	ATTRACT THE BEST TALENT	Redefinition of the overall hiring process: <ul style="list-style-type: none"> Greater involvement of managers in recruitment of candidates (with whom they will work directly). Focus on the university: standardisation of talent acquisition programmes by business, country and initiative.
	COLLABORATIVE LEADERSHIP	Promoting collaborative leadership to improve managers' capabilities: <ul style="list-style-type: none"> Course for managers: competencies related to team development and effective communication. Programme for executives and middle management: focus on people management and new ways of working. Leadership in setting objectives related to improving communication in goal-setting.
	DEVELOPMENT OPPORTUNITIES	More agile knowledge management and professional development: <ul style="list-style-type: none"> Programmes for tracking new hires to enhance their adaptation to the job and make the learning curve more efficient. Monitoring and feedback processes based on performance and achievements in order to identify and monitor internal talent (performance status). Decentralisation of reward and compensation mechanisms adjusted to performance. Fostering internal mobility.
	ATTRACTIVE WORK ENVIRONMENT	Working with the best: <ul style="list-style-type: none"> Configuring a respectful, inclusive work environment characterised by expertise that acts as a lever to attract talent.
		HORIZONTAL COMMUNICATION ACCELERATING PROCESS DIGITALISATION

The workforce comprises 38,544 people from 123 different nationalities — a team of highly qualified professionals to execute projects in each of the company's lines of business. Diversity and inclusion are also key features of

ACCIONA, which promotes equal opportunities in a broad sense beyond gender diversity, ranging from responsible recruitment through groups at risk of exclusion to leadership programmes for high-potential women.

PROFESSIONALS - KEY FIGURES

 **38,544**
Professionals

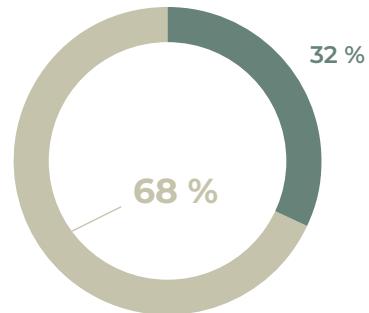
37,403 (2017)

 **123**
Different nationalities

111 (2017)

 **63.3 %**
Local executives*
56.5 % (2017)

 **14 %**
Female executives
12.8 % (2017)



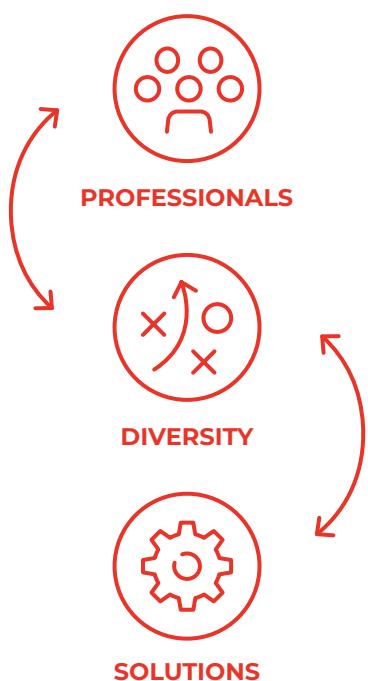
BREAKDOWN OF WORKFORCE
BY GENDER

■ Women
■ Men

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

LINKING DIVERSITY WITH THE BUSINESS MODEL

It is precisely this diversity and the configuration of multidisciplinary work teams, by combining specialist profiles with local capabilities, that enable the company to adopt innovative responses to the challenges of sustainable development.

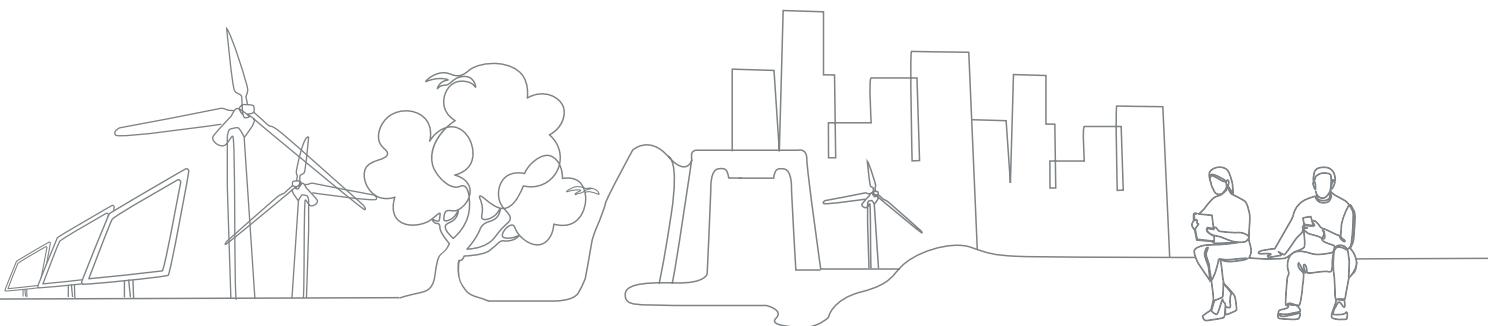


ACCIONA AMONG THE WORLD'S TOP TEN COMPANIES IN THE FIELD OF DIVERSITY AND INCLUSION IN THE 2018 THOMSON REUTERS DIVERSITY & INCLUSION INDEX

ACCIONA GRADUATE OFFICE

ACCIONA's Graduate Office coordinates recruitment programmes among the pool of candidates:

IN A WORK ENVIRONMENT THAT OFFERS MANY OPPORTUNITIES, THE ABILITY TO ATTRACT TALENT IS A DISTINCT COMPETITIVE ADVANTAGE



The ACCIONA way of doing

Infrastructure development requires a specific focus on attracting talent and continuously developing the necessary skills to undertake complex projects. ACCIONA

focuses its talent programme on assisting new hires to adapt to the corporate culture, with common elements for project management and processes, and the possibility of pursuing a professional career in the company.

	KEY INITIATIVES	OBJECTIVE	2018 ACTIONS
 IMMERSION IN THE CORPORATE CULTURE	On-boarding program	Ensuring efficiency in adapting to the job and to the division's processes.	1,527 professionals have completed the programme, having invested a total of 2,084 hours.
 CAREER	Project Directors	Identification of profiles with a significant impact on infrastructure development and driving their careers in accordance with the business needs.	Career and compensation plans for all Project Directors.
 KNOWLEDGE MANAGEMENT	Technical leaders	Recognition of professionals with distinctive skills who contribute to technical excellence, innovation and sustainability.	Designation of Master Technical Leaders in 21 critical specialist areas for ACCIONA.
 TECHNICAL TRAINING	Technical school	Systematising technical training programmes for professionals.	110,295 hours of training given in technical programmes.

Sustainability

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

The Sustainability Master Plan 2020¹ is structured into overall strategic and operational objectives that permeate the entire organisation, with specific goals for each business area. This roadmap sets out initiatives by the company to support sustainable development and business integrity.

Area of the Sustainability Master Plan	2020 objectives	Notable progress in 2018
SOCIETY Social impact management, dialogue and leadership, social action and volunteering.	Enhance management of the social impact of the company's activities and its Social Action Plan.	Implementation of the Social Impact Management methodology in 98 projects in 25 countries. Social contribution: over 13.7 M€, with nearly 5 million beneficiaries
CLIMATE CHANGE Carbon neutrality, climate risks and training.	Carbon neutrality: reduce and offset greenhouse gas (GHG) emissions.	The company has been carbon-neutral for the third consecutive year. A science-based target of a 16 % reduction in greenhouse gas emissions between 2017 and 2030 has been established.
ENVIRONMENT Operational eco-efficiency, sustainable water management, biodiversity.	Cooperating in sustainable water management and using water more efficiently.	Over one-third of the water treated by the company is in areas of water stress. 39 % reduction in water consumption (vs. 2017).
CORPORATE GOVERNANCE Ethics, human rights, governance, risk management and transparency.	Have a Crime Prevention and Anti-corruption Model, and incorporate management of non-financial risks in to the businesses.	Obtaining double certification on Criminal Compliance Management (UNE 19601) and anti-bribery (ISO 37001). Implementation of the method for analysing sustainability risks in Energy, Construction, Water and Services.

Continues >

¹ More information on the areas and targets in the Sustainability Master Plan 2020 <http://smp2020.accionा.com/>

Area of the Sustainability Master Plan	2020 objectives	Notable progress in 2018
PEOPLE Health and safety, development and incentives, diversity and inclusion, and training.	Reduce the accident frequency rate by 15 % with respect to 2015. Increase the percentage of women in senior and middle management positions to 23 %.	The overall accident frequency rate for employees and contractors was reduced to 2.4 (from 2.5 in 2017). The number of women in executive and middle management positions increased to 14 % and 20.4 %, respectively.
VALUE CHAIN Sustainable management of the supply chain, partners and clients.	Mitigate the environmental, social and governance risk in the supply chain and in relations with partners.	Reduction in the number of high-risk suppliers to 5 % (from 7 % in 2017). A total of 329 third parties (partners, consultants and agents) have been assessed to date.
INNOVATION Leading position in collaborative and operational innovation.	Maintain the innovation over sales figure above the European average, foster collaborative and operational innovation.	ACCIONA's innovation intensity ratio (3 %) is above the European average (1.4 %). Two new rounds of the I'MNOVATION #Startups programme. Savings of 26.6 M€ due to process improvements.

PRESENCE IN SUSTAINABILITY INDICES AND RANKINGS

Corporate Knights 2019 Global 100 Most Sustainable Corporations	Leader of the 2018 New Energy Top 100 Green Utilities 	 	Thomson Reuters 2018 Diversity & Inclusion Index
	MSCI Global Low Carbon Leaders Index		

Presence in international organisations

ACCIONA fosters alliances with global organisations in favour of sustainable development, continuing to evidence its leadership role in promoting social awareness among government, society and companies.



Promote the adoption by the private sector of the **10 principles** in connection with human rights, labour, the environment and anti-corruption.



Promote science-based targets for business to reduce greenhouse gas emissions.

Green Growth Platform

Influence the European Union's climate and energy policies.



**THE PRINCE OF WALES'S
CORPORATE LEADERS GROUP**

Accelerate progress towards a low carbon economy by developing policies.

Caring for Climate



Strengthen the role of business in combating climate change and raise awareness on the part of government and public institutions.



WE MEAN BUSINESS



Improve business performance through circular economy and climate change programmes, among others.



Achieve universal access to non-polluting energy and promote energy efficiency and renewables.



CARBON PRICING LEADERSHIP COALITION

Drive the establishment of effective carbon pricing mechanisms to mitigate climate change.



Alliance of CEO Climate Leaders

Boost the private sector's contribution to combating climate change.

Support for position papers and letters in favour of climate ambition

During 2018, ACCIONA continued to express its support for the need to step up the ambition of the climate objectives, to take urgent action and to establish regulatory frameworks that accelerate the transition towards a decarbonised economy.

This support materialised through positions and letters that urge governments, businesses and citizens to legislate, act and promote sustainable development in an urgent and ambitious manner. The main positions and letters were presented before and during the Katowice, Poland, Climate Summit (COP24), a key annual event for addressing issues related to climate change and sustainable development. The company also presented position papers following the announcement of the European Commission's long-term strategy for 2050 at the end of the year.



Business Urges Governments to Step Up Fight Against Climate Change

José Manuel Entrecanales Domecq, Chairman and Chief Executive Officer, ACCIONA: "The second-best time to act against climate change is now; the best has already passed. It's the moment to foster emissions reduction, effective carbon prices, key partnership and climate risk management."

ACCIONA supports: "*An open letter from business to world leaders: Be ambitious, and together we can address climate change*". Alliance of CEO Climate Leaders-WEF, November 2018 – prior to COP24.

↑
step
up
now

ACCIONA participates in the "Step Up Now" initiative to amplify the voices of European cities, regions, companies and investors in support of increased ambition in relation to climate change — *The Prince of Wales's Corporate Leaders Group (CLG), December 2018*, COP24.



During COP24, ACCIONA supported a "call to action" on the Talanoa Dialogue (a dialogue process launched by the United Nations to increase climate ambition).



ACCIONA supports the "*Katowice Declaration on Sound Carbon Accounting: Avoiding Double Counting in Carbon Markets*" by the International Emissions Trading Association (IETA), whose goal is to evidence that private enterprise and civil society support climate change mitigation via robust, transparent carbon markets in line with the roadmap set out under the Paris Agreement.

"ACCIONA has set its science based target to go further and faster in the race against climate change. Responsible companies and governments wanting to engage on climate change must set these new, bold targets to increase the share of renewables."

Juan Ramón Silva Ferrada. Chief Sustainability Officer, ACCIONA - A leading supplier of sustainable infrastructure solutions and renewable energy projects with presence in more than 40 countries.

ACCIONA supports the document "*The Ambition Loop: How Business Can Advance Policies That Fast-track a Zero-carbon Future*". Pathways to Low Carbon and Resilient Development - Global Compact, December 2018-COP24.



The Prince of Wales's Corporate Leaders Group

18 February 2019 - The Prince of Wales Corporate Leaders Group has issued a position statement in support of the EU Long Term Strategy and is calling on EU Member States to secure Europe's competitiveness by prioritising net-zero goals by 2050.

"It's time to invest in the planet. The EU net-zero emissions goal by 2050 will boost innovative business models based on renewable energies, energy efficiency measures, robust carbon prices and efficient climate disclosure which stand for the right incentives for our investors."

Arantza Ezpeleta Puras. ACCIONA's Chief Technology and Innovation Officer

ACCIONA, together with other business leaders, urges Member States to support the target of zero emissions by 2050 to ensure a competitive future for Europe. "*Aiming for zero: Long-term certainty for economic prosperity. Position on the European Commission Communication: A clean planet for all*", The Prince of Wales's Corporate Leaders Group (CLG), February 2019.

Innovation

Efficient technology for a sustainable future

The company's innovation strategy is focused on developing solutions for its business areas in order to respond to existing challenges and anticipate future

changes. ACCIONA also provides efficient technologies to meet the needs of markets and clients, who also demand an assurance of sustainability in construction, water, services and energy for people and the planet.

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

ACCIONA's INNOVATION IN 2018, IN FIGURES

225.4 M€

INNOVATION
FIGURE

3.0 %

INNOVATION INTENSITY RATIO
(R&D SPENDING/REVENUES)
VS. 1.4 % EUROPEAN AVERAGE

209.4 M€

(2017)

2.9 %

(2017)

26.6 M€

SAVINGS DUE
TO PROCESS
IMPROVEMENTS

82 %

OF INNOVATION SPENDING
IS EARMARKED FOR
INTERNATIONAL PROJECTS
(OUTSIDE SPAIN)

32 M€

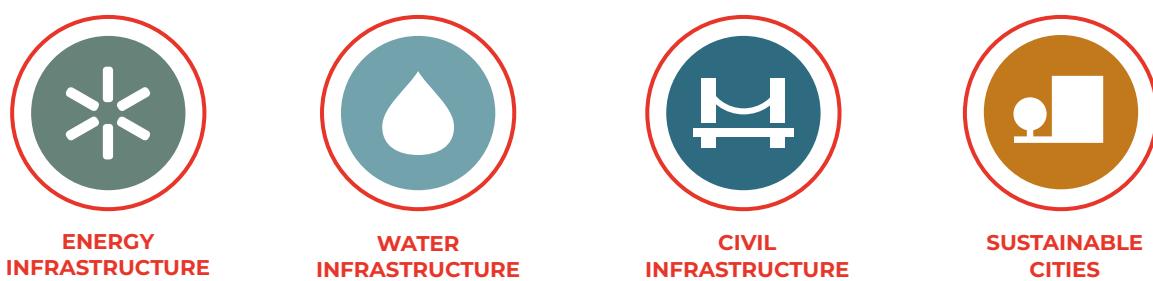
(2017)

79 %

(2017)

RESEARCH FOCUSED MAINLY ON THE SOLUTIONS THAT THE COMPANY PROVIDES

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



RENEWABLE ENERGY

- Maxpower
- Craneless
- Advanced wind power maintenance technologies
- Advanced technologies in solar PV
- Storage for wind and solar power
- Hydroelectric

- Microgrid technology solutions
- Blockchain to energy
- Life extension

SERVICES

- Customer management applications
- Smart cities (smart mobility)
- Traceability and process control
- Improved service efficiency

CONSTRUCTION

- Materials
- Digital innovation
- Construction processes

WATER TECHNOLOGIES

- Desalination and new technologies
- Wastewater treatment and reuse
- Potabilisation and water chemistry

INDUSTRIAL

- Photovoltaic
- Biomass
- Biofuel
- Hydrogen
- Waste to energy
- Solar thermal

ENGINEERING

- Design with new materials
- Engineering methods and energy efficiency
- New construction procedures

OPEN, COLLABORATIVE INNOVATION

ACCIONA's policy is to collaborate with third parties to develop innovative technologies that ensure the sustainability of the company's business:

I'MNOVATION #Startups

- The first startup accelerator in the energy and infrastructure business in Spain and one of the first in Europe.
- It is an open collaboration initiative that promotes the co-creation of solutions to ACCIONA's strategic challenges by combining internal knowledge and external technical capabilities contributed by startups and other partners.
- In 2018, 11 startups were selected from among 92 candidates, resulting in 12 pilot projects.

