

Ena Infraestructuras, S.A.

Independent auditor's report on the annual accounts



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 annual accounts

To the shareholders of Ena Infraestructuras, S.A. (Sociedad Unipersonal),

Opinion

We have audited the annual accounts of Ena Infraestructuras, S.A. (the Company), which comprise the balance sheet as at December 31, 2019, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at December 31, 2019, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

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 annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the 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 annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.



Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>Equity investments</p> <p>At 31 December 2019, the balance of equity instruments in group companies and associates amounted to 400,007 thousand euro and represented 64% of total assets.</p> <p>According to note 4.f.(i), equity investments in group companies and associates are measured as cost and adjusted for impairment.</p> <p>Equity instruments has been explained in detail in note 10.a of Annual Accounts and, the accounting principles related in notes 2.b and 4.f.(i).</p> <p>Given the significance of these investments, equity investments are considered a most relevant aspects of the audit.</p>	<p>We have obtained the financial statements of equity instruments and we have compared the net book value of equity from each group subsidiary with the value registered as equity instruments.</p> <p>We verified that the disclosures and information included in the notes to accounts are appropriate.</p> <p>Based on the procedures carried out, no material exception or misstatement has been identified.</p>

Other information: Directors' report

Other information comprises only the directors' report for the 2019 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility regarding the Directors' report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the directors' report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, and does not include information different to that obtained as evidence during our audit. Likewise, our responsibility is to evaluate and report on whether the content and presentation of the directors' 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 in the previous paragraph, the information contained in the directors' report is consistent with that contained in the annual accounts for the 2019 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors for the annual accounts

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



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

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.



Ena Infraestructuras, S.A.

We communicate with the 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 Company's directors, we determine those matters that were of most significance in the audit of the 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)

March 2, 2020

ENA INFRAESTRUCTURAS, S.A.
(Sociedad Unipersonal)

Annual Accounts and Directors' Report
31 December 2019
(together with the Audit Report)

ENA INFRAESTRUCTURAS, S.A.
(Sociedad Unipersonal)

Balance sheets
at 31 December 2019 and 2018
(in euros)

	Note	2019	2018
ASSETS			
NON-CURRENT ASSETS		618,472,805.37	605,889,932.96
Intangible assets	5	96,200.05	143,888.89
Computer software		96,200.05	143,888.89
Property, plant and equipment	6	246,364.59	275,232.99
Technical facilities and other property, plant and equipment		246,364.59	275,232.99
Investment property	7	712,405.71	833,413.69
Lands and buildings		712,405.71	833,413.69
Investments in group companies and associates	10	617,391,293.88	604,620,908.63
Equity instruments		400,006,610.56	400,006,610.56
Loans to companies	9 and 15	217,384,683.32	204,614,298.07
Non-current financial investments	9	15,303.04	3,003.04
Equity instruments		1,803.04	1,803.04
Other financial assets		13,500.00	1,200.00
Deferred tax assets	14	11,238.10	13,485.72
CURRENT ASSETS		3,939,156.76	6,886,536.00
Trade and other receivables		2,880,601.55	3,370,337.45
Group companies and associates, receivables	9 and 15	2,880,601.55	3,367,544.30
Other receivables from public administration		-	2,793.15
Current investments in group companies and associates	9 and 15	454,932.63	449,467.96
Loans to companies		454,932.63	449,467.96
Non-current financial investments	9	1,301.15	1,301.15
Other financial assets		1,301.15	1,301.15
Current accruals		30,517.86	30,510.40
Cash and cash equivalents	11	571,803.57	3,034,919.04
Liquid assets		571,803.57	3,034,919.04
TOTAL ASSETS		622,411,962.13	612,776,468.96

The accompanying notes 1 to 25 form a comprehensive part
of the Annual Accounts at 31 December 2019

ENA INFRAESTRUCTURAS, S.A.
(Sociedad Unipersonal)

Balance sheets
at 31 December 2019 and 2018
(in euros)

