

Itínere Infraestructuras, S.A. and its subsidiaries

Auditor's report

Consolidated annual accounts at December 31, 2020

Consolidated management report



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the consolidated annual accounts

To the shareholders of Itínere Infraestructuras, S.A.,

Opinion

We have audited the consolidated annual accounts of Itínere Infraestructuras, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at December 31, 2020, and the income statement, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at December 31, 2020, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

| Most relevant aspects of the audit | How our audit addressed the most relevant aspects of the audit |
|---|--|
| <p data-bbox="261 501 821 562">Assessing possible impairment of concession arrangements and goodwill</p> <p data-bbox="261 595 821 808">As explained in notes 6 and 8, at 31 December 2020 the Group had recorded as concession agreements the investment amounting to €2,350,898 in certain concession agreements for transport infrastructures, namely, toll roads AP-9, AP-66, AG-55 y AG-57, and goodwill amounting to €986,045.</p> <p data-bbox="261 842 821 1267">Management of the Parent company assesses the possible indications of impairment and calculates the recoverable amount of such assets. This entails a complex process (notes 2 (f), 3 (c) and 3 (e)) requiring the use of estimates that include judgements and significant assumptions by management when preparing the impairment testing. Such judgements and estimates relate, among others, to: discount rates influenced by macroeconomic variables, traffic estimates, the inflation rate, disbursement for future investments, operation costs and specially, in year 2020, the traffic recovery caused by COVID-19.</p> <p data-bbox="261 1301 821 1447">As a result of the calculations made, management of the Parent company has not deemed it necessary to make any value adjustments with respect to concession arrangements or goodwill.</p> <p data-bbox="261 1480 821 1603">Given the significance of these assets and the high level of judgement required, assessing their possible impairment is considered a most relevant aspects of the audit.</p> | <p data-bbox="863 595 1460 707">We gained an understanding of the evaluation process carried out by management in relation to the recoverable amount, as well as the supporting controls.</p> <p data-bbox="863 741 1460 808">We carried out the following procedures, among others:</p> <ul data-bbox="863 842 1460 1984" style="list-style-type: none"> <li data-bbox="863 842 1460 931">• Obtaining the financial model used in the impairment testing approved by management. <li data-bbox="863 954 1460 1021">• Verifying the arithmetic accuracy of the financial model. <li data-bbox="863 1043 1460 1167">• Comparison of projected annual cash flows estimated in previous years with cash flows obtained in 2020 and considering impacts caused by COVID-19. <li data-bbox="863 1189 1460 1312">• Comparison of methodology used, discount rate and other market data such as the interest rate curve and the inflation rate, using the auditor's experts. <li data-bbox="863 1335 1460 1783">• Obtaining the report used by an independent expert on the traffic estimates, on which we performed the following procedures, among others. <ul data-bbox="935 1480 1460 1783" style="list-style-type: none"> <li data-bbox="935 1480 1460 1637">- Verification of the expert's competence, capacity and independence by obtaining confirmation and corroborating its professional standing in the market. <li data-bbox="935 1659 1460 1783">- Performing selective tests to verify the accuracy of the most relevant data provided by management to the independent expert. <li data-bbox="863 1805 1460 1872">• Obtaining the sensitivity analysis with respect to the main assumptions. <li data-bbox="863 1895 1460 1984">• Performing selective tests to check the reasonableness of the business and market assumptions used by management. |

| Most relevant aspects of the audit | How our audit addressed the most relevant aspects of the audit |
|------------------------------------|---|
| | <p>Finally, we verified that the disclosures and information included in the notes to accounts are appropriate.</p> <p>Based on the procedures carried out, we consider that management's approach and conclusions and the information disclosed in the consolidated financial statements are reasonable and consistent with the evidence obtained.</p> |

Emphasis of matter

We draw attention to Note 2 of the consolidated annual accounts, which describes that the Group's working capital is negative at 42,682 thousand Euro, as a result of the short-term transfers of debt issued by the Group companies, Audasa and Aucalsa, for an amount of 66,111 thousand euros, and 50,643 thousand euros, respectively, with a maturity on May 2021. Regarding Audasa, after the preparation of these consolidated annual accounts, this subsidiary has obtained a term sheet, signed by the participating financial institutions, for an amount of 66,111 thousand euro, where, among other conditions, the maturity date is established in May 2026. Additionally, regarding Aucalsa, after the preparation of these consolidated annual accounts, this subsidiary has signed a loan for an amount of 50,643 thousand euro and a maturity date at June 2024. Our opinion is not modified in respect of this matter.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2020 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

- Verify only that the statement of non-financial information has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2020 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the Parent company's directors for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with the financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts

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

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

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



Itínere Infraestructuras, S.A. and subsidiaries

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent company's directors, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, considered to be the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by
Goretty Álvarez González (20208)

April 5, 2021

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Annual Accounts
and Consolidated Directors' Report
for the year ended 31 December 2020
(together with the Audit Report)**

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

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**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Balance Sheet
31 December 2020 and 2019
(in thousands of euros)**

| | NOTES | 2020 | 2019 |
|--|-------|------------------|------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | 3,674,718 | 3,757,599 |
| Property, Plant and Equipment | 4 | 2,980 | 2,554 |
| Right of use assets | 5 | 3,237 | 3,412 |
| Concession Arrangements | 6 | 2,350,898 | 2,435,280 |
| Investment property | 7 | 725 | 896 |
| Goodwill | 8 | 986,045 | 986,045 |
| Other Intangible Assets | 9 | 399 | 394 |
| Investments in Associates and Joint Ventures | 10 | 123,824 | 135,179 |
| Non-current financial assets | 11 | 259 | 299 |
| Deferred tax assets | 23.3 | 206,351 | 193,540 |
| CURRENT ASSETS | | 130,794 | 142,277 |
| Inventories | | 686 | 1,238 |
| Trade and other receivables | | 39,382 | 44,233 |
| Trade receivables for sales and services | 12 | 6,356 | 17,894 |
| Current tax assets | 23 | 1,274 | 4,818 |
| Other receivables from public administration | 13 | 29,614 | 19,735 |
| Other Receivables | 14 | 2,138 | 1,786 |
| Current financial investments | | 857 | 369 |
| Cash and Cash Equivalents | 15 | 89,229 | 95,582 |
| Other current assets | | 640 | 855 |
| TOTAL ASSETS | | 3,805,512 | 3,899,876 |

The accompanying notes 1 to 36 form a comprehensive part
of the Consolidated Annual Accounts at 31 December 2020

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Balance Sheet
at 31 December 2020 and 2019
(in thousands of euros)**

| | NOTES | 2020 | 2019 |
|--|-------|------------------|------------------|
| EQUITY | | 977,477 | 1,025,632 |
| Equity attributed to the parent shareholders | 16 | 976,814 | 1,024,892 |
| Subscribed capital | 16.1 | 227,403 | 227,403 |
| Share premium | 16.2 | 1,038,560 | 1,038,560 |
| Own shares | 16.1 | (212) | (212) |
| Accumulated profit and other reserves | 16.3 | (288,937) | (240,859) |
| Non-controlling interests | 16.4 | 663 | 740 |
| NON-CURRENT LIABILITIES | | 2,654,559 | 2,411,547 |
| Deferred Income | | 1 | 4 |
| Provision for Replacement Activities | 20.1 | 44,884 | 41,739 |
| Other provisions | 20.2 | 607 | 783 |
| Non-current financial liabilities | 17 | 2,505,154 | 2,261,740 |
| Non-current payables | 19 | 54,004 | 55,238 |
| Deferred tax liabilities | 23.3 | 49,884 | 52,015 |
| Non-current accruals | | 25 | 28 |
| CURRENT LIABILITIES | | 173,476 | 462,697 |
| Current financial liabilities | 17 | 139,109 | 421,837 |
| Provisions for replacement actions and for the handover of the toll road | 20.1 | 8,770 | 10,194 |
| Other Provisions | 20.2 | 176 | - |
| Current payables | | 25,421 | 30,666 |
| Current tax liabilities | 23 | 147 | 184 |
| Other payables to public administration | 13 | 8,465 | 10,078 |
| Other current payables | 21 | 16,809 | 20,404 |
| TOTAL EQUITY AND LIABILITIES | | 3,805,512 | 3,899,876 |

The accompanying notes 1 to 36 form a comprehensive part of the Consolidated Annual Accounts at 31 December 2020

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Income Statement
for 2020 and 2019
(in thousands of euros)**

| | Notes | 2020 | 2019 |
|--|-----------------|------------------|------------------|
| Net revenues | 24 | 180,936 | 226,368 |
| Works carried out by the group for the fixed assets | | 1,039 | 67 |
| Other operating income | | 7,436 | 2,489 |
| Profit/loss from asset disposal | | (66) | 3 |
| Overprovision | 20.1 | 2,102 | 1,864 |
| Total operating income | | 191,447 | 230,791 |
| Inventories | | (2,231) | (1,212) |
| Staff expenses | 25 | (27,129) | (29,931) |
| Provisions for fixed asset amortisation | 4,5,6,7,8 and 9 | (86,347) | (86,010) |
| External services and other operating expenses | 26 | (20,397) | (23,606) |
| Variations in traffic provisions | | (212) | 45 |
| Provisions for replacement actions and for the handover of the toll road | 20.1 | (10,413) | (8,011) |
| Total operating expenses | | (146,729) | (148,725) |
| OPERATING PROFIT/LOSS | | 44,718 | 82,066 |
| Other interests and similar income | | 1,827 | 613 |
| Total financial income | | 1,827 | 613 |
| Financial expenses and similar expenses | | (107,545) | (122,720) |
| Total financial expenses | | (107,545) | (122,720) |
| FINANCIAL PROFIT/LOSS | 27 | (105,718) | (122,107) |
| Profit of companies accounted for using the equity method | 10 | 1,020 | 4,345 |
| CONSOLIDATED PRE-TAX PROFIT/LOSS | | (59,980) | (35,696) |
| Corporate income tax | 23.2 | 12,160 | 17,513 |
| CONSOLIDATED PROFIT/LOSS FROM CONTINUING OPERATIONS | | (47,820) | (18,183) |
| CONSOLIDATED PROFIT/LOSS FOR THE YEAR | | (47,820) | (18,183) |
| Attributable to: | | | |
| Non-controlling interests | 16.4 | (258) | (335) |
| PARENT COMPANY | 28 | (48,078) | (18,518) |

The accompanying notes 1 to 36 form a comprehensive part of the Consolidated Annual Accounts at 31 December 2020

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Statement of Comprehensive Income
for 2020 and 2019
(in thousands of euros)**

| | 2020 | 2019 |
|--|-----------------|-----------------|
| Loss for the year | (47,820) | (18,183) |
| Total comprehensive income for the year | (47,820) | (18,183) |
| Attributable to: | | |
| - Company shareholders | (48,078) | (18,518) |
| - Non-controlling interests | 258 | 335 |
| | (47,820) | (18,183) |

**Consolidated Statement of Changes in Equity
for 2020 and 2019
(in thousands of euros)**

| | Registered capital | Share premium | Own shares | Reserves | Non-controlling interests | TOTAL |
|---|--------------------|------------------|--------------|------------------|---------------------------|------------------|
| BALANCE, END OF YEAR 2018 | 227,403 | 1,038,560 | (212) | (222,341) | 1,222 | 1,044,632 |
| Comprehensive income for the year (note 16.3) | - | - | - | (18,518) | 335 | (18,183) |
| Other changes in equity | - | - | - | - | (817) | (817) |
| BALANCE, END OF YEAR 2019 | 227,403 | 1,038,560 | (212) | (240,859) | 740 | 1,025,632 |
| Comprehensive income for the year (note 16.3) | - | - | - | (48,078) | 258 | (47,820) |
| Other changes in equity | - | - | - | - | (335) | (335) |
| BALANCE, END OF YEAR 2020 | 227,403 | 1,038,560 | (212) | (288,937) | 663 | 977,477 |

The accompanying notes 1 to 36 form a comprehensive part of the Consolidated Annual Accounts at 31 December 2020

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows
for 2020 and 2019
(in thousands of euros)**

| | Notes | 2020 | 2019 |
|--|------------------------|------------------|------------------|
| Net profit/loss | | (48,078) | (18,518) |
| Non-controlling interests | 16.4 | 258 | 335 |
| Amortisation/provisions | 4, 5, 6, 7, 8 and 20.2 | 94,871 | 92,112 |
| Profit of companies accounted for using the equity method | 10 | (1,020) | (4,345) |
| Result from asset disposal | | 66 | (3) |
| Financial profit/loss | 27 | 105,718 | 122,107 |
| Corporate income tax | 23.2 | (12,160) | (17,513) |
| Funds from Operations | | 139,655 | 174,175 |
| Trade and other receivables | | 1,857 | (19,023) |
| Inventories | | 552 | (390) |
| Trade creditors | | (8,165) | 4,314 |
| Other current assets and liabilities | | (6,410) | (6,728) |
| Other non-current assets and liabilities | | 6,971 | (408) |
| Variation in Net Working Capital | | (5,800) | (22,235) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 133,855 | 151,940 |
| Investments in property, plant and equipment and intangible fixed assets | | (9,037) | (14,862) |
| Investment in real state | | (7) | - |
| Investments in financial fixed assets | | (67) | (92) |
| Divestment in property, plant and equipment and intangible fixed assets | | 300 | 70 |
| Divestment in financial investments | | 107 | - |
| Interests received | | 399 | 435 |
| NET CASH FLOWS FROM INVESTMENT ACTIVITIES | | (8,305) | (14,449) |
| Increase in financial debt | 17.6 | 493,219 | 229,561 |
| Decrease in financial debt | 17.6 | (550,474) | (275,485) |
| Interests paid | 17.6 | (86,618) | (100,763) |
| Dividends paid | | (335) | (817) |
| Variation in Financial Debt | | (144,208) | (147,504) |
| Dividends received | | 12,305 | 19,012 |
| Variation in Own Financing | | 12,305 | 19,012 |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | (131,903) | (128,492) |
| VARIATIONS IN CASH AND CASH EQUIVALENTS | | (6,353) | 8,999 |
| Cash and cash equivalents at the start of the year | | 95,582 | 86,583 |
| Cash and cash equivalents at the end of the year | 15 | 89,229 | 95,582 |

The accompanying notes 1 to 36 form a comprehensive part of the Consolidated Annual Accounts at 31 December 2020

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

Notes to the Consolidated Annual Accounts

1. NATURE AND MAIN ACTIVITIES

(a) Nature and main activities

ITÍNERE INFRAESTRUCTURAS, S.A. (hereinafter, ITÍNERE or the Company or the parent company - formerly called EUROPISTAS, C.E.S.A. -), was incorporated as a Limited Liability Company on 21 May 1968.

Its registered office is located at calle Capuchinos de Basurto, 6; 4ª planta, Bilbao, Spain. It is registered in the Mercantile Registry of Biscay in volume 4916 of the companies' book, folio 21, page BI-519148 and in the tax roll of the Ministry of Economy and Finance with tax identification code: A-28200392.

The Company's corporate purpose is as follows:

- Development and execution of the construction, conservation and operation of all types of toll roads, highways, tunnels and stretches thereof, under a regime of administrative concession, of which it is the successful bidder, including the construction of road infrastructures, other than the concessions awarded to it, having an influence thereon or that are carried out within their area of influence or that are necessary for the organisation of traffic, when the execution design or only the execution thereof is imposed on the concessionary company as a consideration, in addition to activities for the operation of the service areas of the toll roads, tunnels and highways whose concession has been granted to it, and all supplementary activities of the foregoing, such as petrol stations and comprehensive transport and parking centres, provided that all of the foregoing are within the area of influence of such infrastructures, as established by the applicable legal provisions.
- Design, construction, execution, operation, management, administration, conservation and promotion of all types of infrastructure and construction work, both public and private, whether directly or through a stake in companies, joint ventures, consortia or any other similar legal form permitted by law in the country in question.
- Operation and rendering of all types of services relating to urban and inter-urban transport infrastructures, whether by land, sea or air, and the operation and management of all classes of supplementary construction works and services on offer in the areas of influence of public and private construction works and infrastructures.
- Rendering of conservation, repair, maintenance, refurbishment and cleaning services relating to all types of construction work, installations and services to both public and private companies.
- Preparation of all types of architectural and engineering designs, studies and reports, as well as the management, supervision and provision of consultancy services in the performance of all types of construction work.
- Acquisition, possession, use, administration and disposal of all classes of securities for its own account, excluding all the activities which the special legislation and, in particular, the Spanish Securities Market Act, attribute exclusively to other companies.
- Management of public water supply, sewerage and purification services and administrative construction work and service concessions.
- Operation and development of mineral deposits, mines and quarries and the acquisition, use and enjoyment of mining permits, concessions, licences and authorisations and all other mining-related rights, and the marketing and distribution of mineral products. All activities relating to minerals of strategic interest are excluded.

ITÍNERE INFRAESTRUCTURAS, S.A. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

- Manufacture, purchase, sale, supply, import, export, lease, installation, distribution and operation of all types of machinery, tools, vehicles, plants, materials, equipment and furniture, including construction materials and elements and those for use therein.
- Acquisition, operation in whatsoever manner, marketing, assignment and disposal of all types of intellectual property rights and patents and all other industrial property modalities.
- Direction and management of Spanish and foreign subsidiaries and investee companies, through participation in their administrative bodies. Strategic and administrative management of their subsidiaries in Spain and abroad and the provision of legal, economic, accounting, labour, budgetary, financial, tax, commercial and IT consultancy services to such companies, constituting its main activity at this moment.

The Company can perform the activities referred to in the foregoing paragraphs (including participation in any tender), both in Spain and abroad, either directly or indirectly through its subsidiaries or investees.

As stated in note 16.1, the main shareholder of ITÍNERE is ARECIBO SERVICIOS Y GESTIONES, S.L. (hereinafter, ARECIBO).

As a consequence of the foregoing, as per the terms of article 42 of Spain's Code of Commerce, the Company belongs to a group of companies, the holding company of which, in Spain, is ARECIBO, which was incorporated on 27 April 2009 and has its registered office in Bilbao. On 29 April 2020, ARECIBO drafted its consolidated annual accounts and directors' report for the financial year ended 31 December 2019, which were filed at the Mercantile Registry in Bilbao. At the date of preparing these consolidated annual accounts, ARECIBO had not yet drafted its consolidated annual accounts for the 2020 financial year, being scheduled for 24 March 2021.

(b) Background

In 2000, the Company merged with EUROVÍAS C.E.S.A., a 35% owned company, through the absorption by EUROPISTAS C.E.S.A. of the latter company, which was terminated without liquidation. The merger was approved by both companies' General Meetings of Shareholders and placed on record in a public document in that financial year. In this respect, the consolidated annual accounts for the year ended 31 December 2000 include detailed information on the aforesaid merger process.

On 1 October 2007 and, within the framework of a corporate restructuring operation implemented by EUROPISTAS, C.E.S.A., the Company made a non-monetary contribution of a business activity as disbursement of the capital increase carried out by the company AP-1 EUROPISTAS, C.E.S.A., of which the Company was a direct shareholder (this stake is currently held indirectly through its 100% subsidiary, ENAITINERE, S.A.). The aforesaid contribution represented the transfer of all human resources and assets related to the AP-1 toll road activity at that date.

Prior to making the aforesaid contribution, the corporate purpose of EUROPISTAS, C.E.S.A. included, among others, the construction, operation and conservation of the AP-1 Burgos-Armiñón toll road under an administrative concession regime.

On 31 December 2007, with accounting effect as from 24:00 hours, the deed of merger of EUROPISTAS C.E.S.A. with ITÍNERE INFRAESTRUCTURAS, S.A.U. was formalised, as per the resolution of both companies' administrative bodies adopted on 17 April 2007, comprising the absorption of ITÍNERE INFRAESTRUCTURAS, S.A.U. by EUROPISTAS C.E.S.A. with the termination, through the dissolution without liquidation of the former and the block transfer of all its assets to the latter which, on 1 January 2008, acquired, through sole succession, the rights and obligations thereof. As a consequence of this merger, EUROPISTAS, C.E.S.A., the absorbing company, amended its corporate name, adopting that of the absorbed company, that is, ITÍNERE

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INFRAESTRUCTURAS, S.A. The consolidated annual accounts for the year ended 31 December 2008 include detailed information on the aforesaid merger process.

(c) Business combinations

On 30 November 2008, an undertaking agreement was executed for the formulation and acceptance between Sacyr Vallehermoso, S.A. (currently called Sacyr, S.A.) and Citi Infrastructure Partners L.P. of a takeover bid for the shares of ITÍNERE, subject to conditions precedent, by virtue of which and once these conditions had been fulfilled, in 2009 a change in the Company's controlling shareholder took place, which then became PEAR ACQUISITION CORPORATION, S.L.U., a company set up to implement this undertaking, owned by ARECIBO. The details of this operation are set forth in the consolidated annual accounts corresponding to financial year 2009.

On 15 July 2009, the directors of ITÍNERE drew up a mutual absorption-based merger project between ITÍNERE as the absorbing company and Pear Acquisition Corporation, S.L.U., owned by ARECIBO, Avasacyr, S.L.U., 100% owned by ITÍNERE and SyV Participaciones II, S.L.U., a company belonging to the Sacyr Vallehermoso Group (currently the Sacyr Group), through which the latter maintained its stake in ITÍNERE together with CaixaGalicia and Caixanova (subsequently merged under the name of NCG Banco, S.A., currently Abanca) and Cajastur (currently Liberbank), as absorbed companies.

This merger consisted in the absorbed companies' dissolution without liquidation and the block transfer of all their assets and liabilities to the absorbing company, which acquired, through sole succession, the rights and obligations thereof. In this respect, a reverse merger was carried out by virtue of which ITÍNERE absorbed its shareholders, Pear Acquisition Corporation S.L.U. and SyV Participaciones II, S.L.U., thereby allowing these companies' shareholders to participate directly in the absorbing company's share capital, with each one receiving a number of shares of ITÍNERE proportional to their interests, as established in the swap equation. Similarly, a current merger was implemented, through which ITÍNERE absorbed its subsidiary, Avasacyr, S.L.U.

As a consequence of the business combination, a difference arose corresponding to the excess between the purchase price of ITÍNERE for the goodwill acknowledged and the fair value of the acquired assets and assumed liabilities on the transaction date, amounting to 1,291,522 thousand euros. Within the framework of the business combination and to apply the income approach, the purchase price was broken down to adjust the value of the acquired assets and assumed liabilities to their fair value. Therefore, the balance sheet shows the remaining goodwill after the detail of the purchase price of the business combination corresponding to the value that the Group expected to generate from its financial and tax structure. Those factors optimise the Group's comprehensive free cash flows, so they cannot be allocated individually to any of the assets.

The consolidated annual accounts for the financial year ended 31 December 2009 include detailed information on the aforesaid business combination, as well as a detailed description of that excess value.

(d) Group performance

AP-1 EUROPISTAS

On 30 November 2018, the concession contract of which AP-1 EUROPISTAS was the holder, ended, and the Delivery Certificate was signed by the company, the Delegation of the Government of Toll Roads and the General Directorate of Roads, both under the Ministry of Transport, Mobility and Urban Agenda. In said act, the file for the reversion of the concession was considered initiated, with the consequent delivery of the service and of all the revertible goods and subject to an audit of the goods' condition.

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In accordance with the provisions of said Delivery Certificate, it is specified that there are aspects and documents pending analysis by the parties, so said audit, and the acceptance of the goods, should be postponed.

In July 2019, an agreement was reached with the State Highway Authorities in the east of Castilla and Leon Region regarding the actions required for the perfect delivery of the toll road facilities under conditions of absolute normality for the provision of the service for which they are intended (Updated Technical Document).

On 24 November 2020, the Sub-Directorate for General Operations, which is part of the to the General Secretariat for Infrastructures, received an official notice from the State Highway Authorities in the east of Castilla y León with a passing report from the Operations Inspector for the AP-1. In said report, it was made clear that all the measures required of the concession company were carried out to the satisfaction of Operations Inspection.

Consequently, the obligation of the company to deliver the AP-1 Burgos-Armiñón toll road installations to the State Administration in perfect condition for service provision is considered to have been complied with. In this regard, note that the procedure for the termination of the concession is regulated by clause 106 of Decree 215/1973, dated 25 January and, additionally, by the provisions of article 283 of Act 9/2017, dated 8 November.

Thus, at the date of drafting of these consolidated annual accounts, the process of transferring the concession assets has finalised -- pending the materialisation of the return of the construction and operations guarantees, something which has already been requested.

As a result of the foregoing, the Company's main purpose and activity continue to be those arising from its status as holder of the concession contract for the AP-1 Burgos-Armiñón toll road, under the administrative concession system, until the obligations arising therefrom are paid. In addition, the Company also has the corporate purpose of promoting or carrying out any or all of the activities indicated in its articles of association in relation with other toll roads, roads, tunnels or sections thereof, for which it may be awarded in the future, and it may carry out activities relating to transport and communications infrastructures, in accordance with the applicable provisions.

Due to the termination of the concession contract of which the company was the holder, the Ministry of Transport, Mobility and Urban Agenda decided to completely remove the toll effective from 1 December 2018. In order to give continuity to the conservation and operations on the AP-1 toll road, a six-month Emergency Contract was formalised between AP-1 EUROPISTAS and the Ministry of Transport, Mobility and Urban Agenda, by virtue of which the aforementioned operations were carried out until the end date, 15 December 2019. This contract is carried out with the sub-contracted staff of the company (sub-contraction formalised once it was ended), as agreed with the aforementioned Ministry.

(e) AUDASA - Royal Decrees 1733/11 and 104/2013

Royal Decree 1733/2011 of 18 November approved a concession amendment under which AUDASA may, as an exception, increase its rates moderately to offset the investment, conservation and other expenses arising from the work involved in increasing capacity on various toll road sections (Santiago de Compostela Bypass and Access to Vigo, including the Rande Bridge). Likewise, Royal Decree 104/2013 of 8 February approved the agreement between the General State Administration and the company to offer discounts to certain regular users travelling between Pontevedra and Vigo. The discounts are given to users making a return journey in a light vehicle on a working day on the Pontevedra-Vigo, Pontevedra-Morrazo, Pontevedra-Vilaboa and Rande-Vigo routes via the dynamic toll system.

AUDASA has chosen not to record the compensation of the aforementioned discounts on the balance sheet as it believes that it does not meet the requirements established in the accounting standards for asset recognition, which does not affect in any way whatsoever the right established in Royal Decree 104/2013 to receive compensation.

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As established by the aforementioned Royal Decree, to compensate the aforesaid lower income and the capitalised value of the net cash flows until the end of the concession period calculated at an annual rate of 8% as indicated in Royal Decree 1733/2011 of 18 November, once the aggregate balance of both Royal Decrees has been calculated, the company can apply to the Ministry of Transport, Mobility and Urban Agenda for an exceptional rise in the tariffs that will guarantee that the aggregate balance resulting from the compensation at the end of the concession period will be zero. Also, as established in Royal Decree 1733/2011, of 18 November, once the extension works have been brought into service, an amount equivalent to 1.4% of the investment difference, together with the related tax effects, are included in the balance to offset as maintenance expenses.

On 29 October 2018, the Secretary of State for Infrastructure, Transport and Housing, by delegation of the Ministry of Transport, Mobility and Urban Agenda, in accordance with Order FOM 1644/2012 of 23 July, issued an order approving the rates and toll fees for the company's concession, resulting from the application of the provisions of Royal Decrees 1733/2011 of 18 November and 104/2013 of 8 February, as well as those included in the draft Royal Decree approving an addendum to the agreement approved by the aforementioned Royal Decree 1733/2011, of 18 November, according to which the circumstances were appropriate to allow for an extraordinary increase in rates on routes with direct payment by users of the aforementioned toll road of 1.0% for 20 years, as well as an additional 1% in 2018, and an additional 0.8% in both 2019 and 2020.

The detail of and movement in those balances corresponding to Royal Decrees 1733/2011 and 104/2013 are shown below (see note 6):

| Thousands of euros | 31/12/2018 | Movements 2019 | 31/12/2019 | Movements 2020 | 31/12/2020 |
|--|----------------|-------------------|----------------|-------------------|----------------|
| Clearing account - R.D. 1733/2011 and R.D. 104/2013 | | | | | |
| - Offset investments (R.D. 1733/2011) | 224,388 | 3,525 | 227,913 | 304 | 228,217 |
| - Maintenance expenses (R.D. 1733/2011) | 2,894 | 3,201 | 6,095 | 3,244 | 9,339 |
| - Subsidised traffic (R.D. 104/2013) | 23,177 | 5,535 | 28,712 | 4,442 | 33,154 |
| - Recovery of balance due to extraordinary increase in rates | (423) | (5,066) | (5,489) | (5,445) | (10,934) |
| - Tax effects | (2,304) | (1,368) | (3,672) | (3,672) | (4,993) |
| - Financial update | 35,248 | 22,636 | 57,884 | 57,884 | 82,799 |
| Total clearing balance - R.D. 1733/2011 and R.D. 104/2013 | 282,980 | 28,463 | 311,443 | 26,139 | 337,582 |

(f) Royal Decree 803/2017

Royal Decree 803/2017, dated 28 July, entailed the modification of the agreement between the General Tax Administration, the regional government of Galicia and AUDASA, approved by Royal Decree 633/2006, dated 19 May, which established a shadow toll system for Vigo-O Morrazo and A Coruña-A Barcala journeys financed by both Administrations. Said modification not only affects the compensation calculation system but also the way of invoicing and the recipient, which exclusively becomes the Ministry of Transport, Mobility and Urban Agenda. In this regard, the company has filed a contentious claim before the Supreme Court against the Ministry of Transport, Mobility and Urban Agenda's decision, on the grounds that it represented a unilateral and unjustified amendment of an agreement signed between the parties.

On 19 February 2020, the Supreme Court passed judgement in which it was agreed that (i) Royal Decree 803/2017 of 28 July was null and void and (ii) the consideration system was applicable to the concession operator as approved by Royal Decree 633/2006 of 19 May; (iii) AUDASA's situation be re-established, recognising its right to be compensated for the damages caused by the implementation of the remuneration system of the aforementioned Royal Decree 803/2017, and the right to be paid the interest that legally corresponds thereto from the time of right to payment accrued in accordance with Royal Decree 633/2006 and until it is actually paid; and (iv) order the General State Administration to pay AUDASA for compensation and interest resulting from the effects that may arise from the commitments agreed in 2006. The State Attorney filed an appeal for annulment which the Supreme Court rejected in a Ruling on 14/10/2020, ordering the General State Administration to pay court costs.

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On 15 January 2021, the company notified to the Ministry of Transport, Mobility and Urban Agenda and the Regional Government of Galicia (the Xunta) that the amounts for the Vigo-O Morrazo and A Coruña-A Barcala routes and vice versa payable to this Concession Company were as follows:

| Period | Amount including VAT (thousand €) |
|---------------|--|
| 2017 | 2,477 |
| 2018 | 5,502 |
| 2019 | 5,904 |
| 2020 | 11,558 |
| Total | 25,441 |

Those amounts for the Vigo-O Morrazo and A Coruña-A Barcala routes and vice versa for 2020, payable to AUDASA according to Royal Decree 633/2006 (see note 13).

Both Administrations have been asked to specify how the annual payments for 2017, 2018 and 2019 should be invoiced, as soon as possible, to comply with the aforementioned court rulings and to pay these amounts and the legal interest accrued from when the right to receive payment under Royal Decree 633/2006 became effective until the date on which the payment took place.

(g) Ordinary Proceeding number 344/18

On 8 May 2019, the Company was notified of the ordinary lawsuit filed by the Prosecutor's Office against AUTOPISTAS DEL ATLÁNTICO C.E.S.A., followed at the Court of First Instance of Pontevedra with Ordinary Proceeding number 344/18, exercising the collective action of cessation, defence of the undefined interests of consumers and users, nullity of the abusive practice and accessory refund of the amounts received in such concept, and claim for damages.

The lawsuit filed by the Public Prosecutor makes the company responsible of to the fact that for at least three years (between 27 February 2015 and June 2018), the execution of the works in the access section to Vigo, including the Rande bridge, had a relevant and significant effect on the toll road's traffic flow, and said works caused traffic jam and delays for users, in addition to reducing the road's safety conditions, in spite of which, the toll road's concessionaire company left the collection of toll rates unchanged.

In relation to this procedure, with trial held on 11 and 12 February 2020, the Court having admitted, and the Ministry of Transport, Mobility and Urban Agenda being present through the State Attorney, the Directors believe, and so has it been defended by the company and the Ministry of Transport, Mobility and Urban Agenda through the State Attorney's Office, that AUDASA has acted at all times in accordance with its concession contract, with the knowledge and authorisation of the responsible Bodies (Ministry of Transport, Mobility and Urban Agenda, Government Delegation, Directorate General of Traffic, etc.), that the works have been performed in accordance with the regulations in force, guaranteeing the safety of users and workers, and, in any case, with the least possible effect on traffic.

On 21 February 2020, the Court of First Instance of Pontevedra partially upheld the claim, ordering the company to reimburse users for the amount paid in tolls to travel on the affected sections on the dates and within the time slots in which the 81 incidents detailed in the ruling occurred.

The ruling was appealed by the concession company, the Prosecutor's Office and the En-Colectivo association. Since the ruling is in the process of being appealed, it is not final at the time of preparing these consolidated annual accounts.

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The Company's Directors believe that if the ruling is enforced it will not affect the consolidated annual accounts significantly, because it refers to 81 minor incidents over relatively short periods of time that only give the right to a refund of the amount paid by the affected user.

The Directors also believe that if a second-instance final conviction is passed, the company would appeal it and it would not affect the consolidated annual accounts significantly because the Ministry of Transport, Mobility and Urban Agenda have expressly granted the company the right to pass on any amount ordered to pay under a ruling against AUDASA to the State.

2. BASIS OF PRESENTATION

(a) True and fair view and going concern

These consolidated annual accounts have been obtained from the accounting records of ITÍNERE and of the companies included in the Group and prepared in accordance with the international financial reporting standards adopted by the European Union (IFRS-EU) with the aim of providing a true and fair view at 31 December 2020 of the consolidated equity, consolidated financial position and consolidated operating results, in addition to the changes in consolidated equity and consolidated cash flows for 2020.

The standards for the adoption of the General Chart of Accounts to public-sector infrastructure concessionary companies, approved by Order EHA/3362/2010 of 23 December, which are applicable to the preparation of the annual accounts of the concessionary companies that form part of the ITÍNERE Group, came into force on 1 January 2011. However, these standards, the object of which is to strengthen the harmonisation of Spain's accounting standards with the European ones, particularly IFRIC 12, include, nevertheless, certain adaptations so as to give adequate treatment to service concession arrangements. In particular, these standards establish that, once recognised in the statement of income statements, the expenses incurred by a concessionary company in the financing of infrastructure must be classified, for accounting purposes, as "regulated assets", provided that reasonable evidence exists to the effect that the toll rate (public price) will allow such costs to be recovered. In short, it is an accounting solution that is similar to the one that was included in the prevailing accounting standards in Spain up to the entry into force of the aforesaid standards, but which involved a treatment that differs significantly from that provided for in the IFRS-EU for these purposes, which do not permit the capitalisation of financial expenses once the infrastructure is in operation.

The ITÍNERE Group has adopted the latest version of all the applicable standards issued by the European Union's Regulatory Committee (IFRS-EU), the application of which is mandatory at 31 December 2020. Likewise, the Group companies AUDASA, AP-1, EUROPISTAS, AUCALSA, AUDENASA and AUTOESTRADAS have applied IFRIC 12 in the preparation of the financial information that acts as the basis for the preparation of these consolidated annual accounts (see Appendix I).

These consolidated annual accounts have been prepared using the historical cost principle, with the exception of the assets and liabilities acquired in the business combination, which have been recognised at fair value.

At 31 December 2020, the consolidated income statement shows a negative attributable to Company shareholders result of 48,078 thousand euros, although the Group has a healthy balance sheet with a net worth of 977,477 thousand euros. Also, at 31 December 2020, the Group's working capital is negative at 42,682 thousand euros as a result of the current transfers of debt issued by the Group companies AUDASA and AUCALSA for an amount of 66,111 and 50,643 thousand euros, respectively, the maturity of which will take place in May 2021. In this regard, as of the date of drafting of these consolidated annual accounts, the refinancing processes for the aforementioned debts is in an advanced stage. More specifically, the companies already have the required official authorisations from the Secretary General of the Treasury and Financial Policy for the respective 2021 financing

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plans, which consider the capture of 66,111 thousand euros and 50,643 thousand euros, respectively. At the date of preparation of these consolidated annual accounts, AUCALSA has formal approvals from financial institutions to take out a loan for an aggregate amount of 50,643 thousand euros, to be paid out on 17 May 2021, maturing in June 2024, while AUDASA is in the final phase of the process of obtaining formal approvals from financial institutions and selecting offers for the hiring of a loan for an aggregate amount of 66,111 thousand euros, to be paid out on 31 May 2021 and maturing in May 2026. Both loans are expected to be formalised once the corresponding documentation processes have been completed.

In relation to these refinancing proceedings, it is worth highlighting the Group's extensive experience in this type of transaction to capture funds in the credit and debt markets, which, even in adverse market situations, has enabled the Group to successfully conclude all the financing transactions carried out – and this is a clear indicator of the confidence of financial institutions in the project developed by AUDASA and AUCALSA.

The figures included in the notes to these consolidated annual accounts are shown in thousands of euros, which is the Company's functional and reporting currency.

The individual annual accounts of the consolidated companies are pending the approval of their respective General Meetings of Shareholders. Nevertheless, the holding company's directors are of the opinion that they will be approved without any changes that significantly affect the consolidated annual accounts.

(b) Impact of COVID-19

The pandemic situation caused by COVID-19 in which we are immersed brought about a severe impact on the evolution of the world economy during 2020. Throughout the year, the governments of the countries affected by the pandemic have been forced to take measures, on the one hand, by establishing restrictions on mobility and closing businesses to control the disease's spread and, on the other hand, to alleviate the economic slowdown caused by the virus. The effects of the aforementioned restrictions have led to an unprecedented global crisis that has brought about a deep economic recession.

The prospects for the recovery of the world economy are still uncertain, although estimates made by international organisations predict that in 2021 there will be a recovery, the intensity of which will depend on the availability of adequate tools for States to have true control of the pandemic, likewise depending on when virus-related restrictions can be permanently lifted.

The restrictions on mobility that the Spanish government imposed in 2020, following the state of emergency declared on 14 March, have had a huge impact on traffic levels on the toll road operated by the Company and, consequently on its income.

The overall average daily traffic (ADT) for all of the toll roads operated by ITÍNERE subsidiaries during 2020 was 13,925 vehicles (19,073 vehicles in 2019). This means that traffic fell 26.99% compared to the same period in the previous year (29.47% down for light vehicles and 9.96% for heavy vehicles). During the first weeks of the state of alarm decreed by the Government in March, traffic fell drastically, reaching daily reductions of more than 90% in the month of April. As restrictions were relaxed and there was a progressive reopening of the economy --and mainly in the summer months--, more moderate falls were recorded, which intensified again with the declaration of the second state of alarm on 25 October under which new limitations were imposed on mobility.

This reduction in the ADT of the toll roads operated by ITINERE's investee companies led to a decrease in the Group's turnover at the end of 2020 of 20.1% in comparison the previous year (-45,432 thousand euros), which has had a significant impact on the rest of said Group' financial figures.

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The impact that the crisis brought on by COVID-19 will have on the future profits of the company and/or its financial and equity situation will depend, as already mentioned above, on the ability of the Administration to truly control the pandemic as well as the duration of the restrictions imposed.

In this regard, as a consequence of the situation arising from the COVID-19 crisis and, as mentioned in note 6, the concession companies have carried out an analysis of the recoverable amount of its concessional assets, doing so with the purpose of verifying the need to log a corresponding value adjustment as of 31 December 2020 -- said analysis not having revealed such a need.

Considering the regulatory framework that is applicable thereto, the concession companies in which ITÍNERE has a stake have asked their respective governmental grantors to re-establish the economic and financial balance of their concession contracts, a claim that as of the date of drafting of these consolidated annual accounts has not yet been decided on. The legal basis of this request is the exercise of a contractual right to maintain the aforementioned economic and financial balance, based on the appearance of unforeseeable and extraordinary circumstances, as well as being based on the adoption --by the different administrations-- of measures that have made it impossible to execute the concession contracts under the foreseen terms, as the concession companies have kept up with their full business activity because they are critical transport infrastructures. Notwithstanding the foregoing, the aforementioned companies --in accordance with the provisions of their concession contracts and the applicable legal framework-- continue with risk (demand risk of the concessionaire) and the risk of maintaining an economic and financial balance.

The company's Directors and Management constantly monitor the evolution and effects of the situation caused by the pandemic.

(c) Consolidation principles

Subsidiaries

Subsidiaries are all the companies in which ITÍNERE either directly or indirectly controls the operating and financial policies, exercising control over the relevant activities, maintaining the right or exposure to the investment's income statements and the ability to use this power in such a way as to influence the amount of these returns. The foregoing occurs when the stake is greater than half the voting rights.

Subsidiaries are fully consolidated

The value of the minority shareholders' stake in the equity and operating results of the fully consolidated subsidiaries is shown under "Equity – Non-controlling interests" on the consolidated balance sheet and under "Consolidated profit/loss for the year attributable to non-controlling interests" on the Consolidated income statements, respectively.

Joint ventures (jointly controlled entities)

These are companies in respect of which a contractual agreement exists with a third party for sharing control over their activity and related strategic decisions, both financial and operational, for which the unanimous consent of all the participants sharing the control is required. The Group's interests in jointly controlled entities are recorded in the accounts in accordance with IFRS 11 under the equity method, in accordance with what is indicated in the following section, "Associates" (up until the adoption of the aforesaid rule in 2014, the Group chose to proportionally consolidate them, as explained in note 35).

Associates

These are companies over which ITÍNERE exercises important influence, maintaining a long-lasting link that fosters and influences their activity, but with limited representation in the mechanisms of

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management and control, which is usually accompanied by a stake of between 20% and 50% of the voting rights, except when it can be clearly demonstrated that such influence does not exist or, being less than 20% of the voting rights, it can be clearly demonstrated that such influence does exist. Investments in associates are equity accounted and recognised initially at cost. The participation of ITÍNERE in associates includes, as per IAS 28, the share of goodwill identified in the acquisition (net of any accumulated impairment losses) and is recorded under the heading "Investments in joint ventures and associates" on the consolidated balance sheet.

Subsequent to the acquisition, the participation in the income statements and reserves of associates is recognised in the financial year's statement of income statements and as consolidation reserves, respectively, with the value of the stake as the balancing entry in both cases. The receipt and/or accrual of dividends subsequent to the acquisition are adjusted against the amount of the stake.

Details of the consolidated companies and the consolidation method used are provided in Appendix I to these notes.

All the balances and transactions carried out between the companies included in the consolidation scope have been eliminated in the consolidation process, where applicable.

Standardised accounting criteria have been applied to all the companies included in the consolidation scope.

(d) Comparison of information

To meet the prevailing standards, these consolidated annual accounts for 2020 include comparative figures relating to 2019. In this sense, for the purposes of comparability and for the understanding of these consolidated annual accounts, the termination of the activity stemming from the Emergency Contract signed between AP-1 EUROPISTAS and the Ministry of Transport, Mobility and Urban Agenda on 15 December 2019 must be taken into account (see note 1 (d)).

(e) Group structure

The ITÍNERE Group is made up of the parent company, ITÍNERE INFRAESTRUCTURAS, S.A., and its subsidiaries and associates. The detail of the companies that comprise the ITÍNERE Group at 31 December 2020 and 2019, the percentages and amounts corresponding to each stake, the consolidation method applied and the registered office and activities of each one are shown in Appendix I, which forms an integral part of these consolidated annual accounts.

All the companies that form part of the consolidation scope end their financial year on 31 December.

All the companies comprising the ITÍNERE Group are audited by PricewaterhouseCoopers Auditores, S.L., with the exception of the companies TACEL INVERSIONES, S.A., and AUTOPISTA CENTRAL GALLEGA, C.E.S.A., which are audited by Deloitte, S.L.

(f) Relevant accounting estimates and judgements used

The preparation of the consolidated annual accounts in accordance with IFRS-EU requires the application of relevant accounting estimates and the making of judgements, estimates and assumptions in the process of applying the Group's accounting principles. The assumptions and estimates adopted are based on past experience and other factors deemed to be reasonable in the current circumstances. As a consequence of COVID-19, the level of uncertainty surrounding estimates and forecasts that the companies use to determine the value of some assets and liabilities is higher (see note 2 (b)).

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In some cases, in the Group's consolidated annual accounts for the financial year ended 31 December 2020, estimates and judgements made by the management of the parent company and by its subsidiaries, subsequently ratified by their directors, have been used to quantify some of the assets, liabilities, income, expenses and commitments recognised therein. Those estimates refer to:

- Assessment of potential impairment losses from certain assets, including goodwill.
- Useful life of property, plant and equipment and intangible assets.
- The estimate of the amount and periods relating to replacement activities and major repairs when carried out in usage periods in excess of one year, which are enforceable in relation to the elements required of each one of the infrastructures so that the activities and services they render and carry out can be adequately performed, is subject to a greater degree of judgement due to its complexity (see note 3 (p)).
- Recoverability of deferred tax assets. Recognition of deferred tax assets is made on the basis of future estimates made by the Group in connection with the likelihood of future tax gains being available to permit their recovery.
- Accounting estimates based on projections. Traffic growth assumptions and the applied discount rates constitute one of the main bases for the economic and financial projections.
- Considerations relating to refinancing and the cancellation of current liabilities.

Estimates are made using the information on the analysed facts and events that is available at the balance sheet date, although it is possible that future events may require them to be modified. Therefore, these estimates are reviewed on an ongoing basis, recognising the effects that any change in them may produce in the period in which they are known.

In this regard, and in relation to the AP-1 EUROPISTAS group company, as mentioned in note 1 (d), the process of transferring the concession assets has been completed although, as of 31 December 2020, certain actions related to the delivery are pending settlement. Therefore, the company has recorded in its accounting a provision for the estimated amount of such actions.

(g) IFRS-EU applied by the Group in 2020

At 31 December 2020, the Group applies all the mandatory International Financial Reporting Standards adopted by the European Union in the preparation and drafting of its consolidated annual accounts.

The consolidated annual accounts for the year ended 31 December 2014 were the first in which the Group applied IFRS 11 – Joint Arrangements. The impact on the consolidated annual accounts of applying the aforesaid IFRS is significant and has involved equity accounting the stake in AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) instead of proportionally consolidating it, as had been done up to 31 December 2013 (see note 35).

(h) Rules, amendments, and interpretations of the IFRS-EU effective as of 1 January 2020 adopted by the Group:

- IAS 1 (Amendment) and IAS 8 (Amendment) "Definition of Materiality (or Relative Importance)". These amendments clarify the definition of "material", introducing the concept of "obscuring" information -- in addition to omitted or inaccurate items that may influence users' decisions. These amendments make the IFRS more consistent, but they are not expected to have a significant impact on the preparation of the financial statements. The amendments will apply to annual reporting periods beginning on 1 January 2020.

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- IFRS 9 (Amendment), IFRS 7 (Amendment) and IAS 39 (Amendment) "Interest Rate Benchmark Reform". These amendments provide certain exemptions in relation to the interest rate benchmark reform (IBOR). The exemptions are related to hedge accounting and have the effect that, generally, the IBOR reform should not cause hedge accounting to cease. However, any hedge ineffectiveness should continue to be recorded on the income statement. The amendments will apply to annual reporting periods beginning on 1 January 2020.
- IFRS 3 (Amendment) "Definition of a Business". This amendment will help determine whether an acquisition is of a business or of a group of assets. The modified definition emphasises that the output of a business is to provide goods and services to customers, while the previous definition focused on providing returns in the form of dividends, lower costs, and other financial benefits to investors and others. In addition to changing the wording of the definition, additional guidance has been provided. To be considered a business, an acquisition would have to include an input and a process that together significantly contribute to the ability to create outputs. The new guide provides a framework for evaluating when both elements are present (even for early-stage companies that have not produced outputs). To be a business without outcomes, it will now be necessary to have an organised workforce. These amendments will apply to business combinations whose acquisition date is from the beginning of the first annual reporting period that begins as of 1 January 2020 and to asset acquisitions that occur as of the beginning of that period.
- Amendments to references to the Conceptual Framework in the IFRS. The IASB has issued a revised Conceptual Framework that will be used in the development of accounting standards. Although no changes are made to any of the accounting standards in force, entities that rely on the Conceptual Framework to determine their accounting policies for transactions, events, or conditions that are not covered by the accounting standards issued will have to apply the revised Conceptual Framework as of 1 January 2020.
- IFRS 16 (Amendment) "Covid-19-Related Rent Concessions". The IASB has published an amendment to IFRS 16 "Leases" that provides an optional practical expedient for lessees from assessing whether a COVID-19-related rent concession is a lease modification. Lessees may elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment does not grant the same facility to lessors, who have to apply the current requirements of IFRS 16 and consider whether or not there has been a modification of the corresponding lease. For the purposes of IFRS-EU, the amendments must be applied retrospectively and are applicable no later than 1 June 2020 for fiscal years beginning on 1 January 2020.

The aforementioned standards have been applied without having had a significant impact on the reported figures or on the presentation and detail of the information contained in the consolidated annual accounts.

- (i) Standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRS Interpretations Committee) not applicable as of 31 December 2020 -- either because their effective date is later than the date of the consolidated annual accounts or because they are pending adoption by the European Union.
- IFRS 4 (Amendment) "Extension of the Temporary Exemption from the Application of IFRS 9". In accordance with the postponement of the effective date of IFRS 17 "Insurance Contracts", the amendment changes the expiry date for the temporary exemption in IFRS 4 "Insurance Contracts" in relationship with the application of IFRS 9 "Financial Instruments", requiring entities to apply IFRS 9 for annual periods beginning on or after 1 January 2023 rather than on or after 1 January 2021.

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- IFRS 9 (Amendment), IAS 39 (Amendment), IFRS 7 (Amendment), IFRS 4 (Amendment), and IFRS 16 (Amendment) "Interest Rate Benchmark Reform", Phase 2". The IASB has undertaken a two-phase project to consider what exceptions, if any, to provide for the purposes of the interest rate benchmark reform (the "IBOR"). The Phase 1 amendments, issued in September 2019, provided temporary exemptions from the application of specific hedge accounting requirements to relationships affected by uncertainties arising as a result of the IBOR reform (the "Phase 1 Exemptions"). The Phase 2 amendments address issues arising from the implementation of the reforms, including the replacement of a benchmark rate with an alternative one. The amendments will apply to annual reporting periods that begin as of 1 January 2021, although their early application is allowed.
- IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures". These amendments clarify the accounting for the sale and contribution of assets between an investor and its associates and joint ventures, which are to depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The investor will recognise the full gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the definition of "business", the gain or loss should be recognised by the investor to the extent of the unrelated investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture.

Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB made the decision to postpone the effective date thereof (without setting a specific new date), since it is planning a more extensive review that may result in the simplification of these transactions' accounting and other accounting aspects for associates and joint ventures.

- IFRS 17 "Insurance Contracts". In May 2017, the IASB completed its long-term project to develop an accounting standard on insurance contracts, publishing IFRS 17, "Insurance Contracts". IFRS 17 replaces IFRS 4 "Insurance Contracts", which currently allows a wide variety of accounting practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The standard will apply for annual periods beginning on or after 1 January 2021, allowing its early application if IFRS 15, "Income from Contracts with Customers", and IFRS 9, "Financial Instruments", are also applied. IFRS 17 is pending approval by the European Union.

- IFRS 17 (Amendment) "Amendments to IFRS 17". In response to some of the concerns and challenges raised in relation to the application of IFRS 17, the IASB has developed specific amendments and clarifications intended to facilitate the implementation of the new standard, although the amendments do not change the fundamental principles of the standard. Additionally, the mandatory entry into force of IFRS 17 has been delayed to annual periods beginning on or after 1 January 2023. The amendment to IFRS 17 is pending approval by the European Union.
- IAS 1 (Amendments) "Classification of Liabilities as Current or Non-Current". These amendments clarify that liabilities are classified as current or non-current depending on the rights that exist at the end of the reporting period. Said classification is not affected by the expectations of the entity or the events after the closing date of the period (for example, receipt of a waiver or a breach of an agreement). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The effective date of these modifications is 1 January 2022, although early adoption is permitted. However, in July 2020 there was a modification to change the effective date of the modification to 1 January 2023. These modifications are pending approval by the European Union.

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- IAS 16 (Amendment) "Property, plant, and equipment: Proceeds before Intended Use". It is prohibited to deduct from the cost of an item of property, plant, and equipment any proceeds obtained from the sale of items produced while the entity is preparing the asset for its intended use. Proceeds from the sale of such items, along with production costs, are now recognised in income statements. The amendment also clarifies that an entity is testing whether the asset is functioning properly when assessing the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Therefore, an asset might be able to operate as intended by management and be subject to depreciation before it has reached the level of operating performance expected by management. The effective date of this amendment is 1 January 2022. Said amendment is pending approval by the European Union.
- IAS 37 (Amendment) "Onerous Contracts—Cost of Fulfilling a Contract". The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the fulfilment of the contracts. It also clarifies that before making a separate provision for an onerous contract, the entity will recognise any impairment loss that has occurred on the assets used to fulfil the contract, rather than on the assets dedicated to that contract. The effective date of this amendment is 1 January 2022. The amendment is pending approval by the European Union.
- IFRS 3 (Amendment) "Reference to the Conceptual Framework". IFRS 3 has been updated to refer to the 2018 Conceptual Framework to determine what constitutes an asset or a liability in a business combination (previously the 2001 Conceptual Framework was referred to). In addition, a new exception has been added in IFRS 3 for liabilities and contingent liabilities. The effective date of this amendment is 1 January 2022. The amendment is pending approval by the European Union.
- Annual Improvements to the IFRS. 2018 - 2020 Cycle. The amendments affect IFRS 1, IFRS 9, IFRS 16, and IAS 41 and they apply to annual periods beginning on or after 1 January 2022. The main amendments refer to:
 - IFRS 1 "First-Time Adoption of IFRS". IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. This modification allows entities that have taken this exemption to also measure accumulated translation differences using the amounts accounted for by the parent, based on the latter's date of transition to IFRS.
 - IFRS 9 "Financial Instruments". The amendment addresses which costs should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to third parties or to the lender. According to the amendment, costs or fees paid to third parties will not be included in the 10% test.
 - IFRS 16 "Leases". Illustrative Example 13 accompanying IFRS 16 has been modified to eliminate the example of lessor payments in relation to leasehold improvements, thus eliminating any possible confusion about the treatment of lease incentives.
 - IAS 41 "Agriculture". This amendment eliminates the requirement to exclude cash flows from taxation when measuring fair value under IAS 41.

The annual improvements are pending approval by the European Union.

- IAS 1 (Amendment) "Disclosure of Accounting Policies". IAS 1 has been amended to improve disclosures about accounting policies to provide more useful information to investors and other primary users of financial statements. The effective date of these amendments is 1 January 2023. The amendment is pending approval by the European Union.
- IAS 8 (Amendment) "Definition of Accounting Estimates". IAS 8 has been amended to help distinguish between changes in accounting estimates and changes in accounting policies. The effective date of these amendments is 1 January 2023. The amendment is pending approval by the European Union.

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Application of new standards, amendments, or interpretations will be considered by the Group once they are ratified and adopted by the European Union as applicable. The Group's Management has opted to not undertake the early application of rules mandatory after 31 December 2020. However, the effects of their application on the consolidated annual accounts are not expected to be significant.

3. ACCOUNTING PRINCIPLES

The main accounting principles applied uniformly by all the Group's companies are as follows:

(a) Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost, which includes all the costs and expenses directly attributable to the acquired assets, including financial expenses, until they are in working condition, less their corresponding accumulated depreciation and any impairment losses they may have suffered.

Depreciation is provided on a straight-line basis over the estimated years of lifespan of the assets as follows:

| | Years of lifespan |
|--|-------------------|
| Other buildings | 33 to 50 |
| Technical facilities and machinery | 5 to 10 |
| Other facilities, fixtures and furniture | 3 to 10 |
| Other property, plant and equipment | 3 to 10 |

At year-end, the Group reviews and, when applicable, adjusts the property, plant and equipment's residual value, useful life and depreciation method.

Repairs and maintenance costs which do not improve the related assets or extend their years of lifespan are expensed when incurred.

(b) Right-of-use assets

At the beginning of a contract, the Group assesses whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the identified asset for a period of time in exchange for a consideration. The period of time during which the Group uses an asset includes both consecutive and non-consecutive periods of time. The Group only re-assesses the conditions when the contract is amended.

(i) Lessee's accounting

In contracts containing one or more lease components and other than a lease, the Group considers all the components as a single lease component.