Advanced and Digital Innovation Hub

- Develops projects focused on digital technologies and their applicability in business, contributing to the dissemination and application of knowledge in the company's operations.

- It is structured around six skill centres: *3D Printing, Mixed Reality, Connected Things, Data Science, Robotics & AI, Blockchain* and new technologies.

- Over 25 % of the projects undertaken in 2018 were transferred to the business lines.

I'MNOVATION #Challenges

- Intrapreneurship program in which employees drive the transformation of the company within the framework of innovation and the creation of new business models.
- Encourages professional development through cross-disciplinary and multidisciplinary collaboration, fostering teamwork.
- In 2018, 23 employees worked together to solve the challenges that were posed.

These open, collaborative innovation initiatives contribute to generating new opportunities, knowledge and synergies that enable ACCIONA to position itself as one of the most innovative companies within the industries in which it operates.

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

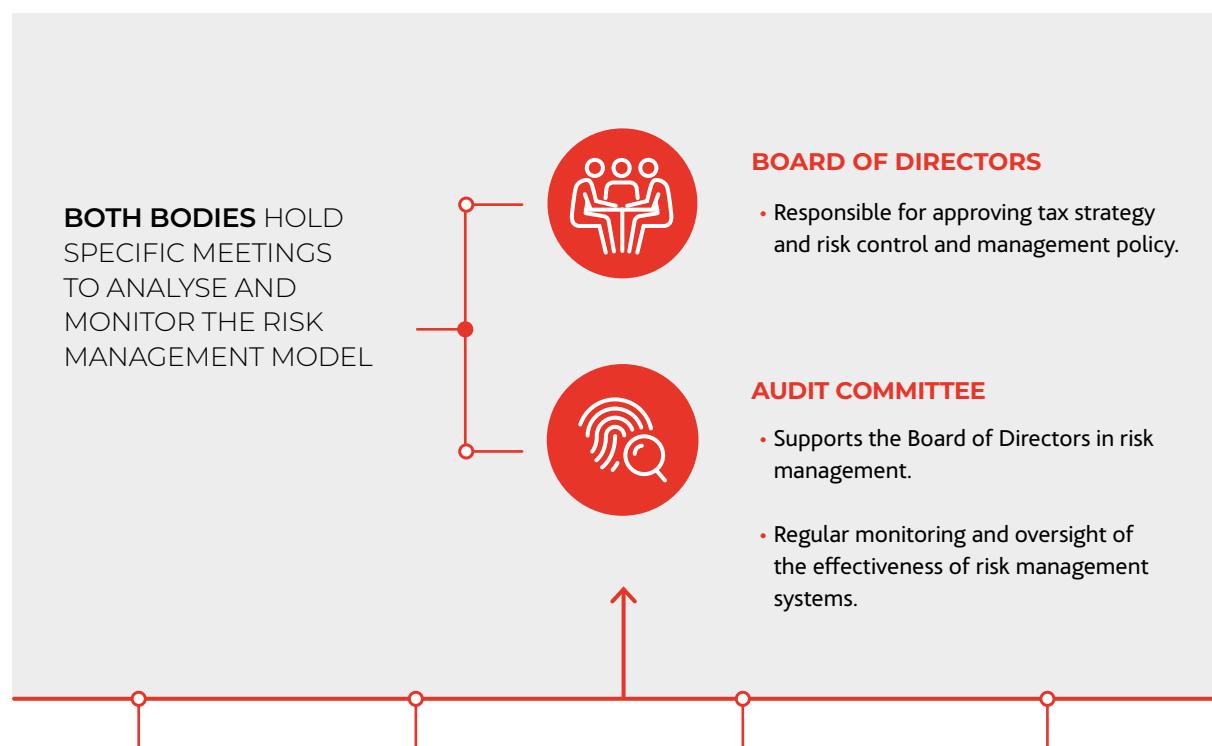
Risk Management

An end-to-end risk control model involving the entire company

Risk management system

ACCIONA's risk management system adopts an end-to-end approach: risks are identified, measured and mitigated for each business line by a team working at corporate level. Because ACCIONA is involved in a wide range of businesses and countries with different regulatory, political and social systems, it needs to apply a range of approaches and mechanisms for managing and mitigating its risk exposure.

RESPONSIBILITIES FOR PLANNING AND EXECUTING RISK MANAGEMENT



General Management of Economic and Financial Control

- Development and updating of the systems for identifying, assessing and handling risks in the divisions, for integration at corporate level.

Corporate Internal Audit Department

- Planning and execution of the audit based on the identified risks
- Evaluation of the effectiveness and efficiency of internal control systems at the Group companies.

Corporate Compliance Department

- Responsible for regularly reviewing the application of the processes and controls established in the crime prevention model.

General Management of the Corporate Tax Area

- Establishes the control mechanisms and internal rules required to ensure compliance with current tax regulations and the strategic objectives approved by the Board.

ACCIONA draws up a risk map for the Group, with domestic and international scope, as well as separate maps for the main business lines. It also performs a quantitative risk analysis by standardising the assessment variables so as to assess the company's risk exposure overall, or by area or division.

A risk tolerance threshold and response plans are established for each business unit, activity or investment project.

The company's risk scenarios are classified into four categories; those relating to finance and strategy are considered to pose a higher risk, based on the assessment by Group executives.

RISK SCENARIOS



FINANCIAL

Fluctuations in exchange rates, interest rates and financial markets, changes in commodity prices, liquidity, cash flows, bad debts and loss of customers.



STRATEGIC

Related to attainment of the company's strategic goals.



OPERATIONAL

In connection with the company's processes, people and products: compliance with the law, regulations and contracts; control systems and procedures, supply chain, etc.



FORTUITOUS

Related to damage to assets and civil liability, which may impair ACCIONA's returns. This includes issues related to cybersecurity.

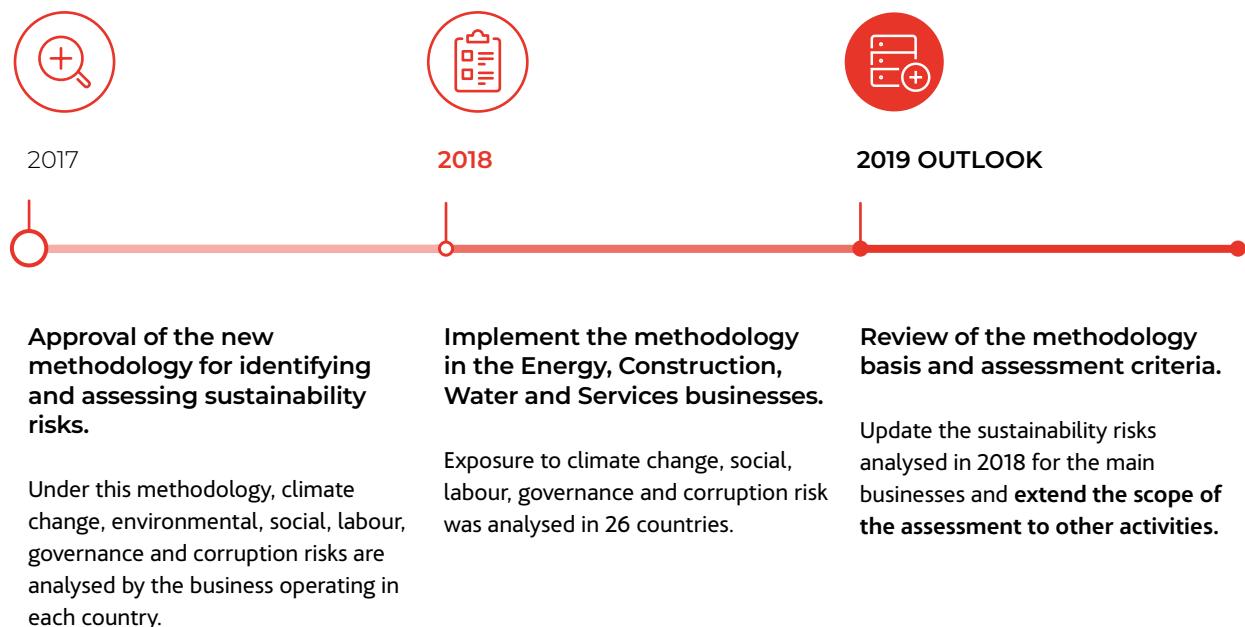
STRENGTHENING RISK MAPS

ACCIONA made progress in 2018 in completing its risk map to have a more comprehensive picture of the company's exposures:

- A **crime risk map** was drawn up in order to fully integrate the compliance system and to align and audit the controls that are in place.
- **Environmental, social and governance risks** are assessed **in each business, in order to improve sustainability performance and stakeholder trust.**
- A **Tax Risk Management Policy** has been defined on the basis of an appropriate control environment, a system for identifying tax risks and a process for monitoring and continuous improvement.

Sustainability risks

The identification, assessment and management of social, environmental and governance (ESG) risks are of fundamental importance to ACCIONA. Consequently, it conducts an in-depth analysis of ESG risks in each country and business where it operates.



SUSTAINABILITY RISK SCENARIOS

SOCIAL

Breach of communities' right to access basic services
Breach of rights of minorities, indigenous peoples, women and girls
Breaches in connection with freedom of expression, opinion and religious conviction

CLIMATE CHANGE

Aggravating climate change
Climate change impact

LABOUR

Breach of labour rights
Breach of health and safety rights
Breach of migrant workers' rights
Violations in connection with forced labour
Violations in connection with child labour

ENVIRONMENT

Breach of environmental legislation
Producing an environmental impact

GOVERNANCE AND CORRUPTION

Lack of standards in corporate governance policies
Corruption-related behaviour
Failure to consider the impact of the business in its interactions with the community and the environment



Further info in the Risk Control and Management Section of the Annual Corporate Governance Report 2018
<https://www.accion.com/shareholders-investors/corporate-governance/corporate-governance-report/>

Managing business risks

General Management of the businesses is responsible, with the support of the Risk Control Units, for risk management in the respective divisions, including policy implementation, risk map validation and calibration, and oversight of the implementation of mitigation measures for identified risks



ENERGY MANAGEMENT OF INTERCONNECTED RISKS



INFRASTRUCTURE RISK ANALYSIS LEVELS

Consolidated risk map

- A consolidated vision that incorporates the division's main risks and facilitates decision making.
- Drawn up with input from the business units, regions and support areas.

Project risks

- Consistent risk management throughout the project life cycle: from identifying the opportunity through to operation.

Specific risk management

- Independent risk management models adapted to the nature of specific risks (market, environment, climate, labour, etc.).
- Facilitates management and tracking of specific indicators and methodologies for each one.

Analysis by geography

- Adapted to each project's specific characteristics.

Project risks

- Exhaustive analysis of each project's main risks, including a range of aspects (market, technical, procurement, etc.).

Specific risk management

- Creation of a specific area in contract planning for better tracking of large projects.
- Analysis of specific risks: safety, environmental and social

World-changing solutions

Global challenges,
local solutions

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

NORTH AMERICA



CENTRAL AND SOUTH AMERICA



MAIN SUSTAINABLE DEVELOPMENT CHALLENGES, BY REGION*



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



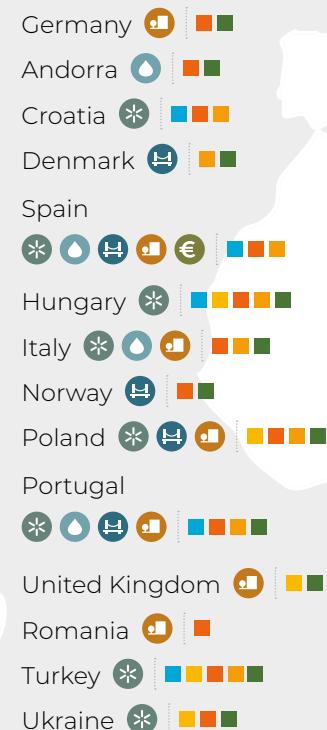
11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION

WITH A PRESENCE
IN OVER 40
COUNTRIES ON FIVE
CONTINENTS...

EUROPE



*ACCIONA, based on the SDG Index and Dashboards Report 2018.

ACCIONA SOLUTIONS



ENERGY
INFRASTRUCTURE



WATER
INFRASTRUCTURE



CIVIL
INFRASTRUCTURE



SUSTAINABLE CITIES



FINANCIAL SERVICES

AFRICA

Algeria					
Cape Verde					
Egypt					
Kenya					
Morocco					
South Africa					

ASIA AND OCEANIA

Saudi Arabia					
Australia					
Qatar					
United Arab Emirates					
Philippines					
India					
New Zealand					
Oman					
Singapore					

KEY INDICATORS 2018

	AFRICA	NORTH AMERICA	CENTRAL AND SOUTH AMERICA	ASIA AND OCEANIA	EUROPE	SPAIN
Revenues (M€)	147	945	488	1,510	1,238	3,181
Renewable energy output (total GWh)	550	5,097	817	1,464	917	13,242
Water treated — desalinated, potabilised and purified (h ⁻³)	110.7	0	7.9	195.7	151.7	323.9



ENERGY INFRASTRUCTURE

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



ACTIVITIES



2018 IMPACTS

Services based on 100 % renewable energy

› **Design and construction**

- Focus on wind and photovoltaic technologies.
- Thermal and hydroelectric generation.

› **Asset upgrades and useful life extensions**

- Wind farm repowering.
- Maintenance to extend useful lives.

› **Energy supply**

- Long-term contracts.

› **New renewable lines of business**

- Storage.
- Distributed generation.

› **Energy efficiency services**

› **Operation and maintenance of renewable assets**

Other energy services

› **Decarbonisation** of the electricity mix **through the production of 22,087 GWh of clean energy**, equivalent to the energy consumption of 6.3 M households.

› Renewable generation that **avoided the emission of 14.7 million tons of CO₂** in 2018.

› **Driving the economy and local employment** by working mainly with local suppliers.

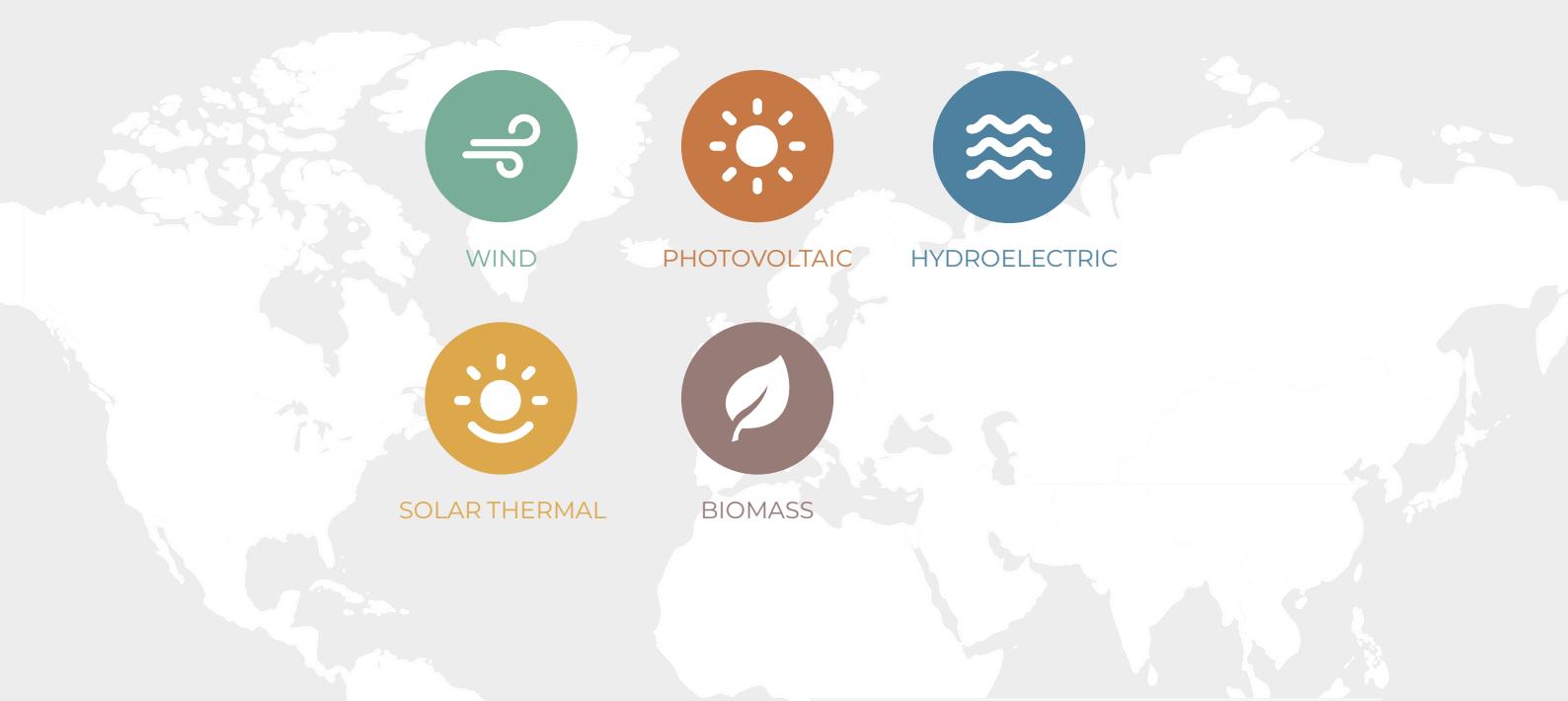
› **Creation of a business ecosystem** and improved **technological capacity**.