	Note	2019	2018
EQUITY AND LIABILITIES			
EQUITY		510,809,970.48	512,990,954.13
Equity	12	510,809,970.48	512,990,954.13
Capital		425,119,828.08	425,119,828.08
Legal reserve		85,023,965.62	85,023,965.62
Profit/loss for the year		89,301,176.78	72,617,160.43
Interim dividend		(88,635,000.00)	(69,770,000.00)
NON-CURRENT LIABILITIES		109,471,974.06	98,139,229.26
Non-current payables	9	12,300.00	-
Other financial liabilities		12,300.00	-
Non-current payables to group companies and associates	9 and 15	109,459,674.06	98,139,229.26
CURRENT LIABILITIES		2,130,017.59	1,646,285.57
Current payables to group companies and associates	9 and 15	1,456,272.32	1,407,309.10
Trade and other payables		673,745.27	238,976.47
Sundry payables	9	56,192.15	72,145.92
Staff	9	503,923.89	58,859.82
Other payables to public administration	13	113,629.23	107,970.73
TOTAL EQUITY AND LIABILITIES		622,411,962.13	612,776,468.96

The accompanying notes 1 to 25 form a comprehensive part
of the Annual Accounts at 31 December 2019

ENA INFRAESTRUCTURAS, S.A.
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**Income statement
for the years ending
31 December 2019 and 2018
(in euros)**

	Note	2019	2018
Net turnover	16	4,812,491.75	6,446,685.04
Rendering of services		4,812,491.75	6,446,685.04
Other operating income		3,024.37	53,595.76
Sundry and other current operating income		3,024.37	52,607.76
Operating subsidies for the year		-	988.00
Staff expenses	19	(2,501,744.38)	(1,923,163.32)
Wages, salaries and similar expenses		(2,110,844.62)	(1,549,573.45)
Employer contributions		(390,899.76)	(373,589.87)
Other operating expenses		(2,112,246.70)	(4,449,171.33)
External services	17	(2,066,120.93)	(4,410,298.16)
Taxes		(46,125.77)	(44,014.97)
Losses, impairment and changes in provisions for trade operations	9	-	5,141.80
Depreciation and amortisation charge	5, 6 and 7	(201,425.04)	(127,740.58)
Other profit/loss		(100.00)	(205.57)
OPERATING PROFIT/LOSS		-	-
Financial income	15 and 18	91,398,495.22	74,939,958.01
From investments in equity instruments		87,612,106.73	71,447,582.69
From group companies and associates		87,612,106.73	71,447,582.69
From negotiable securities and other financial instruments		3,786,388.49	3,492,375.32
From group companies and associates		3,786,384.57	3,492,367.04
From third parties		3.92	8.28
Financial expenses	15	(1,552,694.78)	(1,939,892.24)
On debt with group companies and associates		(1,552,694.78)	(1,939,794.22)
On debts to third parties		-	(98.02)
FINANCIAL PROFIT/LOSS		89,845,800.44	73,000,065.77
PRE-TAX PROFIT/LOSS		89,845,800.44	73,000,065.77
Income tax	14	(544,623.66)	(382,905.34)
PROFIT/LOSS FOR THE YEAR	3	89,301,176.78	72,617,160.43

The accompanying notes 1 to 25 form a comprehensive part
of the Annual Accounts at 31 December 2019

ENA INFRAESTRUCTURAS, S.A.
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**Statements of Changes in Equity
for the years ending
31 December 2019 and 2018
(in euros)**

STATEMENT OF INCOME AND EXPENSES RECOGNISED

	2019	2018
A) Profit/loss for the year	89,301,176.78	72,617,160.43
B) Total income and expenses recognised directly in net equity	-	-
C) Total amounts transferred to the income statement	-	-
TOTAL RECOGNISED INCOME AND EXPENSES (A + B + C)	89,301,176.78	72,617,160.43

STATEMENT OF TOTAL CHANGES IN EQUITY

	Registered capital	Reserves	Prior years' profit/loss	Profit/loss for the year	(Interim dividend)	TOTAL
BALANCE, END OF YEAR 2017	425,119,828.08	85,023,965.62	-	85,113,999.54	(80,200,000.00)	515,057,793.24
Total recognised income and expenses	-	-	-	72,617,160.43	-	72,617,160.43
Transactions with partners or owners	-	-	(85,113,999.54)	-	10,430,000.00	(74,683,999.54)
Dividend distribution	-	-	(85,113,999.54)	-	80,200,000.00	(4,913,999.54)
Interim dividend	-	-	-	-	(69,770,000.00)	(69,770,000.00)
Other changes in equity	-	-	85,113,999.54	(85,113,999.54)	-	-
Transfer between net asset items	-	-	85,113,999.54	(85,113,999.54)	-	-
BALANCE, END OF YEAR 2018	425,119,828.08	85,023,965.62	-	72,617,160.43	(69,770,000.00)	512,990,954.13
Total recognised income and expenses	-	-	-	89,301,176.78	-	89,301,176.78
Transactions with partners or owners	-	-	(72,617,160.43)	-	(18,865,000.00)	(91,482,160.43)
Dividend distribution	-	-	(72,617,160.43)	-	69,770,000.00	(2,847,160.43)
Interim dividend	-	-	-	-	(88,635,000.00)	(88,635,000.00)
Other changes in equity	-	-	72,617,160.43	(72,617,160.43)	-	-
Transfer between net asset items	-	-	72,617,160.43	(72,617,160.43)	-	-
BALANCE, END OF YEAR 2019	425,119,828.08	85,023,965.62	-	89,301,176.78	(88,635,000.00)	510,809,970.48