Payments made by the Group that do not involve the transfer of goods or services to the Group by the lessor do not constitute a separate component of the lease, but rather form part of the total consideration for the contract.

At the start of the lease, the Group recognises the lease a right-of-use asset and a lease liability. The right-of-use asset consists in the lease liability amount, any lease payments made on or before the start date, minus incentives received, initial direct costs incurred and an estimate of any decommissioning or restoration costs to be incurred, as indicated in the accounting policy for provisions.

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The Group values the lease liability at the present value of the lease payments that are outstanding at the start date. The Group discounts lease payments at the appropriate incremental interest rate unless it can reliably determine the lessor's implicit interest rate.

Outstanding lease payments consist of fixed payments, minus any receivable incentive, variable payments dependent on an index or rate, initially valued at the index or rate applicable on the start date, amounts expected to be paid for residual value guarantees, the exercise price of the purchase option the exercise of which is reasonably certain, and payments for contract cancellation indemnities, provided that the lease term includes the option to exercise the termination.

The Group values the right-of-use assets at cost, minus accumulated depreciation and impairment losses, adjusted by any re-assessment of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease term or if the right-of-use assets includes the price of the purchase option, the depreciation methods indicated in the section on property, plant and equipment are applied from the start of the lease term to the end of the asset's useful life. Otherwise, the Group depreciates the right-of-use assets from the start date to the earlier of the useful life of the right or the end of the lease term.

The Group applies the non-current asset impairment criteria indicated in 3 (g) to the right-of-use asset.

The Group values the lease liability by increasing it by the interest expense accrued, decreasing it by the payments made and re-estimating the carrying amount by the changes in the lease or to show the updating of the fixed payments in substance.

The Group records the variable payments that have not been included in the initial measurement of the liability in the statement of income statements for the period in which the events that trigger their disbursement occur.

The Group records the re-estimations of the liabilities as an adjustment to the right-of-use asset, until it is reduced to zero and subsequently in results.

The Group re-assesses the lease liability by discounting the lease payments at a discounted rate if there is a change in the lease term or a change in the expectation of exercising the underlying asset purchase option.

The Group re-assesses the lease liability if there is a change in the expected amounts payable on a residual value guarantee or a change in the index or rate used to determine the payments, including a change to show changes in market rents after a review thereof.

The Group recognises an amendment of the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of the consideration for the lease increases by an amount consistent with the individual price for the increase in scope and any adjustment to the individual price to show the particular circumstances of the contract.

If the amendment does not result in a separate lease, at the date of the amendment the Group assigns the consideration to the amended contract as indicated above, redetermines the lease term and re-assesses the value of the liability by discounting the revised payments at the revised interest rate. The Group decreases the book value of the right-of-use assets to show the partial or total termination of the lease in the event of amendments that reduce the scope of the lease and records the gain or loss in the statement of income statements. For all other amendments, the Group adjusts the book value of the right-of-use assets.

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(c) Concession arrangements

In accordance with the contractual terms and conditions established in the different concessions operated by the Group's companies, ownership of the concession assets corresponds to the respective concession-granting administrations, with the concessionary companies having the right to operate the infrastructure, for which they receive the price paid by users. According to the provisions of the respective agreements, the concession-granting body regulates this price. Therefore, "concession arrangements" shows the fair value of the net consideration to be received (generated cash flows) as a consequence of the concession assets' operation.

As a result of the detail of the acquisition price made within the framework of the business combination implemented during 2009, the "concession arrangements" line-item was measured at fair value (note 1 (c)). The methodology applied to determine the concession arrangements' fair value was the income-based method, through the discounting of cash flows after servicing the debt generated by the concessions, subsequently adding the net debt associated with each one of these assets. The basic premise of this methodology is that the concession arrangements have a fair value that is equal to the present value of the cash flows generated by the assets. The detail of the adjustment to concession arrangements as a result of their measurement at fair value is as follows:

| | Thousands of euros |
|--|-------------------------------|
| AUDASA | 208,300 |
| AUCALSA | (147,300) |
| AUDENASA (*) | 72,500 |
| AUTOESTRADAS | 6,200 |
| AP-1 EUROPISTAS | 295,100 |
| Reasonable Value Adjustment Concessional Agreements | 434,800 |

(*) As a result of applying IFRS 11, the aforesaid amount forms part of the value of the stake in this company, which is shown under the heading "Investments in associates and joint ventures".

Concession arrangements are amortised on a straight-line basis once the infrastructure is ready for use in a systematic and rational manner throughout the concession's useful life.

(d) Investment properties

Investment properties are comprised of land and buildings that are leased or available for lease to third parties. Buildings are depreciated on a straight-line basis over an estimated useful life of 33 years.

The measurement standards described for property, plant and equipment are fully applicable to investment properties.

Assets are transferred to investment properties only when a change occurs in the use of these assets.

(e) Goodwill

Goodwill from business combinations as from the date of transition to IFRS-EU is initially measured at an amount equivalent to the difference between the business combination's cost and the net fair value of the acquired business's assets, liabilities and contingent liabilities at the transaction date. In accordance with IFRS 3, the Company has chosen to measure non-controlling interests at fair value. This measurement recognises the non-controlling interests in the business combination's goodwill.

Goodwill is not amortised; instead, its impairment is assessed on an annual basis or earlier in the case of events having been identified that point to a potential loss of the asset's value. To this end, the

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resulting goodwill from the business combination is allocated to the group of identified cash-generating units (CGUs) to which the ability to generate the value corresponding to such difference can be attributed.

In this respect, the Group has defined as a CGU each of the concessionary companies that make up the Group, with the aforementioned group being the sub-holding in which ITÍNERE has an interest and on which the Group's main concessionary companies depend, that is, ENAITINERE, S.A.

After the initial recognition, goodwill is measured at cost less accumulated impairment losses. These impairment losses cannot be reversed later on.

(f) Other Intangible Assets

Intangible assets, which include administrative concessions, rights to use fixed asset items, and computer applications, are measured at their acquisition cost net of their corresponding accumulated amortisation and any impairment losses they may have suffered. Amortisation is calculated on a straight-line basis over 4 years for computer applications and 10 years for lease transfer rights. Administrative concessions are amortised throughout the concession period.

Intangible assets are only recognised when there is a certainty that they will generate future profits for the Group and provided their cost can be reliably measured. Intangible assets generated internally, excluding activated development costs, are not capitalised, but rather are registered as expenses in the financial year in which they are incurred.

(g) Impairment of non-financial assets subject to amortisation or depreciation

The Group follows the criterion of assessing the existence of signs that could indicate the potential impairment of the value of non-financial assets subject to amortisation or depreciation, including that corresponding to equity accounted companies, in order to verify whether or not these assets' book value exceeds their recoverable value.

Similarly, and irrespective of the existence or otherwise of any signs of impairment, the Group checks, at least on an annual basis, the potential impairment that could affect goodwill and the intangible assets not yet available for use.

The recoverable amount is the higher of the fair value minus the cost of goods sold and the value in use. An asset's value in use is determined on the basis of the expected future cash flows that will result from the asset's use, expectations of potential variations in the amount or timing of cash flows, the time value of money, the price to be paid for exposure to the uncertainty relating to the asset and other factors which market agents would take into account in the valuation of the future cash flows associated with the asset.

Negative differences resulting from the comparison of the assets' book value with their recoverable values are recognised in the Consolidated income statements.

The recoverable value must be calculated for an individual asset, except when the asset does not generate cash inputs that, to a large extent, are separate from those corresponding to other assets or asset groups. If this is the case, the recoverable amount is calculated for the cash-generating unit (CGU) to which it belongs.

Losses relating to the CGU's value impairment are initially allocated to reduce the value of the goodwill allocated to them, where applicable, and then that of all the other assets of the CGU, divided proportionally on the basis of the book value of each of the assets, with the limit for each one being the greater of their fair value less the costs to sell, their value in use or zero.

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At the end of each reporting period, the Group assesses whether or not there are indications that the impairment loss recognised in previous financial years no longer exists or has been reduced. Impairment losses corresponding to goodwill are not reversible. The impairment losses of all other assets only revert when there has been a change in the estimates used for establishing the asset's recoverable value.

Impairment loss reversal is registered with a credit to the consolidated income statement. Nevertheless, the loss's reversal may not increase the asset's book value above the book value it would have had, net of amortisation or depreciation, had the impairment not been registered.

The amount of the impairment loss reversal of a CGU is distributed between the unit's assets, excluding goodwill, divided proportionally on the basis of the assets' book value, with the limit per asset being the lower of its recoverable value or the book value it would have had, net of amortisation or depreciation, had the loss not been registered.

(h) Leases

Some of the Group's companies have assigned the right to use certain facilities through lease contracts. These leases do not transfer to third parties substantially all the risks and rewards incidental to ownership of the assets and are therefore classified as operating leases.

Operating lease income is recognised as income on a straight-line basis over the lease term.

Similarly, operating lease costs are recognised as an expense using the straight-line method over the lease term. As and when applicable, contingent lease payments are recorded as an expense when it is deemed probable that they are going to be incurred.

(i) Financial instruments

(i) *Financial instruments recognition and classification*

Financial instruments are classified at the time of their initial recognition as a financial asset, a financial liability or an equity instrument, depending on the contractual agreement's economic base and the definitions established for these purposes by IAS 32.

Financial liabilities are recognised when the Group becomes a liable party to the contract or legal business in accordance with the provisions thereof.

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and liabilities at fair value through income statements, separating those initially designated from those held for trading or mandatorily measured at fair value through income statements, financial assets and liabilities measured at amortised cost and financial assets measured at fair value through other comprehensive income, separating the equity instruments designated as such from the other financial assets.

The Group classifies financial assets, other than those designated at fair value through income statements, and equity instruments designated at fair value through comprehensive income, according to the business model and the characteristics of the contractual flows.

The Group classifies financial liabilities as measured at amortised cost, except for those designated at fair value through income statements and those held for trading.

The Group classifies a financial asset or liability as held for trading if:

- It is acquired or incurred primarily for the purpose of selling or repurchasing it in the immediate future;

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- In the initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of current gains;
- It is a derivative, except for a derivative that is designated as a hedging instrument and meets all terms and conditions to be effective, and a derivative that is a financial guarantee contract.
or
- It is an obligation to deliver borrowed financial assets that are not held.

The Group classifies a financial asset other than those designated at fair value through income statements and equity instruments designated at fair value through comprehensive income, at amortised cost if it is held within the framework of a business model whose objective is to hold financial assets to obtain contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are only payments of principal and interest on the outstanding principal amount (UPPI).

The Group classifies a financial asset other than those designated at fair value through income statements and equity instruments designated at fair value through comprehensive income, if it is held within the framework of a business model whose objective is to hold financial assets to obtain contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are only payments of principal and interest on the outstanding principal amount (UPPI).

The Group classifies a financial asset different from those designated at fair value through income statements and equity instruments designated at fair value through comprehensive income, at fair value through income statements, if it is maintained within the framework of a business model whose purpose is not achieved by obtaining contractual cash flows, regardless of whether or not the contractual terms and conditions of the financial asset give rise or not, on specified dates, to cash flows that are UPPI.

The business model is determined by the Group's key personnel and at a level that reflects the way in which they jointly manage financial asset groups to achieve a specific business objective. The Group's business model represents the way in which it manages its financial assets to generate cash flows.

To determine whether cash flows are obtained by receiving contractual cash flows from financial assets, the Group considers the frequency, value and timing of sales in prior years, the reasons for those sales and expectations in relation to future sales activity. However, sales per se do not determine the business model and therefore cannot be considered alone. Instead, it is information on past sales and expectations of future sales what provides indicative data on how to achieve the Group's declared objective in terms of financial asset management and, more specifically, how cash flows are obtained. The Group considers information on past sales in the context of the reasons for these sales and the terms and conditions that existed at that time compared to the current sales. For these purposes, the Group considers that trade receivable and accounts receivable which are to be assigned to third parties and which are not to be derecognised are maintained in this business model.

Although the objective of the Group's business model is to hold financial assets to receive contractual cash flows, this does not mean that the Group will hold all instruments until maturity. Therefore, the Group's business model is to maintain financial assets in order to receive contractual cash flows even when sales of these assets have taken place or are expected to take place in the future. The Group believes that this requirement has been met, provided that the sales are due to an increase in the credit risk of the financial assets. In all other cases, at the individual and aggregate level, sales must be insignificant, even if they are frequent or distant from maturity, infrequent, even if they are significant or distant from maturity, or close to maturity, even if they are significant or frequent.

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The contractual cash flows that are UPPI are consistent with a basic loan agreement. In a basic loan arrangement, the most significant elements of interest are usually the consideration for the time value of money and credit risk. However, in such an arrangement, interest also includes consideration for other risks, such as liquidity risks and costs, such as the administrative costs of a basic loan associated with holding the financial asset for a specified period. In addition, interest may include a profit margin that is consistent with a basic loan agreement.

The Group chooses to designate a financial asset initially at fair value through income statements if in doing so it eliminates or significantly reduces any inconsistency in measurement or recognition that would otherwise arise if the assets or liabilities were measured or the results of the assets or liabilities were recognised on a different basis.

Contingent consideration financial assets and liabilities arising in a business combination are classified as financial assets and liabilities measured at fair value through income statements.

The Group classifies liabilities held for trading at fair value through income statements.

The Group chooses to designate a financial liability initially at fair value through income statements if in doing so it eliminates or significantly reduces any inconsistency in measurement or recognition that would otherwise arise if the assets or liabilities or results were recognised on a different basis.

The Group classifies all other financial liabilities, except financial guarantee contracts, commitments to the granting of a loan at a below-market interest rate and financial liabilities resulting from a transfer of financial assets that do not qualify for derecognition or that are accounted for using the continuing involvement approach, as financial liabilities at amortised cost.

(ii) Consolidation principles

A financial asset and a financial liability are subject to being offset only when the Company has the enforceable legal right to offset recognised amounts and intends to settle the difference or realise the asset and cancel the liability at the same time. In order for the Group to have the currently enforceable legal right, it must not be contingent on a future event and must be legally enforceable in the ordinary course of business, in the event of insolvency or judicially declared liquidation and in the event of non-payment.

(iii) Financial assets and liabilities at fair value through Income Statements

Financial assets and liabilities at fair value through Income Statements are initially recognised at fair value. Transaction costs directly attributable to the purchase or issue are recognised as an expense as they are incurred.

The initial fair value of a financial instrument is usually the transaction price, unless that price contains elements other than the instrument, in which case the Group determines its fair value. If the Group determines that the fair value of an instrument differs from its transaction price, it recognises the difference in income statements to the extent that the value was obtained by reference to a quoted price in an active market of an identical asset or liability or was obtained from a measurement technique that has only used observable data. In all other cases, the Group adjusts the carrying amount of the instrument on its initial recognition date to defer that difference and recognise it in income statements as a gain or loss arises as a result of a change in a factor that market participants would consider in determining the price of the asset or liability.

Subsequent to initial recognition, registered changes in results are recognised at fair value. Changes in fair value include the interest and dividend component. The fair value is not reduced by the transaction costs that may be incurred by their eventual sale or disposal in another manner.

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Notwithstanding the foregoing, for financial liabilities designated at fair value through income statements, the Group recognises changes in fair value attributable to its own credit risk in other comprehensive income. Amounts deferred in other comprehensive income are not subsequently reclassified to the income statement.

(iv) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs incurred and are subsequently measured at amortised cost using the effective interest method.

(v) Financial assets at fair value through comprehensive income

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs directly attributable to the purchase.

After their initial recognition, financial assets classified in this category are measured at fair value and the gain or loss is recognised in other comprehensive income, except for foreign exchange gains and losses and expected credit losses. Amounts recognised in other comprehensive income are recognised in income statements at the time when the financial assets are derecognised. However, interest calculated using the effective interest method is recognised in income statements.

Equity instruments measured at fair value through other comprehensive income are measured, after initial recognition, at fair value, with the gain or loss recognised in other comprehensive income. Amounts recognised in other comprehensive income are not reclassified to income, although they are reclassified to reserves when the instruments are derecognised and are not subject to impairment testing. Dividends are recognised as indicated in note 3 (i) (ix).

(vi) Reclassification of financial instruments

The Group reclassifies financial assets when it changes the business model for its management, as a reaction to an exceptional external or internal change, which has a significant impact on the Group's operations, has been approved by its management and can be proven to external third parties. The Group does not reclassify financial liabilities.

If the Group reclassifies a financial asset from the amortised cost category at fair value through income statements, it recognises the difference between fair value and carrying amount in income statements. From that moment onwards, the Group does not record separately the interests of the financial asset.

If the Group reclassifies a financial asset in the fair value through income statements category at amortised cost, the fair value at the date of reclassification is taken to be the new gross carrying amount for the purposes of applying the effective interest method and recording credit losses.

If the Group reclassifies a financial asset from the amortised cost category at fair value through comprehensive income, it recognises the difference between fair value and carrying amount in other comprehensive income. The effective interest rate and the recording of expected credit losses are not adjusted by reclassification. However, the cumulative amount of expected credit losses is recorded against other comprehensive income and is detailed in the notes.

If the Group reclassifies a financial asset in the fair value category through other comprehensive income at amortised cost, it is reclassified at fair value. The deferred amount in equity is adjusted against the carrying amount of the asset. The effective interest rate and the recording of expected credit losses are not adjusted by reclassification.

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If the Group reclassifies a financial asset from the fair value category through income statements to fair value through other comprehensive income, the effective interest rate and expected credit losses are determined at the date of reclassification at fair value at that time.

If the Group reclassifies a financial asset from the fair value category through other comprehensive income to fair value through income, the deferred amount in equity is reclassified to income. From that moment onwards, the Group does not record separately the interests of the financial asset.

(vii) Impairment

The Group recognises in income statements a value adjustment for expected credit losses on financial assets that comply with UPPI and are measured at amortised cost or at fair value through other comprehensive income.

For financial assets measured at fair value through other comprehensive income, the expected credit loss is reclassified to income from other comprehensive income and does not reduce the fair value of the assets.

At the date of initial recognition and at each subsequent closing date, the Group values the value adjustment at an amount equal to the expected credit losses in the following twelve months for financial assets for which the credit risk has not increased significantly since the date of initial recognition or when it considers that the credit risk of a financial asset is low.

At each closing date, the Group assesses whether the credit risk of an instrument considered individually or a group of instruments considered collectively has increased significantly since initial recognition. For collective measurements the Group aggregates the instruments according to the common risk characteristics.

In order to assess whether, for an instrument or group of instruments, credit risk has increased significantly, the Group determines at each closing date the change in the probability of default over the expected life of the instrument.

In assessing whether there is a significant increase in credit risk, the Group considers all forward-looking information to be reasonable and bearable, specifically:

- Internal and external credit risk ratings;
- Current or expected negative changes in the business, financial or economic conditions that could result in a significant change in the borrower's ability to meet its obligations;
- Current or expected significant changes in the borrower's operating results;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of a third party's collateral or credit enhancements;

The Group considers that credit risk has increased significantly since initial recognition when there are overdue balances more than 180 days old.

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If an instrument or group of instruments has experienced a significant increase in credit risk since initial recognition, the expected credit loss over the expected life of the instrument is estimated. For financial assets acquired or originated with incurred losses, the Group only recognises as an impairment loss or gain at each closing date positive or negative changes in the expectations of losses over the expected life of the asset since initial recognition. Favourable changes are recognised as income in income statements regardless of whether they exceed the amount of negative changes in expected credit losses over the expected life of the asset, previously recognised as an impairment loss.

For financial assets traded or modified as a result of the financial difficulties experienced by the debtor, which have not led to the derecognition of the original financial asset, the Group estimates the expected credit losses in the same way as it would for an asset that had not been modified. The Group does not automatically consider that there has been a reduction in the debtor's credit risk as a result of the change and only goes from estimating the expected credit losses over the entire life of the instrument to doing so over the next twelve months, when there is evidence of the borrower's compliance with its modified payment obligations.

If the modified financial asset has led to the derecognition of the previous financial asset and the recognition of a new one, the Group determines the expected credit losses at that time. For these purposes, the Group determines the expected credit losses in the next twelve months, unless the financial asset originates with losses incurred.

The Group determines the present value of expected credit losses by considering various possible scenarios weighted by their probability of occurrence, the effective interest rate or the effective interest rate adjusted for the original credit risk and reasonable and bearable information that is available without effort and unjustified costs on past events, current conditions and projections of future economic conditions.

The maximum period considered by the Group to estimate the probability of default is the contractual term of the financial asset, including the renewal options in favour of the debtor during which the Group is exposed to credit risk. Expected credit losses represent the difference between contractual and expected flows, both in amount and term.

If the financial asset is guaranteed, the calculation of credit losses considers the flows that could result from the award, net of the costs of foreclosure and sale, discounted at the original effective interest rate. To the extent that the financial asset is not guaranteed, the Group applies the same criteria from the time the award is considered probable. If the guarantee is financial and has been contracted separately from the financial asset, the Group estimates the expected credit losses without taking into account the effect of the financial guarantee in its favour and separately recognises a collection right against the issuer of the guarantee if its collection is virtually assured in the event that the expected losses materialise.

The Group considers that cash and cash equivalents have a low credit risk in accordance with the credit ratings of the financial institutions in which the cash or deposits are deposited.

Notwithstanding the foregoing, the Group determines the expected credit losses on a case-by-case basis for trade receivable of a significant amount.

(viii) Derecognition, change and cancellation of financial assets

The Group applies derecognition criteria to part of a financial asset or part of a group of similar financial assets or to a financial asset or a group of similar financial assets.

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Financial assets are derecognised when the rights to receive cash flows associated with them have matured or have been transferred and the Group has substantially transferred the risks and benefits resulting from their ownership. Likewise, the derecognition of financial assets in circumstances in which the Group retains the contractual rights to receive the cash flows only occurs when contractual obligations have been assumed that determine the payment of such flow to one or more receiving parties and the following requirements are met:

- The payment of cash flows is conditional upon their prior collection;
- The Group cannot pledge or sell the financial asset; and
- The cash flows collected on behalf of the final receiving parties are remitted without significant delay, with the Group being unable to reinvest this cash flows. Investments in cash and cash equivalents made by the Group during the settlement period, i.e. between the collection date and the remittance date agreed with the final receiving parties, are excluded from the application of this criterion, provided that the accrued interest is attributed to the final receiving parties.

In transactions in which a financial asset is entirely derecognised, the financial assets obtained or the financial liabilities, including those corresponding to management services incurred, are recognised at fair value.

In transactions in which a financial asset is partially derecognised, the carrying amount of the entire financial asset is allocated to the part sold and the part held, including the assets relating to management services, in proportion to the relative fair value of each of them.

A financial asset's total derecognition involves the recognition of results for the difference that exists between its book value and the sum of the considerations received, net of transaction costs, including the assets obtained and the liabilities assumed and any deferred income statements in other comprehensive income, except for equity instruments designated at fair value through other comprehensive income.

The criteria for de-recognising financial assets in operations in which the Group neither substantially assigns nor substantially retains the risks and benefits inherent in their ownership are based on an analysis of the degree of control maintained. In this way:

- If the Group has not retained control, the financial asset is derecognised and any rights and obligations created or retained as a result of assignment are separately recognised as assets or liabilities.
- If the Group has retained control, it continues to recognise the financial asset on the grounds of the Group's continued commitment to it and registers a related liability. Continued commitment to a financial asset is determined by the amount of its exposure to value changes in that asset. The asset and related liability are valued on the basis of the rights and obligations recognised by the Group. The related liability is recognised in such a way that the book value of the asset and related liability is equal to the amortised cost of the rights and obligations retained by the Group, when the asset is valued at its amortised cost, or the fair value of the rights and obligations retained by the Group, when the asset is valued at its fair value. The Group continues to recognise the income resulting from the asset to the extent of its continued commitment and the expenses resulting from the related liability. Changes in the fair value of the asset and associated liability are recognised consistently in income statements or in equity in accordance with the general recognition criteria set out above and must not be offset.

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Transactions in which the Group substantially retains all the risks and benefits inherent in the ownership of an assigned financial asset are recorded through recognition in liability accounts of the consideration received. Transaction costs are recognised in the statement of income statements, applying the effective interest rate method.

The Group uses the weighted average price method to measure and de-recognise the cost of equity instruments that form part of homogeneous portfolios and have the same rights, unless the instruments sold, and their individualised cost can be clearly identified. For debt instruments, it determines the individual or collective cost consistent with the unit of account used to determine impairment.

If the Group modifies the contractual flows of a financial asset, to the extent that it does not entail the derecognition of the asset, the carrying amount is recalculated at the present value of the modified flows at the effective interest rate or effective interest rate adjusted for the original credit risk and the difference is recognised in income statements. The costs and fees invoiced by the Group adjust the book value of the financial asset and are amortised over the residual term of the modified financial asset.

After 180 days, trade debtors are considered non-collectable and are derecognised, regardless of whether the Group continues to actively manage collection through legal or negotiated channels. The subsequent recovery of the derecognised amounts is recognised as a credit risk gain.

(ix) Interest and dividend

The Group recognises interest using the effective interest method, which is the discount rate that matches the carrying amount of a financial instrument with the estimated cash flows over the expected life of the instrument, based on its contractual terms and without considering expected credit losses, except for financial assets acquired or originated with incurred losses.

Interest is recognised on the gross carrying amount of financial assets, except for financial assets acquired or originated with credit losses incurred and financial assets with credit impairment. For the former, the Group recognises interest at the effective interest rate adjusted for initial credit risk and for the latter, the Group recognises interest on the amortised cost of the asset, defined as its gross carrying amount net of expected credit losses.

Changes in estimated cash flows are discounted at the effective interest rate or the interest rate adjusted for the original credit risk and recognised in earnings.

The calculation of the effective interest rate includes commissions and basic interest points paid or received by the parties to the contract, as well as transaction costs and any other premiums or discounts. Where the Group is unable to estimate reliably the cash flows or expected life of a financial instrument, the contractual cash flows over the full contractual period are used. Financial instruments, in which the variable to which the fees, basis points, transaction costs, discounts or premiums relate, are revised at market rates before expected maturity, the amortisation period being the term until the next revision of the terms and conditions.

Dividend income from investments in equity instruments is recognised in income statements when the Group's rights to receive it have arisen, it is probable that it will receive the economic benefits and the amount can be estimated reliably.

Dividends from equity instruments classified at fair value through other comprehensive income are recognised in income statements, unless they represent a return on investment, in which case they are recognised in other comprehensive income.

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The Group recognises interest on arrears in commercial transactions as financial income and expenses in accordance with the agreed legal and contractual conditions. If these interests are finally offset or cancelled, the Group recognises the transaction in accordance with its substance. The Group recognises the legal right to offset collection management costs incurred when it is probable that they will be collected. The Group recognises the expense for claiming collection management costs in accordance with the provisions accounting policy.

(x) De-recognitions and amendments of financial liabilities

The Group de-registers a financial liability or a part of it when it has complied with the obligation contained in the liability or it is legally dispensed from the main responsibility contained in the liability either pursuant to a judicial process or by the creditor. The Group recognises the difference between the book value of the financial liability or the part thereof that has been cancelled or assigned to a third party and the consideration paid, including any assets assigned other than the cash or liabilities assumed, to income statements.

The exchange of debt instruments between the Group and the counterparty, or substantial changes in the initially recognised liabilities, are recorded in the books as a cancellation of the original financial liability or the recognition of a new financial liability, whenever the instruments have substantially different conditions.

The Group considers that the conditions are substantially different when the current value of the cash flows discounted under the new conditions, including any commission paid net of any commission received, using the original effective interest rate for the discounting, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is registered as a cancellation of the original financial liability, the costs and commissions are recognised in income statements forming part of its result. Otherwise, the modified flows are discounted at the original effective interest rate, recognising any difference from the previous carrying amount in income statements. Likewise, the costs and commissions adjust the financial liability's book value and are amortised using the effective interest rate method during the modified liability's remaining life.

(j) Investments in Associates and Joint Ventures

This heading on the attached consolidated balance sheet includes the direct or indirect stake of the parent company in the shareholders' equity of the companies that are considered associates or joint ventures and which, consequently, have to be equity accounted.

Initially the stakes are recognised at their cost value and, subsequently, the Group assesses the existence of impairment in relation to such valuation, so as to recognise any impairment losses relating to its net investment in the associate in question.

(k) Inventories

Inventories are measured at purchase cost, which comprises the amount invoiced by the seller, after deduction of any discounts, as well as other additional costs directly attributable to the acquisition of inventories.

The companies use the weighted average cost method to measure their inventories.

Inventory valuation corrections and their reversals are recognised in the financial year's statement of income statements.

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(l) Trade accounts receivable

These collect amounts receivable from customers for services rendered in the normal course of business. If the debt is expected to be collected in a year or less, it is classified as current assets. Otherwise, they are classified as non-current assets. They are initially recognised at their fair value or, subsequently at their amortised cost, in accordance with the effective interest rate method, less the provision for impairment losses (see note 3 (i)).

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand and in demand deposits in financial institutions. This line-item also includes other current investments with high liquidity that are easily convertible into specific cash amounts and are not subject to significant value change risks. To this end, investments with maturities of less than 3 months from the acquisition date are included.

(n) Equity instruments

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of any equity instrument, with the exception of those relating to equity instrument issues within the context of a business combination, are recorded in the accounts as a deduction from equity, net of any related tax incentive or effect.

The acquisition cost of own shares or the amounts resulting from their subsequent disposal are recorded in a separate consolidated equity category, with no income statements being recognised on the consolidated income statement as a consequence of transactions with equity instruments.

(o) Official grants

Official grants are registered when there is reasonable assurance that the grant will be received and that the conditions attaching to it will be fulfilled.

Non-repayable grants that financial investments in reversible assets included under the line-item "Concession arrangements" are registered as a lower amount of the concession arrangement in question.

In addition, grants are included that correspond to the difference between the fair value at which certain loans granted to the parent company at zero interest rate have been registered and the amount at which they were granted, on the grounds that this difference is an interest-rate subsidy.

The allocation of the aforesaid grant to income statements is made in the same proportion as that by which these loans are updated at a discount rate considered appropriate, depending on the contractually established time schedule for their amortisation.

(p) Provisions

Provisions are recognised on the consolidated balance sheet when the Group's companies have an existing liability, whether legal or implicit, resulting from a past event and when, moreover, it is likely that resources embodying future economic benefits will have to be used to cancel this liability, and when a reliable estimate can be made of the liability's amount.

The amounts recognised on the Consolidated Balance Sheet represent the best estimate at the end of the reporting period of the necessary disbursements for cancelling the existing liability, after having taken into account the risks and uncertainties associated with the provision and whenever the financial effect produced by discounting is significant, provided that the disbursements that are going to be made in each period can be reliably calculated. The discount rate is a pre-tax rate that reflects the time

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value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date. The financial effect of provisions is recognised as a financial expense in the consolidated income statement.

Provisions are reversed to income statements when the probability of the existence of an outflow of resources embodying future economic profits to cancel this liability is less than 50%. The reversal is recorded under the line-item on the consolidated income statement where the corresponding expense has been recorded, when this occurs in the same financial year or, when the expense occurred in a prior financial year, the reversal is recognised in other income accounts on the consolidated income statement.

Concessionary companies are subject to fulfilment of certain contractual obligations, such as the maintenance of a certain operational level of the infrastructures and the restoration of certain conditions of the infrastructure prior to its delivery to the granting Administration at the end of the service contract's validity. These contractual obligations are recognised and valued in accordance with the provisions of IAS 37, on the basis of the best estimate of the necessary disbursement for cancelling the liability at the end of the reporting period.

(q) Trade accounts payable

These collect payment obligations for goods or services that have been acquired from suppliers or creditors in the ordinary course of business. They are classified as current liabilities if payments are due in one year or less. Otherwise, they are classified as non-current liabilities. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Financial debt

Financial debt is initially recognised at fair value, net of transaction costs that have been incurred. Subsequently, financial debts are measured at their amortised cost. Any difference between the funds obtained (net of the necessary costs for obtaining them) and the reimbursement value is recognised in the statement of income statements during the debt's life, in accordance with the effective interest rate method.

Fees paid to obtain credit facilities are recognised as debt transaction costs whenever it is probable that part or all of the facility will be available. In this case, commissions are deferred until it becomes available. To the extent that it is not probable that all or part of the credit facility will be available, the fee is capitalised as an advance payment for liquidity services and is amortised over the period to which the credit availability relates.

Financial debts are classified as current liabilities unless there is an unconditional right to defer payment for at least 12 months after the consolidated balance sheet date.

(s) Corporate Income Tax

Since 1 January 2009, the Company has filed its taxes as part of the consolidated tax group 36/09 where ITÍNERE is the parent company. This Group was created after the exclusion of ITÍNERE and its subsidiaries and investees from the consolidated tax group of which SACYR VALLEHERMOSO, S.A. is the controlling company and in which the aforesaid companies were included until, with the materialisation of the takeover bid referred to in note 1 (c), they ceased to meet the requirements established for that purpose.

The corporate income tax expense or income includes both current and deferred taxes. Taxes, irrespective of whether they are the current period's tax or deferred tax, must be recognised in income statements, except when they have arisen from a transaction or economic event recognised in the same or a different period, in which case they are charged or credited directly to equity, or when they

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have arisen from a business combination, which will not have an impact on income statements or on the other equity accounts.

Current tax is the expected amount to be paid or recovered in the financial year as corporate income tax relating to the financial year's consolidated tax gain or loss. Current tax assets or liabilities are valued using the legislation and tax rates approved or about to be approved at the balance sheet date.

Deferred tax liabilities are the amounts payable in the future as corporate income tax relating to taxable timing differences, whereas deferred tax assets are the amounts to be recovered as corporate income tax due to the existence of deductible timing differences, off-settable negative tax bases or deductions whose application is pending. To this end, timing difference is deemed to be the difference that exists between the book value of assets and liabilities and their tax base.

Taxable timing differences are recognised in all cases except when:

- They arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and does not affect the book value or the tax base at the transaction date.
- They correspond to differences associated with investments in subsidiaries or joint ventures over which the Group has the capacity to control the moment of their reversal and it is not likely that their reversal will occur in the foreseeable future.

Deductible timing differences are recognised provided that:

- It is likely that there will be sufficient future positive tax bases for them to be offset, except in those cases in which the differences arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and on the transaction date they affect neither the accounting result nor the gross tax base.
- They correspond to timing differences associated with investments in subsidiaries or joint ventures to the extent that the timing differences are going to be reversed in the foreseeable future and it is expected that future positive tax bases are going to be generated so that the differences can be offset.

It is considered likely that the Group will have sufficient taxable profits to recover the deferred tax assets, when there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, which are expected to be reversed in the same financial year as the expected reversal of the deductible temporary difference or in financial years in which a tax loss arising from the deductible temporary difference can be offset against previous or subsequent profits. When the only future taxable profit stems from the existence of taxable temporary differences, deferred tax assets deriving from off-settable tax losses are limited to 70% of the amount of the recognised deferred tax liabilities.

To determine the future tax gains, the Group takes into account the tax planning opportunities provided that it plans or is likely to adopt them.

Deferred tax assets and liabilities are valued at the tax rates that are going to be applied in the financial years in which it is expected that the assets are going to be realised or the liabilities are going to be paid, based on the standards and rates approved or about to be approved and once the fiscal consequences that will result from the manner in which the Group expects to recover the assets or liquidate the liabilities have been taken into consideration. For such purposes, the Group considers the deduction for reversal of the temporary measures implemented in transitional provision thirty-seven of Income Tax Act 27/2014 of 27 November as an adjustment to the tax rate applicable to the deductible timing difference associated with the non-deductibility of the redemptions made in 2013 and 2014.

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At year-end, the Group reviews the book value of its deferred tax assets, for the purpose of reducing the value insofar as it is not likely that there will be sufficient future positive tax bases to offset them.

The deferred tax assets that do not comply with the foregoing conditions are not recognised on the consolidated balance sheet. At year-end, the Group's companies reconsider whether or not they fulfil the conditions for recognising the deferred tax assets that previously had not been recognised.

The Group's companies only offset current tax assets and liabilities when a legal right exists with the tax authorities and they have the intention of either settling the debts that result on a net basis or realising the assets and settling the debts simultaneously.

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

(t) Foreign currency transactions

Transactions in foreign currency are converted to the functional currency through the application of the cash exchange rates between the foreign currency and the functional currency in force on the dates the transactions are made.

Monetary assets and liabilities denominated in a foreign currency have been converted to euros applying the rate in force at the end of the reporting period, whereas non-monetary assets and liabilities valued at their historical cost are converted by using the exchange rates applied on the date on which the transaction took place.

In the presentation of the consolidated cash flows statement, flows from transactions in foreign currency are converted into euros applying the exchange rates in force on the date on which they occurred. The effect of exchange rate variations on cash and cash equivalents denominated in foreign currency is shown separately on the consolidated statement of cash flows as "effect of exchange gains (losses)".

Any differences that appear in the settlement of transactions in foreign currency or in the conversion to euros of monetary assets or liabilities denominated in a foreign currency are recognised in income statements. Nevertheless, exchange gains or losses arising in respect of monetary items that form part of the net investment of foreign businesses are registered as exchange gains or losses in equity accounts.

Exchange gains or losses relating to monetary financial assets or liabilities denominated in foreign currency are also recognised in income statements.

The conversion to euros of the businesses that the Group maintains abroad has been carried out through the application of the following criteria:

- Assets and liabilities are converted at the closing exchange rate in force on the date of each balance sheet;
- Income and expenses are converted at exchange rates similar to those in force on the date of each transaction; and
- Exchange rate differences resulting from the application of the above criteria are recognised as exchange gains or losses in equity.

(u) Income and expenses

Income and expenses are allocated following the accrual criterion, that is, based on the real flow of the goods or services they represent, regardless of the moment at which the related monetary or financial flow occurs.

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The Group's concessionary companies recognise toll income at the time a vehicle uses the toll road. In the case of some companies, part of this income is assumed by the central government or the regional governments, in accordance with the provisions of the applicable legislation (see note 13). Toll rates are updated annually in accordance with the rules applicable to each company.

Income is valued at the fair value of the consideration received or to be received, deducting the discounts, price reductions and other similar items the companies may grant, in addition to the interest incorporated in the nominal amount of any loans, as and when applicable. The indirect taxes on transactions which are passed on to third parties do not form part of income.

Commissions on credit sales, cards or "Vía T" electronic collection devices incurred by the concessionary companies are recognised under the outsourced services line-item on the consolidated income statement.

Income from services rendered is recognised by considering the degree of completion of the service at the balance sheet date, provided that the transaction result can be estimated reliably. In the case of the Group company, GESTIÓN DE INFRAESTRUCTURAS DE BIZKAIA, S.A. (GEBISA), in which AP-1 EUROPISTAS has a 55% stake, and which, since 6 June 2013, has been providing the operation, maintenance and conservation service of the section of the AP-8 toll road between Gallo/Urgoiti and Ermua, that up until that date had been provided by the Group company, AUTOPISTAS DE BIZKAIA, S.A. (AUBISA), the income is recognised on the basis of the costs incurred in relation to total estimated costs.

(v) Current and non-current assets and liabilities

Receivables and payables are classified on the consolidated balance sheet as either current, when their maturity is equal to or less than 12 months, or non-current, when their maturities exceed this period.

(x) Environment

The Group companies carry out operations meant to prevent, reduce or repair any damage caused to the environment as a result of their activities, with the charges resulting from these environmental activities being recognised as charges in the financial year in which they are incurred.

Property, plant and equipment acquired for sustained long-term use in the activity and whose main purpose is the minimisation of the environmental impact and environmental protection and enhancement, including the reduction or elimination of future pollution caused by the Group's operations, are recognised as assets through the application of measurement, presentation and disclosure criteria consistent with those referred to in notes 4 and 9.

As regards to possible environment-related contingent liabilities, the directors are of the opinion that they are sufficiently covered with the civil liability insurance policies that the Group's companies have taken out.

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4. PROPERTY, PLANT AND EQUIPMENT

Their detail and movement in 2020 and 2019 are as follows:

| Thousands of euros | Lands and buildings | Technical facilities and machinery | Other facilities, fixtures and furniture | Other property, plant and equipment | Total |
|--|---------------------|------------------------------------|--|-------------------------------------|--------------|
| Cost at 31 December 2018 | 2,087 | 7,966 | 1,989 | 2,238 | 14,280 |
| Additions | - | 28 | 28 | 264 | 320 |
| Disposals | - | (1,674) | (129) | (72) | (1,875) |
| Cost at 31 December 2019 | 2,087 | 6,320 | 1,888 | 2,430 | 12,725 |
| Accumulated depreciation at 31 December 2018 | (985) | (6,788) | (1,790) | (1,948) | (11,511) |
| Additions | (43) | (286) | (97) | (90) | (516) |
| Disposals | - | 1,670 | 128 | 58 | 1,856 |
| Accumulated depreciation at 31 December 2019 | (1,028) | (5,404) | (1,759) | (1,980) | (10,171) |
| Net book value at 31 December 2019 | 1,059 | 916 | 129 | 450 | 2,554 |
| Cost at 31 December 2019 | 2,087 | 6,320 | 1,888 | 2,430 | 12,725 |
| Additions | - | 209 | 91 | 635 | 935 |
| Disposals | - | (602) | (160) | (984) | (1,746) |
| Transfers | - | 733 | - | (733) | - |
| Cost at 31 December 2020 | 2,087 | 6,660 | 1,819 | 1,348 | 11,914 |
| Accumulated depreciation at 31 December 2019 | (1,028) | (5,404) | (1,759) | (1,980) | (10,171) |
| Additions | (43) | (289) | (75) | (96) | (503) |
| Disposals | - | 598 | 160 | 982 | 1,740 |
| Accumulated depreciation at 31 December 2020 | (1,071) | (5,095) | (1,674) | (1,094) | (8,934) |
| Net book value at 31 December 2020 | 1,016 | 1,565 | 145 | 254 | 2,980 |

Additions of other fixed assets correspond mainly to the conditioning work undertaken in the leased offices of ITINERE, as lessee, by means of the lease Agreement signed on 24 September 2019 with the company Inverlasa, S.L., as lessor, with planned expiry in December 2029.

Additions of technical installations and machinery correspond to the renewal of machinery at AUCALSA associated with winter road activities.

As indicated in note 3 (a) above, the Group values its property, plant and equipment at their cost value. At 31 December 2020 and 2019, there is no indication of impairment of property, plant and equipment.

At 31 December 2020 and 2019, no property, plant and equipment have been pledged as security or are subject to ownership restrictions. The Group has taken out insurance policies to adequately cover the risks to which its property, plant and equipment are exposed.

At 31 December 2020, the Group has fully depreciated property, plant and equipment amounting to 7,656 thousand euros (7,589 thousand euros at 31 December 2019).

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5. RIGHT-OF-USE ASSETS

The breakdown and movement of this line-item in 2020 and 2019 are as follows:

| | Lands and buildings | Other property, plant and equipment | Total |
|--|------------------------|---|--------------|
| Thousands of euros | | | |
| Cost at 31 December 2018 | - | - | - |
| Additions first application of IFRS 16 | 314 | 664 | 978 |
| Additions | 2,491 | 616 | 3,107 |
| Cost at 31 December 2019 | 2,805 | 1,280 | 4,085 |
| Accumulated amortisation at 31 December 2018 | - | - | - |
| Additions | (330) | (343) | (673) |
| Accumulated amortisation at 31 December 2019 | (330) | (343) | (673) |
| Net book value at 31 December 2019 | 2,475 | 937 | 3,412 |
| Cost at 31 December 2019 | 2,805 | 1,280 | 4,085 |
| Additions | 265 | 412 | 677 |
| Bajas | - | (113) | (113) |
| Cost at 31 December 2020 | 3,070 | 1,579 | 4,649 |
| Accumulated amortisation at 31 December 2019 | (330) | (343) | (673) |
| Additions | (338) | (401) | (739) |
| Accumulated amortisation at 31 December 2019 | (668) | (744) | (1,412) |
| Net book value at 31 December 2020 | 2,402 | 835 | 3,237 |

As of 1 January 2019 the Group is applying IFRS 16 - Leases, which is applicable to operating leases entered into by Group companies, mainly in relation to property and vehicles.

Additions in 2019 relate mainly to the effect arising from the office lease agreement entered into on 24 September 2019 by ITÍNERE as lessee, and Inverlasa S.L. as lessor, which is expected to expire in December 2029.

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6. CONCESSION ARRANGEMENTS

(a) Concession Arrangements

Their detail and movement of this line-item in 2020 and 2019 are as follows:

| Thousands of euros | Concession Arrangements |
|--|-------------------------|
| Cost at 31 December 2018 | 3,140,262 |
| Additions | 3,559 |
| Disposals | (1) |
| Cost at 31 December 2019 | 3,143,820 |
| Accumulated amortisation at 31 December 2018 | (624,026) |
| Additions | (84,514) |
| Accumulated amortisation at 31 December 2019 | (708,540) |
| Net book value at 31 December 2019 | 2,435,280 |
| Cost at 31 December 2019 | 3,143,820 |
| Additions | 778 |
| Disposals | (365) |
| Cost at 31 December 2020 | 3,144,233 |
| Accumulated amortisation at 31 December 2019 | (708,540) |
| Additions | (84,795) |
| Accumulated amortisation at 31 December 2020 | (793,335) |
| Net book value at 31 December 2020 | 2,350,898 |

The additions in financial year 2020 mainly include studies and projects underway linked to the Addendum to the agreement approved by Royal Decree 1733/2011, 18 November (Royal Decree 1359/2018, 29 October) and, in the same way as for the additions in 2019, to sundry work to increase the capacity of the toll road arising from Royal Decree 1733/2011.

To compensate AUDASA for the investments to be made and the higher costs of this work, the aforementioned Royal Decree 1733/2011 envisages a moderate increase in tariffs, as an exceptional measure, which will remain in force until all the investment in the extension and the related maintenance and other costs have been compensated, including the corresponding tax effects.

The compensation of these investments and their associated costs is calculated through the capitalised value at an annual rate of 8% of the cash flows associated with this project up to the end of the concession period. This compensation does not include the amount of the capitalisation of net financial expenses which, until 31 December 2017, for a total of 50,048 thousand euros or the costs incurred on the Sigüeiro junction for an amount of 6,224 thousand euros, which will be recovered by collecting the toll from users making new journeys. The works of this junction were commissioned on 28 July 2017.

On 27 December 2017, the General Director of Roads of the Ministry of Transport, Mobility and Urban Agenda sent the authorisation for the provisional commissioning of the capacity expansion works for the Santiago North-Santiago South and Cangas Junction-Teis Function sections, including Rande Bridge, contemplated in Royal Decree 1733/2011, dated 18 November. On 27 December 2018, the Ministry of Transport, Mobility and Urban Agenda signed the Minutes of verification of the extension works. The amount corresponding to these works, which as of 31 December 2020 reaches 228,217 thousand euros (227,913 thousand euros as of 31 December 2019), is part of the compensation contemplated in the aforementioned Royal Decree 1733/2011, in extraordinary increases in rates.

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As explained in note 1 (e), to re-establish the economic and financial equilibrium of the company, the aggregate amount resulting from applying Royal Decree 1733/2011 and Royal Decree 104/2013 of 8 February should be calculated.

The detail by company under the “concession arrangements” line-item at 31 December 2020 and 2019 is as follows:

| Thousands of euros | 2020 | | |
|--------------------------------------|------------------|--------------------------|------------------|
| | Cost | Accumulated Amortisation | Net value |
| AUDASA | 2,458,525 | (612,669) | 1,845,856 |
| AUCALSA | 531,709 | (134,706) | 397,003 |
| AUTOESTRADAS | 153,999 | (45,960) | 108,039 |
| Total concession arrangements | 3,144,233 | (793,335) | 2,350,898 |

| Thousands of euros | 2019 | | |
|--------------------------------------|------------------|--------------------------|------------------|
| | Cost | Accumulated Amortisation | Net value |
| AUDASA | 2,458,139 | (545,723) | 1,912,416 |
| AUCALSA | 531,682 | (121,354) | 410,328 |
| AUTOESTRADAS | 153,999 | (41,463) | 112,536 |
| Total concession arrangements | 3,143,820 | (708,540) | 2,435,280 |

The detail of the Group's concession arrangements at 31 December 2020 is as follows:

| Concession Company | Concession Arrangement | Concession kilometres | Operation | Concession expiration |
|--------------------|---------------------------|-----------------------|-----------|-----------------------|
| AUDASA | AP-9 El Ferrol-Tuy | 219,6 kms | 1979 | 2048 |
| AUCALSA | AP-66 Campomanes-León | 77,8 kms | 1983 | 2050 |
| AUTOESTRADAS | AG-55 A Coruña-Carballo | 33,1 kms | 1997 | 2045 |
| | AG-57 Puxeiros- Val Miñor | 25,0 kms | | |

In 2008, AUTOESTRADAS started work on the construction of new junctions on the AG-57 Val Miñor toll road, by virtue of the acceptance of an agreement with the Galicia regional government for the concession's modification and its inclusion in the project approved by the regional authorities for the purpose. As provided for in Decree 100/2008, the Galicia Regional Government committed itself to the financing of two of the four links envisaged in the aforesaid Decree. Specifically, the Galicia regional government assumed full responsibility for the total investment needed to complete the Sabaris junction and the construction of a new access link to the toll road at Porto de Molle. The regional administration allocated resources to these two links in an amount of 10,640 thousand euros.

In turn, AUTOESTRADAS assumed full responsibility for the total financing of the necessary investment for the toll road's enlargement at the Nigrán and A Ramallosa links, for which it used its own equity, in addition to resources provided by its sole shareholder, ENA INFRAESTRUCTURAS, S.A., without needing to obtain funds from outside the Group.

These construction works were executed normally throughout the 2009 and 2010 financial years, having been concluded within the time frames specified in the construction design.

In connection with the grants received by the aforementioned company for financing these works, in 2011 they were reclassified as lower value under the “concession arrangements” line-item on the grounds that they were a component of the agreement.

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At 31 December 2020 and 2019, there are no elements under the line-item “concession arrangements” in the Group’s companies pledged as security or subject to ownership restrictions.

At 31 December 2020 and 2019, the total investment under the aforesaid line-item corresponds to reversible-type properties that will be transferred by the Group’s companies to the different concession-granting administrations at the end of the respective concession periods, as per the concession agreements’ terms and conditions. The companies do not expect to incur additional expenses over and above those envisaged in their Economic and Financial Plans as a result of the reversal of their infrastructure at the termination of these periods.

The Group’s companies have insurance policies to adequately cover the risks to which the different items comprising the investment under the “concession arrangements” line-item are exposed.

(b) Impairment of concession agreements

As mentioned in note 3 (g), at the end of the reporting period and considering the negative evolution of traffic and of the activity as a consequence of the crisis caused by COVID-19 (see note 2 (b)), the Group identified the existence of signs of the impairment of its concession agreements. Therefore, it proceeded to calculate the value in use of its assets and to compare that with their book value in order to verify the need to record, where appropriate, the corresponding adjustment as of 31 December 2020. For this, estimates are made using cash flows discounting methods, through which the recoverable value of the aforementioned concession agreements is established. The recoverable amount is the higher of the fair value minus the cost of goods sold and the value in use.

Details of the procedure used by the Group to determine said value in use are provided in note 8. As mentioned in the aforementioned note, the analysis carried out did not reveal the need to record any type of value adjustment as of 31 December 2020.

7. INVESTMENT PROPERTIES

The movement in this line-item in 2020 and 2019 is as follows:

| Thousands of euros | Investment property |
|--|----------------------------|
| Cost at 31 December 2018 | 5,790 |
| Transfers | 3 |
| Cost at 31 December 2020 | 5,793 |
| Accumulated amortization at 31 December 2018 | (4,721) |
| Additions | (176) |
| Accumulated amortization at 31 December 2019 | (4,897) |
| Net book value at 31 December 2019 | 896 |
| Cost at 31 December 2019 | 5,793 |
| Additions | 5 |
| Cost at 31 December 2020 | 5,798 |
| Accumulated amortization at 31 December 2019 | (4,897) |
| Additions | (176) |
| Accumulated amortization at 31 December 2020 | (5,073) |
| Net book value at 31 December 2020 | 725 |

The investment properties registered at 31 December 2020 and 2019 refer to two business premises located in Bilbao and Vitoria that are owned by ITÍNERE. At 31 December 2020, the Bilbao location is

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partially available for lease. Similarly, it includes three business premises located in a building in Madrid owned by ENA which, as at 31 December 2020, are partially leased and mostly available for lease.

Income from the business premises leased to third parties, as recorded in the statement of income statements for the 2020 financial year, amounts to 103 thousand euros (15 thousand euros in 2019).

Expenses deriving from the investment properties owned by the Group refer to their annual depreciation and maintenance charges, which amounted to 79 thousand euros in 2020 (133 thousand euros in 2019). All the expenses are recognised in the statement of income statements on an accrual basis.

At 31 December 2020 and 2019, the Company had fully depreciated investment properties totalling 54 thousand euros.

At 31 December 2020 and 2019, there are no restrictions on property investments or on income derived therefrom.

At 31 December 2020 and 2019, there are no contractual obligations for the acquisition, construction or development of investment properties, or for their repair, maintenance or improvement.

The companies have signed insurance policies to adequately cover the risks to which the different elements that comprise the investment properties are exposed.

8. GOODWILL

As described in note 1 (c), within the framework of the business combination carried out in 2009, the Company recognised remaining goodwill after distribution of the aforesaid combination's acquisition price for an amount of 1,291,522 thousand euros, corresponding to the value that the Group expected to generate, mainly deriving from its financial and tax structure. Those factors optimise the Group's comprehensive free cash flows, so they cannot be allocated individually to any of the assets, but to the grouping of ENAITINERE cash generating units.

As mentioned in note 3 (e), at the end of the reporting period, an assessment is made regarding the existence of impairment losses in relation to the goodwill allocated to the cash-generating units, based on the calculation of their value in use. For this, estimates are made using cash flows discounting methods, through which the recoverable value of the cash-generating units amongst which goodwill has been allocated is established. The recoverable amount is the higher of the fair value minus the cost of goods sold and the value in use.

To calculate this value in use, estimates have been made of the future cash inflows and outflows stemming from the continued use of the assets, i.e., the cash flows resulting from their operation, which the companies expect to obtain from their respective concession arrangements at that date, discounted at a rate (weighted average cost of capital -- WACC) which, in 2020, was at 5.34% (5.68% in 2019). The following are considered when estimating future cash flows:

- Reasonable assumptions and best estimates of management, based on the information available at the date of the analysis, taking into account the economic conditions forecast over the remaining term of the concessions, and which constitute its business plans. In this regard, the specific characteristics of each concession arrangement are considered, including, inter alia, the estimated period for the generation of cash flows by the concessionary companies, which corresponds to the term of the related concession arrangements.
- Budgetary estimates and financial and operating projections until the concession expires, annually revised by the companies. To carry out the aforementioned forecasts, the companies use traffic estimates and annual CPI projections prepared by an independent expert. At year-end 2020, given the current uncertainty, the companies have opted to estimate the traffic used in its projections based on a previous traffic study prepared by an independent expert, incorporating

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the estimated effect on traffic of the crisis caused by COVID-19. These estimates foresee a return to pre-crisis traffic volumes in 2022. In relation to expenses, these were estimated based on the expected evolution of the CPI, and on the expected evolution of the business activity (traffic, technical improvements, etc.). With regard to future investments, which include infrastructure maintenance and replacement, the best estimates available to the companies based on their experience and the expected evolution of their activity have been used

The internal analysis carried out corresponding to the 2020 financial year has not revealed signs of further impairment above that taken into account at the close of the 2012 financial year when it was necessary to make an impairment-based value adjustment relating to goodwill for an amount of 305,477 thousand euros. The factors determining this impairment were the following: the evolution of business in the Group's concessionary companies, as a consequence of the fall in levels of traffic on the toll roads operated by the Group's companies and the consequent impact on future estimates; changes in the fiscal rules, particularly Royal Decree Law 12/2012 and the regulations for its application, which introduced limitations on the extent to which financial expenses can be deducted that affect the Group's financing structure and whose forecast evolution differs from the initial projections; the tightening of financial market conditions and their impact on future projections.

Likewise, and without prejudging any material risk in the variation of the key assumptions, the Group has conducted a sensitivity analysis on the value in use of their assets in addition to the already considered in the estimations made to make sure that their recoverable amount exceeds their carrying amount at year-end. Said sensitivity analysis considers variations in the discount rate of up to +150 basis points and a decrease in the traffic estimates of up to 40%. The results of this sensitivity analysis show that the recoverable amount of assets at 31 December 2020 is higher than its book value in the scenarios envisaged.

As a consequence of the foregoing, at 31 December 2020 and 2019, goodwill amounts to 986,045 thousand euros.