› The **main socio-economic impacts** of renewable generation assets* are:

- **Contribution of 1,442 M€ to GDP.**
- **Creation of 31,887 jobs.**
- **Relief of water stress by saving 24.6 M m³ of water.**
- **Improved air quality** by avoiding the emission of **88,000 t SO₂ and NO_x**.

* According to ACCIONA's specific socio-economic impact measurement methodology.

Services based on 100 % renewable energy



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

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

PRESENCE THROUGHOUT THE VALUE CHAIN

- Project development.
- Engineering and construction.
- Asset operation and maintenance.
- Management and sale of energy and energy services.

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

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

Countries	Installed capacity (MW)	Output (GWh)	Emissions avoided (t CO ₂ e)
Australia	435	1,072	955,254
Canada	181	481	363,077
Chile	291	532	417,329
Costa Rica	50	285	193,928
Croatia	30	78	53,211
Egypt	165	-	-
Spain	5,681	13,242	8,439,812
Hungary	24	42	28,988
India	164	392	351,930
Italy	156	223	116,494
Mexico	1,144	2,282	1,304,076
Poland	101	227	190,247
Portugal	165	347	216,626
South Africa	232	550	575,069
Ukraine	24	-	-
USA	785	2,334	1,542,299
Total	9,627	22,087	14,748,341

Design and construction

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

Focus on wind and solar photovoltaic

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

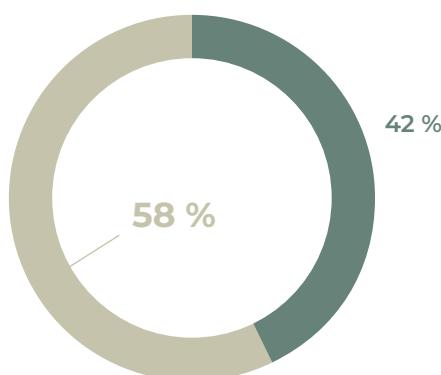
COMPANY-OWNED ASSETS UNDER CONSTRUCTION IN 2018-2019

- Projects under construction in 2018 (1320 MW)
- Projects due to commence construction in 2019 (613 MW)

Project	Status	Capacity (MW)*	Country	Technology
Puerto Libertad	■	404	Mexico	Photovoltaic
Benban Solar	■	186	Egypt	Photovoltaic
Dymerka	■	58	Ukraine	Photovoltaic
San Gabriel	■	183	Chile	Wind
Palmas Altas	■	145	USA	Wind
Mt Gellibrand	■	132	Australia	Wind
El Cortijo	■	183	Mexico	Wind
El Cabrito (Repowering)	■	30	Spain	Wind
Usya	■	64	Chile	Photovoltaic
Almeyda	■	62	Chile	Photovoltaic
Tolpán	■	87	Chile	Wind
Las Estrellas	■	198	Mexico	Wind
Mortlake South	■	158	Australia	Wind
Gudzovka	■	26	Ukraine	Photovoltaic
Arcyz	■	17.6	Ukraine	Photovoltaic

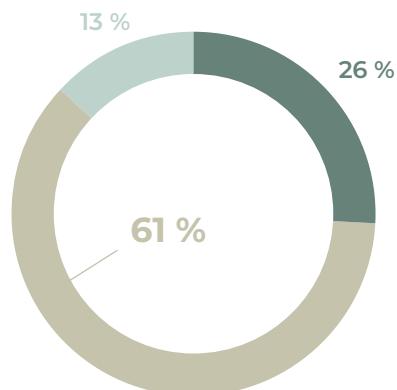
*MWp, in photovoltaic plants.

PROJECTED GROWTH, BY TECHNOLOGY



■ Solar photovoltaic
■ Wind

GEOGRAPHICAL DIVERSIFICATION



■ Europe, Middle East & Africa
■ America
■ Asia-Pacific

IN 2018, THE COMPANY
ACHIEVED A **RECORD PIPELINE**
OF 1,320 MW UNDER
CONSTRUCTION
SIMULTANEOUSLY,
ACCOMPANIED BY A **40 %**
REDUCTION IN THE ACCIDENT
RATE WITH RESPECT TO 2017

ACCIONA ENTERS THE RENEWABLE ENERGY MARKET IN UKRAINE

Ukraine's National Renewable Energy Plan aims for 35 % of electricity production to be from renewable sources by 2035.

In this context, ACCIONA started its first company-owned renewable energy project in Ukraine in 2018: the Dymerka photovoltaic complex. The energy it produces will be sold to Energorynok State Enterprise under a ten-year PPA (until 2029).



DYMERKA PHOTOVOLTAIC SOLAR PARK

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

Thermal and hydroelectric generation

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

SERVICES TO THIRD PARTIES

THERMAL POWER GENERATION

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

HYDROELECTRIC POWER GENERATION

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

Modernisation and extension of assets' useful lives

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

Repowering wind farms

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

UPGRADE AND MODERNISATION OF THE EL CABRITO WIND FARM

In 2018, ACCIONA upgraded the El Cabrito wind farm in the province of Cádiz (Spain), 23 years after it came into operation. The objective was to extend the plant's useful life, improve its operational efficiency and minimise the visual and acoustic impact on the environment while maintaining the original installed capacity.



EL CABRITO WIND FARM

Before the upgrade

- Capacity: 30 MW.
- Wind turbines: 90 330 kW units.
- 90 units of 330kW
- Tower: lattice, 24–36 m hub height.
- Distance between turbines: 45–65 m.
- Output: 84.57 GWh per year.
- Equivalent energy consumption: 300,000 homes.
- Emissions avoided: 59,560 t CO₂/year (2016).

After the upgrade: 2018

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

Maintenance to extend useful lives

ACCIONA performs operation and maintenance tasks with an approach that combines preventive measures with prediction of the status of the assets in operation that are owned by third parties. This distinctive management approach helps extend the assets' useful lives and availability, maximising output at a lower operating cost.

In 2018, ACCIONA increased the availability of its own assets to 96.9 %, 0.2 percentage points more than in 2017.

RENEWABLE ENERGY CONTROL CENTRE (CECOER)

The CECOER is the world's largest renewable energy control centre, managing a total of about 14,000 MW. The CECOER currently supervises operation and manages data from more than 400 wind, hydroelectric, photovoltaic and solar thermal facilities in 21 countries; each year it logs more than 500,000 incidents, 60 % of which are resolved remotely, and the remainder in close coordination with maintenance crews in the field

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

Renewable energy supply business

- 883 customers (875 in 2017).
- 3,140 supply points (2,580 in 2017).
- 6,330 GWh (5,660 in 2017).

**ACCIONA WAS THE FIRST
COMPANY IN SPAIN AND PORTUGAL
TO TRACE RENEWABLE ENERGY
USING BLOCKCHAIN**

Energy supply

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

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

GREENCHAIN: A PLATFORM FOR TRACING THE RENEWABLE ORIGIN OF ENERGY SUPPLIED

In 2018, ACCIONA developed a tool using blockchain technology that provides customers in Spain and Portugal with real-time information on the origin of the energy they consume.

In 2019, the company will extend the use of this technology to new markets, with a focus on countries that lack an established system for accrediting energy's renewable origin.

The company also pioneered the use of blockchain for ensuring traceability of the renewable origin of energy in generation plants with storage. Specifically, the STORECHAIN project applied this technology in two facilities in Navarra (Spain): a wind farm with storage (Barásoain) and a solar photovoltaic farm with storage (Tudela).

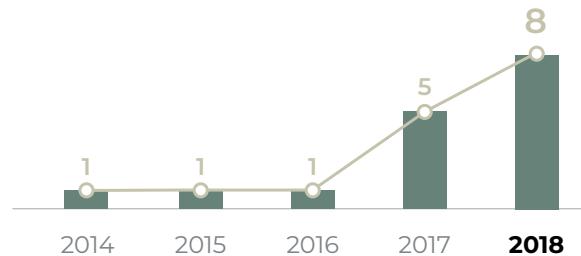
Long-term renewable energy contracts

There is a growing demand for Power Purchase Agreements (PPA) as a result of growing awareness among corporations interested in securing an electricity supply from renewable sources at a competitive price.

At the end of 2018, ACCIONA had a portfolio of 8 corporate PPA clients, to which it supplies about 1,800 GWh of clean energy each year.

ENERGY SUPPLIED

- Energy supplied (GWh)
- N.º clientes



LONG-TERM CONTRACTS OFFER CUSTOMERS BETTER RISK COVERAGE IN THE FACE OF VOLATILITY IN THE ELECTRICITY MARKET, AS WELL AS COMPETITIVE ENERGY PRICES OVER THE TERM OF THE CONTRACT

Corporate Power Purchase Agreements

In 2018, new agreements were signed for the sale of renewable energy to large corporate clients, equivalent to an estimated total production of 1,849 GWh/year. Specifically, agreements were reached with Aguas Chañar, ENAMI and LATAM Airlines, all in Chile.

New business lines in renewable energy

Storage

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

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

In 2019, ACCIONA will build a company-owned 157.5 MW wind farm in Mortlake (Victoria, Australia), which was adjudicated to it in an auction convened by the State of Victoria.

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



MORTLAKE SOUTH WIND FARM

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

Distributed power generation

ACCIONA is aware that distributed generation of renewable energy will play a key role in the future of energy as a competitive, sustainable and reliable system, which is why it has developed several distributed generation solutions within its product portfolio. Its solutions include several types of standard microgrid designed to meet the needs of residential, commercial and industrial customers, both on-grid and off-grid.

The value proposition is to maximise generation from renewable sources, reduce electricity costs and reduce fossil fuel consumption with reliable, cost-effective solutions.

In 2018, it set up a photovoltaic project to reduce fuel consumption on Easter Island (Chile); the plant avoids the use of 200 litres of fossil fuel and the emission of 500 kg of CO₂ per day. The facility was donated to the island.

Additionally, through its participation in energy programmes designed by the Mexican government, ACCIONA was selected in 2017 to design, install and maintain photovoltaic systems using these microgrids to provide electricity to 720 homes in three Mexican states.

Energy efficiency services

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

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

In 2018, ACCIONA had 46 ongoing energy efficiency projects that will save more than 105,000 MWh, avoiding the emission of 24,216 tons of CO₂/year into the atmosphere.

Operation and maintenance of renewable assets

The company also operates and maintains renewable energy assets for clients. Its mission is to optimise energy

production for its clients, driven essentially by innovation and continuous process improvement, working day-after-day to gain efficiency and minimise costs.



> 4,200 MW

WIND FARMS

> 3,000

LOCATIONS

62,699 kWp

PHOTOVOLTAIC FARMS

85

SUBSTATIONS

Other energy services

Through its industrial division, the company also designs and builds conventional energy installations on a turnkey basis.

90 % OF THE INDUSTRIAL BUSINESS IN 2018 WAS ASSOCIATED WITH RENEWABLE ENERGY

OIL & GAS

- Storage, regasification, treatment, transportation and distribution of natural gas.
- Specialists in liquefied natural gas (LNG) terminals.
- Oil storage and refinery, both midstream and downstream, petrochemical and fertilizer projects.
- Execution of maritime works —jetties and dykes— with a large technology component.

TRANSMISSION NETWORKS AND SUBSTATIONS

- Construction of low-tension facilities, lines and substations up to 400 kV.
- More than 38 projects in Spain and 35 in the rest of the world since 2005.



WATER INFRASTRUCTURE



ACCIONA's innovative water management approach seeks to overcome the challenges posed by water scarcity.



ACTIVITIES



2018 IMPACTS

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

- **Operation and maintenance**

- **Water concessions**

- **A total of 790 hm³ of water treated, purified and desalinated in 2018.**

- **Contribution to adaptation to climate change through the desalination of 204 hm³ in the MENA region** using reverse osmosis, a technology that produces 6.4 times less GHG than the thermal desalination technologies existing in this region.

- **Relief of water stress by treating more than one-third (295 hm³) of the total water treated** in areas of water stress.

- **Support for the economy and local employment.**

- **Creation of a business ecosystem and improved technological capacity.**

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

ACCIONA is an established market leader that drives technology applications and the digitalisation of the industry.

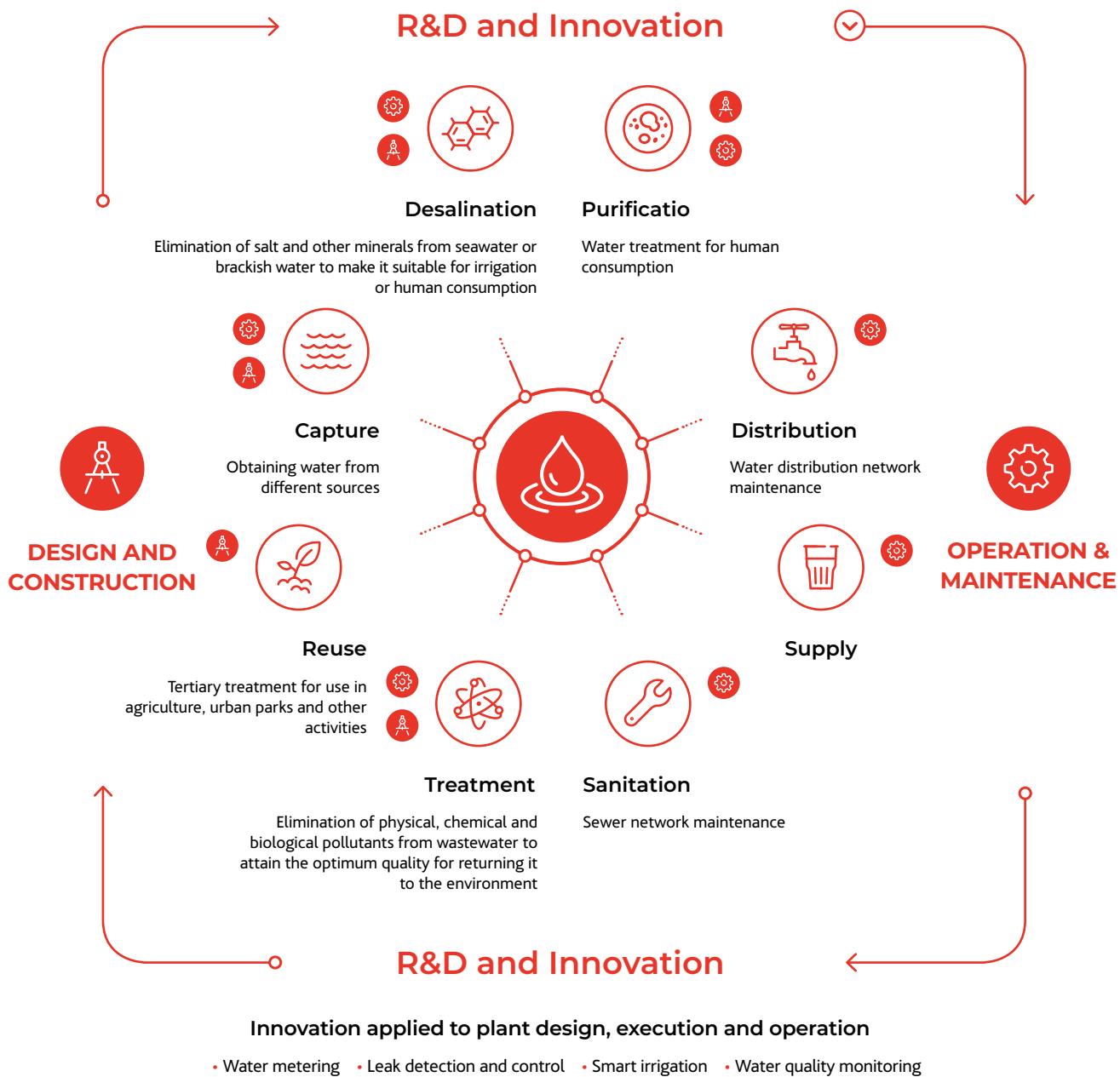
In the short and medium term, the company is focused on optimising water prices, shortening lead times for large projects, and increasing the recurrence of its end-to-end management services.

ACCIONA'S END-TO-END WATER CYCLE

KEY MANAGEMENT FACTORS

Resource protection and sustainable approach

- Optimisation of natural resource consumption.
- Minimisation of polluting waste production in processes.
- Maintenance of management standards for wastewater treatment.
- Awareness-raising campaigns for end users.





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

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

LANDMARK PROJECTS IN EGYPT: CAPTURE, PURIFICATION AND WASTEWATER TREATMENT

Drinking water treatment plants

- **Almerya**
Capacity: 200,000 m³/day.
Population served: 2 million.
- **Rod el Farag**
Capacity: 100,224 m³/day.
Population served: 900,000.
- **Mostorod**
Capacity: 110,000 m³/day.
Population served: 1.2 million.
- **North Helwan I y II**
Capacity: 100,000 m³/day.
Population served: 900,000.

Continues >

Wastewater treatment plants

- **Abnoub & el Fath**
Capacity: 80,000 m³.
Population served: 750,000.
- **Kattaneya**
Capacity: 100,000 m³.
Population served: 1 million.
- **Gabal el Asfar**
Capacity: 2,500,000 m³.
Population served: 8 million.

Water procurement

- Capture, transportation, treatment and storage of drinking water in New Cairo (2017).



EXPANSION OF THE GABAL EL ASFAR TREATMENT PLANT

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

Design and construction of water treatment plants

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

Water capture and drinking water

The company develops solutions for treating water to make it fit for human consumption. Overall, ACCIONA has built over 120 drinking water treatment plants with a total capacity of 8.5 million m³/day.

**MORE THAN 120 DRINKING
WATER PLANTS BUILT, SUPPLYING
31 MILLION PEOPLE AROUND
THE WORLD**

Desalination of seawater and brackish water

ACCIONA is a leader in desalination via reverse osmosis, which enhances water quality and has a lower environmental impact. The company uses the latest membranes and new energy recovery devices that complement desalination, optimising all the processes.

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

**OVER 80 DESALINATION
PLANTS BUILT, WITH A CAPACITY
OF 4.1 MILLION M³/DAY, SUPPLYING
MORE THAN 22 MILLION PEOPLE
AROUND THE WORLD**



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

Al Khobar I (Saudi Arabia)

- Investment: 200 M€.
- Location: Dhahran.
- Contract: Design project, with a one-year warranty.
- Capacity: 210,000 m³/day.
- Population served: 350,000.

Shuqaiq3 (Saudi Arabia)

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

Jebel Ali (United Arab Emirates)

- Investment: 192 M€.
- Location: Dubai.
- Capacity: 182,000 m³/day.
- Population served: 700,000.

Wastewater treatment and reuse

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

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

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

Operation and maintenance

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

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

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

>160

**WATER TREATMENT PLANT
OPERATION AND MAINTENANCE
CONTRACTS
WERE OPERATIONAL
IN 2018**

Water concessions

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



CIVIL INFRASTRUCTURE



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



ACTIVITIES

- Roads and bridges
- Railways and tunnels
- Special structures
- Transport concessions



2018 IMPACTS

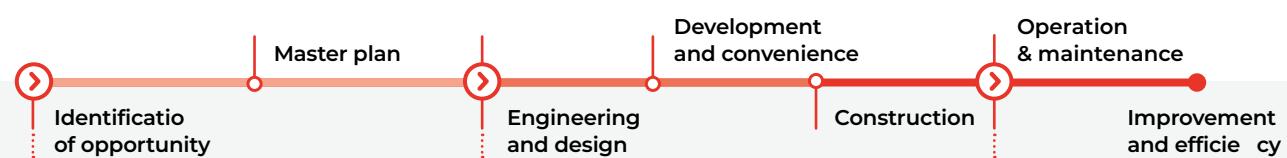
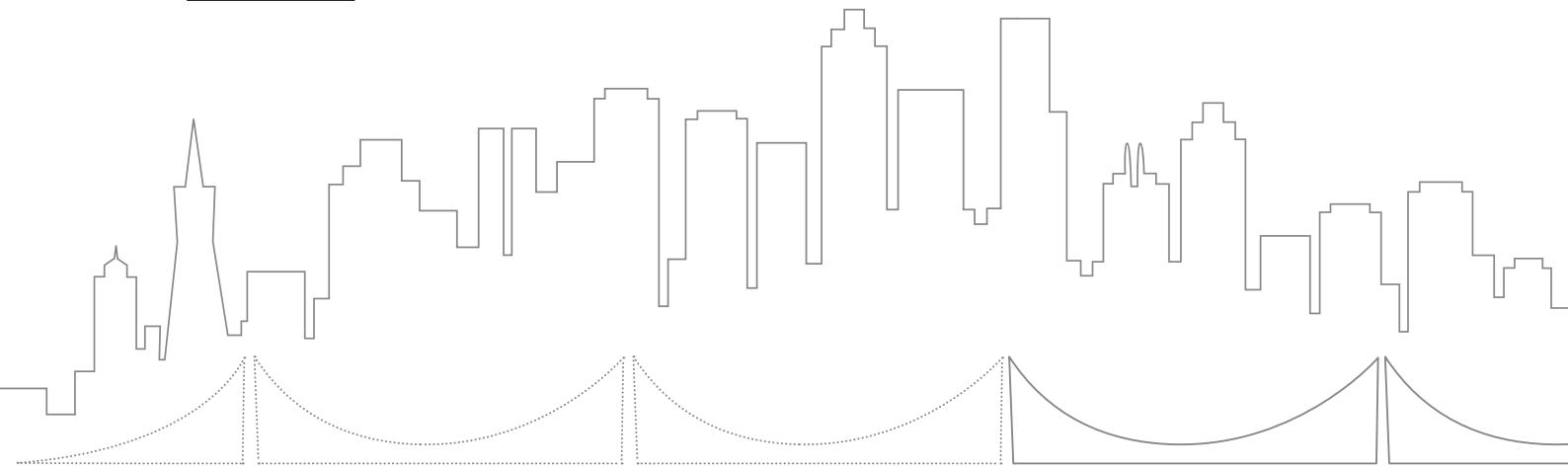
- Fuel savings, reduced pollutant emissions and improved air quality.
- Lower traffic congestion, spending on transport, and travel times.
- Support for the economy and local employment.
- Improved connectivity and cooperation between regions.
- Creation of a business ecosystem and enhanced technology capabilities.
- Release of land for public use.

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

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

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

THROUGHOUT THE VALUE CHAIN



INITIAL DEFINITION

- Feasibility analysis.
- Standard contracts and infrastructure development models.
- Design and concept.
- Budgeting.
- General consulting, etc.

EXECUTION PHASE

- Technical and engineering design.
- Budget.
- Planning implementation and execution.
- Procurement and supplies.
- Construction.
- Technical support and control.
- Monitoring and tracking, etc.

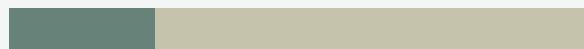
OPERATING PHASE

- Start up.
- Operation.
- Maintenance.
- Monitoring and control.
- Support during operation.
- Proposals for improvement, application of efficiency measures, etc.

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

2018 PORTFOLIO

- Spain
- International



| 24.4 % | **75.6 %** |

Roads and bridges

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

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

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



E-6 RANHEIM VÆRNES TOLL ROAD, NORWAY

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



PAN-AMERICAN HIGHWAY, PANAMA

- Investment: 310 M€.
- Location: Arraiján, West Panama province.
- Contract: design, construction and maintenance of **12 km** of road with 3 lanes in each direction, 2 reversible central lanes.
- Impact: alleviate congestion on the route, where 2-hour traffic jams are standard.
- Socio-economic impact:
 - Contribution to GDP: 146 M€.
 - Job creation: 3,887 job-years*.
 - Emissions avoided as a result of a 20 % reduction in fuel consumption caused by improved traffic flow: 8,148 t CO₂/year.

Railways and tunnels

In the last 25 years, ACCIONA has participated in the development of railway projects — high speed, conventional and underground — in many countries. Railway and tunnel construction covers all phases of the process, from feasibility studies and design to construction, work supervision and maintenance.

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

ACCIONA stands out by using distinctive digging techniques that combine geotechnical research and optimisation of working conditions inside tunnels with modernised ventilation systems, enabling it to achieve higher performance in executing underground works and set new tunnelling speed records.

* Job-year: a full-time equivalent job lasting one year.

INTEGRATION OF GEOTECH AND NEW CONTRACTS IN 2018

In 2017, ACCIONA signed an agreement to acquire the Geotech Group, a company specialised in engineering and construction in Australia and New Zealand, to channel civil engineering projects in those markets through its new subsidiary, ACCIONA Geotech Holding.

Since its acquisition, the company has signed new contracts to upgrade railway lines and eliminate level crossings in Australia.

Specificall , in 2018 the company was awarded **contracts to modernise the Ballarat railway line** (worth 360 M€) and to **remove level crossings in the State of Victoria**, at an investment of 382 M€.

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

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



SITE C CLEAN ENERGY HYDROELECTRIC PLANT

- Investment: 1,750 M CAD.
- Location: Canada.
- Contract: construction of a 1,050 m long earth dam 60 m above the river. It includes the construction of 2 twin bypass tunnels and a foundation of 800 m of compacted concrete to improve the plant's seismic resilience.
- Storage capacity: 20 million m³.
- Capacity and output: 1,100 MW, and 5,100 GWh of electricity per year, enough to supply electricity to 450,000 homes in British Columbia.



FOLLO LINE TUNNELS

- Investment: 1,000 M€.
- Location: Norway.
- Contract: Design and construction (EPC) of twin-bore tunnels through rock, each measuring 19.5 km in length with a diameter of 8.8 m, and development of railway installations (except signage).
- Machinery: double-shield TBMs¹ measuring 150 m, each weighing 2,400 tons.

Special structures

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



Further information in the Impact and transformation of society section on page 84, and in the map of Canada on pages 92 - 93.

Transport concessions

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

¹Tunnel Boring Machine.



776 M€
CAPITAL INVESTED

926 M€
(2017)

11
PROJECTS UNDER WAY

11
(2017)

DIVERSIFIED CONCESSION MANAGEMENT

GEOGRAPHY	<ul style="list-style-type: none"> Global coverage with a presence on all continents through regional teams for Canada, the United States, Europe, Asia-Pacific and Latin America Analysis of new opportunities in markets with a stable regulatory and economic framework.
INDUSTRY	<p>Revenues based on availability and demand, by sector:</p> <ul style="list-style-type: none"> Toll roads: conventional, free-flow and shadow tolls. Railways and trams, ports and irrigation networks, including tunnels and bridges. Airports. New sectors: telecommunications and industry.
EXECUTION AND END-TO-END MANAGEMENT	<ul style="list-style-type: none"> Private-sector development, design, construction, finance, management, and operation and maintenance.
BIDDING AND CONTRACTING	<ul style="list-style-type: none"> Analysing an average of 45 projects/year, achieving prequalification in 50 % of cases and successful award in 25 %. Significant share (in both capital and construction).
ROTATION	<ul style="list-style-type: none"> Selective divestments: Ruta 160 and the toll roads in Chile and Brazil.

In 2018, the Concessions area worked on the development of a new strategic plan for the coming years involving a more diversified approach and focused on greater

participation in profitable, sustainable capital investments. The company is exploring new opportunities in the field of transport concessions, among others.

KEY FACTORS FOR THE FUTURE



60.2 bn
PROJECT PIPELINE

45 %
OPPORTUNITIES
IN NEW
GEOGRAPHIES

25 % - 50 %
EQUITY STAKE



Further information in the section on 'Social concessions' under 'Sustainable cities'



SUSTAINABLE CITIES

Rapid growth by cities creates the need for new services. The activities that ACCIONA creates and undertakes are focused on improving citizens' lives.



ACTIVITIES



2018 IMPACTS

- **Urban mobility**
 - Mass transit.
 - Infrastructure tunnelling.
 - Shared and electric mobility.
 - Airport services.
 - Other transport services.
 - **Development of the urban environment**
 - Waste management: circular economy.
 - Efficient water use.
 - Real estate development.
 - Cleaning, maintenance and upkeep of public spaces in cities.
 - **Social infrastructure concessions**
- **Fuel savings, reduced pollutant emissions and improved air quality.**
 - **Reduction in traffic congestion, spending on transport, and travel times.**
 - **Driving the economy and local employment** by working mainly with local suppliers.
 - **Improved connectivity and cooperation between communities.**
 - **Creation of a business ecosystem and improved technological capacity.**
 - **Release of land** for public use, expansion of green areas and rehabilitation of urban spaces.
 - **Reduction in noise pollution.**

In addition to providing access to essential services, such as energy and water, ACCIONA contributes to making cities into productive living spaces, favouring people's socio-economic development.

Improvements to infrastructure network and transport connections, revitalisation of cities through housing development, and appropriate management of citizens' surroundings are addressed with a sustainable approach to improve living standards for city dwellers.

Urban mobility

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

Mass transit

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



QUITO METRO (ECUADOR)

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

Infrastructure tunnelling

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



LEGACY WAY TUNNEL (AUSTRALIA)

- Contract: design, construction, operation and maintenance of a **7 km** dual carriageway running through 4.6 km twin-bore tunnel.
- Machinery: **2 tunnel-boring machines (TBM)** over 100 metres long, weighing 2,800 tons and with a diameter of 12.4 metres.
- Duration: 10 years.
- Construction finalised: 015.
- Execution periods: average progress of 701.8 /month, setting world records for tunnel digging speed.
- Emissions avoided by the chosen rubble disposal method: **1,021.37 t CO₂**.
- Improved traffic flow and time savings: trip time halved to 14 minutes.
- Other impacts: over **10,403 trips avoided**, reduction in noise, pollution and dust.
- Awards: Brisbane Lord Mayor's Award for Innovation (2012), 2013 International Tunnelling Project of the Year, International Association of Public Participation, Winner in the Infrastructure category (2014), International Road Federation, Award for Environmental Excellence (2014), and Infrastructure Partnerships Australia Project of the Year (2015).

Airport Services

ACCIONA offers ground handling services for passengers and aircraft in line with airlines' and airports' specific needs. The main services it delivers are: passenger handling (check-in, boarding, attention to passengers with reduced mobility), operations (stowage, coordination with crews), ramp (loading and unloading the plane, transporting crews and passengers on the apron, pushing and towing planes) and cargo (cargo terminal management).

Since it entered this business in 1994, when the sector was liberalised in Spain and Germany, the company has operated at several levels in both countries' main airports (Madrid, Barcelona, Palma de Mallorca, Tenerife, Las Palmas, Alicante, Berlin, Frankfurt, Hamburg and Düsseldorf). This activity began to expand into Latin America in 2016 with its entry into new markets such as Chile (2016) and Argentina (2018). The main milestone in this process was the acquisition of Andes from airline LATAM, which included a long-term contract for ramp services for LATAM in Santiago.

In its overall network in Europe and the Americas, ACCIONA provides handling services to more than 100 airlines at 22 airports, serving 100,000 flights per year.

Shared and electric mobility

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

- 1,250,000 km travelled, equivalent to 25 trips around the world.
- 105 t CO₂ avoided.
- 40% shift to sustainable means of transport.
- 61,159 m² net space freed.

Other transport services

ACCIONA provides international freight and private rail transport services.

FORWARDING

- End-to-end management of international freight shipping.
- Extensive network of company offices in Spain and Latin America and of correspondents worldwide.
- Presence in the air, maritime and multimodal sectors and customs clearance.

RAIL

- Private rail transport.
- Highly qualified drivers and planning and operations personnel.
- Train cleaning and ticketing services.

Development of the urban environment

Waste management: circular economy

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

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

ACCIONA BUILDS AUSTRALIA'S FIRST WASTE-TO- ENERGY PLANT



KWINANA (AUSTRALIA): WASTE-TO-ENERGY

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

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

Efficient water use

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

SMART WATER CONSUMPTION IN BURGOS (SPAIN)

Project SWING (Smart Water Innovation Network in the city of Burgos) consists of implementing an integrated drinking water network management system that allows real-time remote monitoring of water quality and water meters and of the status of the water mains network in the city of Burgos, Spain. Over the last four years, ACCIONA has implemented a drinking water supply management system which allows for water quality, water consumption and network status to be monitored remotely in real time.

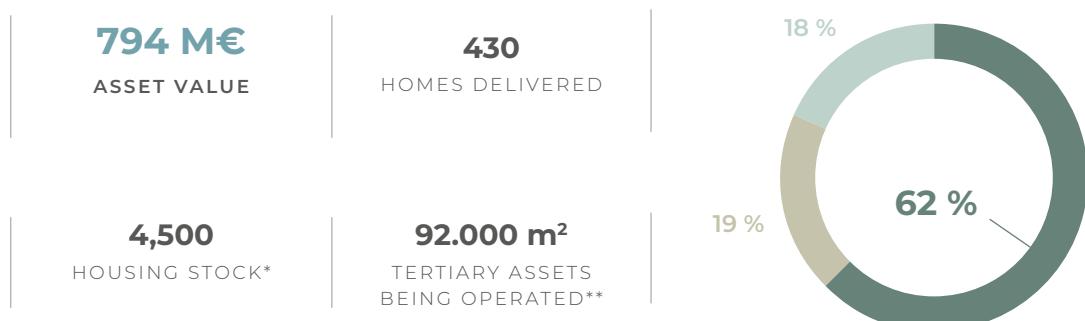
Real estate development

The company is committed to real estate development and a range of complementary services aimed at driving sustainable growth of cities, in line with global urbanisation trends.

ACCIONA's real estate business focuses on developing and managing real estate complexes in Spain, Poland, Mexico and Portugal, backed by solid technical and professional experience.

REAL ESTATE DEVELOPMENT

- Residential development in Spain
- Residential development in other countries
- Other commercial real estate



* Total stock of homes to be built plus those already available for sale, and land owned by the company.

** For rental or other activities.

In 2018, the company accelerated the process of international expansion by investing 75 M€, taking

advantage of growth opportunities and the favourable cycle position in the sector, mainly in Mexico and Portugal, and it is considering expansion into other countries in Latin America and Europe.

ACCIONA IN MEXICO

- Up to 2018, it focused on luxury housing, having delivered over 2,000 homes in Mexico City and Acapulco.
- Expansion of the portfolio to the mid-market segment, with new locations in Mexico City (Insurgentes, Polanco and Colonia Roma), Playa del Carmen (700 homes) and Guadalajara (200 homes).