9. OTHER INTANGIBLE ASSETS

The movement in this line-item in 2020 and 2019 is as follows:

| | Administrative concessions and patents | Computer software | Other intangible assets | Total |
|--|--|----------------------|----------------------------|------------|
| Thousands of euros | | | | |
| Cost at 31 December 2018 | 619 | 1,478 | 134 | 2,231 |
| Additions | - | 83 | - | 83 |
| Cost at 31 December 2019 | 619 | 1,561 | 134 | 2,314 |
| Accumulated amortisation at 31 December 2018 | (560) | (1,169) | (60) | (1,789) |
| Additions | (3) | (105) | (23) | (131) |
| Accumulated amortisation at 31 December 2019 | (563) | (1,274) | (83) | (1,920) |
| Net book value at 31 December 2019 | 56 | 287 | 51 | 394 |
| Cost at 31 December 2019 | 619 | 1,561 | 134 | 2,314 |
| Additions | - | 50 | 137 | 187 |
| Bajas | - | (162) | - | (162) |
| Cost at 31 December 2020 | 619 | 1,449 | 271 | 2,339 |
| Accumulated amortisation at 31 December 2019 | (563) | (1,274) | (83) | (1,920) |
| Additions | (3) | (108) | (23) | (134) |
| Bajas | - | 114 | - | 114 |
| Accumulated amortisation at 31 December 2020 | (566) | (1,268) | (106) | (1,940) |
| Net book value at 31 December 2020 | 53 | 181 | 165 | 399 |

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At 31 December 2020, the Group had fully amortised intangible fixed assets amounting to 1,593 thousand euros (1,578 thousand euros at 31 December 2019).

At 31 December 2020 and 2019, no other intangible assets have been pledged as security, subject to reversal or have ownership restrictions.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The detail and movement of this line-item on the consolidated balance sheet in 2020 and 2019 are as follows:

| Thousands of euros | Balance at 31/12/2018 | Changes in equity (*) | Share in profit | Balance at 31/12/2019 | Changes in equity (*) | Share in profit | Balance at 31/12/2020 |
|---|-----------------------|-----------------------|-----------------|-----------------------|-----------------------|-----------------|-----------------------|
| AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) | 148,213 | (19,011) | 4,060 | 133,262 | (12,376) | 694 | 121,580 |
| BIP & DRIVE, E.D.E., S.A. | 1,634 | (2) | 285 | 1,917 | 1 | 326 | 2,244 |
| TACEL INVERSIONES, S.A. | - | - | - | - | - | - | - |
| Investments in Associates and Joint Ventures | 149,847 | (19,013) | 4,345 | 135,179 | (12,375) | 1,020 | 123,824 |

(*) Considers consolidation adjustments

AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) was incorporated on 28 July 1973 and its corporate purpose is the construction, operation and upkeep of a toll road between Irurzun and the link with the Ebro toll road (AP-15), excluding the section corresponding to the Pamplona Ronda Oeste (West Ring Road) which, pursuant to the agreement signed on 19 May 1987, was constructed by the Navarre regional government and transferred to the Company in 1991 for its operation and upkeep. The toll road's layout is 112.6 km long. The concession agreement's scheduled expiry date is 30 June 2029. As stated in note 2 (g), the Group has been applying IFRS 11 – Joint Arrangements – since its entry into force on 1 January 2014, which has meant that the consolidation of its stake in the aforesaid company is equity accounted instead of the proportionally consolidated as had been done until 31 December 2013. For information purposes, note 35 includes the consolidated income statements obtained in 2020 and 2019 through the proportional consolidation of AUDENASA.

On 1 September 2020, the AUDENASA's General Shareholders' Meeting adopted a resolution to reduce its share capital by 14,179 thousand euros by reducing the par value of the shares from 3.85 euros to 3.35 euros each for the purpose of returning contributions to the shareholders.

On 18 June 2019, the AUDENASA's General Shareholders' Meeting adopted a resolution to reduce its share capital by 11,060 thousand euros by reducing the par value of the shares from 4.24 euros to 3.85 euros each for the purpose of returning contributions to the shareholders.

On 27 October 2020 and 1 October 2019, the General Shareholders Meeting of AUDENASA resolved to distribute a dividend of 2,836 and 2,212 thousand euros, respectively, charged to voluntary reserves, corresponding to the excess of the legal reserve over the legally established limit.

On 18 March 2014, BIP&DRIVE, S.A., was incorporated, in which ITÍNERE holds a 20% stake in its share capital. On 14 January 2019, the company completed the process of transformation into an Electronic Money Entity and was registered in the special Registry for this purpose on that date. Also, on 6 February 2019, it registered its new company name, BIP & DRIVE, E.D.E., S.A. in the Mercantile Registry. Its business activity is the issuance and redemption of electronic money, the issuance and acquisition of payment instruments, the execution of payment transactions by means of cards or similar devices and the provision of operational services or ancillary services closely related to payment activities

TACEL INVERSIONES, S.A. is the sole shareholder of AUTOPISTA CENTRAL GALLEGA, C.E.S.A., the concessionary company for the construction, operation and conservation under a toll regime of the Santiago-Alto de Santo Domingo section of the Santiago de Compostela-Ourense toll road.

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The Group registered a value impairment adjustment of 100% of the value of its stake in TACEL INVERSIONES, S.A. in 2012, resulting from the impairment test carried out at the close of that financial year, which was used to estimate the current value of future cash flows expected to be obtained from the AUTOPISTA CENTRAL GALLEGA, C.E.S.A. project. This impairment was due to the impact on the business forecasts of the decline in traffic levels that significantly affected the project's development.

The detail of the basic financial information of the equity accounted companies at 31 December 2020 is as follows, in thousands of euros:

| Name of the Company | % Stake | Investment amount | Capital | Reserves | Operating/Losses | Profit/loss for the year | Equity | Dividends received |
|---|---------|-------------------|---------|----------|------------------|--------------------------|--------|--------------------|
| AUTOPISTAS DE NAVARRA, S.A. (AUDENASA) ⁽¹⁾ | 50.00% | 40,307 | 95,001 | (15,877) | 18,970 | 18,580 | 97,705 | 12,376 |
| BIP & DRIVE, E.D.E., S.A. ⁽²⁾ | 20.00% | 2,408 | 4,613 | 4,977 | 2,032 | 1,631 | 11,221 | - |
| TACEL INVERSIONES, S.A. ⁽²⁾ | 18.36% | - | 33,450 | (177) | (9) | (7) | 33,266 | - |

⁽¹⁾ Financial information obtained from the 2017 annual accounts prepared in accordance with the rules for the adaptation of the General Chart of Accounts to public infrastructure concessionary companies approved by Order EHA/3362/2010 of 23 December, subject to the harmonisation of IFRS-EU value criteria.

⁽²⁾ Financial information obtained from their respective 2020 annual accounts prepared under the General Chart of Accounts in force since 1 January 2008.

11. NON-CURRENT FINANCIAL ASSETS

The detail and movement of this line-item on the consolidated balance sheet in 2020 and 2019 are as follows:

| Thousands of euros | Other credits | Other financial assets | Credits posted to soc. Met. Particip. | Total |
|---|---------------|------------------------|---------------------------------------|------------|
| Cost at 31 December 2018 | 87 | 139 | 2,387 | 2,613 |
| Additions | - | 86 | - | 86 |
| Disposals | (13) | - | - | (13) |
| Cost at 31 December 2019 | 74 | 225 | 2,387 | 2,686 |
| Additions | 4 | 14 | - | 18 |
| Disposals | (17) | (41) | - | (58) |
| Cost at 31 December 2020 | 61 | 198 | 2,387 | 2,646 |
| Impairment loss at 31 December 2019 | - | - | (2,387) | (2,387) |
| Impairment loss at 31 December 2020 | - | - | (2,387) | (2,387) |
| Net book value at 31 December 2019 | 74 | 225 | - | 299 |
| Net book value at 31 December 2020 | 61 | 198 | - | 259 |

11.1 OTHER CREDITS

This line-item includes loans and advances to personnel, which accrue interest in accordance with the rate established in the collective bargaining agreements in force at the Group's companies.

11.2 OTHER FINANCIAL ASSETS

At 31 December 2020 and 2019, this line-item mainly refers to non-current performance bonds provided by the Group's companies.

11.3 LOANS TO COMPANIES RECORDED USING THE EQUITY METHOD

This line-item includes the participating loan that TACEL INVERSIONES, S.L., subscribed with its shareholders on 28 December 2006 for a total amount of 13,000 thousand euros. The loan is

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subordinated to the main credit contract signed by ACEGA with several lenders and whose maturity is for 2024. The Group's participation in the aforesaid loan amounted to 2,387 thousand euros.

In 2012, an impairment-based value adjustment was registered for the total amount of the aforesaid loan, as a result of the impairment test carried out at the close of that financial year, through which the current value of the future cash flows expected to be obtained from the AUTOPISTA CENTRAL GALLEGA, C.E.S.A. project was estimated. As stated in note 10, this impairment was the consequence of the effect on business forecasts of the evolution in this project's activity, with a decline in traffic levels that significantly affected its development.

12. TRADE RECEIVABLE

The "trade receivable" line-item at 31 December 2020 and 2019 includes the balances relating to vehicles using the Group's toll roads paid for by credit card or electronic collection device, in which the collection period is less than 30 days. It also includes the balance that the GEBISA Group company maintains with the public company under the Provincial Council of Biscay, to which it provides operation and maintenance services for the AP-8 toll road, and in 2019 that maintained by AP-1 EUROPISTAS with the Ministry of Transport, Mobility and Urban Agenda arising from the services provided under the Emergency Contract entered into between the two from 1 December 2018 and until its completion on 15 December 2019.

13. PUBLIC ENTITIES

The debit balances with Public Administration at 31 December 2020 and 2019 are as follows:

| Thousands of euros | 2020 | 2019 |
|--|---------------|---------------|
| Receivables from Public Treasury: | | |
| For Company Income Tax | - | 5,223 |
| Other receivables from Public Entities: | | |
| Ministry of Transport, Mobility and Urban Agenda | 11,050 | 14,183 |
| Galicia Regional Government | 6,152 | 329 |
| Income derived from the nullity R.D. 803/2017 | 12,412 | - |
| Payable to Public Entities | 29,614 | 19,735 |

As of 31 December 2019, the Company had a balance of 5,223 thousand euros corresponding to the settlement of Corporate Income Tax for 2018, which was collected during 2020 together with the settlement for 2019.

The balance with the Ministry of Transport, Mobility and Urban Agenda (MITMA) includes, among others, the economic compensation paid annually by the Administration as a consequence of the lower income being obtained on certain toll roads by virtue of different measures introduced for this purpose.

In accordance with provisions set forth in Royal Decree 633/2006, 19 May 2006, regulating, from 23 May 2006, the shadow toll following the removal of direct toll payments from users on the O Morrazo-Vigo and A Coruña-A Barcala routes and vice versa in AUDASA, and once the concession holder had installed the traffic counters, the toll collection points were eliminated, and traffic counts were recorded. The amounts resulting from applying the toll tariffs in force (including VAT) to the traffic count were assumed 50:50 by the Spanish state government and the regional government of Galicia. This Royal Decree was amended by Royal Decree 803/2017, 28 July (see note 1 (f)).

With effect from 29 July 2017, the date of entry into force of Royal Decree 803/2017, the system for calculating the compensation was modified, as well as the way this is invoiced and the recipient of the

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latter, which became exclusively the Ministry of Transport, Mobility and Urban Agenda. In this regard, and as mentioned in note 1 (f), AUDASA has filed a contentious claim before the Supreme Court against the Ministry of Transport, Mobility and Urban Agenda's decision, on the grounds that it represented a unilateral and unjustified amendment of an agreement signed between the parties.

Following the decision in Supreme Court ruling number 242/2020, 19 February 2020, declaring the annulment of Royal Decree 803/2017, 28 July and reinstating Royal Decree 633/2016, of 19 May, later ratified by a Court Order on 14 October 2020 in which the High Court agreed not to allow the annulment of proceedings proposed by the General State Administration, AUDASA proceeded to:

- Record shadow toll income from 29 July 2017 to 31 December 2019 in financial year 2020 following the annulment of Royal Decree 803/2017 and consequently application of Royal Decree 633/2006 (11,474 thousand euros in capital, VAT not included, and 938 thousand euros in interest).
- Invoice the Ministry of Transport, Mobility and Urban Agenda and the Regional Government of Galicia for 50% of the shadow toll for 2020, according to Royal Decree 633/2006 (4,776 thousand euros plus VAT to each Administration).
- Ask both Administrations (state and regional government) to inform the company how the amounts due between 29 July 2017 and 31 December 2019 should be invoiced following the annulment of Royal Decree 803/2017 and consequently application of Royal Decree 633/2006.

The income received at 31 December 2020 and 2019 according to Royal Decree 633/2006 and Royal Decree 803/2017 amounted to 9,552 thousand euros and 6,087 thousand euros, respectively. In financial year 2020, 11,474 thousand euros were included as a result of recording the shadow toll income between 29 July 2017 and 31 December 2019 following the annulment of Royal Decree 803/2017 and consequently application of Royal Decree 633/2006. The balance pending collection derived from the aforementioned Royal Decrees as of December 31, 2020 and 2019 amounts to 24,144 thousand euros and 8,231 thousand euros, respectively.

In addition, this heading includes the compensation to be received by AUCALSA due to the reduction by 30% of the tariffs to be applied to heavy vehicles and 50% of the amount of the toll of the route by toll road to habitual users of vehicles belonging to the light tariff group, whose outstanding balance at 31 December 2020 amounts to 5,183 thousand euros (5,952 thousand euros at 31 December 2019) and corresponds to a total registered income of 4,221 thousand euros in 2020 (4,846 thousand euros in 2019).

The balance with the Galicia regional government mainly includes the toll rebate for the users who make the same journey on the toll road, there and back in the same day, using an OBE electronic toll payment system, established by an agreement entered into the parties on 30 December 2015. The application of the aforementioned bonuses has led to the registration of income in AUTOESTRADAS for an amount of 653 thousand euros in 2020 (744 thousand euros in 2019), with the balance pending collection for this at 31 December 2020 being 55 thousand euros (118 thousand euros at 31 December 2019). With the aim of incorporating new discounts per hours of use applicable to the tolls of the regional toll roads A Coruña-Carballo (AG-55) and Puxeiros-Val Miñor (AG-57), an addendum to the above-mentioned agreement was signed, which was approved by Decree 109/2019 of 5 September, regulating a new toll rebate that came into force on 24 September 2019, for users who travel during the night (between 00:00 a.m. and 06:00 a.m.) using the electronic toll system (OBE) as a means of payment. Basing in this addendum, during financial year 2020 income amounting to 94 thousand euros (31 thousand euros in 2019) were recognised, and the balance pending collection in this respect was 5 thousand euros (21 thousand euros in 2019) at 31 December 2020.

Likewise, AUTOESTRADAS has a receivable at 31 December 2020 totalling 226 thousand euros (190 thousand euros at 31 December 2019), arising from the agreement signed in June 2016 with the Ministry of Transport, Mobility and Urban Agenda to operate the access to the outer harbour in A Coruña (AC-15) and its connection to the AG-55, where it will bear the cost of the connection work as well as the journeys

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both ways made by the users in the A Coruña-Outer Harbour and Arteixo-Outer Harbour. In 2020 and 2019, income totalling 30 thousand euros (46 thousand euros at 31 December 2019) was registered.

The balances payable to public administration at 31 December 2020 and 2019 are as follows:

| Thousands of euros | 2020 | 2019 |
|---|--------------|---------------|
| Payable to Public Treasury | | |
| For taxes | 2,531 | 2,564 |
| For VAT | 4,771 | 6,338 |
| Payable to the Social Security | 1,120 | 1,132 |
| Other tax provisions | 43 | 44 |
| Payable to Public Administration | 8,465 | 10,078 |

The Company pays VAT on the Value Added Tax under the Special Regime of Group Entities (REGE), forming part, at 1 January 2010, of Group No. 0157/10, of which it is the parent company, and which is integrated by ITÍNERE and the companies resident in Spanish territory that meet the requirements to be part of the group for the purposes of this tax.

At 31 December 2020 and 2019, AP-1 EUROPISTAS has recorded a provision amounting 607 thousand euros corresponding to the estimation of the contributions to be made to the Treasury in accordance with the applicable labour regulations, in relation to the toll workers affected by the downsizing plan carried out by the company due to production reasons (see notes 1 (d), 20.2 and 25).

14. CURRENT INVESTMENTS

The breakdown of this line-item at 31 December 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|--------------------------------------|--------------|--------------|
| Payable to related parties (note 22) | 30 | 173 |
| Current Investments | 2,108 | 1,613 |
| Current Investments | 2,138 | 1,786 |

The "current Investments" line-item includes amounts pending collection resulting from ancillary activities carried out by the concessionary companies.

15. CASH AND CASH EQUIVALENTS

The cash shown on the attached consolidated balance sheet at 31 December 2020 and 2019 is of 89,229 thousand euros and 95,582 thousand euros, respectively. Is denominated in euros and includes the reserve accounts for the debt service maintained by ITÍNERE and ENAITINERE in relation to the respective syndicated loans subscribed by both companies (see note 17.3), which at the end of 2020 amounted to 24,207 thousand euros (24,780 thousand euros at the end of 2019).

16. EQUITY

The detail of and movement in equity in 2020 and 2019 are shown in the consolidated statement of changes in equity, which forms an integral part of the consolidated annual accounts.

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16.1 REGISTERED CAPITAL

On 25 September 2012, the Company increased its share capital by 116,533 thousand euros, plus a premium of 825,250 thousand euros, by offsetting the participating and simple loans granted to the Company by its main shareholders. The details of this capital increase are included in the consolidated annual accounts for the year ended 31 December 2012.

On 17 October 2018, the purchase and sale agreement for shares and the assignment of loans, which was signed between Abanca Corporación Industrial y Empresarial, SL as seller, and Globalvía Inversiones S.A.U. as a buyer, in relation to its holding in ITÍNERE. On that same date, a purchase and sale agreement for shares and the assignment of loans between Globalvía Inversiones, S.A.U., as the seller, and its subsidiary Global Rail Sur, S.L., as the buyer, was signed, through which the transfer to the latter of participation units in ITÍNERE was carried out. In addition, on 19 October 2018, the company Global Rail Sur, S.L., changed its corporate name to Globalvía GVIT, S.L.U.

On 31 October 2018, the Company carried out a capital increase of 5,529 thousand euros through the issue of 11,282,707 new ordinary shares in order to meet the voluntary conversion of the 1,705 convertible debentures of which Sacyr Concesiones, S.L. was holder and whose expiration took place on that date (see note 17.2).

On 21 February 2019, Liberbank Capital, S.A. proceeded with the sale of its shareholding in ITÍNERE, representing 5.67% of its share capital, to Estivo Investments Holding, B.V.

On 27 February 2019, Sacyr, S.A. and its subsidiary Sacyr Concesiones, S.L. proceeded with the joint sale to Itínere Investco, B.V. of all the shares held in the Company, representing 15.13% and 2.43%, respectively.

On 27 September 2019 and 28 February 2020, Globalvía GVIT, S.L.U. purchased a total of 1,354,463 and 1,012,447 shares, respectively, after which at 31 December 2020, it held an interest of 23.74% of the share capital of ITÍNERE (23.53% at 31 December 2019).

As a consequence of the foregoing, at 31 December 2020 and 2019, the share capital of ITÍNERE is represented by 464,087,577 registered shares with a par value of 0.49 euros each, fully subscribed and paid up.

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

| | 2020 | | 2019 | |
|-------------------------------------|--------------------|----------------|--------------------|----------------|
| | Number of shares | % Stake | Number of shares | % Stake |
| Arecibo Servicios y Gestiones, S.L. | 245,367,361 | 52.87% | 245,367,361 | 52.87% |
| Globalvía GVIT, S.L. | 110,193,647 | 23.74% | 109,181,200 | 23.53% |
| Itínere Investco, B.V. | 81,498,852 | 17.56% | 81,498,852 | 17.56% |
| Estivo Investments Holding, B.V. | 26,297,965 | 5.67% | 26,297,965 | 5.67% |
| Other shareholders | 676,288 | 0.15% | 1,688,735 | 0.36% |
| Treasury stock | 53,464 | 0.01% | 53,464 | 0.01% |
| TOTAL | 464,087,577 | 100.00% | 464,087,577 | 100.00% |

At 31 December 2020 and 2019, the Company holds treasury stock for a value of 212 thousand euros comprised of 53,464 shares with a par value of 0.49 euros each and an average acquisition price of 3.96 euros per share.

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16.2 SHARE PREMIUM

At 31 December 2020 and 2019, the share premium stands at 1,038,560 thousand euros. This reserve can be used at will, to the extent that the resulting capital and reserves are not less than the share capital.

16.3 ACCUMULATED EARNINGS AND OTHER RESERVES

Their detail and movement in 2020 and 2019 are as follows:

| Thousands of euros | Accumulated Profit and Other Reserves |
|--|---------------------------------------|
| Balance at 31 December 2018 | (222,341) |
| Comprehensive profit/loss for the year | (18,518) |
| Balance at 31 December 2019 | (240,859) |
| Comprehensive profit/loss for the year | (48,078) |
| Balance at 31 December 2020 | (288,937) |

Companies are required to transfer at least 10% of profit for the year to a legal reserve until this reserve reaches 20% of share capital. This reserve is not distributable to shareholders and may only be used to offset losses, provided no other reserves are available. At 31 December 2020 and 2019, ITÍNERE has provisioned the mandatory legal reserve amounting to 26,756 thousand euros.

This line-item includes the reserves in consolidated companies.

16.4 MINORITY SHAREHOLDER'S EQUITY

The detail of the equity that corresponds to minority shareholder's equity at 31 December 2020 and 2019 is as follows:

| Miles de euros | Porcentaje minoritarios | 2020 | | | 2019 | | |
|--|-------------------------|----------------|-------------------------|-------|----------------|-------------------------|-------|
| | | Total Reservas | Resultado del ejercicio | Total | Total Reservas | Resultado del ejercicio | Total |
| GESTIÓN DE INFRAESTRUCTURAS DE BIZKAIA, S.A. | 45% | 405 | 258 | 663 | 405 | 335 | 740 |
| Participaciones no dominantes | | 405 | 258 | 663 | 405 | 335 | 740 |

The information relating to non-minority shareholders' stakes in investee companies is shown in Appendix II. The financial information is disclosed prior to carrying out intra-group eliminations.

16.5 DIVIDEND PER SHARE

The parent company did not distribute any dividend in 2020 or 2019.

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17. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The detail of current and non-current financial liabilities at 31 December 2020 and 2019, included under this line-item on the consolidated balance sheet, is as follows:

| Thousands of euros | Note | 2020 | | |
|--|------|------------------|----------------|------------------|
| | | Non-current | Current | Total |
| Non-convertible debentures | 17.1 | 686,820 | 116,489 | 803,309 |
| Convertible debentures | 17.2 | 41,392 | - | 41,392 |
| Debt with financial institutions | 17.3 | 1,483,301 | 7,670 | 1,490,971 |
| Other financial liabilities | 17.4 | 290,725 | - | 290,725 |
| Lease liabilities | 17.5 | 2,916 | 607 | 3,523 |
| Interest accrued and pending payment Non-convertible debentures | 17.1 | - | 1,730 | 1,730 |
| Interest accrued and pending payment Credit institutions | 17.3 | - | 7,901 | 7,901 |
| Interest accrued and pending payment Other financial liabilities | 17.4 | - | 4,712 | 4,712 |
| Non-Current and Current Financial Liabilities | | 2,505,154 | 139,109 | 2,644,263 |

| Thousands of euros | Note | 2019 | | |
|--|------|------------------|----------------|------------------|
| | | Non-current | Current | Total |
| Non-convertible debentures | 17.1 | 701,570 | 399,225 | 1,100,795 |
| Convertible debentures | 17.2 | 36,911 | - | 36,911 |
| Debt with financial institutions | 17.3 | 1,231,141 | 7,684 | 1,238,825 |
| Other financial liabilities | 17.4 | 289,148 | - | 289,148 |
| Lease liabilities | 17.5 | 2,970 | 554 | 3,524 |
| Interest accrued and pending payment Non-convertible debentures | 17.1 | - | 2,444 | 2,444 |
| Interest accrued and pending payment Credit institutions | 17.3 | - | 7,273 | 7,273 |
| Interest accrued and pending payment Other financial liabilities | 17.4 | - | 4,657 | 4,657 |
| Non-Current and Current Financial Liabilities | | 2,261,740 | 421,837 | 2,683,577 |

17.1 NON-CONVERTIBLE DEBENTURES

This line-item includes, in their entirety, the amounts of non-convertible debenture issues made by AUDASA and AUCALSA, all of them tax deductible and guaranteed by ENA, the sole shareholder. Appendix III, which forms an integral part of this note, shows the detail of the outstanding debentures.

The movement in this line-item in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|--|----------------|------------------|
| Balance at beginning of period | 701,570 | 1,093,640 |
| Issues made during the year | 100,000 | - |
| Current transfers | (116,121) | (396,672) |
| Valuation adjustment at amortised cost | 1,371 | 4,602 |
| Balance at end of period | 686,820 | 701,570 |

The low-tax debentures that AUDASA issued in 2014, totalling 400,000 thousand euros, matured in April 2020. In this regard, on 16 December 2019, AUDASA signed a syndicated loan agreement for said amount, disbursed on 1 April 2020, maturing in November 2024, the purpose of which was to address the refinancing of said issuance (see note 17.3).

In November 2020 low-tax debentures totalling 100,000 thousand euros were issued, which mature in November 2024, as well as a 1.60% coupon to partially repay the above-mentioned syndicated loan.

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On 10 June 2019, AUCALSA 2014 tax-exempt bond issue amounting to 229,400 thousand euros was amortised in full. This debt was refinanced through a syndicated loan taken out by the aforementioned company (see note 17.3).

The average cost of the outstanding debentures issued by the Group at 31 December 2020 is 4.28% (4.69% at 31 December 2019).

The interest accrued and pending payment at 31 December 2020 amounts to 1,730 thousand euros (2,444 thousand euros at 31 December 2019). This interest is payable annually.

The maturity of non-current debentures at 31 December 2020 and 2019 is as follows:

| Miles de euros | 2020 | 2019 |
|---------------------------|----------------|----------------|
| two years | 178,585 | 115,756 |
| three tears | 189,154 | 177,365 |
| four years | 97,738 | 187,724 |
| five years and later | 221,343 | 220,725 |
| Total Vencimientos | 686,820 | 701,570 |

In 2020, financial expenses deriving from the issues of outstanding non-convertible debentures have been allocated to the consolidated income statement, in application of the effective interest rate method, in an amount of 43,016 thousand euros (64,898 thousand euros in 2019) (note 27).

17.2 CONVERTIBLE DEBENTURES

On 29 July 2014, the Company carried out an issue of 11,000 convertible subordinated debentures with a par value of 5,000 euros each, issued at par, which was fully subscribed and paid up on that date. The purpose of the issue was to meet the payment of the tax obligations resulting from the divestment process in Chile implemented during 2014, not being able to allocate the issue funds to any other purpose and having the obligation of using any amount not applied to such purpose for their compulsory partial early repayment. Pursuant to the issue terms and conditions, on 2 January 2015 the Company implemented the mandatory partial repayment in advance of the amount not allocated to the intended purpose, proceeding to the repayment of an amount of 2,842.20 euros per debenture, in addition to the payment of the corresponding interest at a 10% annual compound rate. Consequently, the Company paid out a total amount of 32,573 thousand euros.

It is envisaged that, on the issue's maturity date, the debentures will be amortised in full in cash for an amount equal to the outstanding balance plus the accumulated interest, except in the case of the debentures whose title-holders choose their conversion into shares. The aforesaid conversion shall take place solely at the election of the debenture holders, who will be able to request the conversion of all or part of their debentures into ordinary shares, in the terms and conditions established in the issue deed. Debentures are remunerated at an effective 12% annual compound interest rate while the debentures corresponding to the tranche which are subject to advance and mandatory repayment in 2015, accrued a remuneration of 10% annual compound interest.

Within the framework of the refinancing process completed in February 2016 (see note 17.3), the final due date of 84.5% of the issue was extended and will take place in October 2025. The rest of the issue, which includes the 1,705 debentures signed by Sacyr Concesiones, S.L., matured on 31 October 2018, which is when this company opted to convert its debentures into shares (see note 17.1). The details of this operation are set forth in the consolidated annual accounts corresponding to financial year 2018.

In the framework of the agreement for the purchase and sale of shares and the assignment of loans concluded between Abanca Corporación Industrial e Empresarial, S.L. and Kutxabank S.A (shareholder company of ARECIBO as of the date) as sellers, and Globalvía Inversiones S.A.U. as a

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buyer, on 17 October 2018, the endorsement was carried out of the convertible debentures of which the aforementioned selling companies were holders, to Globalvía Inversiones, S.A.U. who on the same date endorsed them to Global Rail Sur, S.L., currently Globalvía GVIT, S.L.U. and holder, as of 31 December 2020 and 2019, of a total of 4,399 convertible debentures.

On 21 February 2019, Pear Luxembourg Investment S.á.r.l. sold the 4,177 convertible bonds it held to Estivo Investments Holdings, B.V.

Furthermore, within the framework of the contract for the purchase and sale of shares and the assignment of credit rights signed between the parties, on 21 February 2019, Liberbank Capital, S.A. transferred the 638 convertible bonds it held to Estivo Investments Holding, B.V.

On 28 February 2020, Caser S.A. sold the 38 convertible bonds it held to Globalvía GVIT S.L.

The nominal amount of the outstanding debentures at 31 December 2020 and 2019 is 20,057 thousand euros, corresponding to 9,295 debentures with a unit par value of 2,157.80 euros.

In 2020, financial expenses were allocated to the income statement in application of the effective interest rate method for an amount of 4,481 thousand euros (3,986 thousand euros in 2019) (note 27).

The detail of the non-current and current debts for convertible debentures per subscriber, including accrued interest, at 31 December 2020 and 2019, is as follows:

| Thousands of euros | 2020 | | 2019 | |
|--|-------------------|-------------------|-------------------|-------------------|
| Subscriber | No. of debentures | Non-current issue | No. of debentures | Non-current issue |
| Estivo Investments Holding, B.V. | 4,815 | 21,539 | 4,815 | 19,225 |
| Globalvía GVIT, S.L. | 4,437 | 19,848 | 4,399 | 17,564 |
| Directors, Senior Management and other | 43 | 192 | 43 | 171 |
| Caser, S.A. | - | - | 38 | 152 |
| Valuation adjustment at amortised cost | - | (187) | - | (201) |
| TOTAL | 9,295 | 41,392 | 9,295 | 36,911 |

(note 22)

(note 22)

The movement for debentures in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|--|---------------|---------------|
| Balance at beginning of period | 36,911 | 32,925 |
| Interests accrued | 4,466 | 3,976 |
| Adjustment for amortised cost assessment | 15 | 10 |
| Balance at end of period | 41,392 | 36,911 |

17.3 NON-CURRENT AND CURRENT DEBTS WITH CREDIT INSTITUTIONS

The detail of the debts with credit institutions that the Group's companies hold at 31 December 2020 is shown in Appendix IV, which forms an integral part of this note.

On 5 June 2007, the Ministry of Industry, Commerce and Tourism granted ITÍNERE an interest-free preferential repayable loan of 678 thousand euros, for the execution of a project for the analysis of

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telecommunications systems applied to tolls by satellite positioning. This loan's final maturity is 30 June 2021 and 11 partial repayments have been planned.

In 2008, the Ministry of Industry, Commerce and Tourism granted ITÍNERE an interest-free preferential repayable loan of 441 thousand euros for the execution of a project for the development of an independent power system. The loan's final maturity took place on 30 December 2020.

On 3 July 2014, ITÍNERE proceeded to the non-extinguishing modifying novation of the finance contract signed in August 2011 and according to which the final maturity of the loan was extended until 31 October 2018. The loan accrued a variable interest rate pegged to 6-month Euribor plus a 4% margin and envisaged the capitalisation of the part of the accrued interest.

On 6 October 2015, this loan was novated, subject to a condition precedent, among which the conditions envisaged were the accrual of interest in accordance with a variable interest rate pegged to 6-month Euribor plus a 2% spread until February 2019 and from that date of 2.25% until February 2022 and 2.5% from then until its expiration. The settlement of interest is scheduled on the end date of each interest period and its expiration will take place in October 2025.

On 16 February 2016, once the condition precedent was met, establishing, among others, the distribution of a dividend charged to voluntary reserves worth 50,000 thousand euros by the investee ENAITINERE and, which was to be allocated to the amortisation of the loan, the entry into force of the novation took place, placing the principal of the loan at that date at 571,082 thousand euros.

During 2017, 1,432 thousand euros were amortised and no additional amortisations were made during subsequent financial years, so that at 31 December 2020 and 2019, the nominal amount of the loan amounts to 569,650 thousand euros.

On 31 October 2013, the Group companies, ENAITINERE and PARTICIPACIONES AP-1 EUROPISTAS, now ENAITINERE, following the merger carried out in the 2015 financial year, refinanced their respective syndicated loans through a syndicated loan, for a total amount of 1,176,236 thousand euros, with a maturity date of 31 October 2018.

On 6 October 2015, ENAITINERE signed a syndicated loan subject to a condition precedent with the aim of an early redemption, together with a bilateral loan (see section 17.4), of the syndicated loan signed in 2013, and of the distribution of an extraordinary dividend out of voluntary reserves of 50,000 thousand euros to the sole shareholder, which was paid on 16 February 2016.

On 9 February 2016, the aforementioned syndicated loan, with a nominal amount of 760,754 thousand euros, and the bilateral loan, with a nominal amount of 300,000 thousand euros were formalised in a public deed.

That syndicated loan accrues a variable interest rate pegged to 6-month Euribor plus a 2% spread, it will mature in October 2025 and it envisages an annual mandatory redemption of 7,608 thousand euros.

During 2020 ENAITINERE has amortised an amount of 49,521 thousand euros (45,361 thousand euros during 2019), with the nominal amount of the syndicated loan, at 31 December 2020, of 391,356 thousand euros (440,877 thousand euros at 31 December 2019).

On 6 May 2015, AUTOESTRADAS arranged a loan with Banco Santander, S.A. for a maximum amount of 25,000 thousand euros, which was drawn down on 25 June 2015. The loan bore interest equivalent to 6-month Euribor plus a 1% spread. Its maturity will be in June 2019.

On 27 December 2018 this loan was repaid early and a new loan agreement was signed with Caixabank amounting to 25,000 thousand euros maturing on 27 September 2023. The loan bears

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interest equivalent to 6-month Euribor (without floor clause) plus a spread of 0.65%. The loan does not have any collateral.

On 10 June 2019, AUCALSA signed a syndicated loan amounting to 229,400 thousand euros aimed at fully refinancing the bonds issued by the company in 2014 for the same amount (see note 17.1). This loan has a single maturity on 10 June 2024 and accrues a variable interest equivalent to 6-month Euribor plus a spread of 1.40%. The loan agreement provides for the possibility of hedging up to a maximum of 75% of the outstanding amount. At 31 December 2020, no hedges had been arranged and it is jointly and severally guaranteed by its sole shareholder, ENA INFRAESTRUCTURAS, S.A.U.

As mentioned in note 17.1, on 16 December 2019, AUDASA signed a syndicated loan agreement worth 400,000 thousand euros, which was paid on 1 April 2020, with maturity and single repayment in November 2024, and an interest rate pegged to the six-month Euribor plus a spread and to refinance an issue of low-tax debentures for the same amount with maturity on 1 April 2020.

In November 2020, the syndicated loan was partially repaid by AUDASA in the amount of 100,000 thousand euros by issuing low-tax debentures for the same amount and with maturity in November 2024 (see note 17.1).

Likewise, on 18 September 2013, GEBISA signed a credit assignment and factoring with recourse policy for a maximum amount of 2,000 thousand euros, with renewable maturity at 1 year, pegged to 3-month Euribor plus a 2% spread. At 31 December 2020 and 2019, no amounts were drawn against this policy.

All the debts with credit institutions shown on the attached consolidated balance sheet are denominated in euros.

Interest accrued and pending payment on debts with credit institutions at 31 December 2020 amounts to 7,901 thousand euros (7,273 thousand euros at 31 December 2019). This interest is payable every six months.

At 31 December 2020, the average cost of the loans signed by the Group with credit institutions is 1.81% (1.98% at 31 December 2019).

In 2020, financial expenses arising from debts with credit institutions have been charged to the consolidated income statement, in application of the effective interest rate method, in an amount of 35,458 thousand euros (29,059 thousand euros in 2019) (see note 27).

The maturity of the non-current debts with credit institutions shown on the attached consolidated balance sheet at 31 December 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|-------------------------|------------------|------------------|
| At two years | 7,501 | 7,536 |
| At three years | 32,153 | 7,475 |
| At four years | 529,521 | 32,037 |
| At five years | 914,126 | 232,892 |
| At more than five years | - | 951,201 |
| Total maturities | 1,483,301 | 1,231,141 |

As indicated in the credit agreements signed by the Group's companies, the latter agree to fulfil certain obligations throughout the life thereof and grant a series of guarantees, amongst which the following should be noted:

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- Pledge on the balance of the reserve account and operating accounts held by ITÍNERE, ENAITINERE and AP-1 EUROPISTAS.
- Pledge on the credit rights resulting from the collection of royalties by ITÍNERE from its investees and those from the consolidation of the tax group.
- Pledge on the shares of ENAITINERE and of those of its investees, ENA and AP-1 EUROPISTAS.
- Pledge on certain credit rights held by AP-1 EUROPISTAS, ENA and ENAITINERE.
- Obligation for AP-1 EUROPISTAS, ENA and their subsidiaries to distribute the entire free cash flows to ENAITINERE and ENA, as appropriate.

Additionally, and as indicated in the loan agreements signed by the Group companies, the latter make commitments in respect to compliance with certain financial ratios as well as certain restrictions on the distribution of dividends.

The ratios and limitations as established in the loan agreements signed by the Group companies are as follow:

- Payouts to the shareholder can be made by ENAITINERE, provided that certain requirements are met, including the fact that the year's gearing ratio used for the payout is lower than 8:1. ITÍNERE has a limited possibility of distributing dividends.
- Compliance by ENAITINERE, AUDASA, AUCALSA and AUTOESTRADAS, respectively, of a debt service hedge ratio that must not be less than 1.05x
- Limitation on maximum global indebtedness undertaken by the ITÍNERE, ENAITINERE and its subsidiaries 1.05x, as well as on new indebtedness and the obligation to refinance concessionaires' debts at maturity.

In connection with the foregoing, the Group's companies comply with the different clauses and, consequently, in this respect there are no motives that could give rise to the discharge of the contracts by the lenders.

17.4 OTHER FINANCIAL LIABILITIES

As stated in section 17.3 above, on 9 February 2016 ENAITINERE signed a loan with AustralianSuper Pty Limited for 300,000 thousand euros, which matures in October 2025. That loan accrues a fixed interest rate of 6.5% per year which is settled every six months and does not contemplate repayments until maturity. Its fair value at 31 December 2020 was 290,725 thousand euros (289,148 thousand euros at 31 December 2019).

Interest accrued and pending payment on debts arising from other financial liabilities at 31 December 2020 amounts to 4,712 thousand euros (4,657 thousand euros at 31 December 2019). This interest is payable every six months.

In 2020, financial expenses from debts arising from other financial liabilities have been charged to the consolidated income statement, in application of the effective interest rate method, in an amount of 21,402 thousand euros (21,233 thousand euros at 31 December 2019) (see note 27).

This loan envisages complying with the same obligations and financial ratios and identical restrictions as the dividend distribution as those established in relation to the syndicated loan signed by ENAITINERE in 2016 (see note 17.3).

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In connection with the foregoing, the Group's companies comply with the different clauses and, consequently, in this respect there are no motives that could give rise to the discharge of the contracts by the lenders (3,524 thousand euros and 554 thousand euros, respectively at 31 de December 2019).

17.5 LEASING LIABILITIES

With effect from 1 January 2019, the Group applies IFRS 16 in relation to operating lease contracts. As of 31 December 2020, the lease liability came to 3.523 thousand euros, of which 607 thousand euros are current.

To calculate the lease liabilities, the Group used the incremental debt rate of 3.61%.

In 2020, financial expenses from leasing liabilities have been charged to the consolidated income statement in an amount of 197 thousand euros (55 thousand euros in 2019) (see note 27).

17.6 RECONCILIATION OF NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The reconciliation between the initial and final balances of the non-current and current financial liabilities heading of the consolidated attached balances in 2020 is as follows:

| | | Cash flows | | | | | | |
|--|------------------|------------------------------------|----------------------------------|---------------------------------------|----------------------------------|------------------|----------|------------------|
| | 2019 | Financing activities Collection | Financing activities Payments | Operating activities Interest paid | Current/Non-current Transfers | Interest accrued | Other | 2020 |
| Thousands of euros | | | | | | | | |
| Non-current financial liabilities | | | | | | | | |
| AUDASA Debentures | 664,993 | 100,000 | - | - | (66,111) | - | - | 698,882 |
| AUDASA Valuation adjustment at amortised cost | (13,726) | (2,321) | - | - | 419 | 3,566 | - | (12,062) |
| AUCALSA Debentures | 50,643 | - | - | - | (50,643) | - | - | - |
| AUCALSA Valuation adjustment at amortised cost | (340) | - | - | - | 215 | 125 | - | - |
| Non-convertible debentures | 701,570 | 97,679 | - | - | (116,120) | 3,691 | - | 686,820 |
| ITÍNERE Debentures | 36,911 | - | - | - | - | 4,481 | - | 41,392 |
| Convertible debentures | 36,911 | - | - | - | - | 4,481 | - | 41,392 |
| ITÍNERE Syndicated loan | 569,650 | - | - | - | - | - | - | 569,650 |
| ITÍNERE zero interest loans | 59 | - | (62) | - | - | - | 4 | 1 |
| ENATINERE Syndicated loan | 433,267 | - | (41,913) | - | (7,608) | - | - | 383,746 |
| ENATINERE Valuation adjustment at amortised cost | (23,434) | - | - | - | - | 4,357 | - | (19,077) |
| AUDASA Syndicated loan | - | 400,000 | (100,000) | - | - | - | - | 300,000 |
| AUDASA Valuation adjustment at amortised cost | - | (5,135) | - | - | - | 1,889 | - | (3,246) |
| AUCALSA Bilateral loan | 229,400 | - | - | - | - | - | - | 229,400 |
| AUCALSA Valuation adjustment at amortised cost | (2,645) | - | - | - | - | 586 | - | (2,059) |
| AUTOESTRADAS Bilateral loan | 25,000 | - | - | - | - | - | - | 25,000 |
| AUTOESTRADAS Valuation adjustment amortised cost | (157) | - | - | - | - | 42 | - | (115) |
| Debt with financial institutions | 1,231,141 | 394,865 | (141,975) | - | (7,608) | 6,874 | 4 | 1,483,301 |
| ENATINERE Other financial liabilities | 300,000 | - | - | - | - | - | - | 300,000 |
| ENATINERE Valuation adjustment at amortised cost | (10,852) | - | - | - | - | 1,577 | - | (9,275) |
| Other financial liabilities | 289,148 | - | - | - | - | 1,577 | - | 290,725 |
| Lease liabilities | 2,970 | 590 | (112) | - | (730) | 198 | - | 2,916 |
| Total non-current financial liabilities | 2,261,740 | 493,134 | (142,087) | - | (124,458) | 16,821 | 4 | 2,505,154 |
| Current financial liabilities | | | | | | | | |
| AUDASA Debentures | 400,000 | - | (400,000) | - | 66,111 | - | - | 66,111 |
| AUDASA Valuation adjustment at amortised cost | (775) | - | - | - | (419) | 1,019 | - | (176) |
| AUDASA Debentures interest | 2,375 | - | - | (37,426) | - | 36,712 | - | 1,661 |
| AUCALSA Debentures | - | - | - | - | 50,643 | - | - | 50,643 |
| AUCALSA Valuation adjustment at amortised cost | - | - | - | - | (215) | 1,594 | - | (90) |
| AUCALSA Debentures interest | 69 | - | - | (1,469) | - | 39,325 | - | 69 |
| Non-convertible debentures | 401,669 | - | (400,000) | (38,895) | 116,120 | 39,325 | - | 118,219 |
| ITÍNERE zero interest loans | 77 | - | (16) | - | - | - | - | 61 |
| ITÍNERE Loans interest | 4,968 | - | - | (13,212) | - | 13,176 | - | 4,932 |
| ENATINERE Syndicated loan | 7,608 | - | (7,608) | - | 7,608 | - | - | 7,608 |
| ENATINERE Syndicated loan and derivatives interest | 2,106 | - | - | (8,881) | - | 8,666 | - | 1,891 |
| AUDASA Syndicated loan | - | - | - | (2,507) | - | 3,389 | - | 882 |
| AUCALSA Syndicated loan | 196 | - | - | (3,265) | - | 3,265 | - | 196 |
| AUTOESTRADAS Bilateral loan interest | 1 | - | - | (88) | - | 88 | - | 1 |
| Debt with financial institutions | 14,957 | - | (7,624) | (27,953) | 7,608 | 28,584 | - | 15,571 |
| ENATINERE Other financial liabilities interest | 4,657 | - | - | (19,770) | - | 19,825 | - | 4,712 |
| Other financial liabilities | 4,657 | - | - | (19,770) | - | 19,825 | - | 4,712 |
| Lease liabilities | 554 | 86 | (763) | - | 730 | - | - | 607 |
| Total current financial liabilities | 421,837 | 86 | (408,387) | (86,618) | 124,458 | 87,733 | - | 139,108 |
| Non-Current and Current Financial Liabilities | 2,683,577 | 493,220 | (550,474) | (86,618) | - | 104,554 | 4 | 2,644,263 |

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The reconciliation between the initial and final balances of the non-current and current financial liabilities heading of the consolidated attached balances in 2019 is as follows:

| | | Cash flows | | | | | | | |
|--|------------------|------------------------------------|----------------------------------|---------------------------------------|----------------------------------|------------------|----------------------|------------------|--|
| | 2018 | Financing activities Collection | Financing activities Payments | Operating activities Interest paid | Current/Non-current Transfers | Interest accrued | Other ⁽¹⁾ | 2019 | |
| Thousands of euros | | | | | | | | | |
| Non-current financial liabilities | | | | | | | | | |
| AUDASA Debentures | 1,064,993 | - | - | - | (400,000) | - | - | 664,993 | |
| AUDASA Valuation adjustment at amortised cost | (21,418) | - | - | - | 3,328 | 4,364 | - | (13,727) | |
| AUCALSA Debentures | 50,643 | - | - | - | - | - | - | 50,643 | |
| AUCALSA Valuation adjustment at amortised cost | (578) | - | - | - | - | 238 | - | (340) | |
| Non-convertible debentures | 1,093,640 | - | - | - | (396,672) | 4,602 | - | 701,570 | |
| ITÍNERE Debentures | 32,925 | - | - | - | - | 3,986 | - | 36,911 | |
| Convertible debentures | 32,925 | - | - | - | - | 3,986 | - | 36,911 | |
| ITÍNERE Syndicated loan | 569,650 | - | - | - | - | - | - | 569,650 | |
| ITÍNERE zero interest loans | 127 | - | - | - | (77) | - | 9 | 59 | |
| ENATINERE Syndicated loan | 478,629 | - | (37,754) | - | (7,608) | - | - | 433,267 | |
| ENATINERE Valuation adjustment at amortised cost | (27,689) | - | - | - | - | 4,255 | - | (23,434) | |
| AUCALSA Syndicated loan | - | 229,400 | - | - | - | - | - | 229,400 | |
| AUCALSA Valuation adjustment at amortised cost | - | (2,948) | - | - | - | 304 | - | (2,645) | |
| AUTOESTRADAS Bilateral loan | 25,000 | - | - | - | - | - | - | 25,000 | |
| AUTOESTRADAS Valuation adjustment at amortised cost | (197) | - | - | - | - | 40 | - | (157) | |
| Debt with financial institutions | 1,045,520 | 226,452 | (37,754) | - | (7,685) | 4,599 | 9 | 1,231,141 | |
| ENATINERE Other financial liabilities | 300,000 | - | - | - | - | - | - | 300,000 | |
| ENATINERE Valuation adjustment at amortised cost | (12,314) | - | - | - | - | 1,462 | - | (10,852) | |
| Other financial liabilities | 287,686 | - | - | - | - | 1,462 | - | 289,148 | |
| Lease liabilities | - | 3,033 | - | - | (554) | 55 | 436 | 2,970 | |
| Total non-current financial liabilities | 2,459,771 | 229,485 | (37,754) | - | (404,911) | 14,704 | 445 | 2,261,740 | |
| Current financial liabilities | | | | | | | | | |
| AUDASA Debentures | - | - | - | - | 400,000 | - | - | 400,000 | |
| AUDASA Valuation adjustment at amortised cost | - | - | - | - | (3,328) | 2,553 | - | (775) | |
| AUDASA Debentures interest | 2,375 | - | - | (50,857) | - | 50,857 | - | 2,375 | |
| AUCALSA Debentures | 229,400 | - | (229,400) | - | - | - | - | - | |
| AUCALSA Valuation adjustment at amortised cost | (1,072) | - | - | - | - | 1,072 | - | - | |
| AUCALSA Debentures interest | 533 | - | - | (6,280) | - | 5,816 | - | 69 | |
| Non-convertible debentures | 231,236 | - | (229,400) | (57,137) | 396,672 | 60,298 | - | 401,669 | |
| ITÍNERE zero interest loans | 106 | - | (106) | - | 77 | - | - | 77 | |
| ITÍNERE Loans interest | 4,422 | - | - | (12,404) | - | 12,950 | - | 4,968 | |
| ENATINERE Syndicated loan | 7,608 | - | (7,608) | - | 7,608 | - | - | 7,608 | |
| ENATINERE Syndicated loan and derivatives interest | 2,296 | - | - | (9,744) | - | 9,554 | - | 2,106 | |
| AUCALSA Syndicated loan | - | - | - | (1,633) | - | 1,829 | - | 196 | |
| AUTOESTRADAS Bilateral loan interest | 1 | - | - | (127) | - | 127 | - | 1 | |
| Debt with financial institutions | 14,433 | - | (7,714) | (23,908) | 7,685 | 24,460 | - | 14,957 | |
| ENATINERE Other financial liabilities interest | 4,604 | - | - | (19,718) | - | 19,771 | - | 4,657 | |
| Other financial liabilities | 4,604 | - | - | (19,718) | - | 19,771 | - | 4,657 | |
| Lease liabilities | - | 76 | (618) | - | 554 | - | 542 | 554 | |
| Total current financial liabilities | 250,273 | 76 | (237,732) | (100,763) | 404,911 | 101,529 | 542 | 421,837 | |
| Non-Current and Current Financial Liabilities | 2,710,044 | 229,561 | (275,485) | (100,763) | - | 119,233 | 987 | 2,683,577 | |

18. RISK MANAGEMENT POLICIES

To a large extent, and as far as the concessionary companies are concerned, the Group's financial risk management policies and, therefore, the instruments for their achievement, are determined by the specific legislation and regulations of the infrastructure concession sector of activity, the respective concession agreements, each project's degree of maturity, the remaining years of the concession and the nature of the business, without forgetting, of course, the situation that reigns in the financial markets at any given moment.

Thus, the structure, type of financing, hedges, guarantees and, in short, all the other most suitable financing instruments are selected on the basis of the nature of and the risks inherent in each project to be financed, so as to mitigate them as far as is possible, without ignoring the balance between cost, risk, guarantees and term.

The financial policy and management of ITÍNERE is decided and executed by the Company's finance department, subject to the approval of its senior management. Briefly, this policy, as regards financial risk management, is as follows:

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18.1 CREDIT RISK

This is virtually non-existent due to the fact that income is received in cash or through credit cards or electronic collection devices, where the risk of non-payment is assumed by the management companies. Similarly, a part of the income derives from the payments which the different concession-granting Administrations, i.e. the Central Administration and Regional Governments, make in accordance with the terms and conditions of the respective concession agreements, all of which enjoy adequate credit ratings. At the year end, there were no significant financial assets in default or impaired. Nor had any guarantees been accepted against payment.

18.2 LIQUIDITY RISK

Liquidity risk is low at the concessionaires that make up the ITÍNERE Group, due to the nature and characteristics of the businesses' collections and payments structure, EBITDA, project financing, toll systems and clearly defined, systematic investment upgrade programmes. For the foregoing reasons, the concessionary companies do not need credit lines.

The financing structure, financing products, hedging arrangements, guarantees and the most appropriate financing instruments are selected on the basis of the nature and extent of the risks inherent in each project, with a view to eliminating or mitigating the risks to the extent possible, without losing sight of the risk/reward trade-off. Note 17 shows the detail of the financing arranged by the Group companies and an analysis of the maturities of their financial liabilities. In this respect, at 31 December 2020, the Group's working capital is negative at 42,682 thousand euros as a result of the current transfers of debt issued by the Group companies AUDASA and AUCALSA for an amount of 66,111 and 50,643 thousand euros, respectively, the maturity of which will take place in May 2021. In this regard, as of the date of drafting of these consolidated annual accounts, the refinancing processes for the aforementioned debts is in an advanced stage. More specifically, the companies already have the required official authorisations from the Secretary General of the Treasury and Financial Policy for the respective 2021 financing plans, which consider the capture of 66,111 thousand euros and 50,643 thousand euros, respectively. At the date of preparation of these consolidated annual accounts, AUCALSA has formal approvals from financial institutions to take out a loan for an aggregate amount of 50,643 thousand euros, to be paid out on 17 May 2021, maturing in June 2024, while AUDASA is in the final phase of the process of obtaining formal approvals from financial institutions and selecting offers for the hiring of a loan for an aggregate amount of 66,111 thousand euros, to be paid out on 31 May 2021 and maturing in May 2026. Both loans are expected to be formalised once the corresponding documentation processes have been completed.

Details of the contractual maturities of the debt subscribed by the Group companies at 31 December 2020 are given in Appendixes III and IV.

18.3 MARKET RISK

The ITÍNERE Group's concessionary companies operate on the basis of concession agreements granted by the Public Administrations, which establish the right to restoration of their economic and financial balance in the case of circumstances arising beyond the concessionary companies' control, all of which significantly limits the activity's risks. However, some risk factors can be identified, as summarised below:

- **Interest rate risk:** The structure of the Group's financial debt shown on the attached consolidated balance sheet, classified by interest rate risk between fixed-rate and protected debt and the debt pegged to a variable interest rate, at 31 December 2020, is as follows:

| Thousands of euros | Financial Debt | % |
|--------------------------|------------------|-------------|
| Fixed-rate debt | 1,141,930 | 43% |
| Debt with variable rates | 1,502,333 | 57% |
| Total | 2,644,263 | 100% |

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At 31 December 2020 and 2019, all debts with financial institutions contracted by the companies of the ITÍNERE and ENAITINERE Group is remunerated at a variable interest rate tied to Euribor. At present, none of these companies has contracted interest rate hedging financial instruments, although the evolution of the markets is permanently monitored and, if deemed appropriate, the contracting of instruments of this nature may be studied.

An analysis of the sensitivity of the impact on the consolidated income of a change of +/- 100 basis points regarding the interest rate applicable to Group debt, with respect to the financial expense, calculated at the average cost of debt at 31 December 2020, is as follows:

| Thousands of euros | | |
|---|-----------------|-----------------|
| | (Co) + 100 p.b. | (Co) - 100 p.b. |
| Financial expenditure at current average cost (Co): | (81,906) | |
| Financial expenditure at average cost +/- 1 point | (90,132) | (81,656) |
| Changes in profit/loss (tax net) | (6,170) | 188 |

Negative change: increase in financial expenses; positive change: decrease in financial expenses

- **Exchange rate risk:** The Group's policy is to arrange its indebtedness with financial institutions in the same currency as the one in which its business flows are produced. Likewise, no transactions are made in non-euro currencies. Consequently, there is currently no exchange rate risk.
- **Refinancing risk:** In the case of project financing, the risk is mitigated due to the fact that they are businesses with recurring income, growing cash flows and long-term concession periods.

As stated in notes 17.3 and 17.4, in February 2016 ITÍNERE and ENAITINERE refinanced their debt, which involved, among other modifications, the extension of the maturity dates of their financial liabilities until 2025.

Additionally, as of 31 December 2020, the Group's current liabilities included debt issued by AUDASA and AUCALSA maturing in May of 2021 and amounting to 66,111 thousand euros and 50,643 thousand euros, respectively, whose refinancing processes at the date of drafting of these consolidated annual accounts is in an advanced stage (see note 2 (a)).

As a consequence, all of the Group's debt is non-current, so the Company directors believe that this risk is moderate.