ACCIONA IN PORTUGAL

- Acquisition of 2 sites in Lisbon for the development of approximately 110 homes in partnership with one of Portugal's leading property developers.
- Residential building for rehabilitation in the Estrela district, and a site in the Graça district, adjoining Alfama, will contribute to the revitalisation of this area.
- Acquisition in 2019 of land in the Alcantara district to develop 63 homes.

In Spain, ACCIONA is currently analysing business diversification opportunities in line with the greater opening of the non-residential real estate market.

ACCIONA has made progress in developing projects for urban and social regeneration of areas that were originally on the outskirts of cities and are now isolated in the city core as a result of expanding population. Examples: acquisition of the former power plant in calle Ombú, in Madrid (Spain), a protected building dating from 1903 that is characteristic of industrial construction at the time, whose rehabilitation is currently being studied; and the recent award of a contract to build a dike and undertake infill works alongside the Deusto canal, reclaiming land from the sea in the latest move to regenerate the ria of Bilbao (this contract entails ACCIONA acquiring land on which approximately 58,000 m² of housing can be built).

ACCIONA is also committed to sustainability in the design of all its projects, promoting innovative measures not only in the field of energy saving and the reduction of CO₂ emissions, but also in aspects such as the water footprint, life-cycle analysis, alternative modes of transport, accessibility and occupants' health and comfort. This commitment is expressed through compliance with the leading international standards for sustainability; in 2018, the Adelfas development in Madrid was the first to obtain "Very Good" BREEAM certification, and is the largest development in Spain to be so certified; the Mesena office complex, acquired in 2019, is currently in the study phase with the goal of obtaining LEED Gold environmental certification for the complex as a whole, with some of its buildings aiming for LEED Platinum.

In 2019, the company will begin marketing 1,900 homes, 67 % of which will be located outside Spain.

Cleaning, maintenance and upkeep of municipal public spaces

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

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



WASTE COLLECTION AND STREET CLEANING IN ALCOBENDAS (SPAIN)

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

Social infrastructure concessions

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

OVER 4,000 HOSPITAL BEDS AND 950,000 m² OF SOCIAL INFRASTRUCTURE¹ IN 13 YEARS

¹Includes healthcare centres and universities.



FINANCIAL SERVICES

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



ACTIVITIES



2018 IMPACTS

- Asset management services: mutual funds, pension funds and institutional mandates.
- Helping to provide a return on savings.

Asset management

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

Value investing approach

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

- **Fundamental analysis**

A qualified team with over 200 years' combined experience.

- **Appropriate risk management**

Robust portfolios and the search for a balance between the various risk factors.

- **Long-term vision shared by investors and managers**

Convergence between value and price over the long term, making it possible to pick opportunities at a good price.

6,280 M€

TOTAL ASSETS

4,835 M€

MUTUAL FUNDS

1,074 M€

PENSION PLANS

371 M€

LUXEMBOURG UCITS
AND SICAVs

* Data as of 30/04/2019.

Market volatility in 2018 resulted in greater uncertainty on the part of clients — with a consequent reduction in inflows — and a negative impact on fund yields, in line with the performance of the benchmark indices. Funds under management at year-end amounted to 5,476 M€, and rose by 9.6 % in the first quarter of 2019.

Client numbers continue to grow rapidly, to 51,492 investors at the end of April 2019.

Long-term returns and saving

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

Mutual funds

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

Pension plans

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

BESTINVER GLOBAL PENSION FUND REPORTS AN ANNUALISED AVERAGE RETURN OF 12.5 % OVER 10 YEARS

12,4 %

BESTINFOND,
INVESTMENT FUND

10-YEAR AVERAGE
ANNUALISED RETURN

8.0 %

BESTINVER BOLSA,
INVESTMENT FUND

10-YEAR AVERAGE
ANNUALISED RETURN

13.8 %

BESTINVER INTERNACIONAL,
INVESTMENT FUND

10-YEAR AVERAGE
ANNUALISED RETURN

9.7 %

BESTINVER BIG COMPANIES,
INVESTMENT FUND

AVERAGE ANNUALISED
RETURN SINCE INCEPTION

* Data at 30/04/2019.

Impact on and transformation of society



ACCIONA'S CONTRIBUTION IN MEXICO IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Decarbonisation of the electricity mix	Emissions avoided: 1.3 Mt CO ₂
Improved access to water	People served: +10.5 M
Improved connectivity	Road infrastructure: 30 Km
Improved social well-being	Beneficiaries of social initiatives: 1.3 M

OTHER SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF RENEWABLE ASSETS*

Contribution to GDP	169 M€
Job creation	4,498
Relief of water stress	Water saved: 1.9 M m ³
Improvement in air quality and health	Emissions avoided: 4,600 tSO ₂ and NO _x

*According to ACCIONA Energy's specific socio-economic impact measurement methodology.

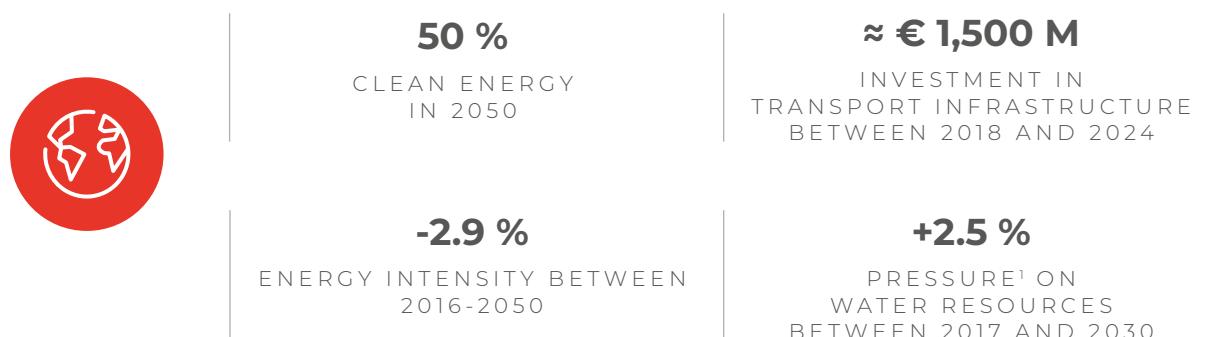
MEXICO'S POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
 6 CLEAN WATER AND SANITATION	●	►	Access to drinking water: 96.1 % Access to sanitation: 85.2 % High water stress: (40 % - 80 %)
 7 AFFORDABLE AND CLEAN ENERGY	●	▼	#17 in terms of electricity generation capacity 72.56 M kW 99% of the population has access to electricity
 13 CLIMATE ACTION	●	▼	#14 in terms of emissions of CO ₂ 454.1 Mt CO ₂ e 3.9 t CO ₂ e/capita
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	●	▼	#17 in terms of road construction: 377,660 km
 11 SUSTAINABLE CITIES AND COMMUNITIES	●	▼	80.2% urban population 1.5 hospital beds / 1,000 people

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available

- SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN MEXICO



¹ The pressure on water resources is obtained by dividing water extraction by water from renewable sources.

AUSTRALIA

The acquisition of Geotech strengthened ACCIONA's presence in transport and water infrastructure in Australia, where it also has renewable assets. The company is a founding member of the European Australian Business Council and participates actively in the Spanish-Australian Chamber of Commerce and Industry.

KEY PROJECTS IN 2018

 Waste-to-energy plant, Kwinana	  Legacy Way tunnels, Brisbane	 Sydney Light Rail
• Capacity: 36 MW	• D&C and O&M (10 years) • Length: 4.6 Km	• D&C and O&M (13 years) • Length: 12 km track, operating 25 km. • Capacity: 450 passengers/service
 Drinking water plant, Mundaring	 Kawana wastewater plant	 Puhoi toll road, New Zealand
• D&C and O&M (35 years) • Capacity: 240,000 m³/day	• D&C and O&M	• D&C and O&M (25 years) • Includes concession (PPP)
 Cathedral Rocks wind farm	 Toowoomba highway	 Gunning wind farm, Victoria
• Capacity: 64 MW	• O&M (25 years) • Length: 41 km • Includes concession (PPP)	• Capacity: 46.5 MW
 Waubra wind farm, Victoria	 Mount Gellibrand wind farm, Victoria	 Adelaide desalination plant
• Capacity: 192 MW	• Capacity: 132 MW • PPA with VIVA Energy	• EPC and O&M (20 years) • Capacity: 300,000 m³/day
 Lilyvale photovoltaic plant (EPC)		
• Capacity: 100 MWac		

■ Energy infrastructure ■ Water infrastructure ■ Civil infrastructure ■ Sustainable cities

ACCIONA'S CONTRIBUTION IN AUSTRALIA IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Decarbonisation of the electricity mix	Emissions avoided: 955,000 t CO ₂
Improved access to water	People served: >2.8 M
Improved connectivity	Transport infrastructure: >70 Km
Improved social well-being	Beneficiaries of social initiatives: 147,000

OTHER SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF RENEWABLE ASSETS*

Contribution to GDP	78.4 M€
Job creation	693
Relief of water stress	Water saved: 1.6 M m ³
Improvement in air quality and health	Emissions avoided: 6,900 tSO ₂ and NO _x

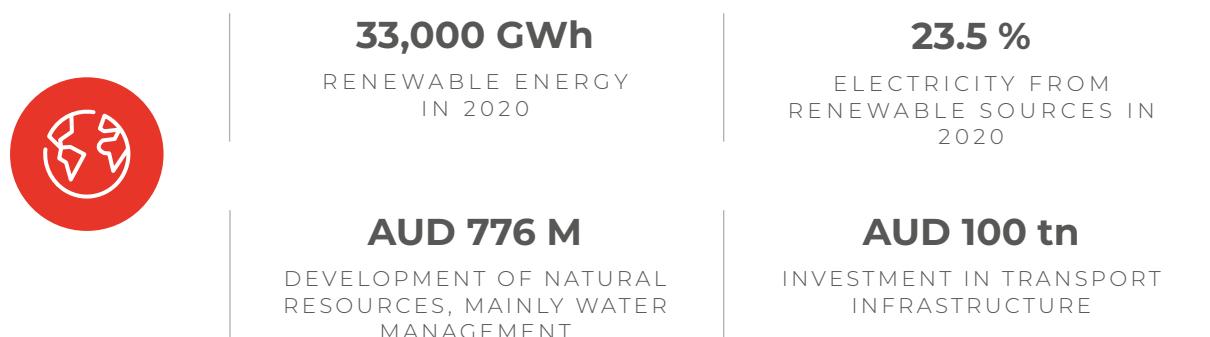
*According to ACCIONA Energy's specific socio-economic impact measurement methodology.

AUSTRALIA'S POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
 6 CLEAN WATER AND SANITATION	●	◆	Access to drinking water: 100 % Access to sanitation: 100 % High water stress: (40 % - 80 %)
 7 AFFORDABLE AND CLEAN ENERGY	●	▼	#18 in terms of electricity generation capacity 65.56 M kW 100 % of the population has access to electricity
 13 CLIMATE ACTION	●	▼	#15 in terms of emissions of CO ₂ 439.1 Mt CO ₂ e 15.4 t CO ₂ e/capita
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	●	▼	#8 in railway construction: 33,343 km #7 in road construction: 873,573 km
 11 SUSTAINABLE CITIES AND COMMUNITIES	●	▼	86 % urban population Satisfaction with public transport: 59 % 3.8 hospital beds / 1,000 people

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available
- ▶ SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN AUSTRALIA



Source: Central Intelligence Agency. *The World Factbook*, Australia.

Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *SDG Index and Dashboards Report 2018*.

World Resources Institute. *Aqueduct Country and River Basin Rankings*.

Australian Government. *Australian Government response to the Climate Change Authority's, 2014 Renewable Energy Target Review*.

Commonwealth of Australia. *Budget 2019-2020, Investing in our community Congestion busting infrastructure now and for the future*.

Australian Parliament. *Budget Review 2019-20 Index*.



CHILE

A strategic market in South America, where ACCIONA is actively involved in public and private sector infrastructure, as well as providing innovative solutions in clean energy and water desalination.

KEY PROJECTS IN 2018



Copiapó desalination plant

- O&M (20 years)
- Capacity: 54,000 m³/day



San Gabriel wind farm

- Entry into service: 2019
- Capacity: 183 MW



Easter Island photovoltaic plant, grid connected

- Output: 128 MWh/year



El Romero Solar photovoltaic plant

- Capacity: 246 MWp
- PPA with Google



Almeyda photovoltaic plant, Atacama

- Capacity: 62 MWp



Santiago de Chile Metro

- Sections: 1 & 2 (tunnel between stations on Metro line 3).



Services at Santiago de Chile airport

- Ground handling for LATAM Airlines.
- Ramp handling for LATAM Airlines.



Punta Palmeras wind farm, Coquimbo

- Capacity: 45 MW

ACCIONA's PPAs

• Enami

Supply of 100 % ^{renewable} to all its plants.

• Aguas Chañar

Supply of 100 % ^{renewable} to cover over 70 % of its demand

• Falabella

Supply of 100 % ^{renewable} to over 100 facilities.

• LATAM Airlines

Supply of 80 % of the airline's total electricity consumption.

— Energy infrastructure — Water infrastructure — Civil infrastructure — Sustainable cities

ACCIONA'S CONTRIBUTION IN CHILE IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Decarbonisation of the electricity mix	Emissions avoided: 417,000 t CO ₂
Improved access to water	People served: 20,000
Improved connectivity	Transport infrastructure: 140 Km People connected: 250,000 Time saved: 30 min
Improved social well-being	Beneficiaries of social initiatives: 244,000

OTHER SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF RENEWABLE ASSETS*

Contribution to GDP	>107 M€
Job creation	>2,700
Relief of water stress	Water saved: >849,000 m ³
Improvement in air quality and health	Emissions avoided: 3,600 t SO ₂ and NO _x

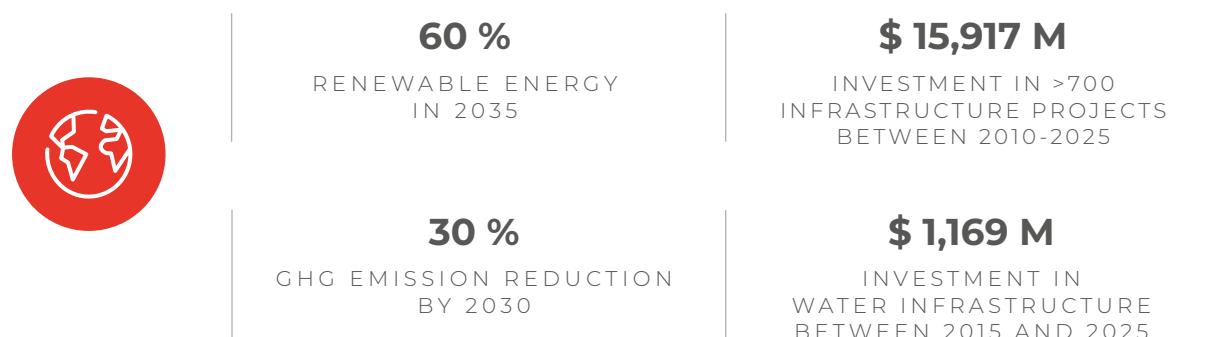
*According to ACCIONA Energy's specific socio-economic impact measurement methodology.

CHILE'S POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
 6 CLEAN WATER AND SANITATION	●	▲	Access to drinking water: 99 % Access to sanitation: 99.1 % High water stress: (40 % - 80 %)
 7 AFFORDABLE AND CLEAN ENERGY	●	▲	#37 in electricity generation capacity 24.53 M kW 99.6 % of the population has access to electricity
 13 CLIMATE ACTION	●	▼	#47 in emissions of CO ₂ 88.23 Mt CO ₂ and 4.7 t CO ₂ e/capita
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	●	▼	#15 in airport construction: 481 #30 in railway construction: 7,282 km
 11 SUSTAINABLE CITIES AND COMMUNITIES	●	►	87.6 % urban population Satisfaction with public transport: 56 % 2.2 hospital beds / 1,000 people

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available
- SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN CHILE



Source: Central Intelligence Agency. *The World Factbook*, Chile.

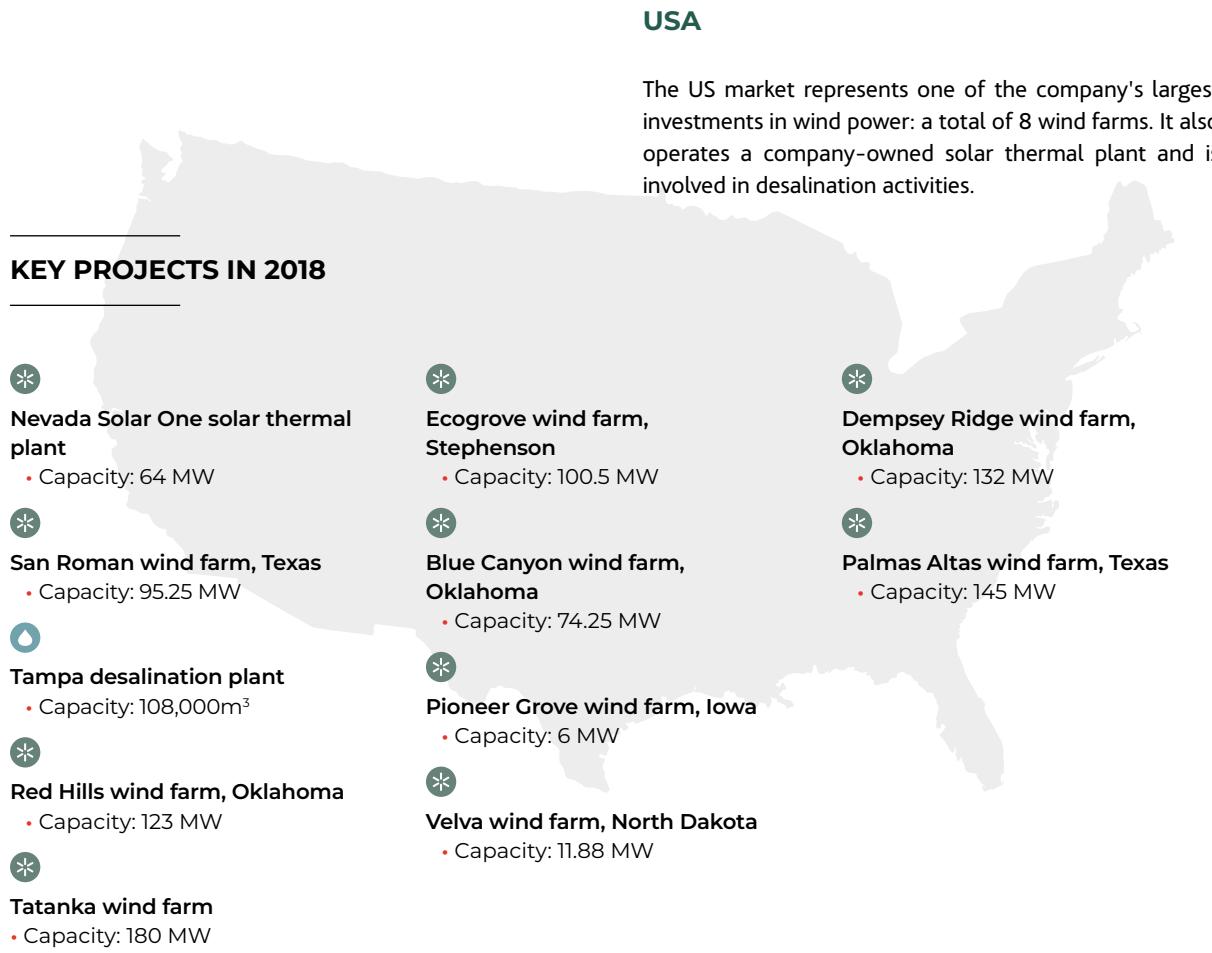
Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *SDG Index and Dashboards Report 2018*.

World Resources Institute. *Aqueduct Country and River Basin Rankings*.

Ministry of Energy, Government of Chile. *Energía 2050, Política Energética de Chile*.

Ministry of Public Works, Government of Chile. *Plan Director de Infraestructuras 2010-2025*.

ICEX, España exportación e inversiones. *El mercado del tratamiento de aguas en Chile*.



ACCIONA'S CONTRIBUTION IN THE USA IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Decarbonisation of the electricity mix	Emissions avoided: 1.5 M t CO ₂
Improved access to water	People served: >280,000
Improved social well-being	Beneficiaries of social initiatives: 230,000

OTHER SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF RENEWABLE ASSETS*

Contribution to GDP	149 M€
Job creation	1,589
Relief of water stress	Water saved: >2.6 M m³
Improvement in air quality and health	Emissions avoided: 9,200 t SO ₂ and NO _x

*According to ACCIONA Energy's specific socio-economic impact measurement methodology.

USA'S POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
	●	▼	Access to drinking water: 99.2 % Access to sanitation: 100 % Medium-high water stress: (20 % - 40 %)
	●	▼	#2 in terms of installed capacity 1.087 bn kW 100 % of the population has access to electricity
	●	►	#2 in terms of emissions of CO ₂ 5.242 Bt CO ₂ e 16.5 t CO ₂ e/capita

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available

- SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN THE USA



≈ 200

CITIES WITH A TARGET
OF 100 % CLEAN ENERGY
BY 2035

US\$ 1,000 bn

INVESTMENT TO MEET
WATER DEMAND IN THE
NEXT 25 YEARS

-1.6 %

ELECTRICITY GENERATION
LINKED TO CO₂ EMISSIONS
IN 2019

Source: Central Intelligence Agency. *The World Factbook*, USA.

Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *SDG Index and Dashboards Report 2018*.

World Resources Institute. *Aqueduct Country and River Basin Rankings*.

Deloitte. *2019 renewable energy industry outlook*.

EIA, U.S. Energy Information Administration. *Short-Term Energy Outlook (STEO)*.

EIA, U.S. Energy Information Administration. *Annual Energy Outlook 2019 with projections to 2050*.

Asce. *Infrastructure Report Card 2017*

CANADA

ACCIONA entered Canada to execute one of the country's most emblematic water projects: the Deep Lake Water Cooling in Toronto. It is currently active in energy, water and civil infrastructure projects as well as projects to make cities more sustainable.

KEY PROJECTS IN 2018



■ Energy infrastructure ■ Water infrastructure ■ Civil infrastructure ■ Sustainable cities

ACCIONA'S CONTRIBUTION IN CANADA IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Decarbonisation of the electricity mix	Emissions avoided: 3,600 t CO ₂
Improved access to water	People served: 270,000
Improved connectivity	Transport infrastructure: 11 km of roads and 230 m of bridges
Improved social well-being	Beneficiaries of social initiatives: 37,600

OTHER SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF RENEWABLE ASSETS*

Contribution to GDP	17.7 M€
Job creation	+179
Relief of water stress	Water saved: +619,000 m ³
Improvement in air quality and health	Emissions avoided: 2,300 t SO ₂ and NO _x

*According to ACCIONA Energy's specific socio-economic impact measurement methodology.

CANADA'S POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
 6 CLEAN WATER AND SANITATION	●	◆	Access to drinking water: 99.8 % Access to sanitation: 99.8 % Medium-low water stress: (10 % - 20 %)
 7 AFFORDABLE AND CLEAN ENERGY	●	▶	#8 in electricity installed capacity 143.5 M kW 100 % of the population has access to electricity
 13 CLIMATE ACTION	●	▶	#9 in emissions of CO ₂ 640.6 Mt CO ₂ e 15.1 t CO ₂ e/capita
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	●	▼	#4 in terms of railway construction: 77,932 km #6 in terms of road construction: 1,042,300 km
 11 SUSTAINABLE CITIES AND COMMUNITIES	●	◆	81.4 % urban population 2.7 hospital beds / 1,000 people

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available
- ▶ SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN CANADA



Source: Central Intelligence Agency. *The World Factbook*, Canadá.

Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *SDG Index and Dashboards Report 2018*.

World Resources Institute. *Aqueduct Country and River Basin Rankings*.

ICEX, España Exportación e Inversiones. *El mercado de las infraestructuras de transporte en Canadá*.

Environment and Climate Change Canada. *Pan-Canadian Framework on Clean Growth and Climate Change*.

Canada's 2017 Nationally Determined Contribution Submission.

KEY PROJECTS IN 2018



High-speed railway
north-northwest, Madrid-Galicia
• Length: 30 km



Valmayor drinking water plant,
Madrid
• D&C and O&M
• Capacity: 1,036,800 m³/day
• Population served: 3 M



University hospital, Toledo
• Beds: 760



Malaga Metro
• Length: 1.8 km



Zaragoza light rail
• D&C and O&M
• Length: 12.80 km



El Prat airport, Barcelona
• Service: handling.
• Passengers: 2.8 M.



ACCIONA Motosharing in Madrid, Valencia, Seville, Barcelona
• >1,000 electric vehicles



Seira hydroelectric plant
• Capacity: 37 MW
• Population served: 23,000 households
• Plant centenary in 2018



Renewable energy technologies



• Installed capacity: 4,740 MW



Hydroelectric

• Installed capacity: 876 MW



Biomass

• Installed capacity: 61 MW



Photovoltaic

• Installed capacity: 3 MW

Electricity supply

• Capacity: 5,648 GWh

— Energy infrastructure — Water infrastructure — Civil infrastructure — Sustainable cities

ACCIONA'S CONTRIBUTION IN SPAIN IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Decarbonisation of the electricity mix Emissions avoided: 8.4 M t CO₂

Improved access to water People served: millions

Release of space Space freed by electric scooters*: >61,000 m²

Improved social well-being Beneficiaries of social initiatives: >365,000

OTHER SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF RENEWABLE ASSETS**

Contribution to GDP 788.4 M €

Job creation >11,160

Relief of water stress Water saved: >14 M m³

Improvement in air quality and health Emissions avoided: 49,000 t SO₂ and NO_x

*Data at the time this report was completed.

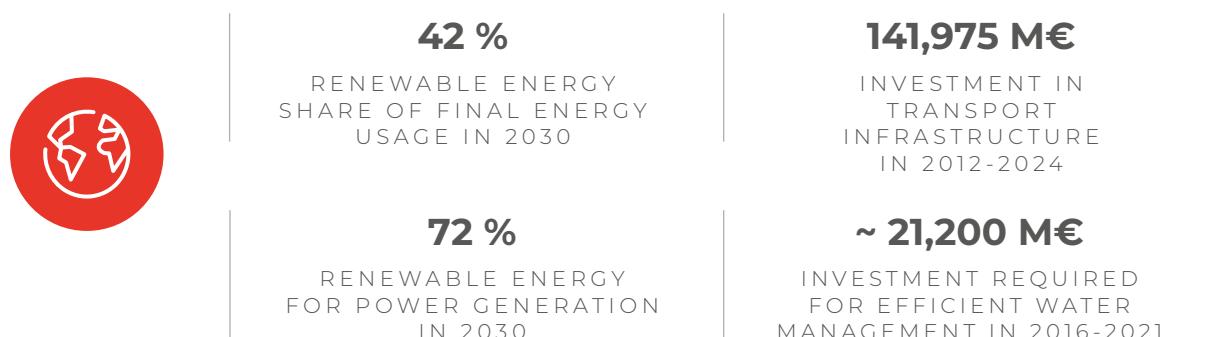
**According to ACCIONA Energy's specific socio-economic impact measurement methodology.

SPAIN'S POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
 6 CLEAN WATER AND SANITATION	●	►	Access to drinking water: 100 % Access to sanitation: 99.9 % High water stress: (40 % - 80 %)
 7 AFFORDABLE AND CLEAN ENERGY	●	▲	#12 country in terms of electricity generating capacity 105.9 M kW 100 % of the population has access to electricity
 13 CLIMATE ACTION	●	▲	#25 country in terms of emissions of CO ₂ 286.7 Mt CO ₂ e 5.0 t CO ₂ e/capita
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	●	▼	#18 in terms of railway construction: 16,102 km #8 in terms of road construction: 683,175 km
 11 SUSTAINABLE CITIES AND COMMUNITIES	●	▼	80.3 % urban population Satisfaction with public transport: 63 % 3 hospital beds / 1,000 people

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available
- SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN SPAIN



Source: Central Intelligence Agency, *The World factbook*, España.

Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *SDG Index and Dashboards Report 2018*.

World Resources Institute. Aqueduct Country and River Basin Rankings. *Water Stress by country*.

Development Ministry, Government of Spain. *Infrastructure, Transport and Housing Plan - PITVI (2012-2024)*.

Ministry for the Ecological Transition. *National Sewage, Sanitation, Efficiency, Saving and Reuse Plan 2016-2021*.

Ministry for the Ecological Transition. *Guidelines, work programmes, calendar and participation formulas, DSEAR Plan*.

Ministry for the Ecological Transition. *Integrated National Plan for Energy and Climate through 2030*.



KEY PROJECTS IN 2018



RAS ABU FONTAS 3 desalination plant, Qatar
• EPC y O&M
• Capacity: 164,000 m³/day



Desalination plant D, Qatar
• EPC y O&M
• Capacity: 284,000 m³/day



Fujairah desalination plant, UAE
• EPC y O&M
• Capacity: 137,000 m³/day



Dubai Metro, UAE
• D&C
• Length: 15 km (11.8 elevated and 3.2 underground)

■ Energy infrastructure ■ Water infrastructure ■ Civil infrastructure ■ Sustainable cities

ACCIONA'S CONTRIBUTION TO THE GCC IN 2018

ECONOMIC GROWTH, SOCIAL PROGRESS AND ENVIRONMENTAL BALANCE

Improved access to water	People served: 1.5 M
Improved connectivity	Transport infrastructure: 15 km of Metro lines
Improved social well-being	Beneficiaries of social initiatives: 24,000

SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACT* OF THE RAS FONTAS 3 DESALINATION PLANT IN QATAR

Contribution to GDP	87 M€
Job creation	4,345
Emissions avoided	296,905 t CO ₂
Improvement in air quality and health	Emissions avoided: 491 t SO ₂ and NO _x

*According to ACCIONA's specific socio-economic impact measurement methodology. Job-year: a full-time equivalent job lasting one year.

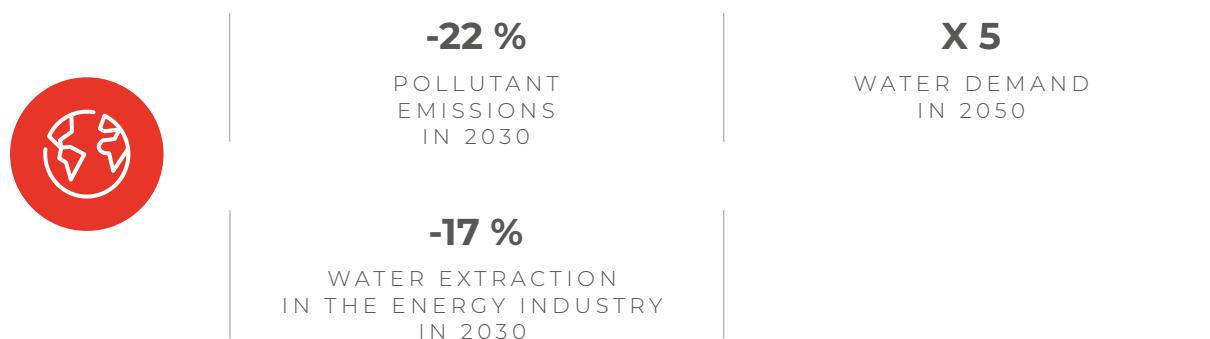
CCG¹ POSITION WITH RESPECT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	Rating	Trend	Current context
 6 CLEAN WATER AND SANITATION	●	◆	Extreme water stress (>80 %) Access to drinking water: UAE: 99.6 %; Saudi Arabia 97 %; Qatar 100 %; Oman 96.7 %
 7 AFFORDABLE AND CLEAN ENERGY	●	▼	Access to electricity: UAE: 99.6 %; Saudi Arabia 97 %; Qatar 100 %; Oman 96.7 % Ranking in terms of electricity generation capacity: UAE #33; Saudi Arabia #14; Qatar #66; Oman #70
 13 CLIMATE ACTION	●	▼	Emissions in t CO ₂ /capita: UAE 23.3; Saudi Arabia 19.5; Qatar 45.4; Oman 15.4 Ranking in terms of emissions: UAE #24; Saudi Arabia #8; Qatar #40; Oman #52
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	●	▲	Position in the ranking and km of roads: UAE #122 / 4,080 km; Saudi Arabia #21 / 21,372 km; Qatar #108 / 9,830 km; Oman #61 / 60,230 km
 11 SUSTAINABLE CITIES AND COMMUNITIES	●	◆	Urban population: UAE 86.5 %; Saudi Arabia 83.8 %; Qatar 99.1 %; Oman 84.5 % Satisfaction with public transport UAE: 78 %

- SDG achieved
- Some persisting challenges
- Significant challenges
- Major challenges
- Information not available

- ▶ SDG maintained
- ▲ Process for achieving goal by 2030
- ▼ Growth insufficient to achieve SDG
- Growth under 50 % of required percentage
- ▼ Slowing pace of growth
- ◆ Information not available

FUTURE OPPORTUNITIES IN GCC



¹ GCC countries where ACCIONA has operations: United Arab Emirates, Saudi Arabia, Qatar and Oman.

Source: Central Intelligence Agency. *The World Factbook*, UAE, Saudi Arabia, Qatar, Oman.
 Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *SDG Index and Dashboards Report 2018*.
 World Resources Institute. *Aqueduct Country and River Basin Rankings*. Water stress country.
 The Official Portal of the UAE Government. *UAE Energy Strategy 2050* and *The UAE Water Security Strategy 2036*.
 IRENA. *Renewable Energy Market Analysis: GCC 2019*.

Corporate Governance

ACCIONA's ownership structure

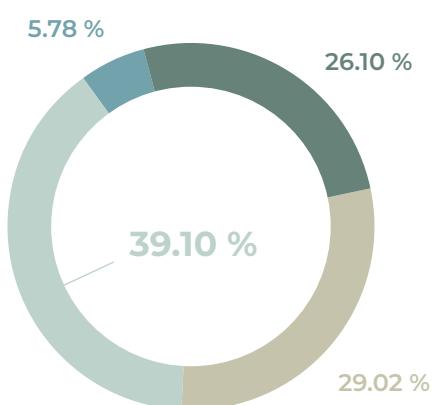
On 27 March 2018, the Board of Directors approved a share buyback programme for up to 2,448,480 shares, valid for a period of one year from its approval, under Regulation (EU) No. 596/2014 on market abuse, and its Delegated Regulation, the goal being to reduce share capital by cancelling own shares and, to a lesser extent, to fulfil the obligations that may arise from the Share Ownership Programmes for executive Board directors, executives and employees of the Group.