- **Demand risk:** In toll road concessions, the tolls collected by concession companies, which are their main source of income, depend on the number of vehicles using the road and its capacity to attract traffic. Average traffic and toll income also depend on a number of factors, including the quality, condition, comfort and travel time of alternative toll-free roads or non-Group toll roads, economic conditions, fuel prices, weather conditions, environmental legislation (including measures to restrict use of motor vehicles to reduce pollution), natural disasters and the viability or presence of alternative forms of transport such as air routes, railways and other intercity transport. The current characteristics of ITÍNERE's portfolio (mature and widely consolidated business) mitigate this risk.
- **Regulatory risk:** The Group's companies are required to comply with sector-specific and general legislation (accounting, environmental, employment, data protection, tax, etc.), whose stability and guarantee is fundamental in a highly regulated sector. As occurs in all highly regulated sectors, changes in the regulations can have a negative effect on the Company's business; it is not possible to assess which actions the concession grantor may take over a protracted period of time, so it is difficult to address them. In the case of significant regulatory changes (including tax modifications), which could have an effect on income in the short term or obligate them to bear

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new costs or investments, the Group's concessionary companies would have the right to amend the terms and conditions of the concession arrangement or negotiate with the responsible Administration certain changes in them to obtain financial and economic restitution, so the effects of the potential legal or regulatory changes must be neutral.

- **Capital risk:** The Group's leverage ratio at 2020 year-end is 72.94% in accordance with the following detail:

| Thousands of euros | Financial Debt | % |
|--------------------------|------------------|-------------|
| Fixed-rate debt | 1,141,930 | 43% |
| Debt with variable rates | 1,502,333 | 57% |
| Total | 2,644,263 | 100% |

As stated in notes 17.3 and 17.4, the Group's companies are subject to compliance with certain financial ratios established in the loan agreements they have signed. In this connection, these companies comply with the different clauses and, consequently, in this respect there are no motives that could give rise to the contracts' discharge by the lenders.

- **Risks associated with international expansion:** No specific projects for expansion into other countries are currently envisaged. Nevertheless, should ITÍNERE decide to expand its business to other countries, in the belief that this would contribute to its future growth and profitability, an in-depth field analysis would be carried out prior to authorising an investment of this type. Although there is always a risk in any expansion to new geographical areas, the management team's experience in this type of international development would help to mitigate these risks.
- **Price risk:** This risk is very low because concessionary companies operate in a regulated market in which the toll rates applied are reviewed on the basis of the variation in the CPI, which mitigates this risk.
- **General economic performance:** Economic evolution in 2021 is still subject to conditioning factors (which include health-related factors), although recovery will be supported by a relevant set of factors. Thus, the prolongation of expansionary measures already in place in fiscal and monetary matters and that of central banks, the Recovery and Resilience Facility (a key instrument of the European Recovery Funds) can be viewed as a clear opportunity to reactivate economic activity. The rate of the Spanish economy's recovery during 2021 and the next few years will depend, among other things, on the speed with which the European Recovery Funds are implemented and the degree to which they are used to strengthen growth over the medium and long term. It may be pointed that the Group's concessionary companies are favoured by the non-existence of high-capacity highways in the areas where the toll road are established.

Other risks to which the Group companies are exposed are as follows:

- Risks from damage caused during infrastructure maintenance work or construction or expansion work.
- Risks associated with workplace health and safety.
- Risks from loss of assets.

ITÍNERE and its investees have appropriate control systems to identify, quantify, assess and mitigate all of these risks, thus minimising or eliminating their impact. The Group also has a policy of taking out and maintaining insurance policies to cover these areas, among others.

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18.4 CAPITAL MANAGEMENT POLICY

The main objective of the Group's capital management policy is to guarantee a financial structure based on compliance with the prevailing regulations in Spain and one that is in accordance with the provisions of the award specifications of each of the concessionary companies that make up the Group (note 1).

The concession agreements establish a maximum percentage for the financing of concession assets through borrowings, with which the Group currently complies.

19. NON-CURRENT CREDITORS

The detail of this line-item on the consolidated balance sheet at 31 December 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| Debt with related parties (note 22) | - | 3,393 |
| Other creditors | 54,004 | 518,445 |
| Non-Current Creditors | 54,004 | 55,238 |

The other creditors mainly refer to the repayable advances registered by AUDASA and AUCALSA, the combined sum of which amounts to 53,668 thousand euros at 31 December 2020 (51,506 thousand euros at 31 December 2019). In accordance with the rules that regulate them, these advances will be paid back within the five financial years following the first year in which each company amortises the total amount of its internal and external debt, which it is estimated will be more than five years as from 31 December 2020 and, in all cases, before the concession term's finalisation. The total amount of the advances to be reimbursed by both companies is 170,564 thousand euros.

This heading also includes the withholdings from suppliers of non-current assets made by AUDASA as security for work performed in connection with the extension work on the AP-9, which at 31 December 2020 amounted to 200 thousand euros (187 thousand euros at 31 December 2019).

20. PROVISIONS

20.1 PROVISIONS FOR REPLACEMENT ACTIONS AND FOR THE DELIVERY OF THE TOLL ROAD

As stated in note 3 (p), the concession companies are required to comply with certain contractual obligations, which are recognised and measured based on the best estimate of the amount required to settle the obligation at the balance sheet date.

The movement in the provision for current and non-current replacements and for the delivery of the toll road in 2020 is as follows:

| Thousands of euros | Non-current | Current |
|--------------------------------------|---------------|---------------|
| Provision at 31 December 2019 | 41,739 | 10,194 |
| Provisions during the period | 10,413 | - |
| Financial adjustment (note 27) | (267) | - |
| Distributions during the year | - | (6,322) |
| Overprovision | - | (2,102) |
| Current transfers | (7,000) | 7,000 |
| Provision at 31 December 2020 | 44,884 | 8,770 |

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The provision applications made mainly relate to resurfacing activities and the replacement of structures and different installations carried out on the Group's toll roads.

The overprovision is due to the savings made in work carried out in the year compared to the projections.

20.2 OTHER PROVISIONS

As a result of the decision adopted by the Ministry of Transport, Mobility and Urban Agenda for the complete elimination of the toll in AP-1 EUROPISTAS as of 1 December 2018 after the termination of the concession contract of which the company was the holder on 30 November, the personnel of the toll area was the subject of a Downsizing Plan due to productive causes. In this regard, at 31 December 2020 and 2019 the company has recorded a non-current provision of 607 thousand euros relating to contributions to the Treasury to be made in accordance with applicable labour regulations (notes 13 and 25).

At 31 December 2020, GEBISA had made a current provision amounting 176 thousand euros (non-current at 31 December 2019) for the repairs to be carried out on the AP-8 toll road, which were considered sufficient to guarantee the delivery thereof under absolutely normal conditions for the provision of the service, once the contract for the operation and maintenance of the AP-8 toll road, of which the company is the holder, expires in June 2021.

21. OTHER CURRENT CREDITORS

The detail of this line-item on the consolidated balance sheet at 31 December 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| Debt with related parties (note 22) | 3,822 | 129 |
| Trade creditors | 3,840 | 5,212 |
| Staff | 1,296 | 6,006 |
| Other current payables | 3,069 | 6,838 |
| Other financial liabilities | 4,782 | 2,219 |
| Other Current Creditors | 16,809 | 20,404 |

21.1 AVERAGE PERIOD FOR PAYMENTS TO SUPPLIERS. ADDITIONAL PROVISION THREE. "REPORTING REQUIREMENT" OF ACT 15/2010 OF 5 JULY

The average period for payments to suppliers in 2020 and 2019 is shown below:

| | Days | |
|--|--------------------|--------|
| | 2020 | 2019 |
| Average period for payments to suppliers | 26 | 24 |
| Ratio of transactions paid | 27 | 24 |
| Ratio of transactions pending payment | 17 | 21 |
| | Thousands of euros | |
| | 2020 | 2019 |
| Total payments made | 44,876 | 68,601 |
| Total payments pending | 3,663 | 7,068 |

At 31 December 2020 and 2019, the Group does not have any amounts pending payment on commercial transactions that accumulate a deferment in excess of the legal deadline as per the

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provisions of Act 3/2004 of 29 December and its subsequent amendments through Act 15/2010 of 5 July and Royal Decree Law 4/2013 of 22 February.

22. RELATED PARTIES

The detail of income and expenses and other transactions, carried out by the Group's companies with related parties in 2020 and 2019, broken down by type of transaction and by the related party taking part therein, is shown on the attached charts. Said charts do not show transactions which were eliminated when drafting the consolidated financial information. They also do not include the transactions which, carried out under market conditions, are of minimum importance in relation to the financial position and operating results shown in the consolidated annual accounts. These transactions have been carried out on an arm's length basis.

- Transactions with related parties in 2020 and 2019:

| Thousands of euros | 2020 | | |
|--|---|--|--------------|
| INCOME AND EXPENSES | Group Companies, Associates and Other Related Parties | Other shareholders, directors and managers | Total |
| Financial expenses - Convertible Debentures (note 27) | 2,321 | 2,160 | 4,481 |
| ESTIVO INVESTMENTS HOLDING, B.V. | 2,313 | - | 2,313 |
| GLOBAL VIA GVIT, S.L. | - | 2,132 | 2,132 |
| DIRECTORS, SENIOR MANAGEMENT AND OTHERS | - | 21 | 21 |
| Valuation adjustment at amortised cost | 8 | 7 | 15 |
| Financial expenses - other debts (note 27) | 300 | - | 300 |
| ESTIVO INVESTMENTS HOLDING, B.V. (note 21) | 300 | - | 300 |
| TOTAL EXPENSES | 2,621 | 2,160 | 4,781 |
| Operating income | 441 | - | 441 |
| AUTOPISTA DE NAVARRA, S.A. | 441 | - | 441 |
| TOTAL INCOME | 441 | - | 441 |

| Thousands of euros | 2019 | | |
|--|---|--|--------------|
| INCOME AND EXPENSES | Group Companies, Associates and Other Related Parties | Other shareholders, directors and managers | Total |
| Financial expenses - Convertible Debentures (note 27) | 2,065 | 1,921 | 3,986 |
| ESTIVO INVESTMENTS HOLDING, B.V. | 2,060 | - | 2,060 |
| GLOBAL VIA GVIT, S.L. | - | 1,882 | 1,882 |
| CASER, S.A. | - | 16 | 16 |
| DIRECTORS, SENIOR MANAGEMENT AND OTHERS | - | 18 | 18 |
| Valuation adjustment at amortised cost | 5 | 5 | 10 |
| Financial expenses - other debts (note 27) | 276 | - | 276 |
| ESTIVO INVESTMENTS HOLDING, B.V. (note 21) | 276 | - | 276 |
| TOTAL EXPENSES | 2,341 | 1,921 | 4,262 |
| Operating income | 478 | - | 478 |
| AUTOPISTA DE NAVARRA, S.A. | 478 | - | 478 |
| TOTAL INCOME | 478 | - | 478 |

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- Balances with related parties at 31 December 2020 and 2019:

| Thousands of euros | 2020 | | |
|---|---|--|---------------|
| BALANCES | Group Companies, Associates and Other Related Parties | Other shareholders, directors and managers | Total |
| Non-current convertible debentures (note 17.2) | 21,442 | 19,950 | 41,392 |
| ESTIVO INVESTMENTS HOLDING, B.V. | 21,539 | - | 21,539 |
| GLOBAL VIA GVIT, S.L. | - | 19,848 | 19,848 |
| DIRECTORS, SENIOR MANAGEMENT AND OTHERS | - | 192 | 192 |
| Valuation adjustment at amortised cost | (97) | (90) | (187) |
| Other current payables | 3,822 | - | 3,822 |
| ESTIVO INVESTMENTS HOLDING, B.V. (note 21) | 3,822 | - | 3,822 |
| TOTAL PAYABLES | 25,264 | 19,950 | 45,214 |
| Current Assets | 30 | - | 30 |
| AUTOPISTA DE NAVARRA, S.A. | 30 | - | 30 |
| TOTAL CREDITS | 30 | - | 30 |

| Thousands of euros | 2019 | | |
|---|---|--|---------------|
| BALANCES | Group Companies, Associates and Other Related Parties | Other shareholders, directors and managers | Total |
| Non-current convertible debentures (note 17.2) | 19,121 | 17,790 | 36,911 |
| ESTIVO INVESTMENTS HOLDING, B.V. | 19,225 | - | 19,225 |
| GLOBAL VIA GVIT, S.L. | - | 17,564 | 17,564 |
| CASER, S.A. | - | 152 | 152 |
| DIRECTORS, SENIOR MANAGEMENT AND OTHERS | - | 171 | 171 |
| Valuation adjustment at amortised cost | (104) | (97) | (201) |
| Other non-current payables | 3,393 | - | 3,393 |
| ESTIVO INVESTMENTS HOLDING, B.V. (note 21) | 3,393 | - | 3,393 |
| Other current payables | 129 | - | 129 |
| ESTIVO INVESTMENTS HOLDING, B.V. (note 21) | 129 | - | 129 |
| TOTAL PAYABLES | 22,643 | 17,790 | 40,433 |
| Current Assets | 173 | - | 173 |
| AUTOPISTA DE NAVARRA, S.A. | 173 | - | 173 |
| TOTAL CREDITS | 173 | - | 173 |

On 21 February 2019, Pear Luxembourg Investment, S.á.r.l. transferred to Estivo Investments Holding, B.V. the rights to recovery of debts from ITÍNERE arising from the loan agreement signed on 20 July 2012. The principal of this loan at 31 December 2020 amounted to 3,681 thousand euros (3,393 thousand euros as non-current debt at 31 December 2019) This loan has a maturity date of 31 March 2021 and its remuneration consists of a fixed annual interest rate of 8.5%. Said contract provides for the capitalisation of any unpaid interest at the end of the settlement period. In 2020, the loan accrued interest for an amount of 300 thousand euros, of which 141 thousand euros had not yet matured (276 thousand euros in 2019 of which, at the end of that reporting period, 129 thousand euros had not yet matured).

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- Operations of a financial nature

As of 31 December 2020 and 2019, the Group had no related-party financial transactions.

23. TAX SITUATION

As stated in note 3 (s), ITÍNERE INFRAESTRUCTURAS, S.A. and its subsidiaries that comply with the provisions of Royal Decree 4/2004 of 5 March 2004, by virtue of which the consolidated text of the Corporate Income Tax Act was approved, have chosen, through a resolution of each company's respective competent body, to apply, with effect from 1 January 2009, the tax consolidation regime. This regime was granted by the Spanish State Tax Administration Agency (AEAT) in a communication from the Special Madrid Branch of the AEAT dated 9 July 2009, by virtue of which the parent company was notified that it had been assigned tax group number 36/09.

The companies that make up the tax consolidation group are as follows: ITÍNERE, ENAITINERE, ENA, AUDASA, AUCALSA, AUTOESTRADAS and AP-1 EUROPISTAS.

As a consequence of paying tax under a tax consolidation regime, the consolidated balance sheet at 31 December 2020 shows under the "current tax assets" line-item an amount due from the Public Treasury of 1,274 thousand euros resulting from the consolidated tax return for the 2020 financial year (4,818 thousand euros at 31 December 2019 that have already been collected as at the date of the preparation of these consolidated annual accounts).

Likewise, at 31 December 2020, the consolidated balance sheet shows under the "current tax liabilities" line-item the debt resulting from corporate income tax corresponding to the Group's companies located in Spain that do not pay tax under the tax consolidation regime, with a debt that amounts to 147 thousand euros (184 thousand euros at 31 December 2019).

23.1 YEARS OPEN TO TAX INSPECTION

Under current legislation, taxes cannot be deemed to have been finally settled until the tax returns filed have been inspected by the tax authorities or until the four-year statute-of-limitations period has expired. However, due to the extraordinary COVID-19 measures approved by the Government, the period from 18 March 2020 to 3 June 2020 does not count towards the expiry period.

On 5 July 2019, the Company received notification from the tax authorities of the commencement of tax audits and investigations into corporate income tax for 2013 to 2016, inclusive, and value added tax, withholdings on income from employment and business activities and withholdings on movable property for the period from July 2015 to December 2017, inclusive. Furthermore, on 8 July 2019 and 30 July 2019, AUDASA and AP-1 EUROPISTAS, respectively, received notification of the commencement of verification and investigation proceedings with regard to the same taxes and periods. Furthermore, on 14 February 2020, ITÍNERE received notification of the extension of the aforementioned actions, incorporating the concept of withholding taxes on the income of non-residents corresponding to the periods from January 2016 to December 2017.

On 30 November 2020, the companies AUDASA and AP-1 EUROPISTAS signed declarations of conformity for the purposes of withholding on income from work and financial activities and of withholding on movable property corresponding to the period of July 2015 to December 2017 (inclusive), and consolidation documents for the purposes of Corporate Income Tax and Value Added Tax, all certifying correctness and acceptability. Nevertheless, as of the date of drafting of these consolidated annual accounts, the actions corresponding to ITÍNERE have not yet finished.

Accordingly, generally and without considering the suspension of the expiry period caused by COVID-19, the Company companies generally have all the main taxes applicable thereto since 1 January 2017 open for review by the tax authorities (year ended 31 December 2013 for corporate income tax,

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periods from July 2015 onwards for value added tax, withholdings on income from employment and business activities and withholdings on movable capital). Nevertheless, the Administration's right to check or investigate the tax losses that are offset or available for carryforward, the double taxation deductions and the deductions to incentivise certain activities applied or pending application has a statute of limitations of 10 years starting from the day after that on which the period established for filing the return or self-settlement corresponding to the tax period in which the right to offsetting or application was generated. Once that period has elapsed, the Company must accredit the tax losses or deductions by submitting the tax return or self-settlement and the accounting records, with accreditation of their deposit during that period in the Mercantile Registry. As a result of the different possible interpretations of the tax legislation in force and other factors, additional liabilities may arise due to an inspection. The directors believe that those liabilities, if they occur, will not have a material impact on the consolidated annual accounts.

On 11 June 2013, the Tax Agency initiated inspection and verification activities regarding income tax corresponding to the 2007 and 2008 financial years, periods in which the Company formed part of the 20/02 tax group, the parent company of which was Sacyr, S.A., formerly Sacyr Vallehermoso, S.A. (see note 1 (c)). As a result of these inspections, the corresponding declarations of conformity and non-conformity have been issued to the parent company of said tax group. According to information from Sacyr, S.A., the declaration of conformity was settled in 2016, while the declarations of non-conformity was appealed. On 11 February 2021, Sacyr, S.A. filed a lawsuit to the National Court, which is pending of resolution as of the date of formulation of these consolidated annual accounts.

In any case, and in relation to potential contingencies related to the periods in which the Company formed part of the tax group of Sacyr, S.A. (until 2008), the parent company of that tax group undertakes to hold ITÍNERE and its investees harmless under the terms and conditions established in the undertaking contract drafting and accepting the takeover bid for the shares of ITÍNERE signed in November 2008 between Sacyr Vallehermoso, S.A. and Citi Infrastructure Partners L.P. (note 1 (c)).

23.2 TAX RATE

Corporate Income tax for the 2020 financial year has been calculated by applying the tax rates that correspond to the Group's companies in accordance with the territory in which they have the obligation of paying tax.

Income Tax Act 27/2014 of 27 November, published in the Spanish Official Gazette (BOE) on 28 November 2014, includes, inter alia, the modification of the general income tax rate, which stands at 25% for years started 1 January 2016 onwards.

The GEBISA Group company is taxed Corporate Income Tax in accordance with Provincial Regulation 11/2013, of 5 December, on Corporate Income Tax and the Corporate Tax Regulation, approved by the Regional Decree of the Regional Government of Biscay 203/2013, of 23 December, which establish a general tax rate of 24% (26% in 2019, in accordance with Transitional Provision 24 of Provincial Regulation 11/2013 on interim measures for the 2018 tax period, introduced by Provincial Regulation 2/2018).

At 31 December 2020, the Group has accrued income for corporate income tax in an amount of 12,160 thousand euros (17,513 thousand euros at 31 December 2018).

The reconciliation between the tax expense corresponding to the 2020 and 2019 financial years, resulting from multiplying the book profit by the applicable tax rate in Spain, and the actual corporate income tax, is as follows:

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| Thousands of euros | 2020 | 2019 |
|--|-----------------|-----------------|
| Pre-tax consolidated profit/loss | (59,980) | (35,696) |
| Tax calculated at a rate of 25% | 14,995 | 8,924 |
| Permanent differences and consolidation adjustments ⁽¹⁾ | (13,780) | (12,889) |
| Deductions and rebates ⁽²⁾ | 11,019 | 21,488 |
| Adjustment for different tax rates ⁽³⁾ | (9) | (10) |
| Other adjustments | (65) | - |
| Corporate income tax | 12,160 | 17,513 |
| Effective rate | 20.3% | 49.1% |
| Deferred tax assets (note 23.3) | (12,811) | (20,301) |
| Deferred tax liabilities (note 23.3) | (2,131) | (2,116) |
| Current tax | (2,782) | (4,904) |

- 1) The permanent differences and consolidation adjustments mainly correspond to the adjustments resulting from the limitation on the deductibility of financial expenses, the amortisation of goodwill arising prior to the business combination described in note 1 (c) and the results of the equity accounted investments.
- 2) The deductions and rebates applied in 2020 and 2019 correspond primarily to deductions to avoid double taxation.
- 3) The adjustment for different tax rates includes adjustments with an impact on results derived from the different tax rates applicable to Group companies.

23.3 DEFERRED TAXES

The movement in deferred tax assets and liabilities in 2019 and 2020 is as follows:

| Thousands of euros | ASSETS | | | | LIABILITIES | | | |
|------------------------------------|-------------------------------|---------------------------|--------------------|----------------|------------------------|--------------------------|----------------------------------|---------------|
| | Deductible timing differences | Credit loss carryforwards | Pending deductions | Total | For repayable advances | For business combination | Other taxable timing differences | Total |
| Balance at 31 December 2018 | 131,988 | 5,872 | 35,379 | 173,239 | 28,412 | 24,373 | 1,346 | 54,131 |
| Additions | 8,035 | - | 21,488 | 29,523 | - | - | - | - |
| Disposals | (982) | (3,229) | (5,011) | (9,222) | (897) | (993) | (226) | (2,116) |
| Balance at 31 December 2019 | 139,041 | 2,643 | 51,856 | 193,540 | 27,515 | 23,380 | 1,120 | 52,015 |
| Additions | 7,585 | - | 11,019 | 18,604 | - | - | - | - |
| Disposals | (1,048) | (1,832) | (2,913) | (5,793) | (944) | (950) | (237) | (2,131) |
| Balance at 31 December 2020 | 145,578 | 811 | 59,962 | 206,351 | 26,571 | 22,430 | 883 | 49,884 |

(note 23.4) (note 23.4)

Deferred tax assets relating to deductible timing differences mainly result from the adjustments made in application of the IFRS-EU relating to the deferred financial burden registered by concessionary companies for local purposes, as per the provisions of the adaptation of the General Chart of Accounts to infrastructure concessionary companies, approved by Order EHA/3362/2010 of 23 December in force in Spain.

In addition to the above, Act 16/2012 of 27 December sets a limit of 70% on the deductibility of amortisation and depreciation of intangible assets, property, plant and equipment and investment properties for tax periods beginning in 2013 and 2014. Furthermore, non-tax deductible accounting amortisation and depreciation shall be deducted on a straight-line basis over a period of 10 years or the useful life of the asset, as of the first tax period beginning in 2015.

As a consequence of the foregoing, at 31 December 2020 the Group companies have recognised deductible timing differences for this item in an amount of 3,271 thousand euros (4,089 thousand euros at 31 December 2019).

The deferred tax liabilities correspond to the tax effect of the valuation at fair value of the repayable advances granted to AUDASA and AUCALSA (note 19). The line-item also includes to the tax effect resulting from fair-value valuation adjustments of the assets and liabilities acquired in the business

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combination carried out in 2009 (see note 1 (c)). In addition, as a result of the application of IFRS 9, a deferred tax liability has been recognised which, at 31 December 2020, amounts to 883 thousand euros (1,120 thousand euros at 31 December 2019).

23.4 TAX LOSSES AVAILABLE FOR CARRYFORWARD AND UNUSED TAX CREDITS

At 31 December 2020, AUCALSA is the only Group company that has tax credits, the valuation of which at the current tax rate amounts to 811 thousand euros, corresponding to tax losses available for carryforward against future profits. At 31 December 2019, the balance of tax credits to be offset by the Group amounted to 2,643 thousand euros.

These tax credits have been recognised under the “deferred tax assets” line-item on the attached consolidated balance sheet. The directors of the parent company are of the opinion that future tax gains will be generated that will allow these tax credits to be offset.

In financial year 2020, the AUCALSA Group company offset the tax losses at the prevailing tax rate amounting to 1,832 thousand euros (3,229 thousand euros in financial year 2019 corresponding to AUCALSA, AUTOESTRADAS and ENAITINERE Group companies for amounts of 1,589 thousand euros, 992 thousand euros and 648 thousand euros, respectively).

In addition, ENAITINERE has tax losses available for carryforward in the amount of 8,950 thousand euros, generated prior to the Company's inclusion in the consolidated tax group, that have not been recognised owing to the existence of doubts as to their future recovery.

In relation to the deferred tax asset derived from the limit to the deductibility of amortisation and depreciation, set out by Act 16/2012 of 27 December, transitional provision 37 of Act 27/2014 of 27 November states that companies can deduct from income tax payable 5% of the amounts included in taxable income for the tax period, resulting from the tax reversal of the expense adjusted for non-deductible amortisation and depreciation charges in 2013 and 2014 (2% deduction in 2015). Therefore, as a result of the above, at 31 December 2020 the Group had recognised unused tax credits amounting to 654 thousand euros (818 thousand euros in 2019) for reversal of the temporary measures.

The settlement of corporate income tax corresponding to 2020 and 2019 takes into account the application of a deduction for double taxation on the dividend distributed by ENA resulting from the application of transitional provision 23 of Act 27/2014 in relation to the settlement of taxes by the previous holder of the stake, SEPI, on the capital gains generated in the transfer of ENA made in 2003. As a result of the above, a deduction of 2,713 thousand euros (4,844 thousand euros for this same concept in 2019) was applied in 2020, and an amount of 11,019 thousand euros has been activated as a tax credit for deductions generated pending application (21,488 thousand euros in 2018).

In accordance with Royal Decree Law 3/2016 of 2 December, effective from 2016, the consolidated tax group to which the Company belongs has a limit for offsetting tax losses of 25% of the tax loss prior to that offset and a limit to the double tax deduction envisaged in transitional provision 23 of Act 27/2014, which cannot exceed 50% of the consolidated tax group's gross tax payable.

Pursuant to the provisions of article 16 of Act 27/2014, there is a limitation on the extent to which financial expenses can be deducted, with the result that only net financial expenses up to an amount of 30% of the financial year's operating profit can be deducted. Any net financial expenses not deducted may be deducted in the following tax years, along with those of the relevant tax period, with the limit envisaged in that article.

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At 31 December 2020, the Group accumulates net financial expenses that it has not been able to deduct because they exceed the limit established by the aforesaid article, for an amount of 414,839 thousand (382,962 thousand euros at 31 December 2019). The Group's companies have chosen not to register the tax credits resulting from the application of the aforementioned limitation, although its future recovery is expected.

As per the provisions of Act 27/2014 of 27 November 2014, there is no time limit for offsetting tax losses or for the deduction of tax credits resulting from the limitation on the deductibility of financial expenses.

24. NET REVENUES

The breakdown of revenue by activity in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|--|----------------|----------------|
| Toll revenue | 143,527 | 197,956 |
| Public Administration Offsetting (note 13) | 26,024 | 11,753 |
| Rendering of services | 11,385 | 16,659 |
| Net Revenues | 180,936 | 226,368 |

As indicated in note 13, during the 2020 fiscal year AUDASA recorded 11,474 thousand euros corresponding to the shadow toll income from 29 July 2017 to 31 December 2019 stemming from the invalidity of Royal Decree 803/2017 and, therefore, in application of Royal Decree 633/2006 (see note 1 (f)).

The distribution of revenue by company in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|---------------------|----------------|----------------|
| AUDASA | 127,898 | 153,407 |
| AUCALSA | 29,276 | 40,485 |
| AUTOESTRADAS | 12,377 | 15,817 |
| GEBISA | 10,552 | 10,052 |
| AP-1 EUROPISTAS | - | 5,690 |
| ENA | 678 | 764 |
| ITÍNERE | 155 | 153 |
| Net revenues | 180,936 | 226,368 |

As stated in note 1 (d), on the occasion of the termination of the concession contract held by AP-1 EUROPISTAS on 30 November 2018, the Ministry of Transport, Mobility and Urban Agenda decided to completely remove the toll as from 1 December. In order to be able to continue with the upkeep and operation of the AP-1 toll road, an Emergency Contract was formalised between AP-1 EUROPISTAS and the aforementioned Ministry, the works having been carried out normally until its completion on 15 December 2019. The income recorded under the aforementioned Emergency Contract amounts to 5,690 thousand euros as 31 December 2019.

All the consolidated revenues have been generated in the Spanish market.

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The breakdown of toll income by means of payment in 2020 and 2019 is as follows:

| | 2020 | 2019 |
|------------------------------|-------------|-------------|
| Electronic collection device | 59% | 54% |
| External cards | 26% | 25% |
| Cash | 15% | 21% |
| Toll collection | 100% | 100% |

25. PERSONNEL EXPENSES

The detail of personnel expenses in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|--------------------------------------|---------------|---------------|
| Wages, salaries and similar expenses | 20,604 | 22,650 |
| Indemnities | 552 | 701 |
| Employer benefits expense | 5,973 | 6,580 |
| Personnel expenses | 27,129 | 29,931 |

Of the total personnel expenses for 2020, 5,601 thousand euros correspond to the Social Security costs of the Group's companies (6,242 thousand euros in 2019).

Details of the average headcounts in 2020 and 2019 by professional category are as follows:

| | Average | |
|----------------------|------------|------------|
| | 2020 | 2019 |
| Managers | 16 | 16 |
| Technical staff | 57 | 69 |
| Administrative staff | 36 | 39 |
| Other staff | 354 | 394 |
| Temporary workers | 21 | 19 |
| Total | 484 | 537 |

The detail of distribution by category and gender at 31 December 2020 and 2019 is as follows:

| | Men | | Women | | Total | |
|----------------------|------------|------------|------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Managers | 15 | 15 | 1 | 1 | 16 | 16 |
| Technical staff | 36 | 34 | 21 | 20 | 57 | 54 |
| Administrative staff | 14 | 13 | 28 | 27 | 42 | 40 |
| Other staff | 243 | 258 | 140 | 149 | 383 | 407 |
| Temporary workers | 22 | 16 | 11 | 8 | 33 | 24 |
| Total | 330 | 336 | 201 | 205 | 531 | 541 |

In 2020, there was an average of 8 employees (9 employees in 2019) with a disability of 33% or higher, belonging to another staff category.

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At 31 December 2020 and 2019, the Company's Board of Directors is made up of 9 men and 3 women.

26. EXTERNAL SERVICES AND OTHER OPERATING EXPENSES

The detail of this line-item in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|---|---------------|---------------|
| Repairs and maintenance | 9,547 | 11,203 |
| Services of independent professionals | 2,426 | 2,220 |
| Taxes | 2,099 | 2,941 |
| Insurance | 1,961 | 2,081 |
| Supplies | 1,859 | 2,088 |
| Other operating expenses | 1,235 | 1,431 |
| Banking services | 1,024 | 1,244 |
| Advertising, marketing and public relations | 219 | 335 |
| Leasing and royalties | 27 | 63 |
| External services and other operating expenses | 20,397 | 23,606 |

27. FINANCIAL INCOME AND EXPENSES

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

| Thousands of euros | 2020 | 2019 |
|---|------------------|------------------|
| Financial expenses | (107,812) | (122,328) |
| Update provisions for replacement actions (note 20.1) | 267 | (392) |
| Financial expenses | (107,545) | (122,720) |
| Financial income | 1,827 | 613 |
| Financial income | 1,827 | 613 |
| Total financial profit/loss | (105,718) | (122,107) |

The detail by item of financial expenses in 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|---|------------------|------------------|
| Debt with credit institutions (note 17.3) | (35,458) | (29,059) |
| Non-convertible debentures (note 17.1) | (43,016) | (64,900) |
| Other financial liabilities (note 17.4) | (21,402) | (21,233) |
| Convertible debentures (note 17.2 and 22) | (4,481) | (3,986) |
| Other financial expenses | (2,958) | (2,819) |
| Financial expenses with related parties (notes 19.1 and 22) | (300) | (276) |
| Lease liabilities (note 17.5) | (197) | (55) |
| Total financial expenses | (107,812) | (122,328) |

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28. INCOME STATEMENTS FOR THE YEAR

The detail of the income statements attributable to the parent company, taking into account consolidation adjustments net of the tax effect and broken down by companies, corresponding to 2020 and 2019 is as follows:

| Thousands of euros | 2020 | 2019 |
|--|-----------------|-----------------|
| ENAITINERE | (21,829) | (11,940) |
| ITÍNERE | (16,469) | (18,999) |
| AUDASA | (10,444) | (2,488) |
| ENA | (2,519) | (2,807) |
| AUCALSA | (1,220) | 3,743 |
| AUDENASA | 694 | 4,060 |
| AUTOESTRADAS | 1,386 | 6,339 |
| AP-1 EUROPISTAS | 1,106 | 2,305 |
| GEBISA | 891 | 984 |
| BIP & DRIVE | 326 | 285 |
| Profit/loss from continuing operations ⁽¹⁾ | (48,078) | (18,518) |
| Profit/loss for the year | (48,078) | (18,518) |

⁽¹⁾ Profit /loss attributable to the parent company

29. INFORMATION ABOUT COMPANY DIRECTORS AND SENIOR MANAGEMENT

The Articles of Association establish that the directors will not receive any remuneration, except in cases where, in the latter, they are allowed.

The only remunerations paid out in 2020 are those of the Chairman and the Chief Executive Officer, who have risen by all the concepts considered in the articles of association (salaries, remuneration, cash or in kind, indemnities, pensions and compensation of any kind) to 250 thousand euros (205 euros in 2019) and 849 thousand euros (841 thousand euros during 2019), respectively. The rest of the directors have not received any remuneration for any reason. Likewise, in 2020 and 2019, the individuals who represented the Company on the boards of directors of the investees did not receive any remuneration for the performance of this function.

Additionally, in 2020 the Company has paid out the members of the Company's Senior Management that are not part of its Board of Directors remunerations for a total amount of 1,627 thousand euros (1,623 thousand euros during 2019).

No liabilities have been undertaken relating to pensions or life insurance payments in favour of the members of the Board of Directors or Senior Management staff, who, in the case of insurance, do not form part of the remuneration indicated in the previous paragraph. At 31 December 2020 and 2019 no balances of debtors or creditors with the Company were maintained, other than those mentioned in notes 17.2 and 22. In 2020, the Company paid civil liability insurance premiums to directors and managers in the amount of 89 thousand euros corresponding to corporate civil liability policies which cover the directors and managers of the Company itself and the directors and managers of the Group companies representing it (65 thousand euros in 2019).

In 2020 and 2019, the Company's directors did not carry out any transactions with the Company or any other of the Group Companies outside their ordinary business or in conditions other than on an arm's length basis. Similarly, the Company's directors and the persons related or linked to them have not been involved in any situation of conflict of interest that, pursuant to the provisions of article 229 of the consolidated text of Corporate Enterprises Act, needs to be notified.

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30. PERFORMANCE BONDS AND GUARANTEES

At 31 December 2020 and 2019, the Group issued performance bonds and guarantees through different financial institutions for the following amounts:

| Thousands of euros | 2020 | 2019 |
|----------------------------|---------------|---------------|
| Construction guarantees | 15,592 | 15,592 |
| Operational guarantees | 55,292 | 55,236 |
| Other financial guarantees | 920 | 1,092 |
| Total | 71,804 | 71,920 |

As mentioned in note 1 (d), at the date of drafting of these consolidated annual accounts, the process of transferring the concession assets of AP-1 EUROPISTAS has finalised -- pending the materialisation of the return of the construction and operations guarantees, something which has already been requested.

In addition, by virtue of the financial agreements signed by the Group's companies, certain undertakings exist, as referred to in notes 17.3 and 17.4.

The Company's directors are of the opinion that no liabilities will arise as a consequence of these bonds, commitments and guarantees.

31. LAWSUITS AND CONTINGENCIES

Some of the Group's companies are involved in legal and out-of-court disputes within the ordinary course of their activities (disputes with suppliers, customers, public administrations, private persons, employees, etc.). The appropriate provisions are made in those cases in which it is considered that there is a possibility of a ruling going against the Group. The directors are of the opinion that, in the event of a ruling against the Group, none of these proceedings will have a significant effect on the Group's financial information for the 2020 financial year.

Notwithstanding the foregoing, the following is the most relevant matter that, in this respect, ITÍNERE has open at 31 December 2020:

Superstrada Pedemontana Veneta S.p.A

One of the agreements established in the undertaking contract drafting and accepting the takeover bid for the shares (see note 1 (c)) was that the stake that ITÍNERE had at the time in the tender process under way would be transferred to the Sacyr Vallehermoso Group (currently the Sacyr Group), holding ITÍNERE and the buyer completely harmless. One of the projects included "Pedemontana-Veneta" with respect to which Sacyr, ITÍNERE and Pear Acquisition Corporation, S.L.U. (the buyer) signed on 29 July 2009 a document that includes the "Agreement regulating ITÍNERE'S stake in the Pedemontana-Veneta toll road project" which regulates, among others, ITÍNERE'S exit from the project as soon as possible and Sacyr's commitment that, until ITÍNERE does not leave the project, it will hold ITÍNERE and the buyer completely harmless of any costs or damages that ITÍNERE may suffer directly or indirectly as a result of its stake in the project. The agreement specifically envisages ITÍNERE'S harmlessness in the event that the project company receives subsidies from the granting administration.

To carry out the project, the concession company Superstrada Pedemontana Veneta S.p.A. was created to which ITÍNERE contributed a capital of 10 euros (which was completely provisioned from the start) and currently represents 0.000005% of its share capital, while the remaining 99.999995% is

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owned by CONSORZIO STABILE SIS S.c.p.A.; since the signature of that agreement, ITÍNERE has not participated in any way whatsoever in the project or held any responsibility on its board of directors. Since the start of the project, ITÍNERE has notified Sacyr on several occasions that it wants to leave the project but this has not yet been specified. In 2016, ITÍNERE was notified that the concession company received the aforementioned subsidies from the granting administration as "contributo pubblico a fondo perduto in fondo costruzione", for which ITÍNERE and CONSORZIO STABILE SIS are jointly and severally liable since they are the partners fostering the project. In addition, in 2017 ITÍNERE also learnt of the closure of the financing of this project, which was signed on 29 November, through a bond issue.

The Directors did not deem it necessary to allocate a provision for this project given that ITÍNERE has become aware that at least 25 km of the 96 km initially planned would have been opened to traffic - which confirms completion of the construction works and the probable provisional acceptance thereof between November 2021 and February 2022 according to the latest Project timeline, a milestone whereupon ITÍNERE is no longer jointly and severally liable -, and given that the aforesaid "Agreement regulating ITÍNERE'S stake in the Pedemontana-Veneta toll road project and supplementary agreements remain in force.

32. ENVIRONMENT

Regular work is carried out for protecting and improving the environment and for integrating the toll road into the surrounding landscape. These tasks refer to the cutting back of undergrowth in the central reservation, hard shoulder and service and rest areas, the pruning of bushes and the clearing of weeds from roadsides, and the planting of bushes or other plant species in the central reservation and other areas of the toll road.

Ordinary expenses for the aforementioned work in 2020 amounted to 1,566 thousand euros (1,830 thousand euros in 2019). The Group does not consider it necessary to make any additional provisions to cover possible expenses or risks relating to environmental actions. Consequently, no amounts have been charged to these provisions at the close of the current financial year.

The Group reports annually on its environmental performance, doing so publicly, in the Statement of Non-Financial Information.

33. OTHER INFORMATION

Fees for the year ended 31 December 2020 included in the consolidated annual accounts corresponding to the parent company and the rest of the consolidated companies, for audit services amounted to 181,350 euros (163,500 euros in 2019) and, for other services of accounting verification amounted to 14,000 euros in 2020 (7,000 euros in 2019).

The stated amounts refer solely to audit, accounting verification and other services and include all the fees relating to those items corresponding to 2020 and 2019, regardless of the time at which they were invoiced. PricewaterhouseCoopers Auditores, S.L. has not provided any other type of service to the Group companies during 2020 and 2019.

34. ECONOMIC - FINANCIAL PLANS

In accordance with the prevailing Spanish legislation, the Group's concessionary companies duly submitted to the concession-granting administrations their Economic-Financial Plans that foresee the complete recovery of the investment in the toll road plus the deferred financial burden and the debt's amortisation in the concession period, guaranteeing adequate remuneration of capital and reserves.

On 31 January 2012, some of the Group's companies submitted some updated financial forecasts to the concession-granting administration (presented at the Administration's request), which included the

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modifications deriving from the accounting standards that apply to concessionary companies after the entry into force of Order EHA/3362/2010 of 23 December, in which certain accounting estimates that act as the basis for the calculation and registration of certain indicators were reviewed and updated.

On 19 November 2014, the Regional Government of Navarre approved the new Economic-Financial Plan of AUDENASA.

On 18 December 2019, AUCALSA submitted Updated financial projections to the Administration amending those submitted in 2012 in order to adapt certain accounting estimations, which serve as the basis for determining and recording certain figures, of the Company's current circumstances, which differ significantly from the initial projections. Specifically, as mentioned in note 17.3, on 10 June 2019 the company obtained a bank loan to meet the contractual maturity date of a tax-exempt bond issue, with financial conditions that implied significant changes in the financial costs being considered.

As regards to the criteria adopted by the concessionary companies for establishing the most important indicators for their respective Economic-Financial Plans, the most significant are:

- **CPI:** An average annual variation in the consumer price index in the region of 2% has been estimated for up to the end of the respective concession periods.
- **Traffic:** Average daily traffic (hereinafter, ADT) throughout the concession periods has been calculated taking into account the traffic growth series contemplated in each financial model, which make up the concession agreement's economic-financial balance scenario. Traffic growth assumptions constitute one of the main bases of the Economic-Financial Plan owing to the fact that forecast income and, consequently, the systematics for the recognition of the activated financial burden depend on them, as per the accounting rules in accordance with which the companies prepare their individual annual accounts.
- **Toll rate review:** The toll rates to be applied by the companies are regulated by the concession-granting companies and are reviewed annually as established in the legislation applicable to that effect. In some cases, the review formula includes a correction factor based on deviations between forecast ADTs and those actually obtained. As mentioned in note 13, part of the toll income received by the Group's companies is provided by the concession-granting administrations, by virtue of the provisions of the contracts and covenants governing the different concession agreements and all other related legislation.
- **Toll income:** Toll income is obtained by applying traffic growth assumptions and tariff reviews.
- **Operating expenses:** Generally speaking, operating expenses fluctuate in line with the CPI.
- **Financial expenses:** When calculating financial expenses, each company's financial structure is taken into account. Conditions similar to those contemplated in the respective Economic-Financial Plans originally presented by the companies to the Administrations or the versions updated on the basis of the latest debt issues made are taken into account in the refinancing that takes place throughout the concession period. In what regards AUCALSA, the Updated Financial Projections in force consider the company's current financial structure, which considers the financial conditions of the debt signed in 2019 (see note 17.3).
- **Replacement investments:** The companies have prepared multi-annual plans of the infrastructure activities to be carried out throughout the concession period or up to the date of the infrastructures' reversion to the respective concession-granting companies, designed to guarantee adequate rendering of the services that constitute their corporate purpose. These plans act as the basis for the systematic registration of the corresponding provisions based on the infrastructures' use up to the moment at which these activities have to be carried out, as a result of their continuous wear and the obligation of maintaining them in an adequate condition for their use

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(note 20).

The detail of the toll rate updates to be applied in 2021 in the Group's concessionary companies is as follows:

| Concession Company | Concession Arrangement | Legislation on the basis of which rates are reviewed | Changes in tariffs 2020 |
|--------------------|-----------------------------|--|-------------------------|
| AUDASA | AP-9 El Ferrol-Tuy | Act 14/2000, of 29 December of the State Administration | +0.920% ⁽¹⁾ |
| AUCALSA | AP-66 Campomanes-León | " | -0.080% |
| AUDENASA | AP-15 Tudela-Irurzún | Agreement of 25 May 2007 of the Government of Navarre | -0.760% |
| AUTOESTRADAS | AG-55 A Coruña-Carballo and | Royal Decree 210/1990, of 16 February and Decree 100/2008, of 17 April of the Xunta de Galicia | -0.760% |
| | AG-57 Puxeiros- Val Miñor | | |

⁽¹⁾ It includes the extraordinary revision of rates considered in Royal Decree 1733/2011, of 18 November, which establishes an extraordinary cumulative increase of 1 per cent per year for twenty years.

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35. FACTORS ARISING FROM APPLYING IFRS 11

The provisions of this standard affect the consolidation method that applies to the 50% owned Group company, AUDENASA which, since its entry into force, is equity accounted.

For the purposes of a better understanding of the Group's main figures, taking into account the consolidation standard prior to the entry into force of IFRS 11 – Joint Arrangements – the consolidated income statement for the years ended 31 December 2020 and 2019 are shown below for comparative purposes, obtained through the proportional consolidation of AUDENASA.

| | 2020 (Proportional method) | 2019 (Proportional method) |
|--|---|---|
| Net turnover | 199,866 | 250,671 |
| Works carried out by the group for the fixed assets | 1,039 | 67 |
| Other operating income | 8,963 | 3,514 |
| Allocation of grants | (66) | 3 |
| Profit/loss from asset disposal | 2,312 | 1,967 |
| Total operating income | 212,114 | 256,222 |
| Inventories | (2,292) | (1,267) |
| Staff expenses | (29,321) | (32,180) |
| Provisions for fixed asset amortisation | (101,929) | (101,570) |
| External services and other operating expenses | (21,735) | (25,015) |
| Variations in traffic provisions | (227) | 92 |
| Provision for replacement actions | (11,963) | (9,479) |
| Total operating expenses | (167,467) | (169,419) |
| OPERATING PROFIT/LOSS | 44,647 | 86,803 |
| Other interests and similar income | 1,829 | 615 |
| Total financial income | 1,829 | 615 |
| Financial expenses and similar expenses | (107,498) | (122,804) |
| Total financial expenses | (107,498) | (122,804) |
| FINANCIAL PROFIT/LOSS | (105,669) | (122,189) |
| Profit of companies accounted for using the equity method | 325 | 283 |
| CONSOLIDATED PRE-TAX PROFIT/LOSS | (60,697) | (35,103) |
| Corporate income tax | 12,877 | 16,920 |
| CONSOLIDATED PROFIT/LOSS FROM CONTINUING OPERATIONS | (47,820) | (18,183) |
| CONSOLIDATED PROFIT/LOSS FOR THE YEAR | (47,820) | (18,183) |
| Attributable to: | | |
| Non-controlling interests | (258) | (335) |
| PARENT COMPANY | (48,078) | (18,518) |

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No events after the reporting period have taken place.

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APPENDIX I: SCOPE OF CONSOLIDATION AT 31 DECEMBER 2020 AND 2019

| Company and address | % stake | Holder of the stake | Investment (Mill. Euros) | | Link | Consolidation method | Activity |
|---|---------|---|--------------------------|----------|---------------|-----------------------------|--|
| | | | 2019 | 2018 | | | |
| Itinere Infraestructuras, S.A. <i>C/ Capuchinos de Basurto 6, Bilbao - Spain</i> | - | Shareholders (note 16) | - | - | - | Fully consolidated | Holding of concesiones |
| Enaitinere, S.A.U. <i>C/ Poeta Joan Maragall, 1. Madrid - España</i> | 100.00% | Itinere Infraestructuras, S.A. | 2,583.96 | 2,583.96 | Subsidiaries | Fully consolidated | Holding of concesiones |
| ENA Infraestructuras, S.A. (ENA) <i>C/ Poeta Joan Maragall, 1. Madrid - España</i> | 100.00% | Enaitinere, S.A.U. | 1,588.33 | 1,588.33 | Subsidiaries | Fully consolidated | Construction and operation of toll roads |
| Autopistas del Atlántico, C.E.S.A. (AUDASA) <i>C/ Alfredo Vicent, 15. A Coruña - Spain</i> | 100.00% | ENA Infraestructuras S.A. | 114.9 | 114.9 | Subsidiaries | Fully consolidated | El Ferrol - Tuy (AP-9) toll road concession |
| Autopista Concesionaria Astur-Leonesa, S.A. (AUCALSA) <i>Parque Empresarial ASIPO II, Llanera. Asturias. Spain</i> | 100.00% | ENA Infraestructuras S.A. | 214.63 | 214.63 | Subsidiaries | Equity Method of Accounting | Campomanes - León (AP-66) toll road concession |
| Autopista de Navarra, S.A. (AUDENASA) <i>Autopista AP-15 Km. 83-Sur en Tajonar, Navarra - Spain</i> | 50.00% | ENA Infraestructuras S.A. | 40.31 | 40.31 | Joint venture | Equity Method of Accounting | Irurún - autopista del Ebro (AP-15) toll road concession |
| Autoestradas de Galicia, S.A. (AUTOESTRADAS) <i>C/ Alfredo Vicent, 13. A Coruña - Spain</i> | 100.00% | ENA Infraestructuras S.A. | 30.18 | 30.18 | Subsidiaries | Equity Method of Accounting | A Coruña - Carballo (AG-55) and Puxeiros - Val Miñor (AG-57) toll roads concession |
| AP-1 Europietas, Concesionaria del Estado, S.A. (AP-1 EUROPISTAS) <i>Cardeñajimeno, área de peaje de Castañares, Burgos. Spain</i> | 100.00% | Enaitinere, S.A.U. | 148.43 | 148.43 | Subsidiaries | Equity Method of Accounting | Burgos-Armiñon toll road concession (AP-1) until the complete settlement of its obligations (note 1 (d)) |
| Gestión de Infraestructuras de Bizkaia, S.A. (GEBISA) <i>C/ Capuchinos de Basurto 6, Bilbao - Spain</i> | 55.00% | AP-1 Europietas, Concesionaria del Estado, S.A. | 0.41 | 0.41 | Subsidiaries | Equity Method of Accounting | Maintenance and operation of the AP-8 |
| Tacel Inversiones, S.A. (TACEL) <i>Feal - San Mamede de Ribadulla; Vedra - A Coruña - Spain</i> | 9.36% | Itinere Infraestructuras, S.A. | 3.13 | 3.13 | Associate | Equity Method of Accounting | Santiago Compostela - Alto Sto. Domingo toll road Concession Holding |
| Autopista Central Gallega, C.E.S.A. (ACEGA) <i>Feal - San Mamede de Ribadulla; Vedra - A Coruña - Spain</i> | 9.00% | ENA Infraestructuras S.A. | 3.01 | 3.01 | | | |
| Bip & Drive, E.D.E., S.A. (BIP & DRIVE) <i>Calle Serrano, 45; Planta 2. Madrid - Spain</i> | 20.00% | Itinere Infraestructuras, S.A. | 2.41 | 2.41 | Joint venture | Equity Method of Accounting | Provision of operative or ancillary services related with payment business |

The indirect percentages are shown in accordance with the stake's direct holder.

This appendix forms an integral part of note 2 (e) of the consolidated annual accounts,
which must be read together.

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APPENDIX II: INFORMATION ON NON-MINORITY SHAREHOLDERS' STAKES IN INVESTEE COMPANIES AT 31 DECEMBER 2020 AND 2019

| Thousands of euros | GEBISA | |
|--|--------|---------|
| | 2020 | 2019 |
| % non-controlling interests | 45% | 45% |
| Financial position statement information | | |
| Non-current assets | 60 | 195 |
| Non-current liabilities | - | 176 |
| Total non-current net assets | 60 | 19 |
| Current Assets | 3,175 | 3,268 |
| Current liabilities | 1,763 | 1,641 |
| Total current net assets | 1,413 | 1,627 |
| Net assets | 1,473 | 1,646 |
| Carrying amount of non-controlling interests | 663 | 740 |
| Statement of profit/loss information | | |
| Ordinary income | 10,619 | 10,201 |
| Profit/loss from continuing operations | 573 | 746 |
| Profit/loss for the year | 573 | 746 |
| Total comprehensive profit/loss | 573 | 746 |
| Consolidated profit/loss assigned to non-controlling interests | 258 | 335 |
| Information on cash flow statement | | |
| Cash flow from operating activities | 741 | 1,415 |
| Cash flow from investing activities | (4) | - |
| Cash flow from financing activities, before dividends paid to non-controlling activities | (746) | (1,816) |
| Net increase/decrease of cash and other cash equivalents | (9) | (400) |

This appendix forms an integral part of note 16.4 of the consolidated annual accounts,
which must be read together.

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APPENDIX III: DETAIL OF OUTSTANDING DEBENTURES AT 31 DECEMBER 2020

| Agent | Group Company | Year of issue | Maturity date | Interest rate | Thousands of euros | | |
|---|---------------|---------------|---------------|---------------|--------------------|----------------|----------------|
| | | | | | Nominal | 2020 | |
| | | | | | | Non-current | Current |
| BANCO SABADELL | AUDASA | 2011 | 2021 | 6.00% | 66,111 | - | 65,936 |
| CAIXABANK | AUCALSA | 2016 | 2021 | 2.90% | 50,643 | - | 50,553 |
| BANCO SABADELL | AUDASA | 2012 | 2022 | 5.75% | 180,304 | 178,585 | - |
| BANKIA | AUDASA | 2013 | 2023 | 5.20% | 193,000 | 189,154 | - |
| CAIXABANK | AUDASA | 2015 | 2025 | 3.75% | 63,451 | 62,549 | - |
| CAIXABANK | AUDASA | 2016 | 2026 | 3.15% | 66,801 | 65,804 | - |
| CAIXABANK | AUDASA | 2018 | 2028 | 3.15% | 95,326 | 92,990 | - |
| CAIXABANK | AUDASA | 2020 | 2024 | 1.60% | 100,000 | 97,738 | - |
| Total Obligaciones emitidas en circulación | | | | | 815,636 | 686,820 | 116,489 |

At 31 December 2020, the fair values of the outstanding debentures do not differ significantly from their carrying amounts.

These debentures are listed on the AIAF, i.e. the Spanish corporate debt reference market or the private fixed-income that operates the Spanish financial markets. Their fair values are shown on the following website:

<http://www.aiaf.es/esp/asp/ai/f/Precios.aspx>

AIAF is a regulated market, as opposed to the over-the-counter markets, and is subject to control and supervision by the authorities regarding their functioning and how they list securities and disseminate information.

This appendix forms an integral part of note 17.1 of the consolidated annual accounts,
which must be read together.

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APPENDIX IV: DETAIL OF DEBTS WITH FINANCIAL INSTITUTIONS AT 31 DECEMBER 2020

Thousands of euros

| Agent | Company | Original amount | Currency | Start date | Maturity | Interest rate | Current | Non-current | Total |
|------------------------------------|--------------|-----------------|----------|------------|----------|--|---------------|------------------|------------------|
| LOANS | | | | | | | | | |
| MINISTERIO DE TRANSICIÓN ECOLÓGICA | ITINERE | 678 | Euro | 2007 | 2021 | Tipo cero | 62 | - | 62 |
| BANCO SABADELL | ITINERE | 571,082 | Euro | 2016 | 2025 | Euribor 6m + 2,25% | - | 569,650 | 569,650 |
| BANCO SANTANDER | ENAITINERE | 760,754 | Euro | 2016 | 2025 | Euribor 6m + 2% | 7,608 | 364,672 | 372,280 |
| CAIXABANK | AUTOESTRADAS | 25,000 | Euro | 2018 | 2023 | Euribor 6m + 0,65% | - | 24,883 | 24,883 |
| BANCO SANTANDER | AUCALSA | 229,400 | Euro | 2019 | 2024 | Euribor 6m + 1,40% | - | 227,342 | 227,342 |
| BANCO SANTANDER | AUDASA | 300,000 | Euro | 2020 | 2024 | Euribor 6m + 1,15% | - | 296,754 | 296,754 |
| | | | | | | Total Loans | 7,670 | 1,483,301 | 1,490,971 |
| CREDIT FACILITIES | | | | | | | | | |
| | GEBISA | 2,000 | Euro | 2013 | 2019 | Euribor 3m + 2% | - | - | - |
| KUTXABANK - FACTORING | | | | | | Total policies | - | - | - |
| | | | | | | | | | |
| BORROWING COSTS | | | | | | | 7,901 | - | 7,901 |
| | | | | | | Total debt with credit institutions | 15,571 | 1,483,301 | 1,498,872 |

On 31 December 2020, the fair values of the debts with financial institutions do not differ significantly from their book value.

This appendix forms an integral part of note 17.3 of the consolidated annual accounts,
which must be read together.