The Shareholders' Meeting on 30 May 2018 resolved to reduce capital by at most 2,862,978 shares and to empower the Board of Directors to establish the other conditions of this reduction. Using that power, in March 2019 the Board of Directors approved the capital reduction and cancellation of a total of 2,402,897 own shares, as a result of which the capital stock of ACCIONA was represented by 54,856,653 fully-paid uncertified ordinary shares with one euro par value each, all of the same class and serie¹.

All the shares representing the capital stock have the same rights, the Articles provide no restrictions on their transferability, and all of them are listed on the Madrid and Barcelona Stock Exchanges.

OWNERSHIP STRUCTURE²

- Tussen de Grachten, BV
- Wit Europees Investering, BV
- Free Float
- La Verdosa, SL (A.E.M.)



Source: CNMV, 1 April 2019.

OWN SHARES: SHARE BUYBACK PLAN

In 2018, ACCIONA spent 196 M€ on share buybacks and redemptions.

AT 31 DECEMBER 2018, THE GROUP HAD 2,902,115 OWN SHARES, REPRESENTING **5.07 %** OF CAPITAL

¹ See ACCIONA's communiqué to the CNMV dated 28 March 2019: <https://accionacorp.blob.core.windows.net/media/3311237/276527.pdf>.

² On 26 January 2018, the family group of the heirs of Mr. José María Entrecanales de Azcarate disclosed an internal reorganisation in the investment company that agglutinates their holding in ACCIONA, S.A., whereby La Verdosa, S.L. became the direct owner of the stake in ACCIONA, S.A. shown above. The percentage of ownership is that following the capital reduction.

Corporate Governance

New developments in 2018

- Approval of an Audit Committee Regulation in accordance with the provisions of CNMV Technical Guide 3/2017 on audit committees at public-interest entities.
- Implementation of a continuous training programme for directors.
- Approval of a Policy for the Prevention of Crime and Bribery.

ACCIONA's corporate governance practices help protect the interests of the company and shareholders.

ACCIONA regularly reviews its terms of reference in order to incorporate best practices in the area of corporate governance, as part of its endeavour to be in the lead in the adoption of recommendations, best practices and trends in corporate governance at a domestic and international level.

EXTERNAL REGULATORY FRAMEWORK

- Capital Companies Act.
- Consolidated text of the Securities Market Act.
- Good Governance Code of Listed Companies published by the National Securities Market Commission (CNMV).
- CNMV Technical Guide 3/2017 on audit committees at public-interest entities.
- CNMV Technical Guide 1/2019: on nomination and remuneration committees at public-interest entities.

INTERNAL REGULATORY FRAMEWORK

- Articles of Association.
- Shareholders' Meeting Regulation.
- Board of Directors Regulation.
- Code of Conduct.
- Audit Committee Regulation.
- Internal Code of Conduct in connection with the securities markets.
- Policy Book:
 - Sustainability policies.
 - Other policies³.
- ACCIONA Anti-corruption guidelines.

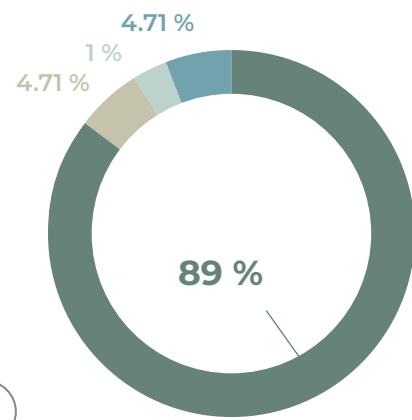
In line with the recommendations in the CNMV Good Governance Code of Listed Companies and the Technical Guide 3/2017 on audit committees at public-interest entities, in 2018 the Board of Directors approved a specific regulation for the Audit Committee that addresses the following issues, among others: its composition, requirements for membership, and functions, with a view to fostering its independence.

The Board of Directors is also currently considering the inclusion of the recent recommendations contained in CNMV Technical Guide 1/2019 on nomination and remuneration committees, which was approved in February 2019. ACCIONA had already anticipated and exceeded the requirements of that guide by appointing the Lead Independent Director to chair the committee⁴.

ACCIONA is in compliance with 89 % of the recommendations of the Good Governance Code of Listed Companies; the only recommendation it has not applied is the separation of the Appointments and Remuneration Committee into two separate committees⁵.

ACCIONA'S DEGREE OF COMPLIANCE WITH THE RECOMMENDATIONS OF THE GOOD GOVERNANCE CODE

- | | |
|--|---|
| ■ Complied with
■ Partially complied with | ■ Not complied with
■ Not applicable |
|--|---|



Further information in the 2018 Annual Corporate Governance Report <https://www.accion.com/shareholders-investors/corporate-governance/corporate-governance-report/>

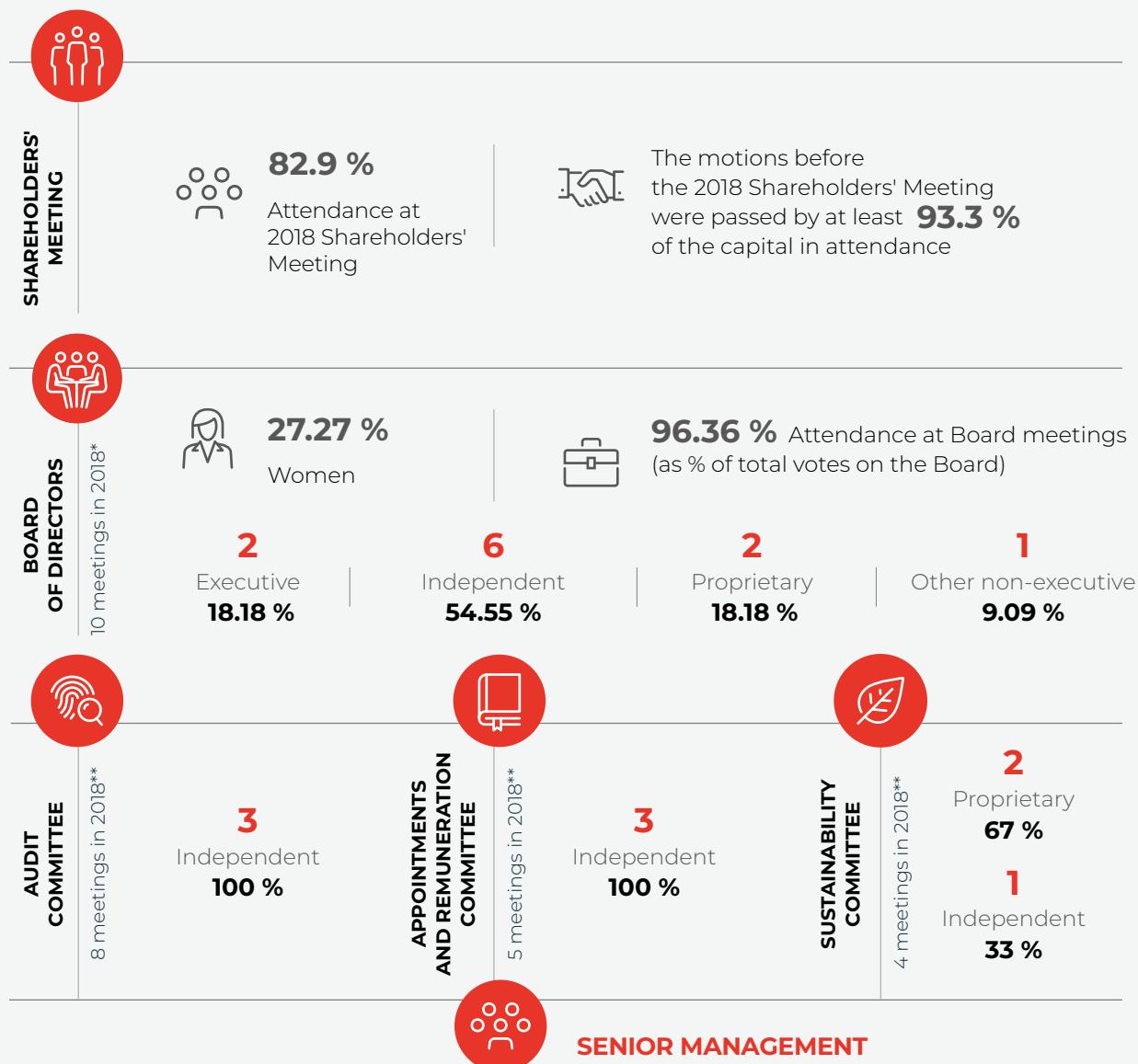
³ Policy on Communications and Contacts with Shareholders and Investors, Director Selection Policy, Director Remuneration Policy of ACCIONA, S.A., and Personal Data Protection Policy.

⁴ According to the Technical Guide, given the functions attributed to the lead independent director by the Capital Companies Act and the Good Governance Code, it might be meaningful for that director to chair the Appointments and Remuneration Committee.

⁵ At present, ACCIONA does not consider it necessary to create two separate committees since it understands that, by retaining a single committee, it avoids potential conflicts of interest in the tasks related to the selection and nomination of candidates for directorships and executive positions and those related to their assessment and remuneration, thus prioritising the necessary coordination between these two functions that are essential for hiring talent. Nevertheless the company's Articles of Association do allow for this possibility, and two separate committees may be created in the future if the circumstances warrant this.

Composition of the Governing Bodies

The composition of the Board of Directors and its committees is based on the principles of transparency and independence, guided by criteria of complementarity, professionalism and diversity.



* In two cases, resolutions were adopted in writing without a meeting.

** In one case, resolutions were adopted in writing without a meeting.

New developments in 2018

- Decision not to renew the Executive Committee: Because of its schedule, the Board has been able to perform all the functions in recent years.
- It was decided that the Board committees would have three members each.
- Interaction between committees was encouraged by holding joint meetings of the Audit Committee and Sustainability Committee to discuss non-financial disclosures.

Further information on ACCIONA's governing bodies
<https://www.accion.com/shareholders-investors/corporate-governance/governance-and-executive-boards/>

Description of the Board of Directors

The Board of Directors of ACCIONA is composed of 11 members who guarantee appropriate representation of all the shareholders and the body's effective performance. All the members of the Board have the necessary competencies, knowledge and experience to perform their duties, with a diversity in terms of origin, nationality, gender and age.

In 2018, the Board of Directors reviewed the Director Selection Policy to adapt it to the most recent legislation on diversity. With regard to gender diversity, the number of women on the Board, who represent 27.27 % of the total, will be maintained.

BOARD OF DIRECTORS COMPOSITION

Competencies and experience

- | | |
|------------------------|-----------------------|
| ■ Energy | ■ Sustainability |
| ■ Infrastructure | ■ Marketing |
| ■ Finance/Accounting | ■ Business management |
| ■ Internationalisation | ■ IBEX |

Board of Directors Committees

- Audit Committee
- Appointments and Remuneration Committee
- Sustainability Committee
- Committee Chairman

	First appointment	Profile	Committees	Competencies and experience	Corporate Governance report)	Total % of voting rights (2018)	Directorships at other listed companies
Mr. José Manuel Entrecanales Domecq	1997	Chairman - Managing Director		● ● ● ●		0.01	
Mr. Juan Ignacio Entrecanales Franco	1997	Vice-Chairman - Managing Director		● ● ● ●		0.10	
Ms. Ana Inés Sainz de Vicuña Bemberg	2015	Independent		<input type="checkbox"/>	● ● ● ●		Inmobiliaria Colonial Socimi, S.A. Prosegur Cash, S.A.
Mr. Juan Carlos Garay Ibargaray	2013	Lead Independent Director	<input type="checkbox"/> C <input type="checkbox"/> O C	● ● ●			
Mr. Javier Entrecanales Franco	2011	Proprietary (Tussen de Grachten B.V.)		<input type="triangle"/> ● ● ● ●		0.00	
Mr. Javier Sendagorta Gómez del Campillo	2018	Independent	<input type="circle"/>	● ● ●		0.00	
Ms. Belén Villalonga Morenés	2006	Other non-executive		● ● ● ●		0.00	Grifols, S.A.
Mr. Daniel Entrecanales Domecq	2009	Proprietary (Wit Europees Investering B.V.)	<input type="triangle"/> C	● ● ● ●			Prosegur Cash, S.A.
Ms. Karen Christiana Figueres Olsen	2017	Independent	<input type="checkbox"/>	● ● ● ●			
Mr. Jerónimo Marcos Gerard Rivero	2014	Independent	<input type="circle"/>	● ● ● ●			
Mr. José María Pacheco Guardiola	2018	Independent		<input type="triangle"/> ● ● ● ●	0.07		
Mr. Jorge Vega-Penichet López	2006	Secretary (not a director)					



Further information on the Director Selection Policy
<https://www.accion.com/shareholders-investors/corporate-governance/corporate-policies-book/>

New developments in 2018

- Mr. Jaime Castellanos Borrego and Mr. Fernando Rodés Vila reached the end of their term as directors of ACCIONA and were not re-appointed.
- Mr. Javier Sendagorta Gómez del Campillo and Mr. José María Pacheco Guardiola were appointed as independent directors in their place.
- Ms. Belén Villalonga Morenés was reclassified as an “Other non-executive” director, as required by the Capital Companies Act, since she had held office as an independent director for 12 years.

Effectiveness of the Board of Directors and its committees

At Board of Directors meetings, directors are encouraged to be critical and to participate actively, with full respect for freedom of opinion. This ensures an effective process for the adoption of decisions by consensus, i.e. the interplay of the directors' opinions based on their experience.

There is also direct fluid communication between Board members and Group executives, who report regularly on company performance, corporate transactions and progress with meeting objectives. In this way, the Board of Directors contributes actively to defining the organisation's strategy and participates in overseeing its implementation. Once per quarter, the Board undertakes an in-depth review of the degree to which the objectives for the year are being achieved.

AN ATTITUDE OF CRITICAL THINKING AND SCEPTICISM IS ENCOURAGED IN BOARD OF DIRECTORS MEETINGS TO ENSURE A LIVELY, DYNAMIC DEBATE IN THE COMPANY'S BEST INTERESTS

ASSESSMENT OF THE BOARD OF DIRECTORS

The Board of Directors performed a self-assessment of the quality and efficiency of its performance in 2018. That self-assessment did not lead to material changes in the Board's internal organisation.

In 2017, ACCIONA engaged an external consultant to assist with the assessment of its governing bodies. Among the main conclusions were that the agenda should provide greater detail of the business to be transacted by the Board and its Committees and that information should be circulated longer in advance. The company is already applying the improvements proposed in the external consultants' report.

MOST OF THE RECOMMENDATIONS ARISING FROM THE EXTERNAL ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE IN 2017 WERE IMPLEMENTED IN 2018

Information provided to directors

Before the beginning of each year, the Board of Directors and its committees establish a detailed meeting schedule and an agenda of matters to be discussed in ordinary meetings. Notice of meetings is given at least three days in advance. Notice includes the agenda and the necessary written documentation so that directors can analyse it in depth. Directors are also reminded that they can request the inclusion in the agenda of any business that they consider appropriate and ask for any information they consider to be necessary to supplement that which has been supplied.

Business transacted at meetings is duly minuted.

Director training

In order to provide directors with the necessary familiarity with the company and its group, the Board of Directors has an induction and ongoing training programme. All members of the Board receive daily press dossiers and are informed of significant changes in legislation. Additionally, in 2018 a specific induction and training programmes were established for members of the Audit Committee.

Since 2018, the Board attaches considerable importance to the issue of cybersecurity, and the Internal Audit team, reporting to the Audit Committee, recently hired an expert in IT systems security audits.

The ongoing training programme for Board members will be expanded in 2019 to include sessions on sustainability.

Board members are entitled to request support from outside advisors in legal, accounting, financial or other matters in order to discharge their duties.

Ethics and compliance

ACCIONA's guidelines for action derive from the Code of Conduct, the Policy Book, the commitments against corruption and bribery, and respect for free competition. Compliance with these corporate standards is a priority for the organisation. To this end, the Compliance Department and the Corporate Internal Audit Department supervise the effectiveness of ACCIONA's compliance framework. In 2018, the Compliance Director reported twice to the Audit Committee, whose chairman reports to the Board of Directors after each meeting.

The Code of Conduct fosters a form of business conduct that is accepted and respected by all employees and executives. Oversight and compliance with the Code of Conduct are performed by the Code of Conduct Commission, the Whistleblower Channel and the Protocol for action in cases of harassment.

On an operating level, in line with the company's commitment to combat corruption and bribery, a Crime Prevention and Anti-Corruption Model has been implemented. This model establishes the general control environment for the Group in line with international best practices.

In 2018, ACCIONA, S.A. was certified by AENOR to the ISO 37001 standard on Anti-bribery management system and the UNE 19601 standard on Crime compliance management system, which certify that the company has management systems that meet those standards.

With regard to due diligence in connection with third parties, ACCIONA has implemented a tool for properly identifying and obtaining knowledge about third parties with which it interacts. By the end of 2018, over 320 third parties (project partners and commercial consultants) had been assessed.

Training in this area continued in 2018. During the year, 436 senior and middle managers took the Anti-corruption course and 2,965 employees took the Code of Conduct course (which has been taken by 9,143 employees to date).

Appendix I

Financial summary

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEET
FOR 2017 AND 2018**

(Thousand euros)

ASSETS	31.12.2017	31.12.2018
Property, plant and equipment	6,640,329	6,735,988
Investment property	176,757	130,800
Goodwill	185,650	198,466
Other intangible assets	1,576,022	584,583
Other non-current financial asset	131,923	208,086
Investments accounted for using the equity method	1,391,331	1,000,822
Deferred tax assets	805,369	787,378
Non-current receivables and other non-current assets	277,250	355,959
NON-CURRENT ASSETS	11,184,631	10,002,082
Inventories	820,965	914,311
Trade and other accounts receivables	1,891,893	1,700,814
Other current financial asset	246,988	178,305
Current income tax assets	146,403	107,475
Other current assets	151,576	317,201
Cash and cash equivalents	1,272,781	1,717,405
Non-current assets held for sale	1,432,121	
CURRENT ASSETS	5,962,727	4,935,511
Total Assets	17,147,358	14,937,593

For more information, see the 2018 Financial Statements: <https://www.accionacom/shareholders-investors/financial-information/annual-accounts/>

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEET
FOR 2017 AND 2018**

(Thousand euros)

EQUITY AND LIABILITIES	31.12.2017	31.12.2018
Share capital	57,260	57,260
Retained earnings and share premium	3,943,324	3,637,683
Treasury shares	(3,146)	(199,616)
Translation differences	(237,211)	(205,902)
Interim dividend	-	-
Equity attributable to equity holders of the Parent Company	3,760,227	3,289,425
Non-controlling interests	203,041	205,713
EQUITY	3,963,268	3,495,138
Preferred shares, debentures and other marketable securities	864,938	405,980
Bank borrowings	4,406,936	3,673,960
Deferred tax liabilities	490,506	475,929
Provisions	528,607	420,354
Other non-current liabilities	151,576	892,371
NON-CURRENT LIABILITIES	8,077,258	5,868,594
Preferred shares, debentures and other marketable securities	641,148	1,243,758
Bank borrowings	831,142	904,838
Trade and other accounts payables	2,199,217	2,459,030
Provisions	139,810	231,888
Current income tax liabilities	77,385	60,366
Other current liabilities	744,590	673,981
Liabilities held for sale	473,540	-
CURRENT LIABILITIES	5,106,832	5,573,861
Total Equity and Liabilities	17,147,358	14,937,593

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED INCOME STATEMENT
FOR 2017 AND 2018**

(Thousand euros)

	2017	2018
Revenue	7,253,974	7,509,529
Other income	613,346	461,928
Changes in inventories of finished goods and work in progress	29,166	43,837
Cost of goods sold	(1,975,668)	(2,170,316)
Personnel expenses	(1,497,031)	(1,486,319)
Other operating expenses	(3,148,568)	(3,113,997)
Depreciation and amortisation charge and change in provisions	(662,989)	(638,805)
Impairment and profit/(loss) on disposals of non-current assets	104,323	151,683
Other gains and losses	3,774	(129)
OPERATING PROFIT	720,327	757,411
Financial income	45,628	48,600
Financial costs	(368,747)	(341,807)
Translation differences	(9,898)	2,506
Profit/(loss) from changes in value of financial instruments at fair value	38,482	(196)
Profit/(loss) of companies accounted for using the equity method	(69,506)	42,266
PROFIT/(LOSS) BEFORE TAX	356,286	508,780
Income tax expense	(105,341)	(136,323)
YEAR'S PROFIT/(LOSS) FROM CONTINUING OPERATIONS	250,945	372,457
Profit/(loss) after tax from discontinued operations	–	–
YEAR'S PROFIT/(LOSS)	250,945	372,457
Non-controlling interests	(30,814)	(44,427)
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT COMPANY	220,131	328,030
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	3.85	5.90
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	3.79	5.90
BASIC EARNINGS PER SHARE (euros)	3.85	5.90
DILUTED EARNINGS PER SHARE (euros)	3.79	5.90

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RECOGNISED REVENUES AND EXPENSES FOR 2017 AND 2018

(Thousand euros)

	2017	2018
A) CONSOLIDATED PROFIT FOR THE YEAR	250,945	372,457
1. Profit attributable to the Parent Company	220,131	328,030
2. Non-controlling interests	30,814	44,427
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT	116	(168)
1. Revaluation/(Reversion of revaluation) of property, plant and equipment and intangible assets	-	-
2. Actuarial gains and losses and other adjustments	155	(224)
3. Tax effect	(39)	56
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT	(150,288)	86,911
Income and expenses recognised directly in equity:	(184,983)	25,619
1. Revaluation of financial instruments	(316)	(193)
a) Available-for-sale financial asset	(316)	(193)
b) Other income / (expenses)	-	-
2. Cash flow hedges	60,879	23,570
3. Translation differences	(230,405)	8,087
4. Other income and expenses recognised directly in equity	-	-
5. Tax effect	(15,141)	(5,845)
Transfers to the income statement:	34,695	61,292
1. Revaluation of financial instruments	-	-
a) Available-for-sale financial asset	-	-
b) Other income / (expenses)	-	-
2. Cash flow hedges	47,548	50,482
3. Translation differences	(966)	23,430
4. Other income and expenses recognised directly in equity	-	-
5. Tax effect	(11,887)	(12,620)
TOTAL RECOGNISED INCOME / (EXPENSES) (A+B+C)	100,773	459,200
a) Attributed to the Parent Company	121,324	396,218
b) Attributed to non-controlling interests	(20,551)	62,982

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES
IN TOTAL EQUITY AT 31 DECEMBER 2017**

(Thousand euros)

**EQUITY ATTRIBUTABLE TO THE PARENT COMPANY
SHAREHOLDERS' EQUITY (NOTE 16)**

	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent Company	Other equity instruments	Value adjustments	Non-controlling interests	Total equity
Opening balance at 01.01.2017	57,260	3,712,946	(14,403)	351,981	-	(276,308)	265,870	4,097,346
Adjustments due to changes in accounting policies	-	-	-	-	-	-	-	-
Adjustments due to errors	-	-	-	-	-	-	-	-
Adjusted opening balance	57,260	3,712,946	(14,403)	351,981	-	(276,308)	265,870	4,097,346
Total recognised income / (expenses)	-	-	-	220,131	-	(98,807)	(20,551)	100,773
Transactions with shareholders or owners	-	(201,992)	(2,195)	-	-	-	(39,053)	(243,240)
Capital increases/ (reductions)	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(164,569)	-	-	-	-	(40,422)	(204,991)
Transactions share transactions (net)	-	(35,711)	(2,195)	-	-	-	-	(37,906)
Increases/(Decreases) due to business combinations	-	-	-	-	-	-	2,426	2,426
Other transactions with shareholders or owners	-	(1,712)	-	-	-	-	(1,057)	(2,769)
Other changes in equity	-	350,143	13,452	(351,981)	-	-	(3,225)	8,389
Share-based payments	-	573	13,452	-	-	-	-	14,025
Transfers between equity items	-	351,981	-	(351,981)	-	-	-	-
Other changes	-	(2,411)	-	-	-	-	(3,225)	(5,636)
Closing balance 31.12.2017	57,260	3,861,097	(3,146)	220,131	-	(375,115)	203,041	3,963,268

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES
IN TOTAL EQUITY AT 31 DECEMBER 2018**

(Miles de euros)

**EQUITY ATTRIBUTABLE TO THE PARENT COMPANY
SHAREHOLDERS' EQUITY (NOTE 16)**

	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent Company	Other equity instruments	Value adjustments	Non-controlling interests	Total equity
Opening balance at 01.01.2018	57,260	3,861,097	(3,146)	220,131	-	(375,115)	203,041	3,963,268
Adjustments due to changes in accounting policies (note 4.1)	-	(499,086)	-	-	-	-	(2,736)	(501,822)
Adjustments due to errors	-	-	-	-	-	-	-	-
Adjusted opening balance	57,260	3,362,011	(3,146)	220,131	-	(375,115)	200,305	3,461,446
Total recognised income / (expenses)	-	-	-	328,030	-	68,188	62,982	459,200
Transactions with shareholders or owners	-	(171,352)	(204,781)	-	-	-	(58,185)	(434,318)
Capital increases/ (reductions)	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(171,779)	-	-	-	-	(46,648)	(218,427)
Transactions share transactions (net)	-	427	(204,781)	-	-	-	-	(204,354)
Transactions with own shares and bonds (net)	-	-	-	-	-	-	(15,324)	(15,324)
Other transactions with shareholders or owners	-	-	-	-	-	-	3,787	3,787
Other changes in equity	-	220,019	8,311	(220,131)	-	-	611	8,810
Share-based payments	-	(162)	8,311	-	-	-	-	8,149
Transfers between equity items	-	220,131	-	(220,131)	-	-	-	-
Other changes	-	50	-	-	-	-	611	661
Closing balance 31.12.2018	57,260	3,410,678	(199,616)	328,030	-	(306,927)	205,713	3,495,138

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR 2017 AND 2018**

(Thousand euros)

	2017	2018
CASH FLOWS FROM OPERATING ACTIVITIES	491,087	635,652
Profit before tax from continuing operations	356,286	508,780
Adjustments for:	846,776	648,848
Depreciation and amortisation charge and provisions	627,494	640,356
Other adjustments to profit (net)	219,282	8,492
Changes in working capital	(343,096)	(300,468)
Other cash flows from operating activities:	(368,879)	(221,508)
Interest paid	(297,724)	(267,962)
Interest received	32,207	44,575
Dividend received	20,204	77,255
Income tax recovered/(paid)	(110,812)	(38,504)
Other amounts received/(paid) relating to operating activities	(12,754)	(36,872)
CASH FLOWS FROM INVESTING ACTIVITIES	(588,435)	700,374
Payments due to investments:	(929,097)	(682,334)
Group companies, associates and business units	(160,329)	(37,631)
Property, plant and equipment, intangible assets and investment property	(768,768)	(644,703)
Proceeds from disposal:	231,036	1,465,928
Group companies, associates and business units	188,433	1,369,632
Property, plant and equipment, intangible assets and investment property	42,603	96,296
Other cash flows from investing activities:	109,626	(83,220)
Other amounts received/(paid) relating to investing activities	109,626	(83,220)
CASH FLOW FROM FINANCING ACTIVITIES	(25,574)	(872,361)
Proceeds and (payments) relating to equity instruments:	(6,567)	(196,043)
Purchases	(6,567)	(196,043)
Disposals	-	-

Continues >

ACCIONA, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR 2017 AND 2018**

(Thousand euros)

	2017	2018
Proceeds and (payments) relating to financial liability instruments	237,954	(487,966)
Proceeds from issues	2,088,175	2,637,484
Repayment and redemptions	(1,850,221)	(3,125,450)
Dividends and returns on other equity instruments paid	(204,991)	(218,427)
Other cash flows from financing activities	(51,970)	30,075
Other amounts received/(paid) relating to financing activities	(51,970)	30,075
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(32,616)	(19,041)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(155,538)	444,624
Cash and cash equivalents at beginning of year	1,428,319	1,272,781
Cash and cash equivalents at end of year	1,272,781	1,717,405
Components of cash and cash equivalents at end of year		
Cash on hand and at banks	909,851	1,352,329
Other financial asset	362,930	365,076
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	1,272,781	1,717,405

Appendix II

Information about green funding projects

General information

In November 2016, ACCIONA arranged a Schultschein loan for 150 M€, which was subsequently expanded by a 17 M€ tap, to fund renewable energy facilities; the deal was structured in tranches maturing in 3 and 5 years and accrues interest at market rates. The purpose is to fund renewable energy facilities.

Two 100 M€ loans were arranged with BBVA on April 7th and May 5th in 2017, and a 50 M€ loan was arranged with Unicredit Bank Austria AG.

Additionally, four private placements were made under the EMTN programme, on November 25th 2016, June 6th and September 20th 2017, and January 26th 2018, for a total of 104.9 M€.

Projects and associated indicators:

The funding was used for the San Gabriel wind farm and the El Romero Solar photovoltaic plant, both in Chile, which together represent an estimated investment of 589.6 M USD.

Those projects and their associated social and environmental indicators are shown below.

San Gabriel wind farm

Located in the La Araucania region; construction commenced in November 2017. Its commercial operation date (COD) is projected for 2020. Accordingly, the installed capacity as of 31 December 2018 was 0 MW.

El Romero Solar photovoltaic plant

Located in the Atacama desert, it comprises 776,000 photovoltaic modules. It was built in 13 months and connected to the grid in November 2016.

SAN GABRIEL WIND FARM (CHILE)

(Estimated data at COD)

POSITIVE ENVIRONMENTAL IMPACT INDICATORS <small>(projections)</small>	
Rated capacity to be installed	183 MW
Average annual renewable output based on planned rated capacity	660 GWh
Emissions avoided per year, considering Chile's conventional energy mix in 2018 (IEA 2018)	517,363 t CO ₂
OTHER ENVIRONMENTAL AND SOCIAL INDICATORS <small>(2018 figures)</small>	
Beneficiaries of social initiatives (no. of people)	312

EL ROMERO SOLAR PHOTOVOLTAIC PLANT (CHILE)

POSITIVE ENVIRONMENTAL IMPACT INDICATORS <small>(2018 figures)</small>	
Peak installed capacity	246 MWp
Rated installed capacity	196 MW
Renewable power generation	410.66 GWh
Emissions avoided per year, considering Chile's conventional energy mix in 2018 (IEA 2018)	321,906 t CO ₂
OTHER ENVIRONMENTAL, SOCIAL AND PERFORMANCE INDICATORS <small>(2018 figures)</small>	
Current management system certificates	ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007
Environmental Product Declarations (EPD®) in accordance with ISO 14025 (publication date: 12/12/2017; validity: 25/10/2020)	https://www.environdec.com/ Detail/?Epd=13084
Beneficiaries of social initiatives (no. of people)	425



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Independent Assurance Report of the non-financial indicators included in Appendix II "Information about green funding projects" in the 2018 Integrated Report of ACCIONA, S.A.

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

To the Management of Acciona, S.A.

We have been engaged by Acciona, S.A. (hereinafter, Acciona) to review a report on the non-financial performance indicators included in "Appendix II. Information about green funding projects" within its Integrated Report for the year ended at 31 December 2018 (hereinafter Appendix II), selected from those proposed by the Commission Second-party opinion letter associated with the green bond issued in order to comply with the Green Bond Principles' fourth principle.

Our report is presented in the form of an independent conclusion with a limited assurance indicating that, based on the work performed and the evidence obtained, there is nothing that has caught our attention and makes us think that the indicators are not reliable and do not comply, in all its material aspects, with the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards).

The revised information is limited to the content of Appendix II above mentioned, in which Acciona has included selected non-financial indicators to comply with the current and projected progress of the environmental and social performance at San Gabriel wind farm (currently under construction) and El Romero Solar photovoltaic plant, both located in Chile.

Acciona Management responsibilities

Acciona's management is responsible for the selection, preparation and presentation of Appendix II in accordance with the fourth principle of the Green Bond Principles (Guidelines and procedures for the issuance of green bonds) published by the International Capital Market Association and the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards). It is also responsible for the selection and presentation of the non-financial indicators of Appendix II from those proposed by the Second-party opinion letter associated with the green bond issued, including the establishment and maintenance of the control and performance management systems from which the information is obtained.

These responsibilities include the establishment of appropriate controls where Acciona's management considers necessary to enable that the preparation of indicators with a limited assurance review would be free of material errors due to fraud or errors.



Our responsibility

Our responsibility is to review Appendix II and report in the form of an independent conclusion with a limited assurance based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the Standard ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires us to plan and perform our work so that we obtain a significant level of assurance about whether the Appendix complies, in all its material aspects, with the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards), as a basis for our limited assurance conclusion.

KPMG applies International Standard on Quality Control 1 (ISQC1) 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.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Procedures performed

Our limited assurance engagement consisted of making enquiries of management and persons responsible for the preparation of information presented in the Appendix II, and applying analytical and other evidence gathering procedures. These procedures included:

- Analysis of the processes of compiling and internal control over quantitative data reflected in the Appendix II, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Review of the application of the Global Reporting Initiative's GRI Standards through the Sustainability Reporting Standards requirements for the preparation of reports.
- Reading the information presented in the Appendix II to determine whether it is in line with our overall knowledge of, and experience with, the environmental performance in renewable energy projects.
- Verification that the financial information reflected in the Appendix II is in accordance with Acciona's annual accounts, audited by independent third parties.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

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. Consequently the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Assurance Report.

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

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that indicators included in Appendix II within Acciona's Integrated Report, for the year ended 31 December 2018 have not been prepared in all material respects in accordance with the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards), including the reliability of data, the adequacy of the information presented and the absence of significant deviations and omissions.

Purpose of our report

In accordance with the terms and conditions of our engagement, this Independent Assurance Report has been prepared for Acciona in relation to its Appendix II Information about green funding projects within 2018 Acciona's Integrated Report and for no other purpose or in any other context.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot

21 May 2019

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