1. THE ITÍNERE GROUP'S PERFORMANCE IN 2020

The 2020 financial year was marked by the situation brought on by the COVID-19 pandemic -- a situation which has had a severe impact on the evolution of the world economy, forcing the governments of the affected countries to take measures, on the one hand, by establishing restrictions on mobility and closing businesses to control the disease's spread and, on the other hand, to alleviate the economic slowdown caused by the virus. The effects of the restrictions have led to an unprecedented global crisis that has brought about a deep economic recession.

The restrictions on mobility that the Spanish government imposed in 2020, following the state of emergency declared on 14 March, as well as those implemented by the different Administrations, have had a huge negative impact on traffic levels on toll roads operated by ITÍNERE INFRAESTRUCTURAS, S.A. affiliated companies and consequently on their income.

In relation with the aforementioned and considering the regulatory framework that is applicable thereto, the concession companies in which ITÍNERE has a stake have asked their respective granting administrations to re-establish the economic and financial balance of their concession contracts, a claim that as of the date of drafting of these consolidated annual accounts has not yet been decided on. The legal basis of this request is the exercise of a contractual right to maintain the aforementioned economic and financial balance, based on the appearance of unforeseeable and extraordinary circumstances, as well as being based on the adoption --by the different administrations-- of measures that have made it impossible to execute the concession contracts under the foreseen terms, as the concession companies have kept up with their full business activity because they are critical transport infrastructures. Notwithstanding the foregoing, the aforementioned companies --in accordance with the provisions of their concession contracts and the applicable legal framework-- continue with risk (demand risk of the concessionaire) and the risk of maintaining an economic and financial balance. The deadlines for the completion of the respective concession contracts continue to be as provided for initially, unless they were exceptionally extended as a result of the rebalancing requests submitted.

The activity of ITÍNERE INFRAESTRUCTURAS, S.A. in 2020 mainly focused on the management and development of its investees, as well as in the search for new opportunities in the concession market and in the management and conservation of transport infrastructures. In this regard, during the 2020 financial year, ITÍNERE has continuously monitored the effects of COVID-19 on the Group's business, evaluating at all times the pandemic's possible effects on the results and/or financial and equity situation. Despite the extraordinary situation caused by the pandemic, neither ITÍNERE nor any of its investee companies have (i) required any type of modification or to request exceptions of any kind in terms of their financing; (ii) experienced liquidity tensions or resorted to additional indebtedness; (iii) deferred payments or commitments stemming from operations; (iv) had their collection rights impaired or delayed; or, (v) adopted measures of a business nature through agreements with the employees' representatives to bring about the implementation of workforce adjustment actions.

At 31 December 2020, ITÍNERE is participating in a total of 4 toll road concessionaires, all of which are in operation (totalling 468.1 kilometres). In addition, it participated in AP-1 EUROPISTAS, which was also a concession company until 30 November 2018, when its concession contract ended. From that date and until 15 December 2019, an Emergency Contract was mainly provided for the maintenance and upkeep of the AP-1 toll road to the Administration. On the other hand, through GEBISA, it manages the operation of another toll road in Biscay. Added to this is its participation in another company whose purpose is the provision of collection management services by the electronic toll system, BIP & DRIVE, E.D.E., S.A., which is a leader in its sector.

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During the 2020 financial year, and despite the situation generated by the pandemic, ITÍNERE was able to manage, coordinate, and develop the Group companies, which in turn undertook their activities without incidents or interruptions in their operations as they are considered critical transport infrastructures. The positive trend that traffic had been showing since 2014 based on the good general evolution of the economy after a period of generalised economic crisis has been interrupted by the effects of the health crisis on the economy, which has led to a significant reduction in the number of vehicles that are circulating on the toll roads.

The restrictions on mobility that the Spanish government imposed following the state of emergency declared on 14 March have had a huge negative impact on traffic levels on toll roads operated by ITÍNERE affiliated companies. The overall average daily traffic (ADT) for all of the toll roads operated by ITÍNERE subsidiaries during 2020 was 13,925 vehicles (19,073 vehicles in 2019). This means that traffic fell 26.99% compared to the same period in the previous year (29.47% down for light vehicles and 9.96% for heavy vehicles). During the first weeks of the state of alarm decreed by the Government in March, traffic fell drastically, reaching daily reductions of more than 90% in the month of April. As restrictions were relaxed and there was a progressive reopening of the economy --and mainly in the summer months--, more moderate falls were recorded, which intensified again with the declaration of the second state of alarm on 25 October under which new limitations were imposed on mobility.

Of the most relevant events of the year, it is important to highlight the following:

- Royal Decree 803/2017, dated 28 July, entailed the modification of the agreement between the General Tax Administration, the regional government of Galicia and AUDASA, approved by Royal Decree 633/2006, dated 19 May, which established a shadow toll system for Vigo-O Morrazo and A Coruña-A Barcala journeys financed by both Administrations. Said modification not only affects the compensation calculation system but also the way of invoicing and the recipient, which exclusively becomes the Ministry of Transport, Mobility and Urban Agenda. In this regard, AUDASA has filed a contentious claim before the Supreme Court against the Ministry of Transport, Mobility and Urban Agenda's decision, on the grounds that it represented a unilateral and unjustified amendment of an agreement signed between the parties.

On 19 February 2020, the Supreme Court passed judgement in which it was agreed that (i) Royal Decree 803/2017 of 28 July was null and void and (ii) the consideration system was applicable to the concession operator as approved by Royal Decree 633/2006 of 19 May; (iii) AUDASA's situation be re-established, recognising its right to be compensated for the damages caused by the implementation of the remuneration system of the aforementioned Royal Decree 803/2017, and the right to be paid the interest that legally corresponds thereto from the time of right to payment accrued in accordance with Royal Decree 633/2006 and until it is actually paid; and (iv) order the General State Administration to pay AUDASA for compensation and interest resulting from the effects that may arise from the commitments agreed in 2006. The State Attorney filed an appeal for annulment which the Supreme Court rejected in a Ruling on 14 October 2020, ordering the General State Administration to pay court costs.

On January 15, 2021, the Ministry of Transport, Mobility, and Urban Agenda and the Regional Government of Galicia were informed that the amounts of the Vigo-O Morrazo and A Coruña-A Barcala routes (and vice versa) which must be paid to AUDASA for the period from July 2017 to December 2019 amount to a total of 25.4 million euros (VAT included). On that same date, the invoice corresponding to the amounts of the Vigo - O Morrazo and A Coruña - A Barcala routes and vice versa was issued for the year 2020 -- amounts which, in application of Royal Decree 633/2006, of 19 May, must be paid to AUDASA.

With regard to the 2017, 2018, and 2019 annuities, both administrations have been asked to indicate as soon as possible how the corresponding amounts should be invoiced, doing so in order to comply with the aforementioned legal decisions so that payment is made of said

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amounts and the corresponding legal interest from the time the right to collection came about (in accordance with the aforementioned Royal Decree 633/2006) and until the amount's collection transpires.

- On 8 May 2019, AUDASA was notified of the ordinary lawsuit filed by the Prosecutor's Office against the company, followed at the Court of First Instance of Pontevedra with Ordinary Proceeding number 344/18, exercising the collective action of cessation, defence of the undefined interests of consumers and users, nullity of the abusive practice and accessory refund of the amounts received in such concept, and claim for damages.

The lawsuit filed by the Public Prosecutor makes AUDASA responsible of to the fact that for at least three years (between 27 February 2015 and June 2018), the execution of the works in the access section to Vigo, including the Rande bridge, had a relevant and significant effect on the toll road's traffic flow, and said works caused traffic jam and delays for users, in addition to reducing the road's safety conditions, in spite of which, the toll road's concessionaire company left the collection of toll rates unchanged.

In relation to this procedure, with trial held on 11 and 12 February 2020, the Court having admitted, and the Ministry of Transport, Mobility and Urban Agenda being present through the State Attorney, the Directors believe, and so has it been defended by the company and the Ministry of Transport, Mobility and Urban Agenda through the State Attorney's Office, that AUDASA has acted at all times in accordance with its concession contract, with the knowledge and authorisation of the responsible Bodies (Ministry of Transport, Mobility and Urban Agenda, Government Delegation, Directorate General of Traffic, etc.), that the works have been performed in accordance with the regulations in force, guaranteeing the safety of users and workers, and, in any case, with the least possible effect on traffic.

On 21 February 2020, the Court partially upheld the claim, ordering the company to reimburse users for the amount paid in tolls to travel on the affected sections on the dates and within the time slots in which the 81 incidents detailed in the ruling occurred.

The ruling was appealed by the concession company, the Prosecutor's Office and the En-Colectivo association. Since the ruling is in the process of being appealed, it is not final at the time of preparing these consolidated annual accounts.

The Company's Directors believe that if the ruling is enforced it will not affect the consolidated annual accounts significantly, because it refers to 81 minor incidents over relatively short periods of time that only give the right to a refund of the amount paid by the affected user.

The Directors also believe that if a second-instance final conviction is passed, the Company would appeal it and it would not affect the consolidated annual accounts significantly because the Ministry of Transport, Mobility and Urban Agenda have expressly granted the Company the right to pass on any amount ordered to pay under a ruling against AUDASA to the State.

The main consolidated financial figures included in the consolidated annual accounts for 2020 are discussed briefly below:

- The consolidated turnover in 2020 amounted to 180.9 million euros, 20.1% less than the comparative figure for 2019, mainly as a result of the fall in toll income stemming from the crisis brought on by the pandemic. In a positive sense, it is worth highlighting the impact stemming from the invalidity of Royal Decree 803/2017, of 28 July, mentioned above, and which has led to the recording of toll income corresponding to the period between July 2017 and December 2019 amounting to 11.4 million euros. Likewise, to a lesser extent, we must highlight the rate revisions applied as of 1 January (between 2.69% and 0.095%), which in the case of AUDASA includes the extraordinary increases stemming from the application of Royal Decree 1733/2011, of 18 November, and Royal Decree 104/2013, of 8 February, amounting to 1% and 0.8%, respectively. Taking the proportional income of AUDENASA, as was done prior to the application of IFRS 11, turnover would have been 199.9 million euros, 20.3% lower than

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the previous year's figure. On the other hand, it should be noted that, as a result of the termination of the AP-1 emergency contract on 15 December 2019, the income of said company (5,691 thousand euros in 2019) disappears. After correcting this effect, the evolution with respect to the previous year --including the proportional income of AUDENASA-- would decrease by 18.4%.

- Consolidated EBITDA in 2020 amounts to 139.7 million euros, representing an EBITDA margin of 77.2%, 2.4 percentage points wider than in 2019. Compared to the former year, it is reduced by 19.8%, mainly as a result of the fall in toll income stemming from the crisis brought on by the pandemic. The proportional contribution of AUDENASA would place this figure at 155.8 million euros in 2020, which represents a drop from the previous year of 20.2%. Excluding the contribution of AP-1 and taking into account the proportional income of AUDENASA, EBITDA would have decreased by 19.3% with a 0.9 percentage point worsening in the EBITDA margin. Despite the significant drop in income, expenditure items as a whole have decreased as a result of the fall in traffic and of the maintaining of a constant savings policy -- except for the provisions entry, which has grown by 84.1% due to larger orders made by Gebisa and Audasa.
- The amortisation of concession assets, which is carried out using the straight-line method, represents a total amortisation amount of 86.3 million euros, a year-on-year increase of 0.4 %. The allocation of provisions for replacement actions during 2020 came to 10.4 million euros, 30.0% higher than in 2019 due to the readjustment of the Group companies' replacement investment needs. Likewise, an excess of provisions of 2.1 million euros has been recorded, stemming from the effect of the savings obtained in the activities carried out, especially those carried out by AP-1 to complete the delivery of the toll road to the Administration, ended in November of 2020. All of this puts the 2020 EBIT at 44.7 million euros, i.e. 45.5% lower than in 2019, with a margin on turnover of 24.7%, a 11.5% lower than in 2019.
- The financial result presents a negative amount of 105.7 million euros, which improves by 16.4 million euros that obtained in 2019, mainly due to lower financial expenses in AUDASA and AUCALSA (-14,8 million euros) due to refinancing the respective bond issuances in April of 2020 and June of 2019 through bank loans and new issuances of bonds at a much lower cost and, to a lesser extent, due to lower financial expenses for ENAITINERE (-0.7 million euros) because of the capital amortisations made in 2019 and throughout 2020. The increase in financial income (+1.2 million euros) and the updating of provisions for replacement actions (0.7 million euros) also contributed to the improvement in financial results.
- At the end of 2020, it has not been necessary to record any impairment loss on the consolidation goodwill, with this, the consolidated result for the year attributed to the parent company amounts to a loss of 48.1 million euros, a 159.6% lower than in 2019 due to the pandemic's impact.
- The nominal amount of the gross financial debt at the close of the reporting period was 2,651.1 million euros, which represents the financing associated with projects, meaning that 77.8% of the total financial debt is without recourse to the parent company. Net financial debt is 2,562.5 million euros.
- The net investment in concession arrangements at the end of the reporting period amounted to 2,350.9 million euros, including the allocation of fair values resulting from the acquisition price distribution carried out in 2009.

The global pandemic caused by COVID-19 profoundly marked the world and Spanish economy in 2020; this has been the year of temporary workforce adjustment plans, a historical drop in GDP of 11%, the collapse of tourism, the increase of the deficit and debt, the implementation of targeted monetary and fiscal policies designed to contain the worrying macroeconomic figures, the expansive intervention of central banks, etc. -- and we must not forget the high cost in human lives.

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The positive evolution of the Spanish economy shown in previous years has been truncated in this adverse context -- a context which has had a greater negative impact than in neighbouring countries due to the structural deficiencies of our economy and the relevant contribution to GDP from sectors like tourism and domestic demand which have experienced sharp setbacks.

The public administrations' deficit has risen to figures equivalent to 6.8% of the GDP and, in turn, the need for financing has led to an escalation in public debt to a record high of 1.3 billion (millions of millions) euros. Likewise, the closure of borders and lockdowns have caused one of the bases of the Spanish economy, tourism, to decline to the point of losing 64.5 million tourists (-77.3%). Trade and exports followed the same path with significant drops (-10%). Despite the temporary workforce adjustment mechanism implemented by the Government to stop job destruction, the unemployment rate reached levels of 16.2%.

Economic evolution in 2021 is still subject to conditioning factors (which include health-related factors), although recovery will be supported by a relevant set of factors. Thus, the prolongation of expansionary measures already in place in fiscal and monetary matters and that of central banks, the Recovery and Resilience Facility (a key instrument of the European Recovery Funds) can be viewed as a clear opportunity to reactivate economic activity. The rate of the Spanish economy's recovery during 2021 and the next few years will depend, among other things, on the speed with which the European Recovery Funds are implemented and the degree to which they are used to strengthen growth over the medium and long term.

Within this general context, we will now discuss on the specific financial activity carried out by ITÍNERE and its investees. In addition to meeting the financial needs of the different Group companies at any given moment, the activity in this area is permanently focused on the analysis and prospecting of possible Group debt financing transactions that add value and improve its structure, and this under the prism of the characteristics of the concession business and the future generation of cash flows.

The 2020 financial year, after the significant debt refinancing carried out in previous years, specially in 2016, both in qualitative and quantitative terms, corresponding to the companies ITÍNERE, ENAITINERE, AUDASA and AUCALSA (refinanced and novated debt amounting to 1,749.2 million euros) and the refinancing of AUCALSA in 2019 (229,4 million euros) that enabled an increase in the Group's financial stability over the long term. Two financing operations, both in AUDASA, have been carried out during the year:

- On 1 April 2020, the company signed a syndicated loan agreement for 400 million euros formalised on 16 December 2019 to meet the redemption of the issue of fiscally subsidised bonds maturing on that date. The repayment of such loan bears interest equivalent to 6-month Euribor plus a 1.15% spread, and it was scheduled to mature in November 2024. The improvement in the conditions of this refinancing should also be noted, given that the previous bond issue had a cost of 4.75%. This loan is guaranteed by ENA.
- In November 2020, the syndicated loan outlined in the previous paragraph was voluntarily and partially repaid in advance to the amount of 100 million euros, doing so through a new issuance of tax-exempt bonds for the same amount whose maturity will transpire in November of 2024. Said issuance, which is guaranteed by ENA, was successfully subscribed and has a coupon of 1.6% per annum.

During the 2020 financial year, the following milestones in the financial area can also be highlighted:

- Amortisation of debt amounting to 49.5 million euros with regard to ENAITINERE.
- The average rate of the Group's financial debt at 31 December 2020 is 3.1% (3.6% during financial year 2019) and the average life of its debt is 4 years.
- The nominal amount of the gross financial debt amounts to 2,651.1 million euros, of which

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42.8% is at a fixed interest rate.

The amounts accrued by the Group companies from the various public administrations for taxes, social security contributions, etc. totalled 49 million euros (54 million euros in 2020, if the proportional consolidation of AUDENASA is taken into consideration).

In financial year 2020 the average workforce of the Group was reduced by 52 average theoretical staff. This variation is mainly the result of the termination on 15 December 2019 of the activity arising from the Emergency Contract held by AP-1 EUROPISTAS, with that date being the date on which the staff of the aforementioned company were subrogated in accordance with the provisions of the Ministry of Transport, Mobility and Urban Agenda.

At 31 December 2020, the Group companies do not have any amounts pending payment on commercial transactions that accumulate a deferment in excess of the legal deadline as per the provisions of Act 3/2004 of 29 December and its subsequent amendments through Act 15/2010 of 5 July and Royal Decree Law 4/2013 of 22 February. The average payment period to the Group's suppliers in 2020 was 20 days.

2. OCCURRING EVENTS AFTER THE REPORTING PERIOD

No significant events after the reporting period have taken place.

3. COMPANY OUTLOOK

The activity to be conducted by ITÍNERE in the coming years will focus on one hand, on the management and development of its investee companies, within the framework of the respective concession contracts, and on the other hand on the search for opportunities in the sector.

During 2021, the usual replacement and maintenance tasks will be performed by the investee companies, meaning a constant improvement of the service for users, which is a fundamental objective of the management. Likewise, if necessary, the requirements of the granting authorities will be met, maintaining, in any case, the economic and financial balance of the concessions.

At a financial level, it is important to point out that, after the process of the joint and simultaneous refinancing and novation of the debt of ITÍNERE and its investee ENAITINERE, which materialised in 2016 and which involved the extension of the maturity until October 2025, and the refinancing undertaken in AUDASA and AUCALSA in 2018, 2019 and 2020, 95% of the Group's debt is non-current. During the 2021 fiscal year, there are two significant contractual maturities of financial debt in the Group, corresponding to the issuance of bonds by AUDASA and AUCALSA for amounts of 66.1 million euros and 50.6 million euros, respectively, with both maturing in May, the refinancing of which was being undertaken at the date of drafting of these consolidated annual accounts.

With regard to the debt maturities and refinancing scheduled for the coming years, it should be noted that the Group has extensive experience in all types of refinancing operations and that, even in such adverse situations as those that occurred in the financial markets during the years of the economic crisis that began in 2008 and those related with the COVID-19 crisis, the Group was able to maintain its financial stability through bond issues and bank borrowings.

Based on the foregoing, the Directors are reasonably confident that this debt will be refinanced at its maturity in the coming years, although the specific circumstances of the financial markets at each time will influence the refinancing process.

In what regards the debts of ITÍNERE and ENAITINERE and the novation and refinancing operations that concluded in 2016 and represented a non-current financial stability, all opportunities that allow the financial structure of the Company and its Group to be continuously improved will continue to be analysed so as to maintain the high degree of soundness and solvency that has made it possible to meet all of its commitments over the entire lifetime of the

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Company and of its investees.

In application of the respective procedures for the review of tariffs and tolls on the Group's toll roads (in the case of those owned by the State Administration, that established in Act 14/2000 of 29 December; in the case of those for which the regional governments are responsible, that established in the specific applicable legislation), with effect 01 January 2021, the review of the tolls to be applied has been authorised which, in the case of the toll roads owned by the Ministry of Transport, Mobility and Urban Agenda (AUDASA and AUCALSA), has involved a 0.08% reduction in tariffs. In the case of AUDASA, in addition to the ordinary review, the increase of 1% corresponding to Royal Decree 1733/2011 is also applied, resulting in a total increase of 0.92%. The toll roads owned by the regional governments (AUDENASA and g) had a negative review of 0.76%. The concessionary companies for which the regional governments are responsible review their tariffs on the basis of 95% of the inter-annual fluctuation in the CPI at October, whereas the concessionary companies for which the Ministry of Transport, Mobility and Urban Agenda is responsible carry out the toll rate review on the basis of the average variation in the CPIs of the period between the months of October of the previous and current years, also taking into account a correction factor based on deviations between the forecast ADT and the figure actually obtained.

4. MAIN RISKS AND UNCERTAINTIES

The future of the toll road concession sector and, consequently, of ITÍNERE's investees is undoubtedly affected by both the overall economic situation and changes in legislation that can significantly affect the forecasts. In addition to the above, and as a consequence of the situation caused by the COVID-19 pandemic, the evolution over the short and medium term of the business activities carried out by the companies that make up the ITÍNERE group is conditioned on the success of the measures that different administrations may impose to control the pandemic, possibly allowing for the permanent lifting of the restrictions that affect mobility and, therefore, the return to full normalcy in said business activities.

With regard to potential market risk, ITÍNERE'S toll road concession investees operate in accordance with the concession contracts with the State, which establish the right to redress the financial balance should circumstances beyond the control of the concession operator arise, significantly limiting the risks associated with the activity. To that end, and as a result of the effects caused by the COVID-19 crisis, the companies in which ITÍNERE has a stake have asked their respective governmental grantors to re-establish the economic and financial balance of their concession contracts under the regulatory framework applicable thereto -- a claim that as of the date of drafting of these consolidated annual accounts has not yet been decided on (see note 2 (b) of the attached report).

However, some risk factors can be identified, as summarised below:

- **Demand risk:** In toll road concessions, the tolls collected by concession companies, which are their main source of income, depend on the number of vehicles using the road and its capacity to attract traffic. Average traffic and toll income also depend on a number of factors, including the quality, condition, comfort and travel time of alternative toll-free roads or non-Group toll roads, economic conditions, fuel prices, weather conditions, environmental legislation (including measures to restrict use of motor vehicles to reduce pollution), natural disasters and the viability or presence of alternative forms of transport such as air routes, railways and other intercity transport. The current characteristics of ITÍNERE's portfolio (mature and widely consolidated business) mitigate this risk.
- **Regulatory risk:** The Group's companies are required to comply with sector-specific and general legislation (accounting, environmental, employment, data protection, tax, etc.), whose stability and guarantee is fundamental in a highly regulated sector. As occurs in all highly regulated sectors, changes in the regulations can have a negative effect on the Company's business; it is not possible to assess which actions the concession grantor may take over a protracted period of time, so it is difficult to address them. In the case of significant regulatory changes (including tax modifications), which could have an effect on income in the short term

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or obligate them to bear new costs or investments, the Group's concessionary companies would have the right to amend the terms and conditions of the concession arrangement or negotiate with the responsible Administration certain changes in them to obtain financial and economic restitution, so the effects of the potential legal or regulatory changes must be neutral.

- **Risks associated with international expansion:** No specific projects for expansion into other countries are currently envisaged. Nevertheless, should ITÍNERE decide to expand its business to other countries, in the belief that this would contribute to its future growth and profitability, an in-depth field analysis would be carried out prior to authorising an investment of this type. Although there is always a risk in any expansion to new geographical areas, the management team's experience in this type of international development would help to mitigate these risks.

As mentioned previously, the year 2020 has been marked by the serious health and financial crisis brought on by the COVID-19 pandemic -- crisis in which we still find ourselves.

The prospects for the recovery of the world economy are still uncertain, although estimates made by international organisations predict that in 2021 there will be a recovery, the intensity of which will depend on the availability of adequate tools for States to have true control of the pandemic, likewise depending on when virus-related restrictions can be permanently lifted.

The impact that the crisis brought on by COVID-19 will have on the future profit/loss of the company and/or its financial and equity situation will depend on the ability of the Administration to truly control the pandemic as well as the duration of the restrictions imposed. More specifically, the impact on said profit/loss will depend on how the crisis situation in which we find ourselves affects the companies in which ITÍNERE holds a stake.

Other risks to which the Group companies are exposed are as follows:

- Risks from damage caused during infrastructure maintenance work or construction or expansion work.
- Risks associated with workplace health and safety;
- Risks from loss of assets.

ITÍNERE and its investees have appropriate control systems to identify, quantify, assess and mitigate all of these risks, thus minimising or eliminating their impact. The Group also has a policy of taking out and maintaining insurance policies to cover these areas, among others.

5. FINANCIAL RISK MANAGEMENT POLICIES

To a large extent, and as far as the concessionary companies are concerned, the financial risk management policies of the Company and Group and, therefore, the instruments for their achievement, are determined by the specific legislation and regulations of the infrastructure concession sector of activity, the respective concession agreements, each project's degree of maturity, the remaining years of the concession and the nature of the business, without forgetting, of course, the situation that reigns in the financial and capital markets at any given moment.

Thus, the structure, type of financing, hedges, guarantees and, in short, all the other most suitable financing instruments are selected on the basis of the nature of and the risks for the Group's companies, which are inherent in each project to be financed, so as to mitigate them as far as is possible, without ignoring the balance between cost, risk, guarantees and term.

Financing of the concessionary and vehicle companies in which ITÍNERE has stakes is without recourse to the Company.

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The financial policy and management of ITÍNERE is decided and executed by the Company's finance department subject to the approval of its senior management and, if applicable, by the pertinent government bodies. Briefly, this policy, as regards financial risk management, is as follows:

- **Interest rate risk:** Of the Group's total consolidated financial debt, a substantial part, 42.8%, is at a fixed rate, which reduces the businesses' exposure to rising benchmark interest rates. This debt, both that associated with projects and corporate debt, is made up of tax-deductible debenture issues with a single amortisation at maturity (representing 39.6% of project debt at fixed interest rates and a term of between 4 and 10 years) and other debts. This fixing of bank debt interest rates, when applicable, is materialised through financial hedge instruments, such as interest rate swaps (IRS) or caps. At present, the Company has not contracted financial instruments to hedge interest rates, although the evolution of the markets is constantly monitored and, if considered appropriate, the contracting of such instruments can be studied. A possible variation of ± 100 basis points in interest rates would have an approximate effect of between -6,170 and +188 thousand euros on the financial year's net consolidated income statements.
- **Exchange rate risk:** The Group's policy is to arrange its indebtedness with financial institutions in the same currency as the one in which its business flows are produced. Likewise, no transactions are made in non-euro currencies. Consequently, there is currently no exchange rate risk.
- **Credit risk:** Given the characteristics of the activity conducted by ITÍNERE (holding company of a Group of concessionary companies), most of its income is obtained from the rendering of services to its investees. Consequently, due to the nature of the business conducted by the Group, the risk of non-payment is low. As far as this risk in its investees is concerned, it is virtually non-existent owing to the fact that income is received in cash or through credit card or electronic means of payment, the non-payment risk of which is assumed by the management companies. Likewise, part of the income derives from the payments that the various concession-granting administrations as well as the regional and central governments make in accordance with the terms and conditions of the respective concession agreements.
- **Refinancing risk:** As stated in note 17.3, effective as of 16 February 2016, ITÍNERE and ENAITINERE have proceeded to the non-extinguishing modifying novation of the refinancing of their respective syndicated loans, which has involved, among other modifications, the extension of the maturity dates of said loan agreements until 6 October 2025. During 2021, there are two contractual maturities of the Group's financial debt, corresponding to an issue of AUDASA and AUCASA bonds amounting to 66.1 million euros and 50.6 million euros, respectively, both due in May. As of the date of this management report, refinancing is in an advanced state. More specifically, the companies have the required authorisation from the General Directorate of the Treasury and Financial Policy for the respective 2021 financing plan, which considers the capture of 66.1 million euros and 50.6 million euros, respectively. At the date of preparation of these consolidated annual accounts, AUCALSA has formal approvals from financial institutions to take out a loan for an aggregate amount of 50.6 million euros, to be paid out on 17 May 2021, maturing in June 2024, while AUDASA is in the final phase of the process of obtaining formal approvals from financial institutions and selecting offers for the hiring of a loan for an aggregate amount of 66.1 million euros, to be paid out on 31 May 2021 and maturing in May 2026. Both loans are expected to be formalised once the corresponding documentation processes have been completed.

As a consequence, the rest of the Group's debt is non-current, so the Company directors believe that this risk is low. In any case, and in relation to the maturities in subsequent years, this risk is mitigated since the businesses have recurring income and the concession periods are non-current.

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- **Liquidity Risk:** Due to the particular characteristics of the Company and the structure of its current liabilities, as well as debt refinancing and cash flows generation estimates, there are sufficient funds for the Company to meet its payment commitments. At the same time, within the different concessionary companies that make up ITÍNERE, the liquidity risk is low due to the nature and characteristics of their collections and payments, their EBITDA margin, the projects' financial structure, toll systems and a predictable and systematic replacement investment programme. During the 2020 financial year, despite the exceptional circumstances due to mobility restrictions, neither the Company nor any of its investee companies have experienced liquidity tensions or required additional financing, which backs up what was commented above.

At 31 December 2020, the current liabilities include the current transfer of debt issued by AUDASA (66.1 million euros) and AUCALSA (50.6 million euros), which will mature on 31 and 17 May 2020, respectively. At the date of preparation of these consolidated annual accounts, the refinancing processes that are being carried out are in an advanced stage. Consequently, the Company's directors are of the opinion that this risk is low.

- **Price risk:** This risk is very low given the fact that the income of ITÍNERE is associated with the activity of its investees. These companies, in turn, are not exposed to this risk either, because they operate in a regulated market in which the prices applied are reviewed on the basis of the variation in the Consumer Price Index (CPI), which mitigates this risk.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

ITÍNERE and its dependent companies are not engaged in any R&D programmes that might, owing to their significance and expected results, substantially transform its business activity.

7. ACQUISITION OF OWN SHARES

The Company did not acquire its own shares in 2020. As a consequence of the acquisitions in previous financial years, at 31 December 2020 it owns 53,464 shares, representing 0.01% of its corporate capital. These acquisitions were made in accordance with the resolution adopted by the General Meeting of Shareholders held on 24 June 2009, authorising the derivative acquisition of own shares by the Company and/or its subsidiaries, with the limits and requirements established by the prevailing legislation.

8. CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

In compliance with the provisions of Article 262 of the Corporate Enterprises Act and Article 49 of the Code of Commerce, the Company Directors have prepared the Consolidated Statement of Non-Financial Information for the year ended 31 December 2020, which is part of this Management Report and which is presented below.

2020 Non-Financial Information Statement

Itínere Infraestructuras, S.A.



INDEPENDENT VERIFICATION REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION REPORT

To the shareholders of ITÍNERE INFRAESTRUCTURAS, S.A.

Pursuant to the provisions of Act 11/2018 (hereinafter “**Act 11/2018**”) we have carried out verification on the Consolidated Non-Financial Information Report (hereinafter “**CNFIR**”) of ITÍNERE INFRAESTRUCTURAS, S.A. corresponding to the year ended 2020.

It is our opinion, on the basis of the procedures applied and the evidence obtained during the verification herein reported, that no matter has come to our knowledge that leads us to think that the information checked might contain material misstatements.

Methodology and verification team

The verification methodology mentioned in this report comprised auditing procedures and mechanisms to verify the information and indicators, which are commonly accepted within the realm of action of the conformity assessment bodies (pursuant to the definition in (EC) Regulation nº 765/2008), as are the auditing guidelines contained in the ISO 19011 standard, and in particular:

- Interviews with the staff responsible for obtaining and preparing the data
- Sample review of documents and records (internal and public)
- Sample check of the reliability and traceability of the data
- Assessment of the systems for obtaining, managing and processing the information and indicators

The verification team was made up of staff qualified by SGS International Certification Services Ibérica, S.A.U.

Independence

We are independent of ITÍNERE INFRAESTRUCTURAS, S.A. pursuant to ethical requirements including requirements of independence that are applicable to our activities.

Liability of directors with respect to the Non-Financial Information Report

Pursuant to section 6 of article 44 of the Code of Commerce enacted by Royal Decree, 22 August 1885 (as per wording given in Act 11/2918), company directors are liable for the veracity of the non-financial information report.

Liability of independent verifier

The purpose of the mission commended to us was limited to obtaining limited certainty that the non-financial information is free of material misstatements due to fraud or error, and to issue an independent verification report on the information included in the Non-Financial Information Report that contains our opinion.

SGS Verification completed 05-MAR-2021

Digitally signed by Juan José Fontalba

SGS International Certification Services Ibérica, S.A.U.

Trespademe 29 – 28042 Madrid – (34) 91 3138102 – www.sgs.es

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I.BUSINESS MODEL

A.Brief description of the Group's context and business model

Itínere Group is one of Spain's leading infrastructure concession managers. The Group's business activities focus on the transport infrastructure administrative concessions sector, specifically toll roads.

Itínere was created within the SyV Group in 1996, when it was awarded its first concession in Chile, which made it grow due to the success obtained both in new awards and in acquisitions and privatisation processes in Spain and abroad.

In 2003 Itínere Infraestructuras, S.A.U. bought Empresa Nacional de Autopistas (ENA) from Sociedad Estatal de Participaciones Industriales (SEPI). During that year, the Spanish toll road concession operators with Itínere, the infrastructure concessions subsidiary of the Sacyr Vallehermoso Group, as investee, had a favourable performance, and increased income and traffic above forecasts.

In 2005, Itínere already held 100% of the capital of the holding company of the concessionaires Autopistas del Atlántico (Audasa), Autopista Astur Leonesa (Aucalsa), Autoestradas de Galicia and Autopistas de Navarra (Audenasa).

It was in 2007 when the General Shareholders' Meeting of Europistas approved the merger project with Itínere (infrastructure concessions subsidiary of the Sacyr Vallehermoso group). During that year, the Europistas-Itínere merger was formalised.

Up until 2009 (when it transferred part of its assets to its then shareholders Sacyr, Abertis and Atlantia), Itínere was the third largest company in the world in terms of the number of kilometres under concession, with over 3,700 km, and it operated toll roads in other countries around the world, such as Chile. It was also involved in other sectors such as railways, hospitals and airports.

Itínere, as manager of one of the oldest portfolios in Spain (dating back to the 1970s), has managed to acquire and consolidate its own know-how in the sector (including, among other strategic data, traffic forecasts, maintenance costs, financing structures). Itínere's main competitors are Cintra, Globalvia and Abertis.

Itínere Group is currently one of the leading Spanish toll road managers in terms of amount of kilometres managed (468.1) and has assets with the longest average residual life (23 years). It has interests in 5 toll road concessions that operate a total of 524.8 km (in 3 of them it has a majority holding of 100%, in another it has 50% and in another it has a minority holding of 18%). The main concessions are:



AP-9 Audasa

Connecting the Autonomous Community of Galicia from North to South and also with Portugal. AP-9 is a toll road that has a strong working nature.

AP-66 Aucalsa

It is the only large-capacity road to access Asturias from the centre of the peninsula. It is a long-distance toll road that connects Asturias with the Northern Plateau.

AP-15 Audenasa

It is the main traffic corridor linking the southwest of France with the East of Spain. It is the backbone of the Community of Navarra from North to South.

AG-55 and AG-57 Autoestradas de Galicia

These toll roads connect Coruña-Carballo and Vigo-Bayona. The AG-55 is a toll road that is used mostly for work purposes, and it is the main artery of communication between the capital of the province and the region of Bergantiños, serving also as an important connection route to the regions of Soneira and Fisterra, further away from the city of A Coruña.

With regard to the AG 57, it is one of the main roads that connects the Val Miñor region with the rest of the autonomous and national territory. The AG 57 Puxeiros-Val Minor toll road represented a radical change for users who travelled to different geographical areas.

The Group also has a concession contract for the management of the operation, maintenance and upkeep of a toll road in northern Spain (Gebisa), and has entered new related markets, such as the electronic toll sector, with its 20% stake in Spain's leading company in this sector, Bip&Drive, and the business of toll payment machines.

The toll roads managed by Itínere are in operation and they are all in the north of Spain, in corridors where there are practically no competitive alternative routes.

The Group has developed a wide range of activities, such as extending the capacity of the cable-stayed bridge that crosses the Vigo estuary (Rande Bridge in Audasa), which is a milestone in civil engineering.

The Group presented the following figures in recent years:

| ECONOMIC DATA (million euros) | 2020 | 2019 | 2018 |
|--------------------------------------|-------------|-------------|-------------|
| Income | 200 | 245 | 233 |
| EBITDA ⁽¹⁾ | 155.8 | 193 | 183 |
| Profit/loss before taxes | -61.1 | -37.5 | -52 |

(1) Provisional data at the date of preparation of the Statement of Non-Financial Information

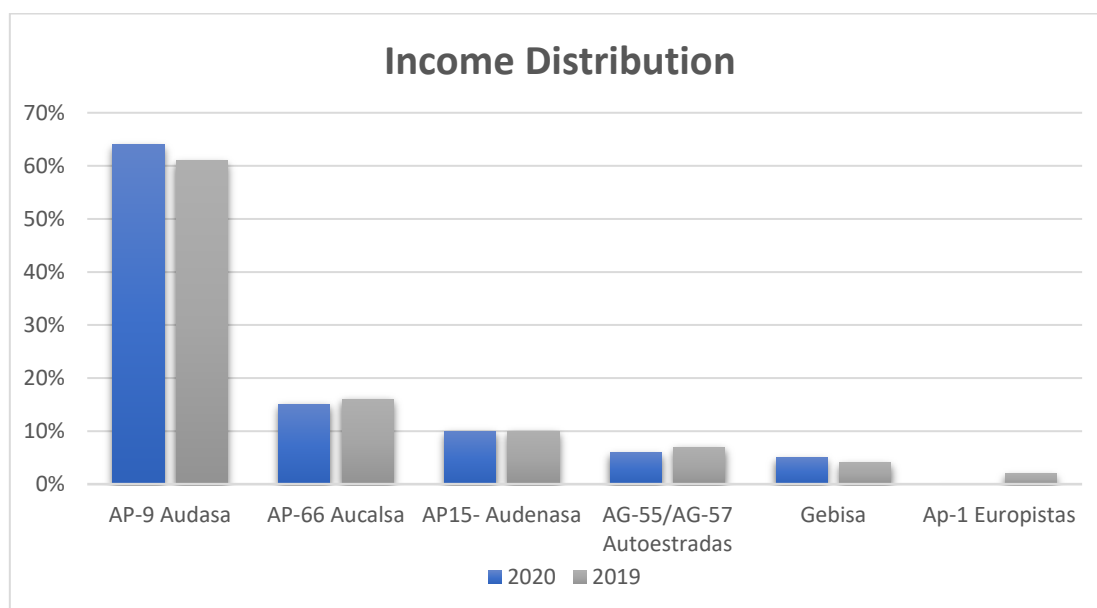
These figures consider Audenasa's proportional share and exclude the effect of AP-1, since in 2018 it had 11 months of concession activity, in 2019 it contributed turnover, as an emergency contract, and in 2020 it had no turnover due to the completion of its activity.

The restrictions on mobility that the Spanish government imposed in 2020, following the state of emergency declared on 14 March, have had a huge impact on traffic levels on toll roads operated by Itínere affiliated companies and consequently on their income.

The overall average daily traffic (ADT) for all of the toll roads operated by Itínere subsidiaries during 2020 was 13,925 vehicles (19,073 vehicles in 2019). This means that traffic fell 26.99% compared to the same period in the previous year (29.47% down for light vehicles and 9.96% for heavy vehicles). During the first weeks of the state of alarm decreed by the Government in March, traffic fell drastically, reaching daily reductions of more than 90% in the month of April. As restrictions were relaxed and there was a progressive reopening of the economy --and mainly in the summer months--, more moderate falls were recorded, which intensified again with the declaration of the second state of alarm on 25 October under which new limitations were imposed on mobility.

This reduction in the ADT of the toll roads operated by Itínere's investee companies led to a significant decrease in their income at the end of 2020 compared to the previous year, which has had a significant impact on the rest of said companies' financial figures.

The distribution of sales figures between the different concessions is as follows:

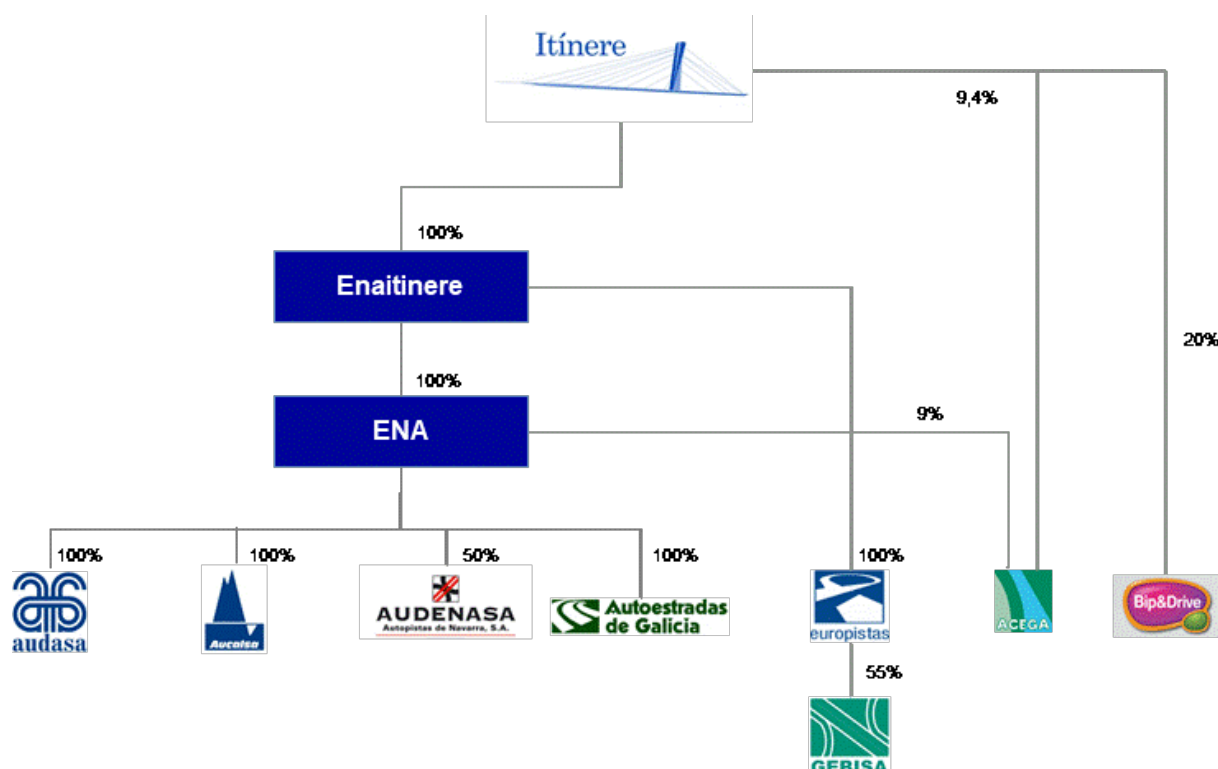


B. Corporate structure

Its shareholdings' recent restructuring operations are noteworthy, as this has allowed the entry of foreign investors, who have expressed their objective of internationalising Itínere's business. The main shareholder of Itínere is Arecibo Servicios y Gestiones, S.L.

Itínere Group's corporate structure includes the parent company, Itínere Infraestructuras S.A., with Arecibo Servicios y Gestiones, S.L. As investee, two other holding companies (Enaitínere and ENA), the toll road concession companies (Audasa, Aucalsa, Audenasa, Autoestradas and Acega), which make up the Group's main activity, and the rest of the companies (AP-1, Gebisa and BIP & Drive).

Until 15 December 2019, according to the Emergency Contract signed with the Ministry of Transport, Mobility and Urban Agenda, there was a service provision contract with AP-1 EUROPISTAS, C.E.S.A and Itínere as a result of the completion on 30 November 2018 of the concession contract held by AP-1 EUROPISTAS, C.E.S.A. Currently, the process of transferring the concessional asset has not yet been completed, and there are still aspects and documents pending analysis by the Ministry of Transport, Mobility and Urban Agenda, which estimates that final delivery will be made in 2021. AP-1 EUROPISTAS is therefore excluded from the scope for the preparation of non-financial information, as it has no associated activity or personnel. For comparative purposes, and in order to be consistent with the information provided the previous year, the data for 2018 and 2019 will be kept for all aspects covered.



The toll road concessions in Itinere's current portfolio, mainly from ENA, are in a full performance and have achieved high profitability and cash generation rates due to an enthusiastic executive team and staff with the highest professional qualifications and in-depth knowledge of the sector.

| PORTFOLIO | Km | Years in operation | Remaining life in years (1) | EBITDA 2020 | % Stake | Location |
|-------------------------------|--------------|--------------------|-----------------------------|-----------------|---------|---------------|
| | | | | (million euros) | | |
| Audasa | 219.6 | 41 | 28 | 107.4 | 100% | Galicia |
| Aucalsa | 77.8 | 37 | 30 | 19.4 | 100% | Asturias/León |
| Audenasa | 112.6 | 44 | 9 | 16.9 | 50% | Navarra |
| Autoestradas | 58.1 | 23 | 24 | 6.2 | 100% | Galicia |
| Total major toll roads | 468.1 | | | | | |

(1) Remaining life from 31 December 2020

(2) Provisional data at the date of preparation of the Statement of Non-Financial Information

As mentioned above, the effect of the COVID-19 disease has given exceptionally low EBITDA results due to the mobility restrictions imposed throughout 2020, which have led to a fall in the average daily intensity (ADT) of toll roads as a whole.

C.Main challenges and opportunities in the sector

The effective and efficient development of infrastructures in Spain has been possible because of the differential capabilities of the Spanish infrastructure and services industry worldwide. Compared to other benchmark countries, Spanish companies stand out for their high skills in: i) engineering and innovation, ii) integration of processes and activities of the value chain and, iii) management of large high-complexity technical projects.

Investment in infrastructure has significantly benefited economic development and job creation. The improvement of infrastructures has been key to promote the competitiveness of the Spanish economy and has favoured critical pillars for the country's economy, such as tourism and exports.

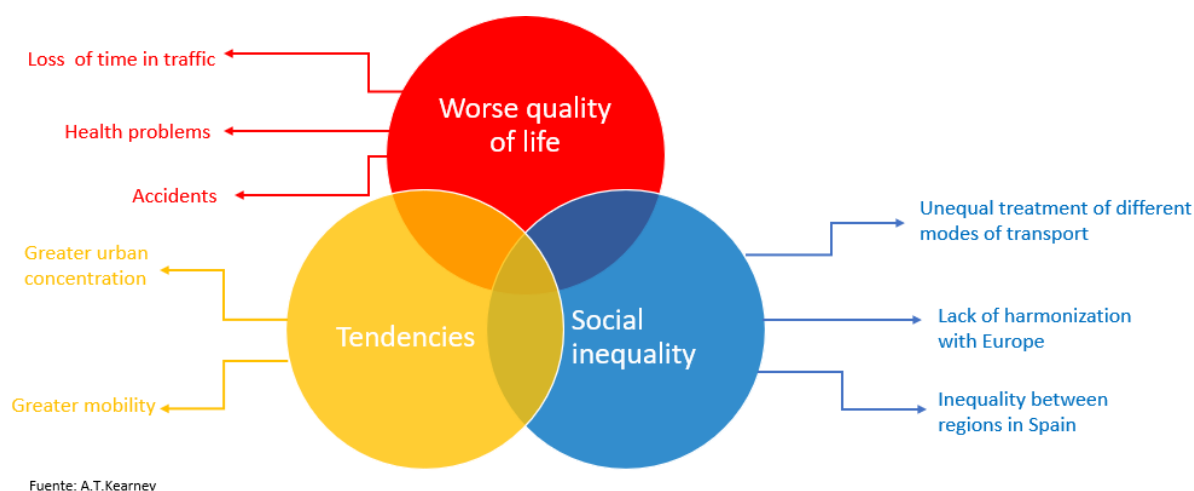
Investment in high-capacity road infrastructures has impressively improved territorial cohesion and citizen mobility in Spain, multiplying the transport of citizens by road and contributing to drastically reducing road accident rates.

Despite the undeniable positive impact of infrastructure investment on economic development, job creation and social welfare, public investment in infrastructure has been reduced in Spain.

Citizens will be those who are most affected by the worsening mobility standards. After Spain's entry to the European Union, Spanish road infrastructures became a world reference because of their quality and safety.

However, in the last few years, in Spain, problems related to road transport, such as congestion or pollution, have worsened, affecting social welfare while highlighting much inequality among Spanish citizens.

Thus, a worsened quality of life becomes apparent with the loss of time in traffic jams, health problems and road accidents, while the lack of social equity does so with the existing territorial inequality in Spain, the lack of harmonisation with Europe and the inequality between forms of transport. Moreover, if no action is taken to address these problems, trends such as increased concentration of population in cities or increased mobility will only aggravate them.



Investment in roads in Spain is at historic lows, with insufficient public resources to recover investment in road infrastructure in Spain. As a result of this radical slowdown in investment in this type of infrastructure, there is a growing deficit in the maintenance of the current road network and a need for new investment in transport infrastructure.

In 2020, to counteract the effects of the COVID-19 pandemic, the European Council adopted the decision to approve a major "Next Generation-EU" aid package aimed at implementing health and economic actions to counteract the effects of the pandemic in the medium and long term. Spain has submitted a Reconstruction and Resilience Plan, the "España Puede (Spain Can)" Plan, which details the reforms and investments it intends to undertake with the funds.

SEOPAN (Asociación de Empresas Constructoras y Concesionarias de Infraestructuras) has prepared a report entitled "Investments and reforms report for inclusion in the Plan for the Recovery, Transformation and Resilience of the Spanish Economy (January 2021)" with proposals related to the main challenges and opportunities of the sector, such as urban mobility or safe, connected and sustainable mobility:

Urban Mobility:

The great area of metropolises (due to low-density urbanism and to the emergence of dispersed and scattered growth models), the high motorisation rate of the country and reliance on private vehicles, the lack of public transport coverage in residential areas and the unstoppable increase of congestion in urban centres require urgent intervention in the design and organisation of cities:

- Urban roads, in particular ring roads, allow better traffic management for access to cities and the optimisation of traffic flow in the different corridors. They also enable access inside the city, thereby promoting the migration from private vehicles to public transport.
- Road undergrounding would enable creating new green infrastructure, thus contributing to reducing the tons of carbon dioxide (CO₂) emitted, improving traffic flow, reducing accidents and suppressing the economic barrier effect of surface infrastructures.

Safe, connected and sustainable mobility

Roads are and will continue to be the most used means of transport for most land journeys, which makes working on their digital and ecological transformation crucial. It will become necessary to develop a reform and implement digital payment and control systems in our toll road network both nationally and regionally.

II. RISK MANAGEMENT BY GRUPO ITÍNERE

A. Risk Control Management Policy

Itínere Group has an Comprehensive Risk Management System suited to its business model and its organisation, which enables it to carry out its activities within the framework of the risk control and management strategy and policy defined by the corporate bodies and to adapt to a changing economic and regulatory environment, addressing management globally and adapted to the circumstances at any given time.

For Gebisa, given that it is an operation and maintenance company, that is closely linked to a contract, we have considered that the risks are sufficiently covered as they are linked to the performance of the contract, and therefore no risk maps have been developed for this company.

In addition to this Strategic Risk System, the group has different risk maps for specific functions that provide a more in-depth global analysis:



1. Strategic risks

As a pillar of the Comprehensive Risk Management System, at the start of 2020 Itínere Group approved a Risk Control and Management Policy aimed at defining the principles for identifying, analysing, evaluating, managing and communicating the risks associated with Itínere's strategy and operations, ensuring a general framework for managing the threats and uncertainties inherent in the business processes and the environment in which the Group operates.

Likewise, through this Policy, Itínere Group defines the guidelines to be followed to identify and keep risks within the approved tolerance limits and to provide the tools for the Board of Directors to decide on the level of risk acceptable to the Group at any given time.

The procedures developed in this Policy are consistent with the established principles and guidelines and are aimed at:

- Protecting the sustainability and financial soundness of Itínere Group.
- Contributing to the achievement of strategic objectives.
- Contributing to regulatory compliance.
- Enabling the development of operations in terms of accepted safety and quality.
- Protecting Itínere's reputation.

This Risk Control and Management Policy is applicable to all divisions, departments and processes of the organisation, whether of governance, operational or support the Group's business.

Itínere's risk management methodology requires identifying the significant risks that could affect the Group. This process is coordinated by the Internal Audit Department and validated by the Management Committee.

At least annually, the Internal Audit Department and the Management Committee update the risk taxonomy to confirm the risks that are still significant, remove those that are no longer significant and add new emerging risks.

According to the COSO II methodology, risks are classified into four categories:

- Strategic: risks associated with key non-current objectives. They may arise from the actions of other key market participants (customers, competitors, regulators, investors or others), from changes in the competitive environment or from the business model itself.
- Operational: risks associated with the normal operations carried out at Itínere, including all risks related to operating procedures and the efficient and effective use of the organisation's resources.
- Financial: risks related to the economic-financial management of Itínere, and to the processes involved in obtaining and reporting reliable financial information.
- Compliance: risks of non-compliance with external and internal regulations by the Group's management or employees.

Itínere's risk management methodology requires periodic evaluation. This evaluation is carried out by means of workshops with the different company managers, where they assess each identified risk through a series of variables, based on their knowledge and experience.

In 2019, risk maps were drawn up for the Group's main companies: Itínere, Audasa, Aucalsa and Audenasa.

The process of updating the risk model shall be carried out at least once a year and shall include the process of identifying and evaluating the risks. Either way, the model will be updated whenever relevant events occur that affect the company's activities or the environment and, therefore, may affect the Group's risk assessment. Meanwhile, the Internal Audit Department will periodically gather follow-up information on the key risks to keep the risk below the organisation's tolerance thresholds for these risks.


2.Environmental risks

The Group has developed a procedure aimed at describing the methodology established to identify risks and opportunities that may prevent achieving the results set in the processes of the Management System, and planning the necessary actions to address them.

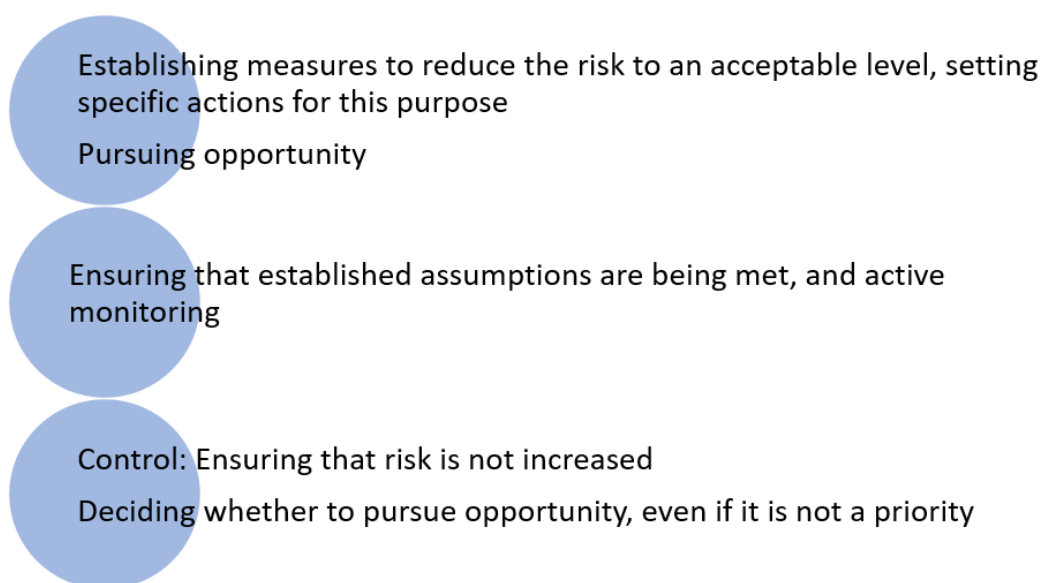
A Context Analysis is carried out annually for each Company, in collaboration with the Operations Manager, the Company Manager and the Quality, the Environment and Health and Safety Manager, describing the risks and opportunities connected to strategy and processes.

Methodology

The probability of occurrence of the event and its impact on the Management System or the organisation shall be considered when evaluating risks and opportunities. The Risk Level calculation will be defined as the Probability value x Impact value:

| Opportunity / Risk | | Assessment of severity | | |
|------------------------------|---|--|---|---|
| Level | | 1 | 3 | 5 |
| Probability of occurrence | 1 |  | | |
| | 3 | | | |
| | 5 | | | |

Actions according to the level of risk/opportunity:



Risk and Opportunity Management Plan

Once the risks and opportunities have been identified, the Company Manager (as the person responsible for the organisation's strategy and resource approval) will be consulted to make a decision as to which risks and opportunities need to be addressed and which ones it is decided to "take on" and agree to the proposed action plans.

The Quality, Environment and Health and Safety Manager regularly monitors the approved action plans. The action plans established and the risks and opportunities identified are monitored in the annual Management review. A significant change with a strong impact on the context, legislation, market, technologies used, environmental aspects, the work conditions, etc. may lead to having to identify the risks and opportunities of the processes again.

In addition to this procedure to detect and analyse risks and opportunities, the Sustainability, Health and Environment Committee was created in 2020, aimed at developing all activities considering people's health, safety and environmental protection as essential values and, finally, to progressively move forward towards excellence, carrying out systematic improvement actions, aligned with the challenges and objectives.

3. Health and Safety Risks

The health and safety risk assessment will be based on hazards identified by areas and workstations, in such a way as to:

- Consider all existing jobs.
- Cover all workplaces and work centres.
- Includes all workers, and particularly, those who are especially sensitive to any of the existing risks.
- Consider the activities that take place at each workstation, including both routine and non-routine activities.

This evaluation will be carried out by an External Prevention Service for all companies of Itínere Group. To do so, a methodology that has been recommended and accepted by the National Institute of Safety and Hygiene at Work will be used. Its content will be based on the information received from the workers, the company and the observations of the Evaluator during his/her visits to the work centres, who shall be accompanied by the Concession Manager or General Services staff.

The evaluation will include an objective estimate of the probability and seriousness of each hazard identified, and will define the preventive measures to be taken for all risks as advised or required in accordance with the assessment.

4. Criminal Risk Management Programme

Itínere Group's criminal and anti-bribery risk management programme is based on five basic items:

- The code of conduct.
- The compliance channel.
- Anti-bribery and criminal risk management policy.
- The risk map.
- Training.

The Criminal Risk Management System Policy and Bribery Risk Management, and the Risk Map, which together form a unit, allow, on the one hand, to establish the bases for action in risk identification and management to prevent crimes affecting the organisation. These shall be mandatory for all employees and third parties who have been deemed suitable for working in Itínere Group, and on the other hand, to establish the basic rules and a framework to prevent and detect bribery in Itínere Group's operations.

Explicitly, by identifying hypothetical but potential risks of a criminal nature, the Group's Risk Map conveys an express message prohibiting the commission of any criminal act within the activity of the Itínere Group, regardless of the type and nature of the crime.

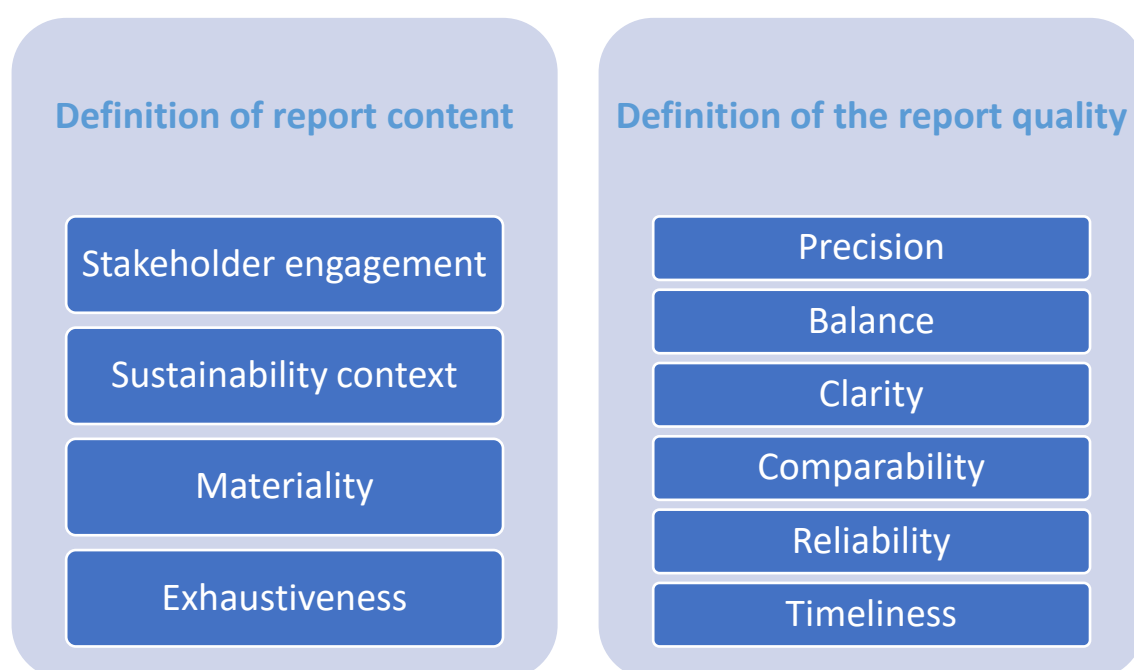
Therefore, this document reiterates the Group's commitment to full compliance by its companies, and by the members of the governing bodies, senior management, general managers, managers and other employees, to oppose the commission of any unlawful, criminal or any other type of act (including non-compliance with the Group and its companies' internal rules), and that it is prepared to combat these acts and any others that may cause

any impairment to the Company's image and reputational value, not to mention the direct criminal liabilities that may arise from such acts.

The risk map is the result of an in-depth analysis of the action and decision-making processes at all organisational levels in relation to the activity sector(s) of Itínere Group and its subsidiaries, and in relation to the existing controls to minimise the risk, in criminal issues, and their commission by a person subject to its discipline.

B.Preparation methodology

To prepare this non-financial information report, we have based ourselves on the principles for preparing reports provided by GRI in its Foundations:



C.Stakeholders

Stakeholders are defined as all groups that are directly or indirectly affected by the development of the business activity and, therefore, can also directly or indirectly affect its development.

Therefore, the main stakeholders of Itínere Group are:



Investors

Government Administration (State and Local levels)

Employees

Trade Unions

Clients / Users








Suppliers

Financial Institutions

Media & Communications

Company

For all of them, the main mechanism for dialogue are periodic meetings, but there are specific mechanisms depending on each stakeholder:

| Stakeholders | Dialogue mechanisms |
|--|---|
| Current Investors (Partners)  | General Shareholders' Meeting |
| Potential investors € | Business Development Department |
| Employees  | Whistleblower Channel HR Department Internal Communications Performance assessment |
| Unions  | Trade union meetings |
| Customers (Users)  | Whistleblower Channel Claims Management |
| <u>Suppliers</u>  | Whistleblower Channel Purchase Department |
| Financial Institutions  | Whistleblower Channel Finance Department |
| Media  | Whistleblower Channel |
| Society  | Whistleblower Channel |

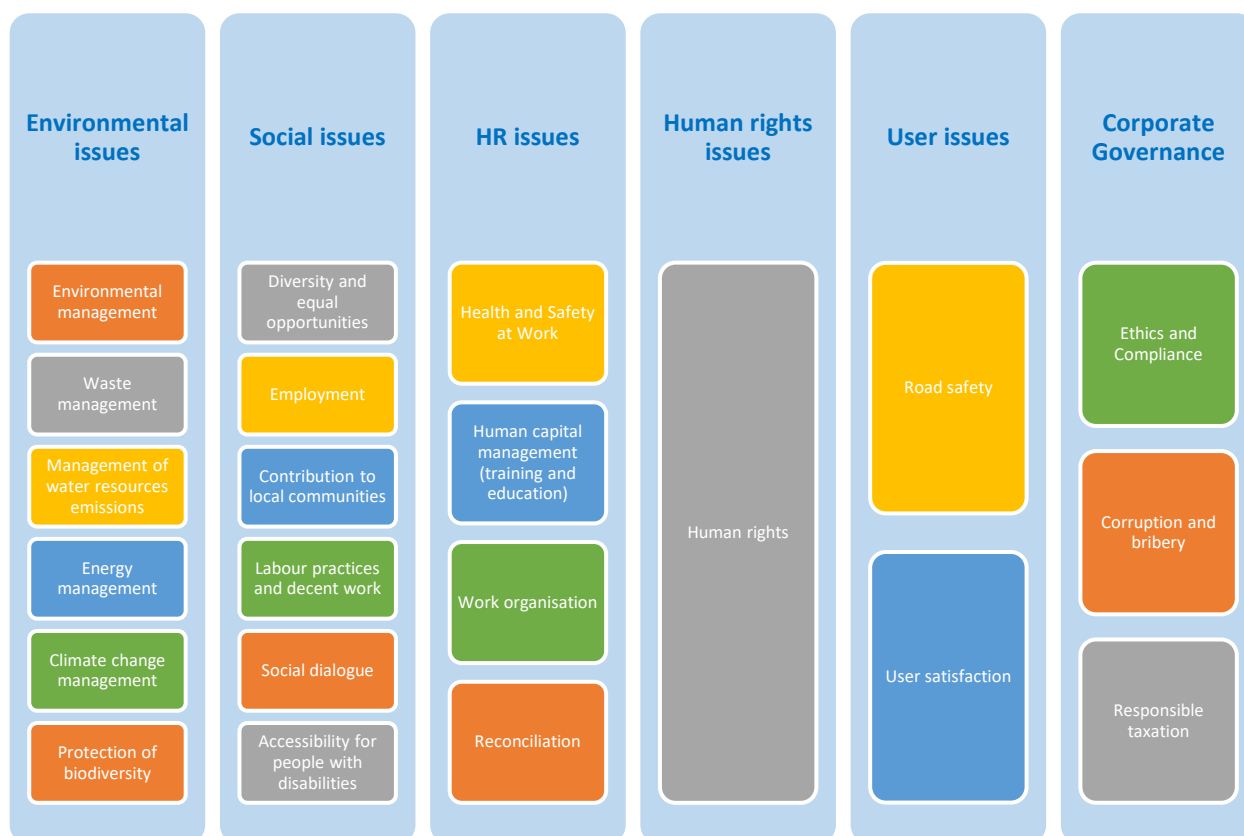
All these interaction mechanisms are available on the corporate website for consultation by any stakeholder: <https://www.grupoitinere.com/acerca-de-itinere/informacion-de-interes/relacion-con-los-grupos-de-interes/>

In addition, the Group has a "Compliance Channel", which guarantees absolute confidentiality, available to all agents.

D.Materiality

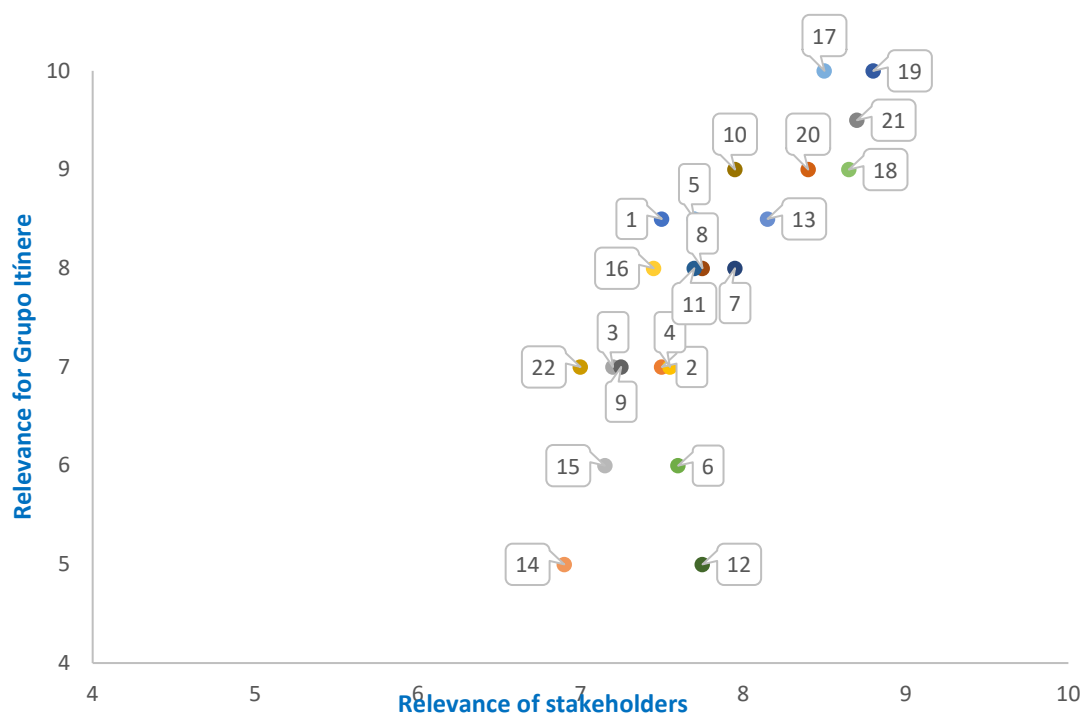
In order to identify the critical issues that make up the materiality of Itínere Group, we have based ourselves on the requirements of Law 11/2018 along with the Global Reporting Initiative (GRI) standards for preparing sustainability reports, in addition to the communications that have been held with the different stakeholders.

The main relevant aspects that have been considered in the 2020 review are:



For these 22 material aspects, different activities and indicators have been developed for their monitoring, which are explained throughout this Itínere Group Non-Financial Information Statement.

The original group materiality is as follows:



- 1 Environmental management
- 2 Water resource management
- 3 Energy management
- 4 Climate change management
- 5 Protection of biodiversity
- 6 Waste management
- 7 Diversity and equal opportunities
- 8 Employment
- 9 Contribution to local communities
- 10 Labour practices and decent work
- 11 Social dialogue
- 12 Accessibility for people with disabilities
- 13 Health and Safety at Work
- 14 Human capital management (training and education)
- 15 Work organisation
- 16 Reconciliation
- 17 Human rights
- 18 Road safety
- 19 User satisfaction
- 20 Ethics and Compliance
- 21 Corruption and bribery
- 22 Responsible taxation

III. ENVIRONMENTAL AND QUALITY MANAGEMENT

A. Policies, commitments and procedures

Itínere considers quality, environmental friendliness and health and safety at work as essential pillars in the performance of its activities and the provision of its services to satisfy all stakeholders (customers, users, workers and shareholders), responding to their requirements and expectations, with the crucial premise of making their performance compatible with as little impact on the environment as possible.

It is for this reason that Itínere Group's management assigns the human and material resources required to achieve the objective of ensuring the conformity of its products and services with customer requirements and compliance with all legal and regulatory aspects affecting it, in addition to reviewing and continuously improving the system, especially in environmental and health and safety behaviour linked to this group's key activities.

The **principles** defining its Quality, Environment and Health and Safety policy and the integrated management system that coordinates it are:

Comprehensive Management System

1. **Knowing the needs and expectations of our clients, users and shareholders**
2. Designing products and providing services that fully meet your expectations, in addition to the applicable legal and regulatory requirements.
3. **Getting the job done right the first time, optimising the performance of all processes.**
4. Continuously improving the effectiveness of the Quality Management System
5. **Planning and performing the works in an orderly, rational and defect-free manner, reducing the impact on the environment, avoiding the waste of resources linked to the correction of errors.**
6. Designing products and providing services that fully meet your expectations, in addition to the applicable legal and regulatory requirements.
7. **Preventing and minimising the generation of pollution throughout the environment (underground and surface water, soil, atmosphere).**
8. Keeping smooth communication with clients to meet their needs and correct design defects or project inadequacies and adapt them to the reality of implementation and commissioning. Increasing communication with the public administration, neighbours associations and non-governmental organisations on environmental issues of common interest.
9. **Reducing the consumption of natural resources by using recycled and/or recyclable products and promoting energy saving.**
10. Bringing together a selected team of collaborators, with quality and environmental criteria aligned with those of Itínere, optimising the materials and methods used by the units in their performance, considering their durability, cleanliness and finish and being environmentally friendly on the work site, integrating them into Itínere's Quality and Environmental Policy

Additionally, Itínere Group, through its Quality, Environment and Health and Safety Policy and the integrated management system that coordinates it, undertakes to:

Environment

- ✓ To consider Environmental Protection as an important managerial responsibility and to ensure that it is enforced through specific behavioural goals and guidelines in all activity areas and functions. Protecting the environment demands a responsible commitment from all of us.

- ✓ To work for the Continuous Improvement and pollution prevention, through our environmental objectives and goals, and to perform internal and external audits that guarantee the maintenance and continuous improvement of our Environmental Management System, contributing to the conservation and respect for the environment.
- ✓ To promote environmental training, awareness, participation and communication to all Group companies' employees, extending this to suppliers and subcontractors, to achieve a greater environmental commitment among them all, encouraging their active integration and teamwork.
- ✓ To comply with Environmental Regulations. Itínere undertakes to comply with the environmental legislation in force applicable thereto in relation to its activity and geographical location, and with the company's environmental commitments.
- ✓ To implement prevention, control and correction measures aimed at reducing the environmental impact of our activity:
 - To seek the most efficient and rational use of natural resources and raw materials required to develop our activities, paying special attention to energy saving and water consumption.
 - To reduce waste, emissions, noise and wastewater; promoting recycling by implementing good environmental practices.

Health and Safety at Work

- ✓ To provide safe and healthy working conditions to prevent work-related injuries and health impairment.
- ✓ To work towards continuous improvement, the suppression of hazards and reducing risks in Health and Safety at Work, based on compliance with legal and other applicable requirements, involving workers and stakeholders, in the pursuit of a better health and safety performance.
- ✓ To promote health and safety training, awareness, participation and communication to all Group companies' employees, extending it to suppliers and subcontractors, encouraging the participation and consultation of employees and their representatives, in order to achieve a greater commitment to health and safety, encouraging their active integration and teamwork.

This Policy is informed to all employees, subcontractors and suppliers. It is public and available to all stakeholders on the group's website. (<https://www.grupoitinere.com/acerca-de-itinere/politica-de-calidad-y-medio-ambiente>)

To ensure compliance with our Environmental Policy, the Group's Management has established and implemented a Comprehensive Management System for quality, environment and occupational health and safety, based on the international standards UNE-EN-ISO 14001:2015, UNE-EN-ISO 9001:2015 and UNE-EN-45001:2018, subject to internal and external audits by a recognised certifying body.

The Integrated Management Manual is a document containing the guidelines required for compliance with the standards defined in the reference standards, and the Management System Policy, which sets out the System's philosophy and the commitments self-imposed by the company. It is the responsibility and obligation of all Itínere staff to comply with it and apply it.

Following the spirit of our Integrated Management System Policy, we have developed a mandatory Comprehensive Management Manual and General Procedures in what regards our infrastructures, in an attempt to cover the main activities carried out by the group, allowing a single approach to their treatment from a quality, environmental management and health and safety at work perspective, and especially to each and every one of the environmental aspects identified, seeking to reduce the impact related with each and every one of these aspects.

The Integrated Management System has undergone a profound change in 2020, as a result of updating and incorporating improvements in the procedures. The processes of Itínere Group's Integrated Management System are developed as follows:

1. Integrated Management Policy and quality, environment and health and safety objectives.
2. Integrated Management Manual: this is the basic document that includes:
 - a. the scope of the Quality, Environmental and Health and Safety Management System. (Scope of application)
 - b. references to the documented procedures established for the Integrated Management System.
 - c. the interaction between the processes of the Quality, Environmental and Health and Safety Management System.
3. General procedures: These procedures regulate activities of an operational, organisational, administrative or management nature which form part of the Management System
4. Technical procedures: Documents that regulate activities and operations of a technical nature.
5. Work Centre Specific Procedures. These regulate activities of an operational, organisational, administrative or management nature that are not considered in the general procedures and that complement the particular casuistry of each business unit.
6. Technical procedures specific to the work centre. These are written from a specific work centre because they do not correspond to a regular technical process.
7. Technical instructions: (I.T). These are documents that describe in detail, step by step and in a simple and understandable way, the actions to be followed for certain processes or activities.
8. Registers: Documents that provide evidence that an activity has been carried out expressing the results of the activity.
9. Process Map: this describes activities that are mutually related or interact, transforming inputs into outputs. Process shall mean both the provision of the service and the support or management activities required to meet the System's requirements.

The Integrated Management System also includes the documents required to ensure the effective planning, operation and control of processes and activities, including those of external sources such as standards, legislation, directives, regulations and those provided by customers.

Achieving the highest quality in the products and services provided is the responsibility of all of us who work at Itínere, in addition to that of our suppliers and subcontractors. (who are informed

that they are evaluated annually on quality, environmental and occupational health and safety criteria)

Itínere believes that quality, environmental friendliness and promoting occupational risk prevention where its activities are carried out cannot be imposed from outside, but must arise from within the human team that makes up the Company, and encourages everyone in the Company to make compliance with these standards their mode of operation.

Identifying and subsequently evaluating the environmental aspects allows determining the most significant impacts of the group companies' activities, which together with the application of specific measures to mitigate or eliminate these impacts constitute the basis for their efficient management, thus minimising the effect on the natural environment.

Itínere's Management is committed to continuously improving the Integrated Management System, in the periodic evaluations it carries out annually, in the form of:

1. Management evaluation (self-evaluation)
2. Internal audit by company staff
3. External audit by an independent certifying body.

All Itínere Group concessionaires, except Gebisa, have an externally audited management system conformant with ISO 9001, ISO 14001 and ISO 45001 standards, based on the establishment of procedures, risk and opportunity analysis and the achievement of objectives and targets.

The Group companies make a significant effort, both in terms of investments and human resources, to protect the environment, especially in the area of influence of the toll road they own.

The **methodology** implemented to achieve optimum environmental performance was as follows:

1.1. Identification of environmental aspects

The Corporate Quality, Environment and Health and Safety Manager identifies the environmental aspects deriving from the activities, products and services of Itínere Group. The identification and evaluation of environmental aspects in Itínere Group companies must include a global analysis, from a life cycle perspective.

To establish the criteria for evaluating the significance of environmental aspects, Itínere Group takes into account the following considerations:

- a) The information on the environmental situation to determine the activities, products and services of Itínere Group that may have an environmental impact.
- b) The existing data in Itínere Group on materials, energy consumption, discharges, waste and emissions, in terms of risks;
- c) The environmental activities of Itínere Group that are covered by a regulation;
- d) Procurement activities;
- e) Activities with the most significant environmental costs and benefits.

The direct environmental aspects will be identified and assessed independently for each activity before starting it, the most significant being the following:

| |
|--|
| Water withdrawal |
| Atmospheric emissions |
| Socio-economic environment |
| Nature and landscape |
| Generation of inert waste |
| Generation of solid urban waste |
| Generation of hazardous waste |
| Generation of other waste |
| Preservation of natural resources |
| Noise emission |
| Soil contamination |
| Generation of hazardous substances |

1.2. Evaluation criteria of environmental aspects

The evaluation criteria of the applicable aspects and range of the scoring scales for these criteria are described below.

- Under normal conditions environmental aspects shall be evaluated according to their magnitude (M) and the sensitivity of the medium (S). The average impact generated by aspect (I) shall be calculated by multiplying both: **$I = M \times S$**
- For the Magnitude and Sensitivity reference values of the medium, the requirements specified in legislation are considered, if any.
- A value will be assigned to the Magnitude (M) which may be 1 or 2 according to the indications included in the register "Identification and evaluation of environmental aspects."
- A value will be assigned to the Sensitivity (S) which may be 1 or 2 according to the indications included in the register "Identification and evaluation of environmental aspects."
- Thus, the following will be considered as "Significant Environmental Aspects":

| Impact (I) | Significance level |
|------------|--------------------|
| $I > 2$ | Significant |
| $I < 2$ | Insignificant |

- For successive identifications and evaluations, each company shall evaluate, at least annually, the Register of Identification and Evaluation of Environmental Aspects" to determine which aspects are significant and which are no longer significant. The evaluation of the aspects will be carried out considering the criteria defined above

An annual evaluation is made on the environmental aspects related to the activities included in the Scope of Itínere Group's Environmental Management System, which includes the initial assessment made of each aspect, according to criteria developed previously.

The evaluation procedure indicated above will be applied for all the environmental aspects identified for the work centre, the result of which will be displayed in such a way that the scores assigned to each concept can be consulted and reviewed.

1.3. Control of Environmental Aspects

The results obtained in the evaluation carried out imply the following commitments in the Environmental Management System:

- a) The aspects identified as "Significant" will be considered in the system's implementation and maintenance, and to set the objectives in the goals and objectives programme, regardless of the corrective actions that need to be established as a result of the assessment criteria.
- b) Objectives and goals may be established for the "Insignificant" aspects, but there is no obligation in this regard.
- c) The normal aspects, which have been assessed as "Significant", will be considered in operational control and in monitoring and measurement, without detriment to actions on the rest.
- d) The potential aspects of emergency situations (accident and/or incident) will be documented in the Self-Protection Plan.
- e) Awareness and training activities will be carried out with the result of the evaluation, and these will be recorded according to the PG-04 "Resource Management" procedure.

1.4. Evaluation of environmental aspects

The company's Quality and Environment Manager shall carry out an initial evaluation of all environmental aspects, and subsequently, annually, a review of the evaluation will always be carried out before the Management Review of the System, following the result of the re-evaluation carried out.

In any case the criteria will be reviewed at least once every three years, or when new legislation leads to applying stricter criteria to the reference value.

In addition, a re-evaluation of environmental aspects will be conducted every time there are:

- Changes in the activity or incorporation processes of new infrastructure or machinery that are likely to generate environmental aspects other than those identified.
- When there are changes in the legal and other requirements applicable to Itínere Group

The review and update of environmental aspects are always considered in the Management Review of the System.

Likewise, environmental impacts are deemed as such when situations that, despite not being part of the concessionaire's activities itself, because they are exceptionally severe situations, require planning of preventive and corrective measures.

To make them more significant, these situations have been subjected to a differentiated treatment, including them in a Self-Protection Plan, where potential accidents and emergency

situations are identified and responded to, in order to prevent and reduce the related environmental impacts, or damage to health and safety:

- Fire.
- Broken pipes.
- Spills of hazardous substances.
- Floods and landslides.
- Work carried out in the vicinity of watercourses.
- Explosions.
- Roadblocks.
- Dumping of chemical products.

B. Pollution

The Itínere Group companies follow a responsible and sustainable model which, through preventive measures to preserve the environment and reduce pollution or, if necessary, by applying corrective measures in significant environmental impacts, aims at minimising the environmental footprint caused as a result of its toll road operation activity.

All the concessionaire companies of the Grupo Itínere, with the exception of Gebisa, have an environmental management system, implemented and certified according to the international ISO 14001 standard under the umbrella of the Multisite model, which means that the standards imposed are applicable to all locations, thus promoting environmental protection and pollution prevention from a perspective of balance with socio-economic aspects. Furthermore, the aim is to use these tools to optimise resource and waste management, and to reduce the negative environmental impacts resulting from the activity or risks related to the accidental situations.

Itínere, based on the methodology of its Integrated Management System, constantly monitors and quantifies the consumption of resources used in all the work centres of its concessionary companies.

Through its corporate strategy, Itínere Group urges its group companies to develop energy efficiency measures aimed at reducing energy consumption.

The companies conduct a detailed analysis of energy consumption in their facilities. Customised solutions are identified and studied and investments are made with guaranteed energy savings.

The solutions aimed at reducing energy consumption include the following:

Itínere:

A series of energy saving measures have been implemented as a result of relocating our corporate headquarters in Madrid in 2020. These were aimed at reducing electricity and fuel consumption of the corporate vehicle fleet, and at reducing the use of diesel fuel.

-Implementation of an automatic lighting system based on presence detectors, luminance sensors and dimmable LED luminaries that allow the lights to switch off when there isn't anyone present, to switch on when it detects someone's presence, and to regulate the light level depending on the outdoor conditions, allowing to take advantage of the natural light available in the new location.

-Transfer of a charging point for electric vehicles to the new headquarters' car park. This item, combined with the addition of 4 plug-in hybrid cars to the fleet, has allowed a reduction of CO2 emissions as a result of this fleet running in electric mode, combined with the 100% renewable origin of the supply. In addition, the percentage of the fleet running on diesel fuel is decreasing progressively, in line with concerns about NOx levels in urban environments that these engines are partly responsible for. This year 2 diesel vehicles have been removed from the fleet.

At our headquarters, 2 vehicles with ECO sticker and 4 plug-in hybrids were added to the fleet in 2020. These will benefit from the electric charging point available in the car park, which means emission-free driving, since the electricity supply has been contracted with Garantías de Origen.



Replacement of lighting system using LED technology at the Headquarters

Installation of presence detectors and outdoor lighting sensors, which reduce the luminous flux when outdoor conditions are favourable.

Replacement of lighting system using LED technology in other buildings.

Incorporation of 2 vehicles to the fleet with "eco" environmental badge and 4 plug-in hybrid vehicles

Installation of a charging point for electric vehicles in the company car park.

Aucalsa:

With regard to the consumption of fossil fuels, Aucalsa has attempted to reduce their consumption by installing a fuel tank to supply the fleet of vehicles (especially the winter maintenance machinery) in the maintenance area of the actual toll road, as it is very far from refuelling centres, which reduces consumption by preventing travelling there, normally petrol stations located on the actual toll roads.

In addition, Aucalsa has 3 ECO category vehicles.

With regard to electricity consumption, plans have been implemented in the illuminated areas (junctions, service areas, maintenance, tolls, warehouses and offices) to replace and update lighting fixtures to more efficient technologies such as LED technology. This has led to a reduction in consumption, resulting in a 3.4% decrease in electricity consumption in 2019 compared to the previous year.



Incorporation of LED technology in junctions, service areas, maintenance, tolls, warehouses and offices

Installation of a fuel tank

Incorporation of 3 vehicles to the fleet with "eco" environmental badge and 4 plug-in hybrid vehicles

Audenasa:

Since 2020, Audenasa has 4 solar panel installations:

There is one in the Administration building, which consists of 114 modules of 320 peak watts, with a total peak power of 36 kwp, covering an area of 228 square meters.

At the three core tolls there is a small installation above the toll booth. Each installation has a 12 kwp peak power, and consists of 36 modules of 335 peak watts, covering an area of 72 square meters.

In addition, Audenasa has incorporated a plug-in hybrid vehicle.



| |
|---|
| Replacing along the entire toll road of luminaries, technology based on High Pressure Sodium Vapour High Pressure Sodium Vapor (HPSV) and Mercury mainly, with other LED technology luminaries. |
| Purchase of an electric vehicle |
| Placement of photovoltaic solar panels for self-consumption in the Administration building in Tajonar. |
| Placement of photovoltaic solar panels for self-consumption in the three toll booths of the concession |
| Placement of photovoltaic solar panels for self-consumption in the toll road's Variable Signage Panels. |
| Renewal of 17 fleet vehicles, with new models with Euro 6 technology, with urea system to minimise NOx emissions. |

These initiatives have entailed the reductions indicated in the following charts:

| Energy savings associated with energy efficiency improvement initiatives 2019 (MJ) | Diesel | Electricity | Total |
|--|----------------|----------------|----------------|
| Aucalsa | - | 178,783 | 178,783 |
| Audenasa* | 11,821 | 449,372 | 461,193 |
| Itínere | 316,618 | 19,552 | 336,170 |
| Group Total | 328,439 | 647,707 | 976,145 |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

| Cummulative energy savings associated with energy efficiency improvement initiatives 2019-Y 2019 (MJ) | Diesel | Electricity | Total |
|---|----------------|------------------|------------------|
| Aucalsa | - | 273,477 | 273,477 |
| Audenasa* | 11,821 | 1,105,380 | 1,117,201 |
| Itínere | 517,791 | 62,842 | 580,633 |
| Group Total | 529,612 | 1,441,700 | 1,971,311 |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

These are the conversions that have been applied to calculate the conversions made in the different charts presented in this report: 1 l diesel= 36.94 MJ and 1 l petrol= 33.23 MJ obtained from GASNAM (Asociación Ibérica de gas natural para la movilidad (Iberian Association of natural gas for mobility)) and Sedigas.

The greatest source of pollutant gas emissions arises from traffic from toll road users, which cannot be prevented as there is no possibility of acting directly on it. Being aware that we can influence speed reduction, through variable signage panels, in addition to information and vertical

signage, we issue messages reminding people of the obligation to observe the established speed limits.

Likewise, a process has begun to require Service Station concessions attached to toll road concessions to install fast charging points, to encourage the use of local emission-free transport. The service stations currently have 3 charging points in operation and 4 in reserve in anticipation of a possible increase in demand.

It should also be noted that the managed toll roads run through a mostly rural area, which means that the impact of emissions is lower than in urban areas.

There are other forms of pollution such as noise or light pollution:

- Regarding the former, Directive 2002/49/EC on the assessment and management of environmental noise aims to create a common framework to assess exposure to environmental noise in all Member States.

The approval of Directive 2002/49/EC on the assessment and management of environmental noise, Law 37/2003 on Noise which transposes it to the Spanish legal system and Royal Decrees 1513/2005 and 1367/2007 implementing it, make up a new legal framework that defines common guidelines for the assessment and management of exposure to environmental noise, as a prior step to establishing action plans for noise reduction.

This regulation, from the acoustic point of view, obliges to draw noise maps of major roads (major roads are understood as roads with traffic in excess of 6 million vehicles per year in a first phase, and with a traffic in excess of 3 million vehicles per year in a second later phase).

Both Directive 2002/49/EC and Law 37/2003 establish the so-called strategic noise map (SNM) as an instrument to measure exposure to environmental noise. This SNM is defined as "a map designed to globally assess exposure to noise of a given area, due to the existence of different noise sources, or to make global predictions for that area".

The competent Administrations drew up and approved strategic noise maps for each of the major roads and, as a result, no action against noise is considered necessary for Aucalsa, Audenasa or Autoestradas. For Audasa, the project to implement these acoustic screens has been submitted to the Administration and is currently following the administrative process, awaiting a response.

In addition, an attempt has been made to minimise the impact in areas close to population centres by using road surfaces that reduce noise emissions from rolling traffic, such as low noise road surfaces on 78 km in Audenasa and 59.4 km in Aucalsa. Other measures that contribute to noise reduction are the installation of acoustic barriers, and that all machinery used is subjected to a maintenance plan in accordance with the manufacturer's specifications and is CE marked.

- With regard to light pollution, in areas such as maintenance and/or toll areas, we use supports (poles) that project the light beam towards the surface, as these prevent the light from being emitted towards the sky, thus reducing light pollution.

The use of electronic tolls reduce the environmental impact generated by road users, as they save in fuel consumption and pollutant emissions since there are less waiting times and no time in neutral. The percentage of electronic toll transactions on the group's toll roads in 2020 was 65.04%, that is, 9.96% higher than in 2019 (55.08%).

In order to encourage the use of electronic tolls, all the discounts that users can benefit from involve the use of OBE technology. Itinere Group favours the use of electronic tolls in its business

policy, which allows reducing emissions from vehicles during payment operations and minimises the implementation of infrastructures and the need for staff presence.

C.Circular economy and Waste prevention and management

One of the principles set out in Itinere Group's environmental policy is to "Minimise production and improve the management of generated waste, by applying appropriate measures to reduce, recover and recycle waste, ensuring the correct disposal of non-recoverable waste".

All Itinere Group concessionaires are registered as small waste producers, in strict compliance with environmental and waste treatment legislation.

The waste generated is first treated by being sorted at the special waste collection centre, installed in each maintenance area (two in Audasa, one in Itinere, three in Audenasa, one in Autoestradas and one in Aucalsa), in accordance with the type (hazardous and non-hazardous waste) for subsequent transport and treatment by authorised waste managers for each type of waste.

Likewise, Itinere Group, in accordance with its comprehensive management system, keeps a record of the types and quantities of waste generated in the "review by management" document. This review is carried out annually. Also, the comprehensive management system includes documentation control obligations, in the form of transport and treatment authorisations, control and monitoring documents, related to waste treatment.

| Hazardous waste | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Absorbents and contaminated rags (Kg) | 2,749 | 2,801 | 3,160 | 1.89% | 12.82% |
| Contaminated packaging (Kg) | 14,297 | 9,873 | 5,163 | -30.94% | -47.71% |
| Used oils (Kg) | 1,604 | 450 | 600 | -71.95% | 33.33% |
| Used oil filters (Kg) | 409 | 192 | 113 | -53.06% | -41.15% |
| Aerosols (Kg) | 55 | 80 | 70 | 45.45% | -12.50% |
| Fluorescent and mercury lamps (Unit) | 114 | 123 | 140 | 7.89% | 13.82% |
| Batteries | 715 | 541 | 503 | -24.34% | -7.02% |
| Electrical and electronic equipment out of use (Kg) | 3,875 | 1,666 | 2,048 | -57.01% | 22.93% |
| Solvents + Paints (kg) | 264 | 246 | 5,521 | -6.82% | 2144.11% |
| Sludge (kg) | 39,580 | 23,670 | 20,450 | -40.20% | -13.60% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

| No hazardous waste | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---------------------------|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Urban or assimilable (t) | 120 | 127 | 149 | 5.83% | 17.43% |
| Dead animals (t) | 6,128 | 8,360 | 9,272 | 36.42% | 10.91% |
| Inert waste (t) | 38 | 113 | 195 | 197.37% | 72.81% |
| Paper and cardboard (t) | 58 | 35 | 15 | -39.66% | -56.63% |
| Ferrous waste (scrap) (t) | 40 | 17 | 115 | -57.50% | 576.56% |
| Plastic (t) | 16 | 10 | 9 | -36.31% | -15.00% |
| Tyres (t) | 3 | 9 | 5 | 178.97% | -45.44% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

With regard to the recovery and recycling of waste, when waste is removed by a company, entity or person for the recovery or recycling of raw materials or components, a written certificate is requested in which the company, entity or person undertakes to recover or recycle the waste and indicates the final destination of the waste.

Waste treatment is always carried out by managers and companies that are authorised by the corresponding administrations.

In 2019 and 2020 no significant discharges have been made on toll roads.

D.Sustainable use of resources

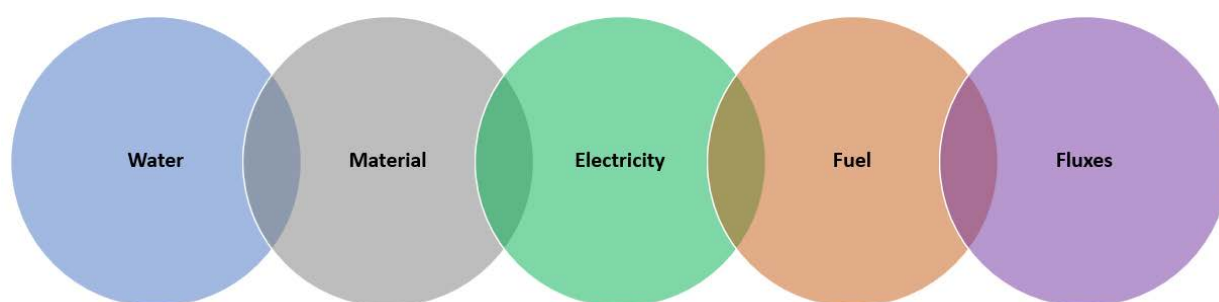
Within the activities carried out by Itínere Group, it is in the field of operation and maintenance of high-capacity roads that the resources used for the provision of services are most relevant in terms of their quantitative use. That is why, within the framework of the Group's Comprehensive Management System, there is strict control of the resources used.

In addition, the Group's Comprehensive Management System states the best practices with a view to reducing the consumption of energy, water and other resources, for example:

- Replacing lighting devices with systems based on energy saving and energy efficiency.
- Periodically cleaning the lighting systems to prevent dirt from hindering optimum performance. Incorporating presence detection systems for switching lighting systems on and off. Using air conditioning only when necessary.
- Thermally insulating installations in such a way as to obtain optimum use of the air conditioning systems.
- Requesting plumbing system inspections for leaks.
- Considering environmental criteria in the purchase of materials. Purchasing products that have no negative effects on health and the environment: low energy consumption, reduced noise level, ozone-free printers, etc.
- Purchasing long-lasting products that do not become harmful waste at the end of their useful life.

There are no current projects underway to create new infrastructures, an activity that is even more intensive in the use of resources, which is why, when this type of action is carried out, specific plans are proposed for consumption control.

The resources over which there is special control given their environmental relevance both due to their use and enjoyment and their importance in service management are:



1. Water

Water consumption is connected on impacts on the environment. This is why rational water consumption and, to the extent possible, reducing consumption, is one of the main pillars of Itínere Group's environmental performance, as excessive consumption results, on the one hand, in a reduction of available resources and, on the other, in the consequent environmental pollution.

The origin of the water resources used by Itinere Group companies comes from different water collection sources. In any case, whether it comes from the supply network or from collection in rivers, wells or any other source, the corresponding authorisation issued by the competent administration will always be available.

| Water withdrawal (m3) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|------------------------------|---------------|---------------|---------------|--------------------------------|--------------------------------|
| Gebisa | 3,939 | 3,190 | 3,159 | -19.01% | -0.97% |
| Aucalsa | 3,069 | 3,522 | 1,347 | 14.76% | -61.75% |
| Audasa | 4,149 | 3,029 | 3,203 | -26.99% | 5.74% |
| Autoestradas | 929 | 843 | 931 | -9.22% | 10.40% |
| Audenasa* | 9,158 | 9,199 | 7,689 | 0.45% | -16.41% |
| Europistas | 16,050 | 1,483 | N/A | -90.76% | N/A |
| Group Total | 37,294 | 21,266 | 16,329 | -42.98% | -23.22% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

Distribution of Water Withdrawal by source (m3) 2018

| | Ground water | Water from third parties | Superficial | Total |
|--------------------|---------------------|-------------------------------------|--------------------|---------------|
| Gebisa | - | 3,939 | - | 3,939 |
| Aucalsa | 117 | 2,845 | 108 | 3,069 |
| Audasa | 732 | 3,417 | - | 4,149 |
| Autoestradas | 317 | 612 | - | 929 |
| Audenasa* | 5,002 | 4,156 | - | 9,158 |
| Europistas | 2,444 | 13,606 | - | 16,050 |
| Group Total | 8,612 | 28,575 | 108 | 37,294 |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company

Distribution of Water Withdrawal by source (m3) 2019

| | Ground water | Water from third parties | Superficial | Total |
|--------------------|---------------------|-------------------------------------|--------------------|---------------|
| Gebisa | - | 3,190 | - | 3,190 |
| Aucalsa | 161 | 3,250 | 111 | 3,522 |
| Audasa | 966 | 2,063 | - | 3,029 |
| Autoestradas | 300 | 543 | - | 843 |
| Audenasa* | 4,469 | 4,730 | - | 9,199 |
| Europistas | 475 | 1,008 | - | 1,483 |
| Group Total | 6,371 | 14,784 | 111 | 21,266 |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company

*Europistas water withdrawal data is up to October 2019

Distribution of Water Withdrawal by source (m3) 2020

| | Ground water | Water from third parties | Superficial | Total |
|--------------------|--------------|-----------------------------|-------------|---------------|
| Gebisa | - | 3,159 | - | 3,159 |
| Aucalsa | 139 | 1,109 | 99 | 1,347 |
| Audasa | 709 | 2,494 | - | 3,203 |
| Autoestradas | 306 | 625 | - | 931 |
| Audenasa* | 3,405 | 4,284 | - | 7,689 |
| Europistas | - | - | - | - |
| Group Total | 4,559 | 11,671 | 99 | 16,329 |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company

All wastewater discharges carried out by the group's companies have the corresponding authorisations. The purpose of having a wastewater discharge authorisation is to achieve good environmental status of the water, in accordance with the quality standards, environmental objectives and the emission and immission characteristics established in the water regulations.

In addition to the corresponding authorisation, the group companies carry out their surveillance and control through the monitoring programmes and, report to the administration on the information collected.

The corresponding administration inspect all discharges, and initiates a sanctioning process in the event of detecting a discharge that lacks authorisation or fails to comply with the terms of its authorisation.

Itinere has had no sanctions related to environmental non-compliance in 2020 or 2019.

2.Material

Maintenance activities and infrastructure maintenance involve the consumption of construction materials. The concessionaires keep track of the materials that are mainly consumed on the toll roads as a result of these actions.

| Consumption of materials | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------------|---------|-----------|---------|------------------------|------------------------|
| Asphalt Agglomerate (t) | 67,357 | 39,596 | 40,843 | -41.21% | 3.15% |
| Paints (kg) | 33,451 | 117,558 | 173,002 | 251.44% | 47.16% |
| Salt (t) | 13,347 | 8,017 | 3,896 | -39.94% | -51.40% |
| Brine (l) | 991,842 | 1,051,290 | 482,523 | 5.99% | -54.10% |

3.Electricity

Itinere Group, through its internal "Operational Control" procedure, establishes a protocol for monitoring several indicators, one of them being electrical energy consumption. This procedure allows detailed monitoring of the energy consumed by work centre and allows action to be taken if there is any significant deviation in any of the group's facilities.

Therefore, Itinere ensures that, based on the methodology of its Comprehensive Management System, the electrical energy consumption of its activities and facilities are supervised and managed correctly, monitoring them and establishing different measures to reduce them (e.g.: promoting rational use, updating lighting systems by installing LEDs, installing photovoltaic panels, etc.).

Below is a chart showing electricity consumption by company over the last three years:

| Electric energy consumption (MJ) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|-------------------|-------------------|-------------------|--------------------------------|--------------------------------|
| Gebisa | 11,073,442 | 10,788,761 | 11,047,064 | -2.57% | 2.39% |
| Aucalsa | 27,097,157 | 26,551,681 | 23,215,511 | -2.01% | -12.56% |
| Audasa | 20,387,182 | 20,111,933 | 20,274,833 | -1.35% | 0.81% |
| Autoestradas | 2,229,437 | 2,013,653 | 2,186,514 | -9.68% | 8.58% |
| Audenasa* | 3,039,080 | 2,589,709 | 2,136,143 | -14.79% | -17.51% |
| Europistas** | 5,198,494 | 1,395,194 | N/A | -73.16% | N/A |
| Itínere | 504,263 | 436,799 | 355,507 | -13.38% | -18.61% |
| Group Total | 69,529,055 | 63,887,730 | 59,215,572 | -8.11% | -7.31% |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

| Electricity consumption by turnover (MJ/million euros) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|----------------|----------------|----------------|--------------------------------|--------------------------------|
| Gebisa | 8,851,672 | 9,757,589 | 11,720,689 | 10.23% | 20.12% |
| Aucalsa | 911,564 | 861,114 | 1,199,106 | -5.53% | 39.25% |
| Audasa | 165,926 | 153,841 | 188,743 | -7.28% | 22.69% |
| Autoestradas | 245,047 | 212,241 | 353,654 | -13.39% | 66.63% |
| Audenasa* | 154,472 | 119,474 | 126,656 | -22.66% | 6.01% |
| Europistas** | 95,624 | 848,789 | N/A | 787.63% | N/A |
| Group Total | 289,552 | 327,341 | 380,183 | 13.05% | 16.14% |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

The deviations observed in the company Europistas are associated with the completion of its concession contract in 2018, reconverting its activity in 2019 exclusively to toll road maintenance, disassociating its activities from the operation and collection of tolls of the road.

Likewise, given its commitment to minimise the environmental impact caused by its activity, Itínere Group has a contract with its electricity provider, Garantía de Origen, where 100% of the electricity consumed by the concessionaires is of 100% renewable origin. In addition, the Organisation generates a small percentage of renewable energy (solar energy at the toll booths) which is used for self-consumption.

4. Fuel

On the Group's toll roads, maintenance, conservation and surveillance work involves the constant transfer of both staff and materials in vehicles owned by the organisation. In addition, machinery and generators also consume fuel. Therefore, Itínere Group has an *operational control* procedure that ensures that all fuel consumption in the organisation's activities and facilities is properly managed and controlled.

In order to establish a fuel consumption control throughout Itínere Group, a computer application is used to record monthly fuel consumption. Data are analysed and reviewed to ensure that the use of vehicles and machinery is correct.

| Fuel consumption in 2019 (MJ) | Diesel | Petrol | Total |
|--------------------------------------|-------------------|----------------|-------------------|
| Gebisa | 2,873,969 | 60,877 | 2,934,846 |
| Aucalsa | 4,409,860 | 69,384 | 4,479,245 |
| Audasa | 4,170,785 | 110,091 | 4,280,876 |
| Autoestradas | 191,608 | - | 191,608 |
| Audenasa* | 1,777,978 | 45,492 | 1,823,469 |
| Europistas** | 4,165,747 | - | 4,165,747 |
| Itínere | 449,264 | 434,383 | 883,647 |
| Group Total | 18,039,211 | 720,227 | 18,759,438 |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.

**Europistas fuel consumption data are up to October 2019

| Fuel consumption in 2020 (MJ) | Diesel | Petrol | Total |
|--------------------------------------|-------------------|----------------|-------------------|
| Gebisa | 2,810,977 | 68,649 | 2,879,626 |
| Aucalsa | 3,893,712 | 133,018 | 4,026,731 |
| Audasa | 4,982,851 | 142,050 | 5,124,901 |
| Autoestradas | 275,775 | 0 | 275,775 |
| Audenasa* | 2,016,410 | 30,319 | 2,046,729 |
| Itínere | 248,006 | 492,539 | 740,545 |
| Group Total | 14,227,732 | 866,574 | 15,094,307 |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.

| Evolution of total fuel consumption (MJ) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|-------------------|-------------------|-------------------|----------------------------|----------------------------|
| Gebisa | 2,934,350 | 2,934,846 | 2,879,626 | 0.02% | -1.88% |
| Aucalsa | 5,668,636 | 4,479,245 | 4,026,731 | -20.98% | -10.10% |
| Audasa | 4,133,839 | 4,280,876 | 5,124,901 | 3.56% | 19.72% |
| Autoestradas | 287,474 | 191,608 | 275,775 | -33.35% | 43.93% |
| Audenasa* | 1,683,639 | 1,823,469 | 2,046,729 | 8.31% | 12.24% |
| Europistas** | 6,335,108 | 4,165,747 | N/A | -34.24% | N/A |
| Itínere | 925,996 | 883,647 | 740,545 | -4.57% | -16.19% |
| Group Total | 21,969,042 | 18,759,438 | 15,094,307 | -14.61% | -19.54% |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

The resulting global calculation of the sum of the types of energy consumed is shown in the following charts:

Evolution of total energy

| consumption by company (MJ) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|-----------------------------|-------------------|-------------------|-------------------|------------------------|------------------------|
| Gebisa | 14,007,520 | 13,723,334 | 13,926,691 | -2.03% | 1.48% |
| Aucalsa | 32,200,984 | 31,043,246 | 27,242,241 | -3.60% | -12.24% |
| Audasa | 24,520,637 | 25,635,134 | 25,399,734 | 4.55% | -0.92% |
| Autoestradas | 2,516,885 | 2,391,980 | 2,462,289 | -4.96% | 2.94% |
| Audenasas* | 4,876,559 | 4,404,628 | 4,182,872 | -9.68% | -5.03% |
| Europistas** | 11,533,014 | 5,560,554 | N/A | -51.79% | N/A |
| Itinere | 1,430,173 | 1,320,268 | 1,096,052 | -7.68% | -16.98% |
| Group Total | 91,085,771 | 84,079,144 | 74,309,879 | -7.69% | -11.62% |

*Audenasas's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

Energy consumption by turnover

| (MJ/million euros) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------|----------------|----------------|----------------|------------------------|------------------------|
| Gebisa | 11,197,276 | 12,411,927 | 14,775,909 | 10.85% | 19.05% |
| Aucalsa | 1,102,260 | 1,006,383 | 1,407,091 | -8.70% | 39.82% |
| Audasa | 199,570 | 182,173 | 236,451 | -8.72% | 29.80% |
| Autoestradas | 276,644 | 232,437 | 398,259 | -15.98% | 71.34% |
| Audenasas* | 240,049 | 197,847 | 248,011 | -17.58% | 25.35% |
| Europistas** | 212,155 | 3,383,087 | N/A | 1494.63% | N/A |
| Group Total | 381,042 | 419,863 | 477,094 | 10.19% | 13.63% |

*Audenasas's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

5. Fluxes

As a result of the need to keep safe conditions for traffic on the toll roads under our responsibility, de-icing agents must be used to prevent ice and allow safe circulation by users. Like any activity, the use of this flux has an environmental impact. That is why, our Integrated Management System controls the amount of fluxes used, and has an inspection points program for our brine plants. In addition, the salt spreaders of the winter road maintenance machinery are checked and calibrated annually to ensure the correct use of this resource, allowing the proper maintenance of road safety conditions adjusting consumption to the needs while maintaining thorough control over salt consumption. As Itinere Group's concessions are located in areas with abundant rainfall, the impact from the use of salt is low.

In addition, Audenasas has an agreement to receive brine from a local producer, which it obtains as a by-product of its production process, and which it would otherwise have to treat and dispose of.

The percentage of brine reused in Itinere Group in 2020 and 2019 amounts to 9.66% and 6.24% of total consumption, respectively.

E. Climate change

Two main types of actions are taken by Itinere Group to adapt to the consequences of climate change:

Actions taken to reduce energy consumption:

- Use of more energy efficient systems such as LED lamps.
- Taking actions for office equipment to go to energy saving mode when not in use.
- Conducting energy audits in all the group's concessionaire companies
- Sharing the use of vehicles to carry out the different maintenance tasks.
- Implementing intermediate transport to minimise GHG emissions from employee travel for Aucalsa.
- Adjusting temperatures in buildings by using temperature controllers.
- Installing photovoltaic panels to generate solar energy for self-consumption of the facilities.
- Progressively renewing the company's vehicle fleet towards more efficient, low-emission and therefore less polluting models.
- Refurbishing old offices creating more sustainable spaces, more energy efficient and therefore with less GHG emissions.

Waste reduction measures:

- Using of larger capacity containers in products used in toll road maintenance, thus reducing the number of containers used.
- Recycling all waste that can be recycled.
- New road surface renewal strategy to keep the group's toll roads in perfect condition, resulting in minimising consumption of related resources (bitumen, aggregates, etc.).

(According to a report of the European Asphalt and Paving Association submitted to the European Parliament "every kg of CO₂ invested in paving/refurbishing a road can prevent the emission of 36 kg of CO₂ from the transport of the vehicles circulating on that road")

| GHG emissions scope 1 (Tm CO₂e) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|--------------|--------------|--------------|--------------------------------|--------------------------------|
| Gebisa | 198 | 198 | 192 | 0.01% | -2.86% |
| Aucalsa | 383 | 302 | 269 | -21.03% | -11.03% |
| Audasa | 279 | 289 | 342 | 3.52% | 18.54% |
| Autoestradas | 19 | 13 | 18 | -33.35% | 42.45% |
| Audenasa* | 111 | 120 | 137 | 8.28% | 13.90% |
| Europistas** | 370 | 281 | N/A | -24.00% | N/A |
| Itínere | 62 | 59 | 49 | -5.73% | -16.48% |
| Group Total | 1,421 | 1,261 | 1,007 | -11.27% | -20.15% |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

GHG emissions by company scope 1

| (Tm CO ₂ e/million euros) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------------------------|-------------|-------------|-------------|------------------------|------------------------|
| Gebisa | 158.19 | 179.00 | 203.98 | 13.15% | 13.96% |
| Aucalsa | 12.87 | 9.80 | 13.88 | -23.86% | 41.70% |
| Audasa | 2.27 | 2.21 | 3.18 | -2.69% | 44.25% |
| Autoestradas | 2.13 | 1.36 | 2.98 | -36.07% | 118.58% |
| Audenasa* | 5.63 | 5.54 | 8.10 | -1.70% | 46.37% |
| Europistas** | 6.80 | 171.03 | N/A | 2413.73% | N/A |
| Group Total | 5.92 | 6.46 | 6.47 | 9.16% | 0.06% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company

**Europistas electrical energy consumption data are up to October 2019

The deviations observed in the company Europistas are linked to the completion of its concession contract, modifying its activity to road maintenance, which, as can be seen, is much more intensive in terms of GHG emissions.

As mentioned above, the electricity used throughout the Group has a 100% renewable energy Certificate of Origin, which means that the actions taken to reduce electricity consumption do not imply a reduction in greenhouse gas emissions. As a result, Scope 2 emissions are Zero.

With regard to the reduction of Scope 3 greenhouse gas emissions, 2020 was the first year to make calculations using the "GHG Protocol" methodology, which is the most widely used international tool to calculate and communicate the Emissions Inventory, as it is the only accepted method for companies to account for this type of emissions in the value chain. For Itinere Group, it is the calculation of emissions into the atmosphere from toll road users.

| GHG emissions scope 3 (Tm CO ₂ e) | 2020 |
|--|-------------------|
| Aucalsa | 68,239.57 |
| Audasa | 56,077.40 |
| Autoestradas | 476,954.90 |
| Audenasa* | 151,431.65 |
| Group Total | 752,703.52 |

*Audenasa's figures correspond to 50% of the activity, since

Itinere is an investee with that share of the company

In addition, the aim is to raise user awareness by sending messages via the toll road's variable signage to encourage efficient driving to reduce vehicle emissions.

Finally, Grupo Itinere is not involved in the production, import or export of ozone-depleting gases.

Emissions from combustion engines, consisting mainly of particulate matter, CO, CO₂, NO_x, SO₂, are controlled through an appropriate maintenance of the fleet and machinery and by choosing modern machinery.

F. Protection of biodiversity

The main impact of toll roads on biodiversity is the so-called "barrier effect", which prevents the mobility of the fauna of the area, which leads to the genetic poverty of the affected species.

The toll roads have crossings from the replacement of services, which are used by the fauna in the area, limiting the "barrier effect".

With regard to the impact caused by toll roads on protected areas, and given that Itinere Group manages toll roads in different geographical areas, for a better understanding, we will point out the protected areas that are affected in some way by each one of them:

AUCALSA (AP-66 toll road) crosses the following protected areas:

- ZEC ES1200046 "Valgrande". Surface: 4,752 ha The predominant habitats are the deciduous broadleaf Forests, and Heaths in bushy areas, maquis and garrigue. Phrygana. Both habitats with a 36% coverage, respectively. This is an area with high-mountain and subalpine vegetation, especially rocks and psicroxerophilous grasslands. Extensive forests in the lowlands.
- ZEC/ZEPA ES4130035 "Valle de San Emiliano" Surface area: 55,747.81 ha The main habitat present are wet meadows and mesophytic grasslands with a coverage of 28%. Lithologic complexity and climatic transition that generate great floristic richness. Western limit of savin (*Juniperus thurifera*) in Europe. Deciduous forest, well preserved, although scarce. Sporadic presence of brown bears (*Ursus arctos*) in their use of the only clear passage between the eastern and western subpopulations of the Cantabrian Mountains, the Negrón tunnel (belonging to Aucalsa).

Alpine biome very well represented with its corresponding ornithological cohort. High cultural richness for being first hunting ground of the kings of León, then origin of the Counts of Luna, and later head of transhumance of merino sheep.

The breeding population of Egyptian Vultures (*Neophron percnopterus*), with 13 pairs, is important nationally (1% of the total Spanish population) and internationally. The breeding population of Hen Harrier (*Circus cyaneus*), with 8-10 pairs, is important nationally (1% of the total Spanish population) and internationally. The breeding population of the Grey Partridge (*Perdix perdix hispaniensis*), with about 235 pairs, is important at regional, national (4% of the total Spanish population) and international level.

Other species included in Annex 1: the breeding population of Honey-buzzard Falcon (*Pernis apivorus*), with 20-25 pairs in 1999, is important nationally (1% of the total Spanish population) and internationally. The breeding population of Short-toed Eagle (*Circaetus gallicus*), with 15-20 pairs in 1999, is of international importance.

The breeding community of alpine species stands out as a whole: Alpine Accentor (*Prunella collaris*), Red Rock Thrush (*Monticola saxatilis*), Bluethroat (*Luscinia svecica*), Wallcreeper (*Tichodroma muraria*), Yellow-billed Cough (*Pyrrhocorax graculus*) and Alpine Sparrow (*Montifringilla nivalis*), several of which could have populations of interest in the area.

There is an important refuge of Chiroptera with a colony of between 300 to 1000 individuals.

- Natural Park of Babia and Luna. Surface: 57,628 ha The great value and high diversity of its vegetation is remarkable. Caused by its great orographic and lithological variations, highlighting several high mountain communities, the very interesting peat bogs and wetlands or its unique savin junipers, while housing a rich and unique flora with noteworthy endemic species. The Natural Park coincides territorially with the Natura 2000 Protected Area "Valle de San Emiliano (ES4130035) and also partially coincides with the territorial scope of the Biosphere Reserve of Babia and the Biosphere Reserve of the Valleys of Omaña and Luna.
- Natural Park of Las Ubiñas - La Mesa. Surface: 35,793 ha This surface houses samples of more than half of the Asturian plant families, with over a third of the area occupied by mature forests and dominated by beech forest. The Cantabrian fauna is very well represented, with species such as the brown bear and the Cantabrian capercaillie,

included in the Regional Catalogue of Threatened Species, or the otter and the desman, two groups associated with very high quality watercourses. Birds of prey, roe deer, deer, chamois, wolves or fox are also part of the fauna.

- Biosphere Reserve of the Valleys of Omaña and Luna. Surface: 81,159 ha It has a high biological diversity, determined by the transition between two climates. There are singular wooded masses, birch groves and savin groves. The diversity of ecosystems present, the transition between two climates and a varied geology, among other factors, favour the presence of singular fauna species, some are endangered species, from bears, wolves, grey partridges, golden eagles, broom hares, to the mythical Cantabrian capercaillie. The rivers, the Luna Reservoir and other wetlands allow the existence of waterfowl populations, such as water birds, ducks; otters and, of course, the common trout.

The impact caused on biodiversity by the AP-66 toll road is very limited, due to the abundance of tunnels, which enable fauna movement and the fact that it is equipped with 282 underpasses that allow wildlife to pass through.

Thus, the protected areas indicated affect 22.9 kilometres of toll road, 8.82 km of which are tunnels (38.5%), where fauna can pass over them.

AUDASA (AP-9 toll road) crosses the following areas with some level of environmental protection:

- ZEC ES1140016 "Ensenada de San Simón" Surface area: 2,218.3 ha Maritime area crossed by the Rande Bridge. The predominant habitat is coastal maritime areas. Sea arm covering 94%. Wintering population of 3,500 ducks and good presence of waders during migratory passages.
- ZEC ES1140011 "Gándaras de Budiño". Surface: 727 ha Marshy area located in the province of Pontevedra. The predominant habitat is mixed forests with a 43% coverage. It is the main municipality for regular breeding of Common (green-winged) Teal (*Anas crecca*) in Spain.
- ZEC ES1110004 "Encoro de Abegondo". Surface area 493.91 ha. The predominant habitat is inland water bodies with a 44% coverage. It has a good extension of riparian forest and is home to some 3,000 waterfowl during the winter period.
- ZEC ES1110007 "Betanzos". Surface area 864.58 ha. The predominant habitat is rivers and estuaries subject to tidal dynamics. Sand or mud banks and lagoons. The river Mandeo is characterised by its well-preserved riparian communities and for being home to Atlantic Salmon (*Salmo salar*).

Along the AP-9, AG-55 and AG-57 toll roads, there are several crossings that allow the fauna of the area to move, thus eliminating the "barrier effect".

AUDENASA (AP-15 toll road), crosses the following areas with some level of environmental protection:

- ZEC ES2200040 "Rio Ebro". Surface: 2,395 ha The predominant habitat is cultivated land. This stretch of the river houses blennies (*Blenius fluviatilis*) and cobitis paludica (*Cobitis calderoni*). Both aquatic species are catalogued as being of special interest in the Catalogue of Threatened Species of Navarra.
- ZEC ES2200039 "Badina Escudera". Surface: 57 ha The predominant habitat is brackish or salt marshes, salt meadows and salt steppes with 40% coverage. It is home to one of the largest Purple Heron colonies in Navarra. It is classified as a priority action area for the conservation of bitterns. It is gaining importance as a wintering and nesting area for aquatic birds. Relevant as resting area in the migratory passages for birds. The European pond turtle is also present. The lake-surrounding environment, behind the reed border,

maintains salt meadows with rare and very rare halophilic communities considered of community interest.

- ZEC ES2200035 “Tramos bajos del Aragón y del Arga”. Surface: 2,419.11 ha The predominant habitat is cultivated land. As in the Ebro river, the presence of blennies (*Blenius fluviatilis*) and of cobitis paludical (*Cobitis calderoni*) has been found in the Aragon river. Both species are catalogued of special interest in the Catalogue of Threatened Species of Navarra, and the *Cobitis paludica* (*cobitis calderoni*) is an endangered specie according to the IUCN (International Union for Conservation of Nature and Natural Resources).

However, the permeability of the toll road is guaranteed through the existence of several transversal elements that allow fauna mobility. In 2014, and at PK 25:200 of the toll road, a crossing was built specifically to enable the passage of wildlife.

1.The Red List

The European Red List is a review of the conservation status of European species according to the regional Red List guidelines of the International Union for Conservation of Nature (IUCN). It identifies threatened and endangered species at European level (both pan-European and European Union), in order to take the necessary conservation actions to improve their condition.

The Red List proposes the following species classification.

| | | | | | | | |
|----|----|----|----|----|----|----|----|
| EX | EW | CR | EN | VU | DD | NT | LC |
|----|----|----|----|----|----|----|----|

EX: These are taxons that have become completely extinct, knowing with certainty that there are no living specimens left in their natural area, in culture or in captivity.

EW: These are taxons that have become completely extinct in their natural area, including the region, but still exist in culture, in captivity, or naturalised populations outside their historical area.

CR: These are taxons that face an extremely high risk of extinction in the wild in the immediate future.

EN: These are taxons that will be in high risk of extinction in the wild in the near future.

VU: These taxons have a high probability of becoming endangered if the declining population trend continues.

DD: These are taxons whose true population is unknown, and therefore cannot be assessed and classified according to their extinction risk.

NT: These are taxons that, once assessed, do not currently meet the criteria for listing as CR, EN or VU, but are close to meeting those criteria in the near future.

LC: These are taxons that do not meet the criteria set out above. These are taxons with a large and abundant populations in the wild.

The list of IUCN Red List species whose habitats are found in areas affected by the group's toll roads, ordered by location and by category level (concessions where applicable) is as follows:

AUDASA AND AUTOESTRADAS

| Birds | | |
|------------------------------|---------------------------|----|
| Acrocephalus paludicola | Aquatic warbler | VU |
| Alcedo atthis | Common kingfisher | VU |
| Aythya ferina | European pochard | VU |
| Numenius arquata | Golden curlew | VU |
| Vanellus vanellus | European lapwing | VU |
| Fulica atra | Common coot | NT |
| Sylvia undata | Long-tailed warbler | NT |
| Accipiter gentilis | Common goshawk | LC |
| Acrocephalus scirpaceus | Reed warbler | LC |
| Anas acuta | Northern pintail | LC |
| Anas clypeata | Northern shoveler | LC |
| Anas crecca | Common teal | LC |
| Anas penelope | Eurasian wigeon | LC |
| Anas platyrhynchos | Mallard | LC |
| Anas querquedula | Long-tailed duck | LC |
| Anas strepera | Gadwall | LC |
| Ardea cinerea | Grey heron | LC |
| Ardea purpurea | Purple heron | LC |
| Aythya fuligula | Tufted duck | LC |
| Calidris alpina | Dunlin | LC |
| Caprimulgus europaeus | European nightjar | LC |
| Chlidonias niger | Black tern | LC |
| Circus aeruginosus | Western marsh harrier | LC |
| Egretta garzetta | Little egret | LC |
| Emberiza schoeniclus | Common reed bunting | LC |
| Falco columbarius | Merlin | LC |
| Falco Peregrinus | Peregrine falcon | LC |
| Falco subbuteo | European hobby | LC |
| Gallinago gallinago | Common snipe | LC |
| Ixobrychus minutus | Little bittern | LC |
| Limosa lapponica | Bar-tailed godwit | LC |
| Milvus migrans | Black kite | LC |
| Nycticorax nycticorax | Black-crowned night heron | LC |
| Pandion haliaetus | Osprey | LC |
| Phalacrocorax carbo | Great cormorant | LC |
| Phalacrocorax carbo sinensis | Great cormorant | LC |
| Philomachus pugnax | Ruff | LC |
| Platalea leucorodia | Eurasian spoonbill | LC |
| Pluvialis squatarola | Grey plover | LC |
| Porzana porzana | Spotted crane | LC |
| Sterna hirundo | Common tern | LC |
| Sterna sandvicensis | Sandwich tern | LC |

| Birds (cont.) | | |
|------------------|-------------------|----|
| Tringa glareola | Wood sandpiper | LC |
| Tringa nebularia | Common greenshank | LC |
| Tringa ochropus | Green sandpiper | LC |

| Mammals | | |
|---------------------------|-------------------|----|
| Galemys pyrenaicus | Iberian desman | VU |
| Lutra lutra | European otter | NT |
| Rhinolophus ferrumequinum | Large bat | NT |
| Rhinolophus hipposideros | Small bat | NT |
| Myotis myotis | Large buzzard bat | LC |

| Amphibians and reptiles | | |
|-------------------------|------------------------|----|
| Chioglossa lusitanica | Long-tailed salamander | VU |
| Lacerta monticola | Iberian rock lizard | VU |
| Lacerta schreiberi | Iberian emerald lizard | NT |
| Discoglossus galganoi | Iberian painted frog | LC |

| Fish | | |
|------------------------|------------------------------------|----|
| Rutilus arcasii | Bermejuela (achondrostoma arcasii) | VU |
| Salmo salar | Atlantic salmon | VU |
| Chondrostoma toxostoma | Iberian nase | LC |
| Petromyzon marinus | Sea lamprey | LC |

| Invertebrates | | |
|-----------------------------|-------------------------|----|
| Margaritifera margaritifera | Freshwater pearl mussel | CR |
| Cerambyx cerdo | Great capricorn beetle | NT |
| Coenagrion mercuriale | Southern damselfly | NT |
| Lucanus cervus | European stag beetle | NT |
| Elona quimperiana | Quimper snail | LC |
| Geomalacus maculosus | | LC |

| Plants | | |
|-----------------------|----------------|----|
| Sphagnum pylaiesii | | EN |
| Woodwardia radicans | | VU |
| Narcissus cyclamineus | | LC |
| Trichomanes speciosum | Killarney fern | LC |

| Other flora and fauna species | | |
|-------------------------------|-----------------------------|----|
| Iberian frog | Long-legged frog | NT |
| Anguis fragilis | Slowworm | LC |
| Smooth snake | Smooth snake | LC |
| Discoglossus galganoi | Discoglossus (painted frog) | LC |
| Hyla arborea | European tree frog | LC |
| Mustela erminea | Stoat | LC |
| Mustela putorius | European polecat | LC |

| Other flora and fauna species (cont.) | | |
|---------------------------------------|-------------------|----|
| Natrix maura | Natrix maura | LC |
| Natrix natrix | Grass snake | LC |
| Pelobates cultripes | Western spadefoot | LC |
| Plecotus auritus | Long-eared bat | LC |
| Triturus boscai | Bosca's newt | LC |

AUCALSA

| Birds | | |
|----------------------------|---------------------------|----|
| Alcedo atthis | Kingfisher | VU |
| Circus cyaneus | Hen Harrier | NT |
| Sylvia undata | Long-tailed warbler | NT |
| Accipiter gentilis | Common goshawk | LC |
| Accipiter nisus | Eurasian sparrowhawk | LC |
| Alectoris rufa | Red-legged partridge | LC |
| Anthus campestris | Tawny pipit | LC |
| Apus melba | Alpine swift | LC |
| Aquila chrysaetos | Golden eagle | LC |
| Bubo bubo | Eurasian eagle-owl | LC |
| Caprimulgus europaeus | European nightjar | LC |
| Charadrius morinellus | Eurasian dotterel | LC |
| Circaetus gallicus | Short-toed snake eagle | LC |
| Circus pygargus | Montagu's harrier | LC |
| Clamator glandarius | Great spotted cuckoo | LC |
| Columba palumbus | Common wood pigeon | LC |
| Corvus corone | Black dogfish | LC |
| Cuculus canorus | Common cuckoo | LC |
| Dendrocopos minor | Lesser spotted woodpecker | LC |
| Dryocopus martius | Black woodpecker | LC |
| Emberiza hortulana | Ortolan bunting | LC |
| Falco columbarius | Merlin | LC |
| Falco peregrinus | Peregrine falcon | LC |
| Gyps fulvus | Griffon vulture | LC |
| Hieraaetus pennatus | Booted eagle | LC |
| Lanius collurio | Red-backed shrike | LC |
| Lullula arborea | Woodlark | LC |
| Luscinia svecica | Bluethroat | LC |
| Monticola saxatilis | Common rock thrush | LC |
| Monticola solitarius | Blue rock thrush | LC |
| Neophron percnopterus | Egyptian vulture | LC |
| Perdix perdix hispaniensis | Grey partridge | LC |
| Pernis apivorus | European honey buzzard | LC |
| Pica pica | Eurasian magpie | LC |
| Pyrrhocorax pyrrhocorax | Red-billed chough | LC |
| Scolopax rusticola | Eurasian woodcock | LC |

| Birds (cont.) | | |
|----------------------------|---------------------|----|
| Tetrao urogallus | Capercaillie | LC |
| Turdus philomelos | Song thrush | LC |
| Turdus torquatus | Ring ouzel | LC |
| Turdus viscivorus | Mistle thrush | LC |
| Mammals | | |
| Barbastella barbastellus | Western barbastelle | VU |
| Galemys pyrenaicus | Iberian mesman | VU |
| Rhinolophus euryale | Mediterranean bat | VU |
| Lutra lutra | European otter | NT |
| Miniopterus schreibersi | Cave bat | NT |
| Rhinolophus ferrum-equinum | Large bat | NT |
| Rhinolophus hipposideros | Small bat | NT |
| Myotis myotis | Geoffroy's bat | LC |
| Ursus arctos | Brown bear | LC |

| Amphibians and reptiles | | |
|-------------------------|------------------------|----|
| Lacerta monticola | Iberian rock lizard | VU |
| Lacerta schreiberi | Iberian emerald lizard | NT |
| Discoglossus galganoi | Iberian painted frog | LC |

| Fish | | |
|------------------------|---------------------------------------|----|
| Rutilus arcasii | Bermejuela (achondrostoma arcasii) | VU |
| Chondrostoma polylepis | Iberian nase | LC |

| Invertebrates | | |
|--------------------|----------------------|----|
| Lucanus cervus | European stag beetle | NT |
| Elona quimperiana | Quimper snail | LC |
| Euphydryas aurinia | Marsh fritillary | LC |

| Plants | | |
|-----------------------------------|---------------------|----|
| Centaurea somedanum | Centaurea somedanum | VU |
| Festuca elegans | Festuca elegans | LC |
| Narcissus asturiensis | | LC |
| Narcissus pseudonarcissus nobilis | | LC |

| Other flora and fauna species | | |
|-------------------------------|------------------------|----|
| Lepus castroviejoi | Broom hare | VU |
| Canis Lupus | Wolf | LC |
| Equisetum sylvaticum | Horsetail | LC |
| Menyanthes trifoliata | | LC |
| Montifringilla nivalis | White-winged snowfinch | LC |
| Mustela nivalis | Least weasel | LC |
| Rana perezi | Perez's frog | LC |
| Rupicapra pyrenaica | Pyrenean chamois | LC |
| Sus scrofa | Wild boar | LC |

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| Birds | | |
|------------------------------|---------------------------|----|
| Alcedo atthis | Common kingfisher | VU |
| Aythya ferina | European pochard | VU |
| Vanellus vanellus | European lapwing | VU |
| Circus cyaneus | Hen Harrier | NT |
| Fulica atra | Common coot | NT |
| Milvus milvus | Red kite | NT |
| Sylvia undata | Long-tailed warbler | NT |
| Actitis hypoleucos | Common sandpiper | LC |
| Anas clypeata | Northern shoveler | LC |
| Anas crecca | Common teal | LC |
| Anas platyrhynchos | Mallard | LC |
| Aquila chrysaetos | Golden eagle | LC |
| Ardea cinerea | Grey heron | LC |
| Ardea purpurea | Purple heron | LC |
| Bubo bubo | Eurasian eagle-owl | LC |
| Bubulcus ibis | Cattle egret | LC |
| Charadrius alexandrinus | Kentish plover | LC |
| Charadrius dubius | Little ringed plover | LC |
| Ciconia ciconia | White stork | LC |
| Circaetus gallicus | Short-toed snake eagle | LC |
| Circus aeruginosus | Western marsh harrier | LC |
| Falco columbarius | Merlin | LC |
| Falco Peregrinus | Peregrine falcon | LC |
| Fulica atra | Common coot | LC |
| Galerida theklae | Thekla's lark | LC |
| Gallinago gallinago | Common snipe | LC |
| Gallinula chloropus | Common moorhen | LC |
| Himantopus himantopus | Black-winged stilt | LC |
| Ixobrychus minutus | Little bittern | LC |
| Neophron percnopterus | Egyptian vulture | LC |
| Nycticorax nycticorax | Black-crowned night heron | LC |
| Panurus biarmicus | Bearded reedling | LC |
| Phalacrocorax carbo sinensis | Great cormorant | LC |
| Podiceps cristatus | Great crested grebe | LC |
| Podiceps nigricollis | Black-necked grebe | LC |
| Porzana pusilla | Baillon's crake | LC |
| Pyrrhocorax pyrrhocorax | Red-billed chough | LC |
| Rallus aquaticus | Water rail | LC |
| Tachybaptus ruficollis | Little grebe | LC |
| Tringa ochropus | Green sandpiper | LC |

| Mammals | | |
|--------------------------|---------------------|----|
| Mustela lutreola | European mink | CR |
| Barbastella barbastellus | Western barbastelle | VU |
| Lutra lutra | European otter | NT |
| Castor fiber | European beaver | LC |

| Amphibians and reptiles | | |
|-------------------------|----------------------|----|
| Emys orbicularis | European pond turtle | NT |

| Fish | | |
|------------------------|---------------------------------------|----|
| Chondrostoma toxostoma | South-west European nase | VU |
| Rutilus arcasii | Bermejuela (achondrostoma arcasii) | VU |

| Other flora and fauna species | | |
|-------------------------------|-----------------------|----|
| Cobitis calderoni | Cobitis calderoni | EN |
| Barbus graellsii | Luciobarbus graellsii | LC |

IV.SOCIAL AND PERSONNEL MANAGEMENT

A.Main social risks

The most important social risks are those arising from non-compliance with labour and social security legislation. In this section, it should be noted that Itínere Group as a whole meticulously manages its compliance with social regulations, proof of which is the absence of sanctions in 2020 by public entities.

The other social risks, which are analysed in the different risk maps drawn up in the Group's companies, have been classified as low risk. These include: talent retention, labour conflicts, Human Rights compliance, analysis of occupational diseases or improvement of internal staff training.

B.Policies and commitments

The companies that make up Itínere Group are a very important part of the social environment and territorial area where they are located, as they guarantee appropriate mobility for citizens in the whole of Spain, and generate employment, especially for those residing near the toll road.

Each toll road has its own Collective Bargaining Agreement, which reflects and regulates the peculiarities of the local culture. All Collective Agreements improve general working conditions and respond to the concerns and worries of each group.

This policy has led to an excellent working environment with a high level of commitment to our business project. This can be seen in the significant average length of service of our staff (17.1 years in the management team and 17.2 years in the rest of the staff) and in the low voluntary turnover in the Group in 2020.

In addition, we are committed to employment stability and quality employment, as it appears from the large proportion of permanent contracts (91.57% and 90.4% of employees had permanent contracts in 2020 and 2019 respectively).

The Group has established a Management by Objectives system to promote talent. At present, 100% of management positions are under this performance evaluation system. Historically, the firm commitment to internal promotion has been one of the Group's hallmarks.

It should also be noted that all the data referring to Audenasa are consolidated at 50%.

C.Results of policy implementation and indicators

1.Employment

All employees of Itínere Group work in Spain.

The total number of employees of Itínere Group at 31 December 2020 is 585. Its gender distribution is shown in the following chart:

| Workers by gender | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------------|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Men | 365 | 374 | 367 | 2.47% | -2.01% |
| Women | 210 | 223 | 218 | 5.95% | -2.02% |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

All the data shown below have been calculated based on the Group's average theoretical headcount, as we consider that this is the measure that best expresses the reality of the companies that make up the Group, given the seasonal nature of some of our concessions throughout the year.

The total number of average theoretical headcount of Itínere Group in financial year 2020 was 528.5. Its gender and age distribution is shown in the following charts:

| ETM by gender | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|----------------------|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Men | 330.0 | 334.3 | 332.8 | 1.30% | -0.45% |
| Women | 179.8 | 197.2 | 195.4 | 9.67% | -0.87% |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

| ETM by age | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Less than 30 years | 3.4 | 7.7 | 8.3 | 126.25% | 8.41% |
| 30 - 45 years | 130.8 | 130.2 | 133.5 | -0.42% | 2.51% |
| More than 45 years | 375.6 | 393.6 | 386.4 | 4.77% | -1.82% |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

The evolution of employees with a disability is as follows:

| Number of employees with disabilities | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Men | 9.1 | 8.3 | 10.3 | -8.86% | 23.17% |
| Women | 2.5 | 3.2 | 4.0 | 28.69% | 24.46% |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

| Type of contract by gender | | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|-----------------------------------|-------|--------|--------|--------|------------------------|------------------------|
| Total number of work contracts | Men | 330.0 | 334.3 | 332.7 | 1.30% | -0.46% |
| | Women | 179.8 | 197.2 | 195.5 | 9.67% | -0.86% |
| % of permanent contracts | Men | 95.82% | 95.48% | 94.37% | -0.35% | -1.16% |
| | Women | 91.49% | 83.68% | 85.15% | -8.54% | 1.75% |
| % of temporary contracts | Men | 4.18% | 4.57% | 5.63% | 9.14% | 23.19% |
| | Women | 8.51% | 13.69% | 14.85% | 60.76% | 8.54% |
| % of part-time temporary contract | Men | 2.95% | 4.62% | 5.15% | 56.35% | 11.63% |
| | Women | 15.99% | 16.57% | 18.89% | 3.62% | 14.02% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

Itinere Group is firmly committed to quality in employment, as it appears from the following charts, which show the types of contracts and dismissals, distinguishing by gender, age and professional category:

Number of dismissals by gender

| gender | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------|------|------|------|------------------------|------------------------|
| Men | 2 | 1.5 | 5 | -25.00% | 233.33% |
| Women | 1 | 2 | 2 | 100.00% | 0.00% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

| Type of contract by age | | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|-----------------------------------|--------------------|--------|--------|--------|------------------------|------------------------|
| Total number of work contracts | Less than 30 years | 3.4 | 7.7 | 8.3 | 126.25% | 8.41% |
| | 30 - 45 years | 130.8 | 130.2 | 133.5 | -0.42% | 2.51% |
| | More than 45 years | 375.6 | 393.5 | 386.4 | 4.77% | -1.82% |
| % of permanent contracts | Less than 30 years | 43.18% | 26.57% | 21.45% | -38.45% | -19.28% |
| | 30 - 45 years | 90.54% | 73.46% | 81.62% | -18.87% | 11.12% |
| | More than 45 years | 96.09% | 86.97% | 95.40% | -9.49% | 9.69% |
| % of temporary contracts | Less than 30 years | 56.82% | 58.68% | 78.55% | 3.26% | 33.87% |
| | 30 - 45 years | 9.46% | 15.51% | 18.38% | 63.98% | 18.48% |
| | More than 45 years | 3.91% | 25.53% | 4.60% | 553.13% | -81.97% |
| % of part-time temporary contract | Less than 30 years | 20.94% | 13.86% | 26.67% | -33.80% | 92.35% |
| | 30 - 45 years | 2.96% | 8.59% | 13.12% | 190.21% | 52.75% |
| | More than 45 years | 8.21% | 7.58% | 14.56% | -7.65% | 91.96% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

Number of dismissals by age

| age | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------|------|------|------|------------------------|------------------------|
| Less than 30 years | 0 | 0.5 | 0 | 50.00% | -100.00% |
| 30 - 45 years | 1 | 0 | 1 | -100.00% | 0.00% |
| More than 45 years | 2 | 3 | 6 | 50.00% | 100.00% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

| Type of contract by professional category | | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|----------------------|---------|---------|---------|------------------------|------------------------|
| Total number of work contracts | Senior Management | 4.5 | 5.5 | 5.5 | 22.22% | 0.00% |
| | Management Positions | 25.2 | 24.1 | 26.0 | -4.39% | 8.05% |
| | Other Staff | 480.1 | 501.8 | 496.7 | 4.53% | -1.03% |
| % of permanent contracts | Senior Management | 100.00% | 100.00% | 100.00% | 0.00% | 0.00% |
| | Management Positions | 100.00% | 100.00% | 100.00% | 0.00% | 0.00% |
| | Other Staff | 93.99% | 90.23% | 90.55% | -4.00% | 0.35% |
| % of temporary contracts | Senior Management | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Management Positions | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Other Staff | 6.01% | 9.19% | 9.45% | 53.02% | 2.85% |
| % of part-time temporary contract | Senior Management | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Management Positions | 1.31% | 0.69% | 0.00% | -47.67% | -100.00% |
| | Other Staff | 7.95% | 8.66% | 10.69% | 9.03% | 23.45% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

*The "Management Positions" category covers all employees included in the Management by Objectives system

Number of dismissals by professional category

| | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|----------------------|------|------|------|------------------------|------------------------|
| Senior Management | 0 | 0 | 0 | 0.00% | 0.00% |
| Management Positions | 0 | 2 | 2 | 100.00% | 0.00% |
| Other Staff | 3 | 1.5 | 5 | -50.00% | 233.33% |

*Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

*The "Management Positions" category covers all employees included in the Management by Objectives system

Itinere Group's remuneration data by gender, age and professional classification are as follows:

Average remuneration by gender

| | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|-------|--------|--------|--------|------------------------|------------------------|
| Men | 48,127 | 49,461 | 49,687 | 2.77% | 0.46% |
| Women | 33,617 | 33,925 | 33,763 | 0.92% | -0.47% |

*Gross annual monetary remuneration (fixed salary + variable)

** Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

Average remuneration by age

| | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------|--------|--------|--------|------------------------|------------------------|
| Less than 30 years | 29,607 | 22,164 | 25,412 | 50.00% | 14.65% |
| 30 - 45 years | 40,070 | 34,013 | 34,181 | -15.12% | 0.00% |
| More than 45 years | 45,441 | 44,597 | 47,305 | -1.86% | 6.07% |

*Gross annual monetary remuneration (fixed salary + variable)

** Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.

Average remuneration by professional category

| | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|----------------------|---------|---------|---------|------------------------|------------------------|
| Senior Management | 495,049 | 441,434 | 451,345 | -10.83% | 2.25% |
| Management Positions | 124,165 | 125,034 | 114,262 | 0.70% | -8.62% |
| Other Staff | 35,545 | 35,847 | 35,400 | 0.85% | -1.25% |

*Gross annual monetary remuneration (fixed salary + variable)

** Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.

*** The "Management Positions" category covers all employees included in the Management by Objectives system

In all three cases, the variable salary refers to employees who fall under the framework of Management by Objectives, and who, depending on whether they achieve these objectives or not, receive additional remuneration, and has been calculated based on the average theoretical headcount.

90.11% of Itínere Group's workforce received a remuneration as agreed in the collective bargaining agreement of each company. When someone is hired, it must be determined to which professional group the employee is to be incorporated depending on the duties to be performed and the level of responsibility required in the job. The remuneration agreed for that group is applied, regardless of whether the employee is a man or a woman, therefore, there is no sex-based discrimination in what regards salary payments for this group. The differences between the average remuneration men and women receive are mainly due to seniority or overtime.

For the rest of the workforce, with remuneration outside the collective agreement, the average remuneration between men and women has been calculated, considering jobs with a similar level of responsibility (jobs where there is no worker of each gender have been excluded), as shown in the following chart:

| Salary gap | Men | Women | Change |
|----------------------|--------|--------|--------|
| Department Managers | 84,446 | 88,700 | 5.04% |
| Technical Staff | 43,707 | 45,594 | 4.32% |
| Administrative staff | 27,449 | 38,949 | 41.90% |
| Other Staff | 28,423 | 37,339 | 31.37% |

*Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.

In the case of the Itínere Directors, there are 3 women and 7 men, and they receive no remuneration for such position.

2. Work organisation

Since our concession companies provide a public service and operate 24 hours a day, 365 days a year, and each one has a minimum structure established in the concession contracts, the organisation of the resources required for proper operation is the responsibility of each company's management (following the criteria and objectives established by the Group's

management), pursuant to current legislation and the applicable collective bargaining agreements.

On 7 December 2018, Organic Law 3/2018 of 5 December 2018, on the Protection of Personal Data and Guarantee of Digital Rights (hereinafter, "Organic Law on Data Protection") came into force, amending, among other legal provisions, the Consolidated Text of the Workers' Statute Law (hereinafter, "Workers' Statute"), by including a new Article, 20 bis. On the occasion of the regulation of the rights and freedoms connected to the Internet environment, in addition to the rights of security and digital education, the right to digital disconnection is recognised for the first time in Spanish regulation, within the framework of the right to privacy in the use of digital devices in the workplace. In this regard, Article 88 of the Organic Law on Data Protection establishes the company's obligation to establish an internal policy on the different ways in which you can exercise the right to digital disconnection, after a hearing with the workers' representatives. This article establishes the right to digital disconnection as a procedure that must guarantee workers respect for their rest time, leave and holidays, in addition to their personal and family privacy, beyond the working time determined by law or by agreement. It also contains the obligation to establish an internal policy aimed at employees, without excluding management personnel, and provides that the right to digital disconnection be preserved in cases of total or partial remote work, and in the home of the employee linked to the use of technological tools for work purposes. This internal policy will have to include training actions and awareness campaigns on the use of technological tools to prevent computer fatigue.

Itínere Group has approved a policy that guarantees its employees the right to digital disconnection at the end of the working day. Itínere Group employees thus enjoy the right not to respond to any communication, regardless of the medium used (email, WhatsApp, telephone, etc.), after the end of their working day.

Similarly, and in order to guarantee the effectiveness of this digital disconnection policy, employees undertake to make appropriate use of the computer and technological resources made available by the company, avoiding, as far as possible, their use outside the set working day. Particularly, employees who are responsible for a team of people must comply with the digital disconnection policies. Hierarchical superiors should refrain from requesting a response in communications sent to employees outside working hours or close to the end of working hours, when this entails that the recipient of the communication will have to carry out actual work that could foreseeably be prolonged and invade their rest time. Therefore, the addressees of the communication shall have the right not to reply to the message until the beginning of the next working day.

The main complaints mechanism available to all staff, is the whistle-blowing channel provided for in the Code of Conduct, known as the Compliance channel. This channel is publicly available to the public since it is on the Group's website (<https://www.grupoitinere.com/cumplimiento-corporativo/canal-de-cumplimiento/>) has not received any communication regarding digital disconnection.

The number of effective working hours is different in each collective agreement. 1,723 hours per year being the average for the Group.

Therefore, each operating company establishes a different organisation of work, depending on weather changes and the flow of traffic in specific seasons, within the relevant legal regulations. Shifts are stable and the annual work calendar is individualised and delivered at the beginning of the year, thus enabling professional and family reconciliation.

Another point to note is that there is a different collective bargaining agreement for each operating company, that is, five and one for the headquarters, so there is a total of six collective bargaining agreements. Collective bargaining agreements are the result of agreements reached between employee representatives and representatives of each Group company. The term of the collective bargaining agreements is four years, except for Autoestradas, which is five years.

In order to achieve an appropriate balance between work responsibilities and personal and family life, each collective agreement regulates reconciliation measures, improving those established by law, such as, the extension of days for hospital admission of family members and leave to accompany them to consultations (197 leaves were granted in 2020, 55 in 2019), study grants for children up to 26 years of age (175 grants were granted in 2020, 148 in 2019), aid for medical expenses for employees, spouses and children (391 in 2020, 434 in 2019), priority in choosing a timetable and shift for caring for children or family members (8 times in 2020, 3 in 2019).

With regard to parental leave, 8 parental leaves have been granted in Itínere Group, as shown in the following chart:

| Paternity and maternity leaves | | | Variation |
|---------------------------------------|-------------|-------------|------------------|
| | 2019 | 2020 | 2019/2020 |
| Men | 4 | 4 | 0.00% |
| Women | 2 | 4 | 100.00% |

**Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

At the Group's headquarters, all employees have signed a flexible working hours agreement, which allows them to adapt their schedules to improve productivity and improve their rest time in order to reconcile work and family life. In addition, these workers and their families, spouses and children, have private health insurance (approximately 200 insured).

In financial year 2020, a special need also arose in the organisation of work as a result of the fact that the competent authorities had to take action during the lockdown caused by the COVID-19 pandemic, thereby drastically reducing the mobility of citizens and, consequently, traffic on the toll roads.

As an exceptional action and in order to prevent any (temporary) workforce adjustment plan (ERE or ERTE) as a result of the situation caused by COVID-19, it has been agreed, mainly in the toll department, to allow requests for voluntary and temporary reduced worktime and to create an "overtime bank" where workers began to accumulate non-worked hours since the beginning of the state of alert, on 14 March 2020, and which they must "return" to the company according to the agreed terms and deadlines.

3. Health and Safety

The HR Management at Itínere Group, guarantees meticulous compliance with the regulations on prevention, and promotes preventive activities so that they become part of the corporate culture. In collaboration with the Mutual's prevention services, "Risk Prevention

Plans" have been established and their consequent monitoring, establishing the necessary corrective measures where necessary.

In addition, in 2020 Grupo Itinere has been certified in the ISO 45001 Standard, for occupational health and safety management systems, in order to reduce risks and improve the employees' working conditions.

On the other hand, the collective bargaining agreements regulate the constitution of a Health and Safety Committee, pursuant to Law 31/1995, of 8 November 1995, on occupational risk prevention, which is made up of company representatives and prevention delegates (in the Group there are 14 employee representatives). The aforementioned committees meet when necessary, at the request of one of the parties, and supervise the company's actions in risk prevention matters (17 meetings were held in 2020, with no unresolved discrepancies in any of them). The Committee may require implementing special surveillance measures for jobs with health and safety risks.

Our companies promote training in health and safety at work for all staff, enabling attendance to courses given in this area.

Furthermore, the company establishes, at its own expense, the appropriate means for workers to undergo a periodic medical examination, which, in general, will be voluntary.

An example of this were the measures adopted by the company as a result of the pandemic, providing training on Coronavirus and personal protective equipment against COVID-19, carrying out voluntary tests for virus detection at the company's expense, and implementing several special preventive measures (such as increasing distancing at certain work stations, eliminating manual cash payment collection where possible, suspending clocking in/out using fingerprint, etc.) to ensure safety at work stations.

With regard to absenteeism, all Group companies use the same criteria (unexcused absences from work, sick leave of absence, leave due to workplace accident, strikes and sanctions) to determine what is considered to be absence hours.

The total number of absence hours is as follows:

| Absence hours | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|----------------------|-------------|-------------|-------------|--------------------------------|--------------------------------|
| Men | 22,205 | 38,109 | 46,605 | 71.62% | 22.29% |
| Women | 18,749 | 15,365 | 25,646 | -18.05% | 66.91% |

** Audenasa's figures correspond to 50% of the activity, since Itinere is an investee with that share of the company.*

The number of work-related accidents in 2020 was 30, all of which were minor, and only 17 resulted in medical leave. The frequency is higher in the winter months, due to adverse weather conditions. The highest incidence rate recorded in the Group companies was 23.4 per 1,000 workers. The percentage of work accidents with leave of absence is as follows:

| Percentage of occupational accidents | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|-------------|-------------|-------------|----------------------------|----------------------------|
| Men | 0.22% | 0.19% | 0.04% | -13.64% | -78.95% |
| Women | 0.09% | 0.27% | 0.11% | 200.00% | -59.26% |

** Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

There were no occupational sick leaves in the Group in 2018, 2019 or 2020.

It is also worth mentioning that we have external prevention services for all the companies in Itínere Group.

4.Social relations

All the concessionaire companies of Itínere Group have legally constituted Workers Committees, through which labour relations and social dialogue are coordinated. They represent the workers in all social aspects and especially in the negotiation and signing of Collective Bargaining Agreements.

100% of Itínere Group's employees are covered by a specific collective bargaining agreement in Spain and they all improve different aspects of the general labour legislation.

Each collective bargaining agreement establishes the existence of a joint body for consultation and interpretation of the Collective Bargaining Agreement, which allows to speed up dialogue on any matter that may be the subject of disagreement.

There are 37 employees in the Group who make up the different Workers Committee and in 2020, 18 meetings were held, as the need arose.

There has been no substantial modification of the working conditions of any Itínere Group employee in 2020.

In 2020, a new collective bargaining agreement was signed at Autoestradas, with a five-year term. The collective bargaining agreements of Autopistas del Atlántico, Autopista concesionaria Astur-Leonesa and Autopistas de Navarra were extended for a period of four years.

5.Training

Itínere Group considers training essential, as constant update of knowledge, specialisation and greater attention to the service provided by the companies is crucial. So the HR Management together with the Management of the operating companies set the criteria to carry out a training program aimed at improving professional performance, which ensures that workers develop and perfect the knowledge required to achieve greater efficiency and better skills in their job performance.

Meanwhile, training is aimed at motivating people and encouraging their development and integration within the organisation. Training is thus continuous and permanent within the company. A Training Plan is drawn up annually in each concessionary company to address the points to be improved by employees and encourage adaptation to change, so that the performance of each position is increasingly higher.

First, the company's real training needs are analysed, and once identified, they are classified and prioritised, considering, on the one hand, the criteria of urgency and importance for the

correct operation of the company, and on the other hand, to comply with legal requirements such as training in prevention of occupational hazards.

In addition, the group of people to participate in the training action is analysed, especially the core staff, and an attempt is made to balance training between different positions and departments, so that the training reaches the maximum number of people.

The number of training hours carried out in 2020 was 4,663 hours according to the following distribution:

| Training hours | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|----------------------|-------|-------|-------|------------------------|------------------------|
| Senior Management | 94 | 233 | 122 | 147.34% | -47.53% |
| Management Positions | 710 | 961 | 569 | 35.28% | -40.76% |
| Other Staff | 4,955 | 5,387 | 3,972 | 8.72% | -26.27% |

** Audenasa's figures correspond to 50% of the activity, since Itínere is an investee with that share of the company.*

6. Accessibility

In each and every one of our facilities where adaptation works have been required to improve accessibility for disabled workers, these have been carried out, at the appropriate time, such as the installation of a lift in the Audasa offices in 2014.

7. Equality

Itínere Group has an Equality Plan in place in Autopistas del Atlántico, with the purpose of promoting the application of the principle of equal treatment between men and women, to promote women's access to management positions, to raise awareness on equal opportunities at management level, to establish measures that favour the reconciliation of family and working life and to prevent sex-based discrimination at work. This is all regulated under Article 67 of the Audasa Collective Bargaining Agreement.

Both Autopistas de Navarra and Gestión de Infraestructuras de Bizkaia initiated procedures in November 2020 to draw up an Equality Plan, which is projected to be implemented in March 2021. Currently, both companies are in the phase of preparing the Diagnostic report prior to the Equality Plan.

For the rest of the companies that make up Itínere Group, it is planned to draw up Equality Plans throughout 2021 in compliance with the legal requirements, not only for companies for which it is mandatory to have such a plan, but also voluntarily for the rest.

There have been no complaints from trade unions regarding the existence of sex-based discrimination, nor has any notification been received by the Group's Compliance Channel.

Finally, in 2020 a "Workplace harassment protocol" was approved, which is a true reflection of Itínere Group's code of conduct, since in order to guarantee the protection of individual fundamental rights, and as a firm commitment to comply with the applicable regulations to this effect, it is considered necessary to prevent harassing behaviour or the occurrence of any behaviour that could be considered as workplace and professional harassment. Sexual harassment, sex-based harassment and psychological harassment are behaviours that are totally prohibited in Itínere Group and are considered unacceptable in our organisation.

Thus, Itínere Group has put in place a Workplace harassment protocol and is committed to guaranteeing that everyone with a direct relationship with our Group enjoys a respectful working environment, where the right to equal treatment, non-discrimination, dignity, privacy and integrity, among the main principles, are respected at all times, and to adopting the corresponding corrective and disciplinary measures and protection measures for those affected should such conducts occur.

It should be noted that this protocol, as stated therein, complements or substitutes any existing provisions to such effect in the respective companies of Itínere Group, and that, likewise, the Group's suppliers are required, as part of their approval process and by means of an express statement to this effect, to accept having the necessary means and tools in their organisations to prevent attitudes or actions of this nature from occurring.

In 2020, specific training was provided at all levels of the Group's organisation chart on workplace harassment, how to identify it, and the means made available by the Group to its human capital to immediately report even the mere suspicion that such a situation is taking place. This training has been carried out by 15.2% of the Group's total workforce.

V.HUMAN RIGHTS

Ensuring respect for Human Rights throughout our value chain is one of Itínere Group's priorities in terms of Social Responsibility. To such end, we take as a reference, among others, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the Fundamental Principles and Rights of the International Labour Organisation (ILO).



UNIVERSAL DECLARATION OF
HUMAN RIGHTS



FUNDAMENTAL PRINCIPLES AND
RIGHTS OF THE INTERNATIONAL
LABOUR ORGANISATION



UNITED NATIONS GUIDING
PRINCIPLES ON BUSINESS AND
HUMAN RIGHTS

This commitment is set out in our Code of Conduct, which establishes the principles and values that must inspire the actions of the companies and individuals that make up Itínere Group, and also other individuals or legal entities that are related parties. It establishes the principles, rules and business practices that our suppliers must comply with in the course of the relationship with the Group and its professionals.

This way, the Group's commitment to Human Rights establishes the Company's guidelines, in accordance with current legislation, with regard to:



Given the geographical scope of operations of Itínere Group, and the sector in which it operates in relation to its suppliers, it has been considered that there is very low risk of: child labour and young workers exposed to hazardous work.

This Code of Conduct can be viewed on Itínere Group's corporate website <https://www.grupoitinerere.com/cumplimiento/codigo-de-etica-y-conducta/>.

Itínere Group considers people as a key value of its business activity and defends and promotes compliance with human and labour rights. The Group thus expresses its involvement and commitment to the human and labour rights recognised in national and international legislation

and to the principles of the United Nations Global Compact, which arise from United Nations declarations on human rights, labour, environment and anti-corruption.

Particularly, Itínere Group will ensure that its facilities and equipment, and all its activities, are carried out in safe, healthy and fair working and living conditions, and in compliance with the applicable regulations in force.

Similarly, Itínere Group declares its full rejection of child labour and forced or compulsory labour and undertakes to respect freedom of association and collective bargaining.

With regard to suppliers and providers of Itínere Group, the Code of Conduct requires them to know and accept the rules of conduct and business practices contained in the Code, without prejudice to any other code of conduct or document of a similar nature of the Group intended for its suppliers or providers. In any case, the Group's suppliers and providers shall observe the following principles in their actions:



All its activities are carried out ethically, honestly, responsibly and in full compliance with the law.



Any kind of forced or irregular labour is categorically forbidden, no kind of discrimination, abuse or inhumane treatment being allowed.



Group suppliers and vendors will guarantee their worker, without exception, have the rights of association, affiliation and collective bargaining and a safe, healthy work-place and a fair wage, in compliance with applicable collective agreement and regulations.



Anyone maintaining a direct or indirect employment, business, social or industrial relationship with the supplier or vendor will be treated fairly and respectfully.

In the event of any contradiction or discrepancy between the supplier or provider's code of conduct and Itínere Group's Code of Conduct, that of the latter shall apply.

Itínere Group will adapt the supplier selection processes to objective and impartial criteria and will obviate any conflict of interest or favouritism in their selection. In the supplier selection process, the Group will assess whether the candidate has a code of conduct or similar document on ethics, conduct and good business practices, which shall not be contrary to the provisions of this Code of Conduct.

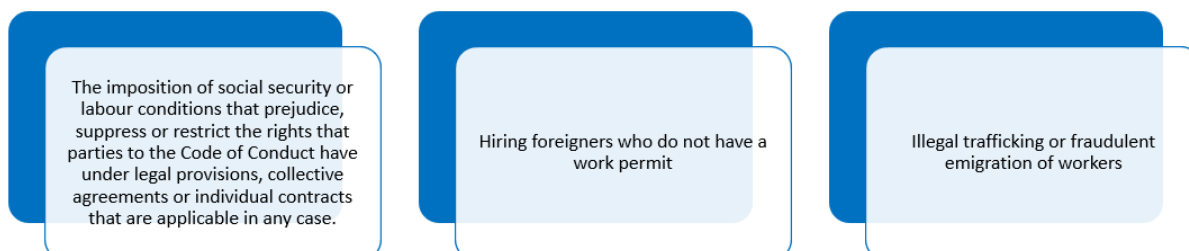
As planned in 2019, and given that this Code of Conduct was approved for Itínere Group by its Board of Directors on 19 December 2019, replacing the previously existing one from 2012, it was in 2020 that it was included in its due diligence processes in Human Rights, and we began to demand a declaration of adherence to our code of conduct and the strictest respect for Human Rights throughout their entire value chain. Otherwise, they are allowed the alternative of submitting their own commitment or code of conduct equivalent to that of Itínere Group, without which they will not be able to obtain or renew their approval as a supplier.

Itínere Group declares its firm respect and commitment to the rights of its Code Subjects recognised in current labour legislation, including the rights of association, syndication and strike, and it also has workers committees or trade union delegates in companies where this is mandatory, where workers are allowed free access to their representatives at all times.

At 31 December 2020, the staff of the different companies of the Group are represented by Workers' Committees in all the companies of Itínere Group, most of whose members are

members of the trade unions with the greatest national or regional representation. Only two companies of the Group, Itínere Infraestructuras, S.A., and Ena Infraestructuras, S.A., have no employee representation due to the fact that, firstly, the employees themselves have not expressed an interest in having this form of employee representation to date, and secondly, that there is no legal obligation to have employee representation.

The Group prohibits and forbids any of the following behaviours:



Notwithstanding the foregoing, at 31/12/2020 Itínere Group does not have any foreign nationality employees in its workforce.

A very low risk of violation of basic human and labour rights, such as forced labour or child labour, is perceived in operations within Itínere Group, given its express submission to strict compliance with current legislation in Spain in general, and with labour regulations in particular. At 31/12/2020, Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union, with deadline for transposition into Spanish law 01/08/2022, is already complied with.

As planned in the previous year, in 2020, Itínere Group has approved a due diligence protocol on Human Rights, which can be consulted through this link:

<https://www.grupoitinere.com/wp-content/uploads/DDHH-DILIGENCIA-DEBIDA-dic20.pdf>

For the coming years, Itínere Group plans delve into this, the main milestones to work on being designing and training, where appropriate, of awareness programmes, in case potential impacts are detected in our organisation in this area.

1.Complaints mechanisms and follow-up:

The main complaints mechanism is the whistle-blowing channel provided for in the Code of Conduct, known as the Compliance Channel, through which any of party under the Code may report any breach of the principles contained therein, with the guarantee of this remaining totally confidential. The Manager of the Group's Compliance Area is the only one who has access to this e-mail account, and is responsible for prioritising, processing, investigating and proposing to Itínere Group's Compliance Unit the resolution to be adopted depending on its importance and nature.

No complaints or reports on situations of non-compliance with the Code of Conduct or any other internal rules or policies within the Group were received in 2020.

In addition to the Compliance Channel, the Human Resources departments of the Group's different companies can also process, investigate and solve incidents occurring within their respective companies.

With regard to the supply chain, all our suppliers can use Itínere Group's Compliance Channel to inform us of any breaches of the applicable rules and laws, in general, or of any breach of the principles set out in our Code of Conduct or other internal rules or policies, in particular.

Itínere Group requires its suppliers and providers to know and accept the rules of conduct and approved business practices or, alternatively, to have a code of conduct or document of a similar nature to that of Itínere Group and which is intended, in turn, for its suppliers or providers and which, in substance, coincide with or respect, at least, the following principles:



Itínere Group has adapted its supplier selection processes to objectivity and impartiality criteria and will avoid, as in the past, any conflict of interest or favouritism in their selection. In the supplier selection process, the Group will assess whether the candidate has a code of conduct or similar document on ethics, conduct and good business practices, which shall not be contrary to the provisions of our Code of Conduct.

The Corporate Purchasing Policies establish and regulate the procedure for requesting, negotiating, awarding, contracting and approving suppliers and providers.

At 31/12/2020, none of the companies of Itínere Group had received significant or insignificant non-monetary fines or sanctions for non-compliance with laws or regulations on social or economic matters.

VI.ANTI BRIBERY AND CORRUPTION PRACTICES

A.Itínere Group's Commitment

Itínere Group has the firm commitment to show its firm disapproval of any conduct that could be considered as an act of corruption or bribery, both public and private. Therefore, Itínere Group prohibits, in general, any type of corrupt conduct that may directly or indirectly influence the decision making of third parties, whether they are Public Administrations or private individuals.

B.Code of Conduct as a tool against corruption and bribery

Accordingly, Itínere Group has a Code of Conduct that provides, for the entire Group, the standards and action guidelines to be followed in the fight against bribery and corruption in all areas. Thus, we strongly reject any kind of corruption and have a zero tolerance policy towards any kind of corrupt behaviour, conduct or practice.

The Subjects under the discipline of Itínere Group's Code of Conduct may not, directly or through an intermediary, offer or grant, or request or accept, advantages or benefits that are not justified and whose immediate or mediate purpose is to obtain a benefit, present or future, for the Group, for themselves or for a third party. Particularly, they may not give or receive any form of bribe, kickback or commission from any other party involved, such as Spanish or foreign public officials, staff of other companies, political parties, authorities, customers, suppliers and partners. Acts of bribery, which are expressly prohibited, include the offer or promise, directly or indirectly, of any kind of improper advantage, any instrument for its concealment, and influence peddling. Nor may you personally receive money from commercial customers or suppliers, even in the form of a loan or advance.

Nor may they give or accept hospitality that influences, could influence or could be construed as influencing decision-making. Any form of corruption, bribery or influence peddling with public officials or authorities, whether national or foreign, and with members of international organisations, is strictly and absolutely forbidden.

Finally, the Subjects of Itínere Group Code shall refrain from making or accepting payments, whether in the form of money or other goods or services that have an economic value, regardless of their amount, in exchange for securing or expediting the course of a procedure or action of any nature, before any judicial body, public administration or official body, and before any company of the Group.

As a result of the above, relations with authorities, public bodies, national or foreign public officials and public administrations in general, will always be conducted under the principles of legality, integrity, collaboration, cooperation and transparency.

C.Anti-corruption

Itínere Group's commitment to fight corruption includes, among others, the following items:



Itínere Group's Code Subjects may not, under any circumstances offer, give or accept gifts or presents in the course of their professional activity, except when they are of irrelevant or symbolic economic value and respond to signs of courtesy or usual commercial attentions, or are invitations that for Itínere Group are considered ordinary according to social customs as they are within sensible, reasonable and generally accepted limits.

In any case, gifts, presents or invitations that fall into any of the following categories will not be acceptable:

- When prohibited by the applicable regulations in each case.
- When by their nature, they could, or be intended to, improperly affect, or could be perceived to improperly affect, the objective independent judgement of the recipient.
- When due to their frequency, characteristics, opportunity or other concurrent circumstances in the specific case, they could be interpreted as having the intention of affecting the impartial and objective criterion of the recipient.

In case of any gifts, presents or invitations not permitted in accordance with the provisions of the two preceding paragraphs, Code Subjects must politely decline the offer or gift made to them, referring, if necessary, to the prohibitions contained in this Code. If due to the specific and particular circumstances of the situation, it is not possible or appropriate to decline the offer or gift, the Compliance Department shall be immediately notified and, under the supervision of the Compliance Unit, shall give it the destination or treatment considered reasonable, sensible and appropriate in each specific case.

In case of doubts as to what is or is not acceptable, a consultation may be sent to the Compliance Area which, after drawing up a report, will submit a resolution proposal to the Compliance Unit,

which will indicate its criteria by means of a written communication, which will be binding and irrevocable.

D. Management of the fight against corruption and bribery

1. Assessment of corruption risks

Itínere Group has developed a Regulatory Compliance programme adapted to the requirements arising from the law, regulatory bodies, the highest jurisprudence and the circulars of the State Attorney General's Office. As Itínere Group's activities involve the operation and management of large infrastructures under administrative concession contracts or public service contracts, this model includes among its specific risks arising from the activity of the different companies that make up the Group, those arising from potential acts of corruption, both in the public (bribery, influence peddling and corruption in international commercial transactions) and private (corruption in business) spheres. It has also defined a risk assessment system based on qualitative criteria, taking as parameters the impact and probability of occurrence, and the vulnerability and management level of the controls identified in its control environment.

2. Communication and training on anti-corruption policies and procedures

Itínere Group is aware that training internal staff is an essential value within the Company's strategy, promoting the continuous improvement of its control and compliance system, and reinforcing its commitment to compliance with the highest standards in the prevention of criminal risks. The Compliance Area has the following plan for the coming years in relation to training the Group's human resources in the Group's Regulatory Compliance programme:

| Regulatory Compliance Programme | Regulatory Compliance Programme Code of conduct Acceptance | Training** financial year 2021 | Training** financial year 2022 | Training** financial year 2023 | Training** financial year 2024 |
|--|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Audasa | 100% | 25% | 25% | 30% | 20% |
| Autoestradas | 100% | 25% | 25% | 20% | 30% |
| Aucalsa | 100% | 15% | 10% | 25% | 25% |
| Gebisa | 100% | 10% | 20% | 30% | 40% |
| Itínere | 100% | 30% | 20% | 20% | 30% |
| Ena | 100% | 20% | 30% | 30% | 20% |

* As a percentage;

** Out of the total number of recipients according to subject and risk.

3. Compliance Channel as a mechanism for advice and reporting of ethical concerns

A Compliance channel has been designed, aimed at detecting the existence of conducts that could potentially be contrary to the principles of Itínere Group. Any situation or well-founded

suspicion of irregular conduct, including violations of business ethics, can be reported to the Compliance Area and, through the Compliance Unit.

Itínere Group guarantees maximum confidentiality of the whistle-blower's identity. Your identity will not be disclosed without your express consent, not even to the reported person or anyone other than a member authorised to manage the ethics and compliance channel. The above shall also apply to any other information that may lead to deducing the whistle-blower's identity, either directly or indirectly. Those who have knowledge of the reports made through the channels established by the Board of Directors for Itínere Group are obliged to keep professional secrecy regarding the identity of the whistle-blower.

Itínere Group guarantees absolute protection against any form of direct or indirect retaliation, expressly prohibiting taking, encouraging or tolerating actions of this nature. Thus, Itínere Group will prevent any reprisals, threats or attempted reprisals on the whistle-blower for making use of this ethical and compliance channel.

Itínere Group will keep a record of all complaints received. These will be kept only for the proportionate period as may be required.

This channel is managed by the Compliance Area and is operational 24/7 (hours/day). The regulation of the aforementioned channel is defined in the Regulations for the use of the Compliance Channel. Without prejudice to other statutory situations, it can be highlighted that other situations can be reported:



4. How do we regulate conflicts of interest?

A conflict of interest shall be deemed to exist in situations where there is a direct or indirect conflict with the interests of any of Itínere Group's companies. There is personal interest when the matter affects the Code Subject or a person related thereto.

The following shall be considered as related persons:

- a. The spouse or person with equivalent affective relationship
- b. The ascendants, descendants and siblings of the subjects themselves or of the spouse (or person with equivalent affective relationship); the spouses (or person with equivalent affective relationship) of the ascendants, descendants and siblings of the Code Subject; The companies that, by themselves or by proxy, are under any of the control situations established in commercial law; Companies or entities in which, by themselves or by proxy, hold an administrative or management position or from which they receive remuneration for any reason, provided that, in addition, they exercise, directly or indirectly, a significant influence on the financial and operating decisions of said companies or entities.

The decisions of private individuals or legal entities subject to the discipline of Itínere Group's Code of Conduct must be based on the best defence of Itínere Group's interests, so that they

are not influenced by personal or family relationships or by any other particular interests. Therefore, in relation to possible conflicts of interest, the following general action principles shall be observed:

- a. **Independence:** to act professionally at all times, being loyal to the Group and its partners and independent of own or third party interests. Consequently, priority shall not be given to one's own interests in detriment to those of the Group.
- b. **Abstention:** to refrain from intervening in or influencing the taking of decisions that may affect Group companies with which there is a conflict of interest, from participating in meetings where such decisions are raised and from accessing confidential information that may affect such conflict.
- c. **Communication:** to report any conflicts of interest in which one is involved. To this end, the existence or possible existence of a conflict of interest must be reported in writing and without delay to the Compliance Area, which shall forward a proposal for resolution to the Compliance Unit. The Communication should indicate:
 - If the conflict of interest affects you personally or through a person related to you, identifying that person, if applicable
 - The situation giving rise to the conflict of interest, detailing, where appropriate, the purpose and main terms of the proposed transaction or decision
 - The approximate amount or economic value
 - The department or person in the Group with whom the relevant contacts have been initiated

These general action principles shall be particularly observed when the conflict of interest situation is, or may reasonably be expected to be, of such a nature as to constitute a structural and permanent conflict of interest situation between the professional, or a person related to the professional, and any of the companies of Itínere Group.

E.Compliance model

Itínere Group has a Compliance Model, which, through the methodology used to prepare it, has made it possible, in relation to corruption and bribery risks, to identify the risks related to corruption that may affect the organisation, and the control environment developed by the Group, which allows to mitigate the materialisation of risks related to corruption and bribery. The existence of this Model means for Itínere Group the implementation of a great control mechanism in this area, as it also implies the existence of a continuous supervision and monitoring activity on the risks identified in the Company, which allows the Company to implement alarm mechanisms in the event of non-compliance or situations that could lead to criminal offences.

Following the guidelines set out in Circular 1/2016 of the State Attorney General's Office and section 6 of Article 31 bis of the Criminal Code, Itínere Group's Compliance model is subject to periodic verification and updating, proof of which is the approval by the Board of Directors of Itínere Infraestructuras, S.A. of a new Code of Conduct, applicable to the entire Itínere Group from 19/12/2019.

1. Model Supervision/Compliance Function

Itínere Group relies on the following bodies for Regulatory Compliance to supervise and control the operation of the Compliance Model, and to plan the activity related thereto: The Compliance Unit, as the control and decision-making body for regulatory compliance and responsible for reporting, through its Chairperson, to the Board of Directors; the Compliance Area, which is responsible, through its manager, for overseeing and promoting regulatory compliance in the Group; Internal Audit, responsible for evaluating and improving the effectiveness of the Risk, Control and Governance management processes.

The Compliance Unit has been created by agreement of the Board of Directors of Itínere Infraestructuras, S.A. on 19/12/2019, and its operating regulations can be consulted at:

<https://www.grupoitinere.com/cumplimiento/reglamento-de-la-unidad-de-cumplimiento/>.

The Compliance Unit shall meet whenever it deems necessary and at least once a quarter to analyse the performance of its duties. The Secretary shall call the meetings at the Chairperson's request, by e-mail, stating the place, date and time of the meeting, the type of attendance (in person, electronically, computer or telephone means), and the agenda. Whenever possible, and whenever the confidentiality of the information is not jeopardised, the call shall be accompanied by the documentation required in accordance with the agenda.

The Compliance Unit of Itínere Group has competences relating to:

- I. Regulatory Compliance.
- II. The Code of conduct.
- III. Compliance Channel Management and processing procedure.

At 31/12/2020, none of the companies of Itínere Group had received significant or insignificant non-monetary fines or sanctions for non-compliance with laws or regulations on social or economic matters. The organisation has not identified any non-compliance with laws or regulations.

F. Contributions to foundations and non-profit organisations

Itínere Group may contribute to the development of the communities with which it interacts in the performance of its business activity through its corporate social responsibility strategy.

Donations made at the expense of Itínere Group companies shall require the prior agreement of its own governing body, and shall always be pursuant to the provisions of applicable Law, and to the behavioural principles and guidelines which are part of the Group's DNA, and in the new Code of Conduct approved on 19/12/2019.

Donations must have a legitimate purpose, may in no case be anonymous, must be formalised in writing and, when in cash, must be made by any means of payment that allows identifying the recipient of the funds.

Before requesting approval for a donation, the proponent must have carried out a detailed prior study of the characteristics, background, purpose and reputation of the intended recipient ("due diligence") in order to prove the lawfulness of the donation. In this screening prior to any donation, special care shall be taken to verify that the potential recipient is not directly or indirectly related,

even remotely, to criminal or terrorist groups and organisations, money laundering or terrorist financing.

The proponent shall report the results of such proceedings to the Compliance Area, which may request additional information or propose complementary control measures, prior to the approval of the donation by the competent body.

In the event that the information resulting from the due diligence is false or inaccurate, the Group company making the donation must be able to revoke it, without prejudice to taking other legal actions.

The contributions made by Itínere Group to foundations and non-profit organisations are recorded in note "1. Impact of the company's activity on local communities and the territory" in section "VII. Information about the company" in this report.

G. Contribution to political parties and/or representatives

Itínere Group is not associated with any specific political party. Therefore, the organisation forbids making any type of contribution, in the name and on behalf of the company, constituting or which may constitute, any membership to or involvement in any political party. Therefore, political contributions made by Itínere Group personnel may only be made as a private citizen, expressly stating that such contributions are made personally, and in no case on behalf of or in the interest of any company of Itínere Group.

According to the Code of Conduct, Itínere Infraestructuras, S.A. and the rest of the companies that make up the Group will not make donations or contributions to a political party, federation, coalition or group of voters, nor will they participate in any type of structure or organisation whose purpose is to finance political parties, federations, coalitions or groups of voters.

Nor may persons subject to the discipline of the aforementioned Code of Conduct, under any circumstances, make contributions of any kind, even in the form of donations, loans or advances, to political parties (including federations, coalitions or groups of voters) or other ideological organisations, at the expense of any company of the Group.

The relationship, membership or collaboration of Itínere Group staff with political parties, associations, foundations or institutions with public purposes shall be carried out as a private citizen, avoiding any link of such relationship, membership or collaboration with the Group. Particularly, any reference to past or present membership of Itínere Group in political activities is strictly forbidden. These include political activities carried out under the protection of, covered by or in connection with political parties or other organisations guided by a common ideology, regardless of the nature of the activity.

H. Prevention of money laundering

The activities carried out by companies of Itínere Group are not subject to Law 10/2010, of 28 April, on the prevention of money laundering and the financing of terrorism. However, the Group is firmly committed to prevent its corporate criminal risks and particularly, to prevent practices that may be considered irregular in the development of its relations with stakeholders. In this regard, any unforeseen payments made to or by third parties not mentioned in the corresponding contracts, payments made to or by persons, companies, entities or to accounts opened in

territories classified as tax havens and those made to organisations in which it is not possible to identify the partner, owner or ultimate beneficiary, will be subject to special control and supervision.

At 31/12/2020, none of the companies of Itínere Group had received significant or insignificant non-monetary fines or sanctions for non-compliance with laws or regulations on social or economic matters. The organisation has not identified any non-compliance with laws or regulations.

VII. INFORMATION ABOUT THE COMPANY

A. The company's commitment to sustainable development

1. Impact of the company's activity on local communities and the territory.

The companies that make up Itínere Group are a very important part of the social environment and territorial area where they are located, as one of our Company's most important missions is to guarantee appropriate mobility for citizens in the whole of Spain, but more specially of those residing near the toll road.

That is why there are discounts for regular users who meet a series of requirements:

| | |
|---------------------|---|
| Audasa | <ul style="list-style-type: none"> The sections between O Morrazo and A Barcala are non-paying and there are discounts of between 25% and 100% of the cost of the return journey for light-vehicle drivers paying with OBE who make the outbound and return journey on the same working day. |
| Aucalsa | <ul style="list-style-type: none"> 50% discounts for light vehicles paying with OBE from 3 transits a month (third included). 30% discount for HGVs on all routes. |
| Audenasa | <ul style="list-style-type: none"> Progressive discounts for light vehicles paying with OBE. Special rate for HGVs so that the amount is equivalent to approximately 60% of the tariff for light vehicles and additional progressive discounts according to use. |
| Autoestradas | <ul style="list-style-type: none"> Journeys starting from and ending in the Exterior Port are free for users and there are progressive discounts according to the number of return journeys made on the same day for light vehicle drivers paying with OBE who make the return trip on the same working day. |

Likewise, within the Group, Audenasa has sponsorships in place to favour and help in aspects that we consider important for the community:

- Donation to the Baluarte Foundation (public foundation under the Government of Navarra that programmes highly artistic cultural shows at the Baluarte Conference Centre and Auditorium) (100 thousand euros)
- University of Navarra Museum - aimed at developing a cultural project of social interest (20 thousand euros)
- Foundation for Applied Medical Research, an entity focused on fighting against cancer and infectious diseases (15 thousand euros)

2. Impact of the company's activity on local employment and development

Each toll road has its own personality and is a reflection of the local culture in what regards social issues. In order to translate this reality into a regulatory framework, there are specific

collective bargaining agreements in each Concession Company; there is no Group collective bargaining agreement. Thus, each collective bargaining agreement reflects the cultural personality of the social environment of the location of each of our infrastructures (Galicia, Asturias, Basque Country, Navarra).

Most of the workers live in the towns near the toll road.

On the other hand, we try to promote local consumption, hiring local suppliers. The percentages of local suppliers for the Group's main concessions are shown below:

| Percentage of local suppliers | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|--------------------------------------|-------------|-------------|-------------|----------------------------|----------------------------|
| Audasa | 39% | 43% | 55% | 10.26% | 27.47% |
| Aucalsa | 50% | 46% | 43% | -8.00% | -6.15% |
| Audenasa | 68% | 66% | 64% | -2.94% | -3.03% |
| Autoestradas | 53% | 47% | 53% | -11.32% | 12.64% |

3.Itínere Group's response to COVID-19

In view of the progress of the COVID 19 disease, on 9 March 2020, Itínere Group considered it appropriate to set up a temporary and extraordinary Committee (called the COVID-19 Committee) to address the consequences that could arise for all its stakeholders at the highest level

On 10 March 2020, decisions were taken. One of them was, among others, to implement teleworking for all Group personnel who could work remotely, to cancel travel to the minimum necessary and only in cases of non-postponable emergency, and to reduce face-to-face meetings to a minimum, both in our offices and in those of third parties, promoting the reconciliation of work and family life. This shows the Group's high level of commitment to its employees.

In addition, the Human Resources Department proposed alternative measures to temporary workforce adjustment plans:

1. Bring summer holidays forward
2. Have unpaid leave.
3. Grant leaves of absences with more flexibility.
4. Establish teams and accumulate overtime banks to be returned in fiscal years 2020 and 2021.
5. In collaborating with the prevention services and mutual insurance companies, we have encouraged workers who are "particularly sensitive to COVID 2019" to take an occupational sick leave.

At the concessionaire level, toll highways are a critical infrastructure under current legislation, which is why they have to remain open at all times. All actions required have been taken in all of them to provide their own services and to enable this provision to continue within utmost safety for both workers and users of the high-capacity roads for which Group companies have

concession. These actions have been taken at three levels: 1.- Workers. 2.- Users. 3.- Other stakeholders.

1.- Workers:

When organising the different services and shifts, a distinction has been made between work that can be carried out remotely by teleworking, mainly work carried out at the headquarters (administration, customer service, IT, etc.), and those that necessarily require physical presence (surveillance, winter maintenance, tolls and installations, and even the control centre). For the latter, and in view of the mobility restrictions established by the Government, workers have been provided with an individual accreditation document, in the form of a laissez-passer document, enabling them to go to their workplace.

The common denominator for all workers who cannot work from home is the provision and delivery, by post or area, of basic personal protective equipment consisting of: masks, gloves and hydroalcoholic sanitising gels. Disposable insulating coveralls and booties have been provided for specific positions. Disinfectant products are also available in company vehicles for application on dashboard, steering wheel, gear lever, etc. Also, transparent cellophane-type material is provided to cover contact surfaces, with the instruction that they are to be disposed of after each shift.

Similarly, and in compliance with the approved internal protocols, external companies specialised in industrial disinfection have been hired to disinfect different zones, areas or work stations in general where several workers may coincide, such as changing rooms, and particularly in those where a COVID-19 positive test has been detected or where, without a clinical diagnosis, symptoms highly compatible with the disease have been experienced.

To enable teleworking, all employees have been provided with the necessary means to carry out their job from their homes, by purchasing and/or leasing the necessary computer and communication equipment, with the switchboards being diverted to specific mobile telephones.

Work on the tracks have been reduced to a minimum, suspending non-essential maintenance and investment activities, planning the work in shifts so that the number of employees working in a given area or department is the minimum required and always respecting the safety measures and keeping the distances indicated by the health authorities.

In general, training has been given to all workers both with regard to the use of the different personal protective equipment made available to them, and with regard to common hygiene measures (frequent hand washing, how to open correspondence, daily waste disposal, etc.) to be followed both at the beginning and end of the working day (with special emphasis on communication instruments such as radios, mobile telephones or other remote communication instruments like walkie-talkies).

2.- Users:

The measure most likely to affect our toll road users is the decision to reduce as much as possible the use of cash, encouraging, where possible, the use of automatic toll lanes with closed manual toll booths. The necessary information is provided through variable signage to keep users informed.

On the other hand, access by users to the buildings and facilities of the toll road, both administrative and operational, is restricted to the extent possible.

3.- Other stakeholders:

The Itínere Group companies have contributed with the requests for help and cooperation that they have received from the different stakeholders in their scope, such as public and/or private institutions, public administration, etc. Among other actions carried out, we can highlight the delivery of face masks to the Guardia Civil de Tráfico (Traffic military police), the creation of protective screens with 3D printers which were delivered free of charge and pro bono to health centres, and the transfer of useful machinery to clean and disinfect streets and municipal roads.

B.Subcontracting and suppliers

1.Key risks, policies and commitments

The risks arising from subcontracting and procurement are very limited since, in contracts for the performance of works, the main group of purchase volume contracts of the concession companies establish the liability of the contracting company as potential environmental breaches arising from their performance, both during their performance and in the subsequent treatment of the waste generated.

Itínere Group's purchasing policy is included in the Comprehensive Management System for quality, environment and health and safety at work, which was updated in 2020, and regulates the procurement procedure, identification of purchasing needs, determination of the specifications of the product or service to be purchased, requests for quotations, preparation of the comparative chart of quotations and the procedure for documenting them (by contract or order) once the concession has been awarded. Specifically, it is established that during the Supplier evaluation process, aspects to consider include appropriate behaviour and performance in terms of both the environment and Health and Safety, which must be aligned with Itínere Group's policy.

2.Results of policy application

The Group's procurement policy with regard to environmental issues, in the case of performance of works, includes the contractor's liability for the correct treatment of waste through authorised waste managers, either by means of a clause or an annex, and in some cases a liability clause is introduced for environmental infringements arising from the performance of works.

Therefore, the percentage of suppliers with environmental, quality and/or occupational risk prevention certificates, based on turnover, is as follows:

Percentage of suppliers with certification

| | |
|--------------|-----|
| Audasa | 99% |
| Aucalsa | 78% |
| Audenasa | 56% |
| Autoestradas | 99% |

During the performance of works, a "Plan of Points for Inspection" (PPI) is carried out to guarantee the correct performance of the works contract.

Finally, we would like to point out that the "Supplier Evaluation" carried out by Itínere Group for each service provided or goods supplied by suppliers, aspects relating to the environment and occupational safety are assessed.

3. Adhesion to the code of conduct by suppliers

Itínere Group believes it is of great importance that all suppliers share and/or respect the same ethical principles, values and policies of conduct and that is why, as a continuation of the approval of Itínere Group's Code of Conduct in 2019, a document of adherence to the Group's Code of Conduct has been drawn up through which the company intends to convey its values and principles.

This adhesion establishes the guidelines of conduct and ethical behaviour required from suppliers to preserve a solid business relationship.

It is the responsibility of the Group's suppliers to comply with, enforce and promote this Code of Conduct, and to report any breach thereof, unethical conduct or conduct contravening the principles of Itínere Group through the established channels.

The commitments arising from this adhesion refer to very different aspects such as: compliance with current legislation, non-use of child labour, environmental friendliness, no bribes (neither bribing or being bribed) or any type of fraud, etc.

The current percentage of adhesion to the Code of Conduct by suppliers, based on their turnover, is as shown in the following chart:

| Rate of adhesion | |
|-------------------------|-----|
| Itínere | 74% |
| Ena | 75% |
| Audasa | 98% |
| Aucalsa | 71% |
| Autoestradas | 99% |

C. Consumers

The Group's standard is to offer the greatest possible safety to users and its staff.

To do so, a double operating system has been set: on the one hand, direct attention to users, with a customer service department available to channel all customer needs, including complaints, and on the other hand, the operation itself by conservation and maintenance of infrastructures to achieve the best possible quality and accident rate indicators.

1. Traffic

The relevance of traffic volume on the Group's toll roads is displayed in the following chart, which shows toll data, with a total of almost 69 million transactions. Total toll road traffic data are also shown, including those who pay tolls and those who circulate on the free or toll-free sections integrated in the respective concessionaires. It is apparent from the information supplied that there are over 2,400 million vehicles. kilometre

| 2019 traffic | | Audasa | Aucalsa | Audenasa | Autoestradas |
|---------------------|----------|---------------|----------------|-----------------|---------------------|
| Toll traffic | Journeys | 51,413,912 | 3,673,637 | 22,026,813 | 16,729,365 |
| | ATD | 21,584 | 8,476 | 17,696 | 11,194 |
| Total traffic | Journeys | 1,956,238,524 | 240,569,222 | 869,408,246 | 237,385,561 |
| | ATD | 24,406 | 8,476 | 21,154 | 11,194 |

| 2020 Traffic | | Audasa | Aucalsa | Audenasa | Autoestradas |
|---------------------|----------|---------------|----------------|-----------------|---------------------|
| Toll traffic | Journeys | 36,702,875 | 2,523,405 | 16,494,401 | 13,046,189 |
| | ATD | 15,126 | 5,736 | 13,233 | 8,757 |
| Total traffic | Journeys | 1,410,271,420 | 163,242,937 | 671,783,536 | 186,207,978 |
| | ATD | 17,546 | 5,736 | 16,301 | 8,757 |

This large number of vehicles gives an idea of the number of people who use toll roads every day. The way to ensure that they travel safely, comfortably and in the shortest possible time is to devote the Group's efforts to maintaining the infrastructure in optimal condition and to have the means to provide them with the right care. These actions obtain a response from users through complaints or are evidenced by the greater or lesser use of the roads, their accident rate and the amount of traffic compared to alternative roads.

2. Claims

The procedure for handling complaints submitted by toll road users is set out in the quality system, which regulates the procedure for solving the complaints received. All complaints submitted shall be replied to the claimant. The claims submitted using the official form shall be mandatorily reported to the awarding body, attaching a report of the claim.

Complaints are analysed and then the necessary actions are taken to satisfy users. They are always replied to with explanations and, in some cases, measures are taken to correct a possible deficiency.

The evolution of complaints in recent years and their comparison with the sector are displayed in the following chart and graph:

| Annual claims | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---------------|-------------------|------|--------------------|------------------------|------------------------|
| Audasa | 156 | 74 | 34 | -52.56% | -54.05% |
| Aucalsa | 23 | 32 | 11 | 39.13% | -65.63% |
| Audenasa | 12 | 14 | 13 | 16.67% | -7.14% |
| Autoestradas | 4 | 5 | 3 | 25.00% | -40.00% |
| AP1 | 10 ⁽¹⁾ | N/A | N/A | N/A | N/A |
| Total Itínere | 207 | 125 | 61 | -39.61% | -51.20% |
| Sector | 744 | 567 | 203 ⁽²⁾ | -23.79% | -64.20% |

(1) The data for AP1 are up to November, when the concession expires

(2) Sector data are at September, latest published data

The high values generally coincide with the implementation of automatic payment systems and, especially, with periods of works on toll road. As for Aucalsa, most complaints are due both to works and to signposting in areas outside the concession limits.

3. Customer privacy

The organisation has not identified any substantiated complaints regarding breaches of customer privacy and loss of customer data.

As a sign of Itínere Group's commitment to the utmost respect for the rights of individuals with regard to the processing of their personal data, the following corporate policies have been approved in 2020:

- Data protection policy, which can be consulted at:
<https://www.grupoitinere.com/wp-content/uploads/Politica-Proteccion-de-datos-dic20.pdf>
- Protocol for exercising rights:
<https://www.grupoitinere.com/wp-content/uploads/PROTOCOLO-EJERCICIO-DERECHOS-dic20.pdf>

The above policies are for general application to the Group's companies, thus responding to the requirements of the European Data Protection Regulation, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation) and to the Organic Law on the Protection of Personal Data and Guarantee of Digital Rights (Organic Law 3/2018 of 5 December on the Protection of Personal Data and Guarantee of Digital Rights), at both technical, legal and organisational levels.

The objective is to promote and maintain a responsible and proactive attitude in personal data protection, to guarantee the good governance of personal data and preserve the trust of our stakeholders.

The following aspects have been considered, among others, for its implementation:

- a) The appointment of a Data Protection Delegate, both at Group level and with regard to each Group subsidiary, (DPD) who is responsible for ensuring compliance with current data protection legislation and developing dialogue with the control and supervisory authority in this area.
- b) The integration of the Data Protection Officer within Itínere Group's Compliance area, which provides support for the correct functioning of the data protection

compliance system and proposes, by elevation, improvements thereto to Itínere Group's Compliance Unit in the legal, technical and organisational field.

4. Accident rate

Conservation and maintenance works are programmed to keep toll roads safe, comfortable and with moving traffic.

There are three factors involved in an accident: the human factor, the vehicle and the infrastructure, and it is in the latter that the concessionaire can act on. Every year, in addition to the ordinary conservation and maintenance work, a significant economic amount is invested to keep the road surface in the best possible condition, since this is key to road safety. This investment responds to the renovation strategies developed by each concessionaire according to their geometric, demand, climatological, etc. characteristics. In order to prioritise actions, in addition to the structural and surface condition indicators and age, the accident rate is considered by analysing the accidents that have occurred and verifying the road surface condition in the sections where they occurred.

In addition to the road surface, important investments are made in structures, tunnels, signalling, etc., which also contributes to safety.

The chart below shows the sums allocated to Replacement Actions in 2020, 2019 and 2018, separating road surfaces from the rest.

Replenishment actions 2018

| (thousand euros) | Road surface | Total | km | Road surface/km | Total /km |
|------------------|--------------|--------|-------|-----------------|-----------|
| Audasa | 5,256 | 5,852 | 219.6 | 23.9 | 26.6 |
| Aucalsa | 1,680 | 2,546 | 77.8 | 21.6 | 32.7 |
| Audenasa | 1,078 | 3,722 | 112.6 | 9.6 | 33.1 |
| Autoestradas | 192 | 263 | 58.1 | 3.3 | 4.5 |
| AP1 | 302 | 501 | 83.4 | 3.6 | 6.0 |
| Total Itínere | 8,508 | 12,884 | 551.5 | 16.1 | 22.3 |

Replenishment actions 2019

| (thousand euros) | Road surface | Total | km | Road surface/km | Total /km |
|------------------|--------------|-------|-------|-----------------|-----------|
| Audasa | 1,657 | 2,367 | 219.6 | 7.5 | 10.8 |
| Aucalsa | 1,278 | 2,396 | 77.8 | 16.4 | 30.8 |
| Audenasa | 1,463 | 2,866 | 112.6 | 13.0 | 25.5 |
| Autoestradas | 227 | 248 | 58.1 | 3.9 | 4.3 |
| Total Itínere | 4,625 | 7,877 | 468.1 | 8.3 | 13.8 |

Replenishment actions 2020

| (thousand euros) | Road surface | Total | km | Road surface/km | Total /km |
|------------------|--------------|-------|-------|-----------------|-----------|
| Audasa | 946 | 2,073 | 219.6 | 4.3 | 9.4 |
| Aucalsa | 1,526 | 3,213 | 77.8 | 19.6 | 41.3 |
| Audenasa | 1,665 | 3,649 | 112.6 | 14.8 | 32.4 |
| Autoestradas | 650 | 665 | 58.1 | 11.2 | 11.4 |
| Total Itinere | 4,787 | 9,600 | 468.1 | 10.2 | 20.5 |

As with user complaints, the treatment of accidents is recorded in the quality system. The aim is to keep a record of all accidents, collecting as much information as possible about the vehicles involved, victims, causes, road conditions, weather, etc.

This database provides the information required to calculate the Accident Rate Indicators and is periodically submitted to the Administration.

In addition, there is a protocol for reporting accidents Administration managers, both in terms of safety and health, and for activating the company's own resources, in order for the intervention to be as quick as possible, minimising the effect of the accident on other users.

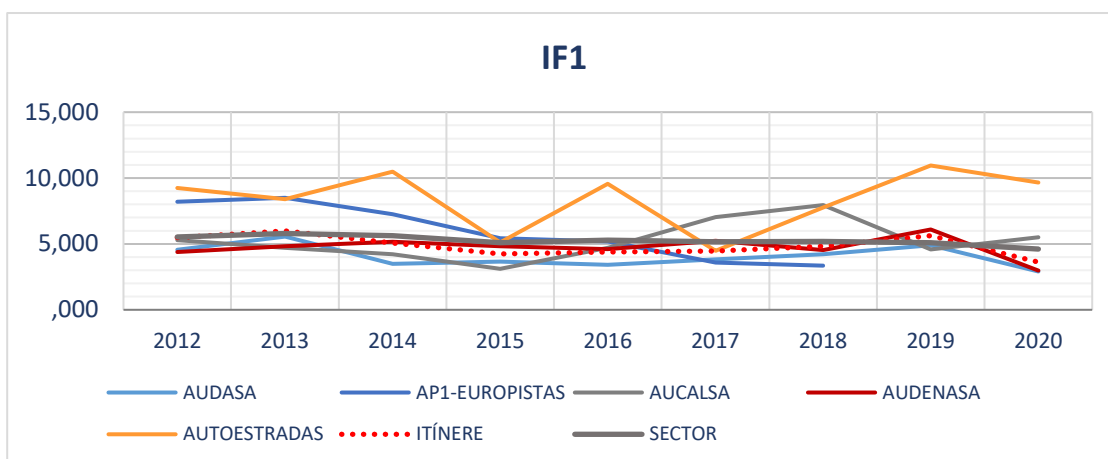
Analysing all this information will help to foresee sections likely to be considered dangerous and thus prioritise the actions required both in road surfaces and in other parts of the infrastructure.

The following charts show the evolution of the indicators of the Group's toll roads and of the Sector.

| IF1 (Accidents with victims/100 million vehicles) | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---|----------|-------|---------------------|---------------------|---------------------|
| Audasa | 4.20 | 4.91 | 2.91 | 16.90% | -40.73% |
| Aucalsa | 7.95 | 4.57 | 5.51 | -42.52% | 20.57% |
| Audenasa | 4.54 | 6.10 | 2.98 | 34.36% | -51.15% |
| Autoestradas | 7.76 | 10.95 | 9.67 | 41.11% | -11.69% |
| AP1 | 3,35 (1) | N/A | N/A | N/A | N/A |
| Total Itinere | 4.82 | 5.63 | 3.62 | 16.80% | -35.70% |
| Sector | 5.19 | 5.10 | 4,61 ⁽²⁾ | -1.73% | -9.61% |

(1) The data for AP1 are up to November 2018, when the concession expires

(2) Sector data are at September 2020, latest published data

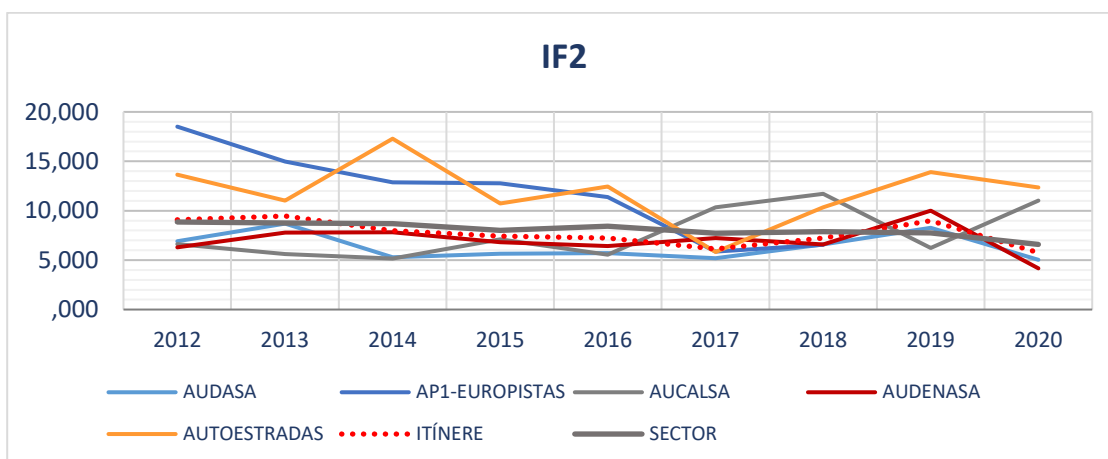


IF2 (Accidents with victims/100 million vehicles)

| | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---------------|----------|-------|----------|---------------------|---------------------|
| Audasa | 6.59 | 8.28 | 5.03 | 25.64% | -39.25% |
| Aucalsa | 11.71 | 6.23 | 11.03 | -46.80% | 77.05% |
| Audenasa | 6.58 | 10.01 | 4.17 | 52.13% | -58.34% |
| Autoestradas | 10.35 | 13.90 | 12.35 | 34.30% | -11.15% |
| AP1 | 3,35 (1) | N/A | N/A | N/A | N/A |
| Total Itínere | 7.24 | 8.99 | 5.76 | 24.17% | -35.93% |
| Sector | 7.88 | 7.76 | 6,59 (2) | -1.52% | -15.08% |

(1) The data for AP1 are up to November 2018, when the concession expires

(2) Sector data are at September 2020, latest published data



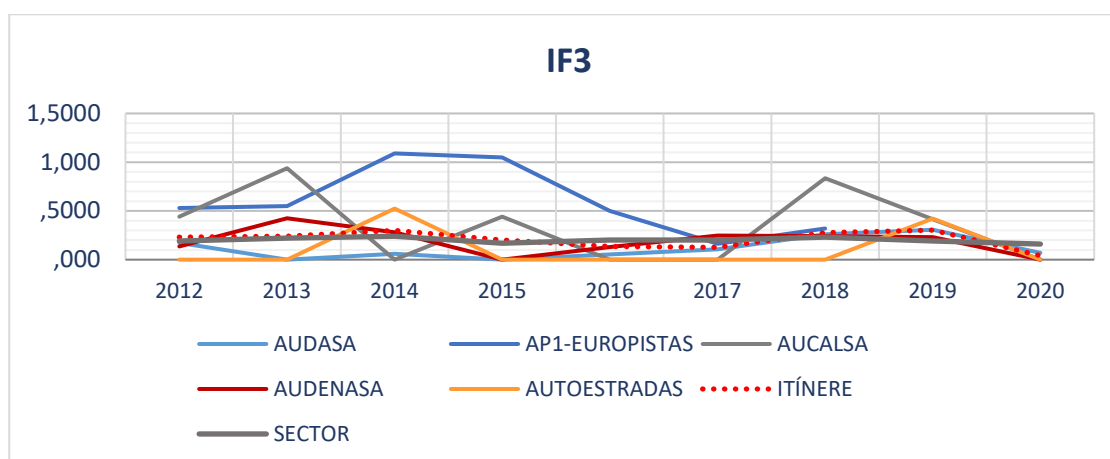
IF3 (Accidents with

victims/100 million vehicles

| | 2018 | 2019 | 2020 | Variation 2018/2019 | Variation 2019/2020 |
|---------------|----------|------|---------------------|------------------------|------------------------|
| Audasa | 0.26 | 0.31 | 0.07 | 19.23% | -77.42% |
| Aucalsa | 0.84 | 0.42 | - | -50.00% | -100.00% |
| Audenasa | 0.24 | 0.23 | - | -4.17% | -100.00% |
| Autoestradas | - | 0.42 | - | 0.00% | -100.00% |
| AP1 | 3,35 (1) | N/A | N/A | N/A | N/A |
| Total Itínere | 0.28 | 0.30 | 0.04 | 7.14% | -86.67% |
| Sector | 0.23 | 0.19 | 0,16 ⁽²⁾ | -17.39% | -15.79% |

(1) The data for AP1 are up to November 2018, when the concession expires

(2) Sector data are at September 2020, latest published data



The Group's performance is in line with that of the Sector. As for Itínere's toll roads, the high Accident Rates generally correspond to low ADT (average daily intensity), which penalises them despite the low number of accidents.

5. Sector traffic and uptake

One of the factors that can be used to measure user approval of the toll roads' condition is the uptake compared to alternative routes.

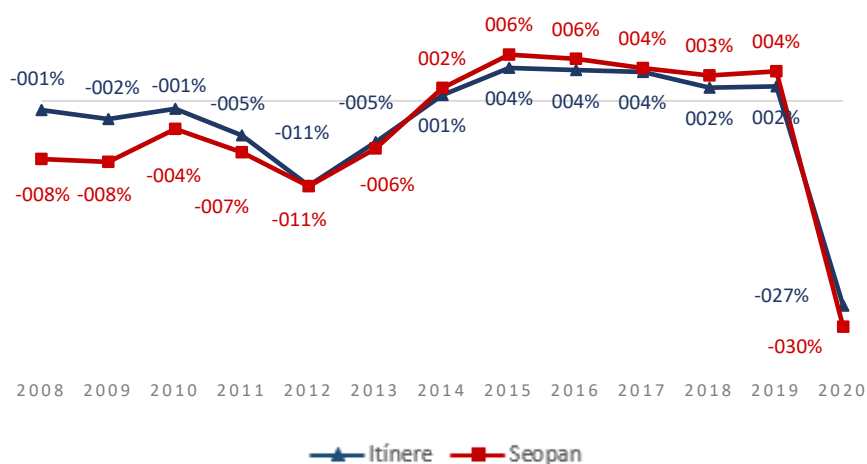
In the case of Itínere this is high in general, in some cases uptaking over 70% of the corridor's traffic.

| Catchment | | 2019 | 2020 | Variation 2019/2020 |
|-----------|------------------------|--------|--------|------------------------|
| Audasa | IMD Miño-Cabañas | 15,960 | 11,704 | -26.67% |
| | IMD N-651 PK 11 | 9,857 | 7,876 | -20.10% |
| | % catchment | 62% | 60% | -2.85% |
| | IMD Santiago Padrón | 18,040 | 12,202 | -32.36% |
| | IMD N-550 PK 80,5 | 9,257 | 6,203 | -32.99% |
| | % catchment | 66% | 66% | 0.00% |
| | IMD Vilaboa-Morrazo | 30,737 | 21,548 | -29.90% |
| | IMD N-550 PK 131,9 | 15,138 | 12,033 | -20.51% |
| | % catchment | 67% | 64% | -4.48% |
| Aucalsa | IMD Campomanes-Oblanca | 9,186 | 6,223 | -32.26% |
| | IMD N-630 PK 72,6 | 3,416 | 2,436 | -28.69% |
| | % catchment | 73% | 72% | -1.37% |
| Audenasa | IMD Pamplona Tafalla | 25,554 | 19,902 | -22.12% |
| | IMD N-121 Garinoain | 5,507 | 4,675 | -15.11% |
| | % catchment | 82% | 81% | -1.22% |

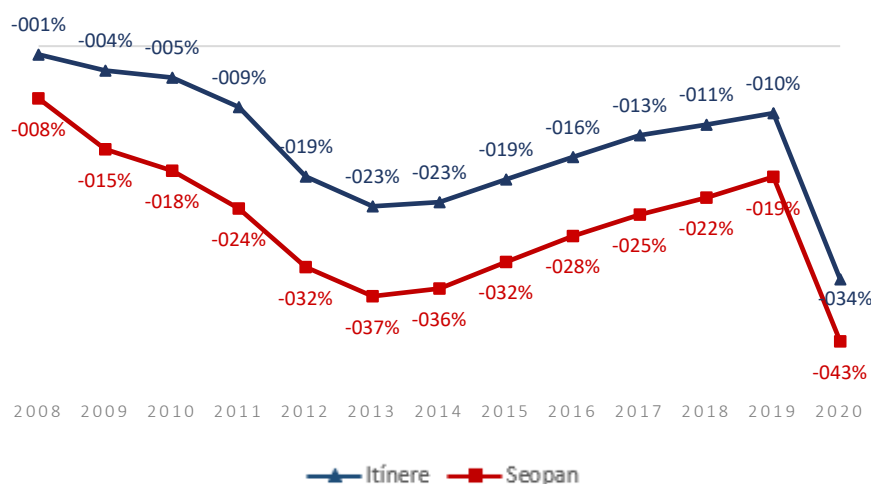
Another factor that can measure user approval of toll roads is that Itínere's toll roads as a whole have recorded a lower loss of traffic than the sector as a whole. Although, as is logical, from 2014 onwards the recovery is slightly greater in the Sector, the comparison with 2007 is very favourable to Itínere.

We can also observe that in 2020, during the COVID-19 pandemic period, traffic on Itínere toll roads was less penalised than the rest of the Sector.

Variation of the annual ADT compared with the previous year



Variation of the annual ADT compared with 2007



D.Fiscal

1.Major risks and fiscal policies

The main fiscal risks affecting Itinere Group are those arising from possible breaches of applicable tax legislation, both in relation to the interpretation of tax regulations and in relation to the correct filing of tax returns and self-assessments in due form and time and the payment of taxes pursuant to law.

In this regard, the Group manages its tax obligations with prudence and transparency, undertaking to pay all taxes correctly and on time, in compliance with the applicable tax legislation and considering the interpretative criteria arising from administrative and case law doctrine.

In accordance with the recommendations of the Code of Good Tax Practices approved by the Large Companies Forum, the Group avoids using opaque structures for tax purposes. The Group also seeks to avoid conflicts arising from the interpretation of legislation, applying, where appropriate, instruments such as consulting the tax authorities or submitting an explanatory annex along with the tax returns, stating the criteria followed in preparing them.

In the event of a tax claim or inspection, the Group provides the information and documentation requested by the tax authorities, in addition to any other information that may be relevant for the corresponding procedures, as quickly and thoroughly as possible, promoting agreement or conformity in all the procedural phases in which this is feasible.

Also, in relation to transparency, it should be noted that all the Group companies have been applying the system known as the "Immediate Supply of Information" ("SII") since its entry into force. This system is based on keeping VAT Register Books through the Tax Agency Electronic Office by supplying the invoicing records within four days. With this information, the different Register Books are configured virtually in real time.

2.Results of policy application

Itinere Group carries out its activities exclusively on Spanish territory. According to the consolidated financial statements for the year ended on 31 December 2020, the consolidated

trading profit of Itinere Group amounts to a loss of 48,078 thousand euros (*) (loss of 18,518 thousand euros for the year ended on 31 December 2019).

Tax and social security contributions for 2020 and 2019.

It has been deemed appropriate to include in this Statement of non-financial information not only the information relating to tax on profit, but also that relating to other taxes, levies and social security contributions.

In addition, it has been considered reasonable to detail the taxes and social security contributions accrued in the year ended on 31 December 2020 and in the year ended on 31 December 2019, regardless of the date of payment. Thus, there is a correspondence between the financial information in the annual accounts and in the statement of non-financial information.

In accordance with the foregoing, the total contribution of Itinere Group for 2020 and 2019 is detailed below (amounts in thousand euros):

| Tax contribution (thousand euros) | 2019 | 2020 | Variation 2019/2020 |
|---|---------------|---------------|--------------------------------|
| Corporate Income Tax (1) | 5.565 | 2.758 | -50,44% |
| Value Added Tax (2) | 47.117 | 34.159 | -27,50% |
| Capital transfer tax | 927 | 71 | -92,34% |
| Social security contributions | 7.900 | 6.324 | -19,95% |
| Personal income tax withholdings employment income and from business activities | 5.665 | 5.413 | -4,45% |
| Personal income tax withholdings and Corporation tax investment income | 2.380 | 994 | -58,24% |
| Non-resident income tax withholdings | 1.972 | 1.977 | 0,25% |
| Property tax | 2.087 | 2.105 | 0,86% |
| Tax on business activities | 74 | 78 | 5,41% |
| Local taxes | 42 | 69 | 64,29% |
| Group Total | 73.729 | 53.948 | -26,83% |

(1) In relation to Corporation Tax ("IS"), the Itinere Tax Group (no. 036/09) comprises the following: Companies: ITÍNERE (parent company), ENAITINERE, ENA, AUDASA, AUTOESTRADAS, AUCALSA and AP-1 EUROPISTAS. The amount indicated includes the Corporation Tax payment corresponding to the years ended on 31 December 2020 and 2019 (total tax payable minus deductions, without deducting withholdings or instalment payments made) of the Itinere Tax Group, GEBISA and AUDENASA at 50%.

(2) In relation to Value Added Tax ("VAT"), the companies that at 31 December 2020 and 2019 form part of the Itinere VAT Group (no. IVA0157/10) are the same as those that make up the Itinere Tax Group. The VAT amount indicated includes the amounts payable arising from the VAT self-assessments corresponding to 2020 and 2019 submitted by the Itinere VAT Group, GEBISA and AUDENASA at 50%.

3. Government subsidies received

Total subsidies recognised as income by the Group in 2020 amount to 328 thousand euros, considering Audenasa's proportional share (94 thousand euros in 2019).

Of this amount, 263 thousand euros correspond to expenses subsidised by the European Union for implementation of the work carried out in the framework of the project *Arc Atlantic Corridor Phase II* (252 thousand euros corresponding to Audasa, 6 thousand euros to Audenasa and 5 thousand euros to Itinere) and 137 thousand euros correspond to Audenasa, subsidised by the Government of Navarra, for the expenses arising from the access to the AP-15 southbound at the Tudela junction opened to traffic on 1 June 2019.

(*) Provisional data at the date of preparation of the Statement of Non-Financial Information

VIII.EQUIVALENCE OF THE CONTENT OF LAW 11/2018 ON NON-FINANCIAL INFORMATION WITH THE GRI STANDARD

REQUIREMENTS ACT 11/2018

ASSOCIATED GRI STANDARD

0. DEVELOPMENTS, RESULTS, SITUATION:

| | |
|---|---|
| a) A brief description of the Group's business model, including its business environment, organisation and structure, the markets in which it operation, its goals and strategies, and the key factors and tendencies that may impact its future development. | <p>GRI 102-1 Name of organisation</p> <p>GRI 102-2 Activities, brands, products and services</p> <p>GRI 102-3 Location of head office</p> <p>GRI 102-4 Location of operational sites</p> <p>GRI 102-6 Markets served</p> <p>GRI 102-7 Size of the organisation</p> <p>GRI 102-40 List of stakeholders</p> |
| b) A description of policies applicable to the Group in these matters, including due diligence procedures for identification, assessment, prevention and mitigation of significant impacts and risks and checks and controls, including measures adopted. | <p>GRI 103-2 Management approach and its components</p> |
| c) The results of these policies, including key non-financial performance indicators allowing the progress to be monitored and assessed and helping to benchmark different companies and sectors in line with domestic, European and international frameworks commonly used for each topic. | <p>GRI 103-2 The management approach and its component</p> <p>GRI 103-3 Evaluation of the management approach</p> |
| d) The key risks related to these topics linked to the group activities, including, where pertinent and proportionate, commercial relationships, products or services that may have negative impacts, and how the group manages such risks, explaining the procedures used to detect them and evaluate them in line with in line with domestic, European and international frameworks commonly used for each topic. Information should be included on impacts detected, with corresponding breakdown, in particular on the key short-, medium- and long-term risks. | <p>GRI 102-15 Key impacts, risks and opportunities</p> |
| e) Key non-financial performance indicators pertinent to the specific business activity, complying with criteria of comparability, materiality, relevance and reliability. In order to facilitate comparison and benchmarking over time and between entities, key non-financial performance indicators will be used that can be generally applied and meet relevant guidelines of the European Commission and the Global Reporting Initiative standards, with mandatory mention in the report of the domestic, European and international frameworks commonly used for each topic. The key non-financial performance indicators should be applied to each of the sections of the non-financial information report. These indicators should be useful, taking into account the specific circumstances, and coherent with the parameters used in the internal procedures for risk assessment and management. In all cases, the information reported should be exact, comparable and verifiable. | <p>GRI 103-1 Explanation of the material topic and its boundary</p> <p>GRI 103-2 The management approach and its component</p> <p>GRI 103-3 Evaluation of the management approach</p> |

REQUIREMENTS ACT 11/2018

ASSOCIATED GRI STANDARD

I. ENVIRONMENTAL REPORTING

Detailed information on the current and foreseeable impacts of the company activities on the environment and, where appropriate, on health and safety, the procedures for environmental certification of assessment; resources devoted to environmental risk prevention; application of the precautionary principle, the amount of provisions and guarantees for environmental risks.

GRI 102-11 Precautionary Principle or approach
GRI 102-15 Key impacts, risks, and opportunities
GRI 307-1 Non-compliance with environmental laws and regulations

– Contamination measures to prevent, reduce or repair carbon emissions that have a grave impact on the environment: taking into special account any form of atmospheric contamination specific to the activity, including noise and light contamination.

GRI 103-2 Management approach (with reference to GRI 302 and 305)
GRI 302-4 Reduction of energy consumption
GRI 302-5 Reduction in energy requirements of products and services
GRI 305-1 Direct (Scope 1) GHG emissions
GRI 305-2 Energy indirect (Scope 2) GHG emissions

- The circular economy and waste prevention and management: measures for prevention, recycling, re-uses, other forms of recovery and elimination of waste; actions to combat food wastage

GRI 103-2 Management approach (with reference to GRI 306)
GRI 306-2 Waste by type and disposal method
GRI 306-3 Significant spills

– Sustainable use of resources: water consumption and water supply in line with local constraints; raw material consumption and the measures adopted to make their use more efficient; direct and indirect energy consumption, measures taken to improve energy efficiency and use of renewable energies

GRI 103-2 Management approach (with reference to GRI 301, 302, 303 and 307)
GRI 303-3 Water Extraction
GRI 303-2 Management of water discharge-related impacts
GRI 307-1 Non-compliance with environmental laws and regulations
GRI 301-1 Materials used by weight or volume
GRI 302-1 Energy consumption in the organisation
GRI 302-3 Energy intensity
GRI 302-5 Reduction of energy requirements for products and services
GRI 301-2 Recycled materials consumed

– Climate Change: the important elements in greenhouse gas generation as a result of company activities, including the use of goods and services it produces: measures adopted to adapt to the consequences of climate change; voluntary reduction targets for medium and long term to reduce greenhouse gas emissions and measures implemented for such reduction.

GRI 103-2 Management approach (with reference to GRI 305)
GRI 305-1 Direct (Scope 1) GHG emissions
GRI 305-2 Energy indirect (Scope 2) GHG emissions
GRI 305-2 Other energy indirect (Scope 3) GHG emissions
GRI 305-4 GHG emissions intensity
GRI 305-5 Reduction of GHG emissions
GRI 305-6 Emissions of ozone-depleting substances (ODS)

– Protecting Biodiversity: measures taken to preserve or restore biodiversity: impacts caused by activities or operations in protected areas.

GRI 103-2 Management approach (with reference to GRI 304)
GRI 304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas
GRI 304-4 Red List species and national conservation list species with habitats in areas affected by operations

REQUIREMENTS ACT 11/2018

ASSOCIATED GRI STANDARD

II. INFORMATION ON SOCIAL AND PERSONNEL MATTERS:

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| – Employment: total number and distribution of employees by gender, age, country and professional category; total number and distribution by employment contract, yearly average of open-ended contracts, temporary contracts and part-time contracts by gender, age and professional category; number of dismissals by gender, age and professional category; average remuneration and changes over time broken down by gender, age and professional category or equal value; wage gap, remuneration for equivalent jobs or average in the company, average remuneration of directors and senior managers, including variable remuneration, per diems, indemnities, payment under long-term savings schemes and any other perquisite, broken down by gender, implementation of severance policies, differently abled employees. | GRI 103-2 Management approach (with reference to GRI 102 and 405) GRI 102-8 Information on employees and other workers GRI 405-1 Diversity of governance bodies and employees GRI 102-8 Information on employees and other workers |
| – Organisation of work: organisation of working time; number of absentee hours; measures to facilitate enjoyment of home and work and encourage both parents to take equal responsibility for their children. | GRI 103-2 Management approach (with reference to GRI 401 and 403) GRI 401-3 Parental leave GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities and accidents |
| – Health & Safety: health and safety conditions at work occupational accidents, in particular their frequency and gravity, and occupational diseases; broken down by gender. | GRI 403-8 Workers covered by an occupational health and safety management system GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health |
| – Labour relations: organisation of social dialogue, procedures included to inform and consult staff and negotiate with them; percentage of employees covered by collective agreement per country; assessment of collective agreements, particularly relating to occupational health and safety. | GRI 102-41 Collective bargaining agreements GRI 102-43 Approach to stakeholder engagement GRI 402-1 Minimum notice periods regarding operational changes |
| – Training: training policies implemented; total hours training by professional category. | GRI 404-2 Programs for upgrading employee skills and transition assistance programs |
| – Universal accessibility for differently abled people. | - |
| – Equality: measures adopted to promote equal treatment and equal opportunities for men and women; equality plans (Chapter III of Constitutional Law 3/2007, 22 March, for effective equality between men and women), measures adopted to promote employment, protocols to prevent sexual and gender-based harassment, universal accessibility and integration of differently abled people. policy against any kind of discrimination and, where applicable, diversity management. | GRI 401-3 Parental leave |

III. INFORMATION ON RESPECTING HUMAN RIGHTS:

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| Application of due diligence procedures relating to human rights; prevention of human rights breaches and, where applicable, measures to mitigate, manage and repair possible abuses committed; complaints of human rights breaches; promotion and compliance with provisions of fundamental agreements of the International Labour Organisation relating to respect towards freedom of association and collective bargaining rights; elimination of discrimination in employment and work; elimination of forced and compulsory labour; effective abolition of child labour. | GRI 102-16 Values, principles, standards and norms of conduct GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (with reference to GRI 406, 407, 408, 409 and 412) GRI 406-1 Incidents of discrimination and corrective actions taken. GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. GRI 408-1 Operations and suppliers at significant risk for incidents of child labour. GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour. GRI 412-1 Operations that have been subject to human rights reviews or impact assessments. GRI 412-2 Employee training on human rights policies or procedures. GRI 419-1 Non-compliance with laws and regulations in the social and economic area |
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IV. INFORMATION ON THE FIGHT AGAINST CORRUPTION AND BRIBERY:

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| Measures adopted to prevent corruption and bribery; anti money laundering measures, contributions to foundations and non-profits. | GRI 102-16 Valores, principios, Estándares y normas de conducta |
| | GRI 102-17 Mechanisms for advice and concerns about ethics |
| | GRI 102-25 Conflicts of interest |
| | GRI 102-26 Role of highest governance body in setting purpose, values, and strategy |
| | GRI 103-2 Management approach (with reference to GRI 205, 409, 415 and 419) |
| | GRI 201-1 Direct economic value generated and distributed. |
| | GRI 205-1 Communication and training about anti-corruption policies and procedures. |
| | GRI 205-2 Communication and training in anticorruption procedures and policies |
| | GRI 205-3 Confirmed cases of corruption and measures taken |
| | GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour. |
| | GRI 415-1 Contributions to political representatives and/or parties |
| | GRI 419-1 Non-compliance with laws and regulations in the social and economic area |

V. INFORMATION ON THE COMPANY:

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| – The Company's Commitment to Sustainable Development: impact of company activity on local development and employment; impact of company activity on local and regional communities; relations with local communities' representatives and modes of dialogue with them; partnership or sponsorship activities. | GRI 203.2 Significant indirect economic impacts (section a) |
| | GRI 204-1 Proportion expenditure on local suppliers (section a) |
| – Subcontractors and suppliers: inclusion of social matters, gender equality and environmental affairs in procurement policy; consideration of third-party social and environmental responsibility in relations with suppliers and subcontractors; oversight and audit systems and their results. | GRI 413-1 Operations with local community engagement, impact assessments, and development programs. |
| – Consumers: health and safety measures for consumers: complaints systems, complaints received and their resolution. | GRI 102-17 Mechanisms for advice and concerns about ethics |
| | GRI 102-43 Approach to stakeholder engagement |
| | GRI 102-44 Key topics and concerns mentioned |
| – Tax information: profits obtained country by country; taxes on profits paid and public subsidies received. | GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data |
| | GRI 201-1 Direct economic value generated and distributed. |
| | GRI 201-4 Financial assistance received from the government |

**ITÍNERE INFRAESTRUCTURAS, S.A.
AND SUBSIDIARIES**

ONE: Pursuant to the provisions of article 253 of the consolidated text of the Corporate Enterprises Act and article 37 of the Spanish Code of Commerce, the directors of **ITÍNERE INFRAESTRUCTURAS, S.A.** have prepared the attached Consolidated Annual Accounts comprised of the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of cash flows, Notes to the Consolidated Annual Accounts and Consolidated Director' Report for the year ended 31 December 2020, which are shown on pages 1 to 93 of this document, signed by the secretary to the board of directors.

TWO: The Company directors state that the accounting records on which the attached consolidated annual accounts are based do not contain any items that should be included in a specific document on environmental information as set forth in Order JUS/206/2009 of 28 January.

Signed in Madrid on 24 March 2021.

Mr. Juan María Nín Génova
Chairman

Mr. Hari Rajan
Vicechairman

Mr. Francisco Javier Pérez Gracia
CEO

ARECIBO SERVICIOS Y GESTIONES, S.L.,
represented by Ms. Vicky Chan
Director

Mr. Rene Defize
Director

Ms. Amy Marie Knapp
Director

Mr. Mark Edwin Lorkin
Director

Mr. Michael Osborne
Director

Ms. Cynthia Joan Praschnik
Director

Mr. Antonio Herrera Bustamante
Director

Mr. Arjan Reinders
Director

Mr. Laurens-Jan Sipma
Director

Mr. Santiago del Pino Aguilera
Secretary, non Director