The accompanying notes 1 to 25 form a comprehensive part
of the Annual Accounts at 31 December 2019

ENA INFRAESTRUCTURAS, S.A.
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**Statement of cash flow
for the years ending
31 December 2019 and 2018
(in euros)**

	Note	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		85,246,626.60	68,483,994.62
Profit/loss for the year before taxes		89,845,800.44	73,000,065.77
Adjustments to profit/loss		(89,644,375.40)	(72,878,454.99)
Depreciation and amortisation charge (+)	5, 6 and 7	201,425.04	127,740.58
Changes in provisions (+/-)	9	-	(5,141.80)
Allocation of grants (-)		-	(988.00)
Financial income (-)	18	(91,398,495.22)	(74,939,958.01)
Financial expenses (+)	15	1,552,694.78	1,939,892.24
Changes in working capital		(712,275.66)	70,248.80
Trade and other receivables (+/-)		1,807,460.87	(1,926,536.60)
Other current assets (+/-)		(5,465.00)	3,167,025.79
Trade and other payables (+/-)		458,393.82	(66,257.07)
Other current liabilities (+/-)		(183,196.84)	(281,524.21)
Other non-current assets and liabilities (+/-)		(2,789,468.51)	(822,459.11)
Other cash flow from operating activities		85,757,477.22	68,292,135.04
Dividends received (+)	18	85,821,839.03	68,292,128.32
Interest received (+)		3.21	6.72
Income tax received (paid) (+/-)		(64,365.02)	-
CASH FLOW FROM INVESTING ACTIVITIES		(6,227,581.64)	(15,022,096.28)
Payments for investments (-)		(6,239,881.64)	(15,022,096.28)
Group companies and associates	10	(6,200,000.00)	(14,700,000.00)
Intangible fixed assets		(16,930.32)	(3,424.30)
Property, plant and equipment		(6,791.50)	(317,370.83)
Investment property		(3,859.82)	-
Other financial assets		(12,300.00)	(1,301.15)
Collections for investments (+)		12,300.00	-
Other financial assets		12,300.00	-
CASH FLOW FROM FINANCING ACTIVITIES		(81,482,160.43)	(56,183,999.54)
Proceeds from and payments for financial liabilities		10,000,000.00	18,500,000.00
Issue:			
Debt with group companies and associates (+)	15	10,000,000.00	18,500,000.00
Dividend and interest on other equity instruments paid		(91,482,160.43)	(74,683,999.54)
Dividends (-)		(91,482,160.43)	(74,683,999.54)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		(2,463,115.47)	(2,722,101.20)
Cash and cash equivalents at the start of the year	11	3,034,919.04	5,757,020.24
Cash and cash equivalents at the end of the year	11	571,803.57	3,034,919.04

The accompanying notes 1 to 25 form a comprehensive part
of the Annual Accounts at 31 December 2019

ENA INFRAESTRUCTURAS, S.A.
(Sociedad Unipersonal)

Notes to the Annual Accounts

1. NATURE AND MAIN ACTIVITIES

(a) Nature and main activities

ENA Infraestructuras, S.A.U. -formerly Empresa Nacional de Autopistas, S.A.- (hereinafter, ENA or the Company), was incorporated as a limited liability company (sociedad anónima) in Spain on 21 March 1984, pursuant to Royal Decree 302/1984 of 25 January, amended by Royal Decree 173/2001 of 4 February.

On 28 May 2003, the board of Directors of SEPI awarded the sale of the shares representing the share capital of ENA to a consortium of companies. The corresponding private sale and purchase agreement was signed on 11 June 2003 and, after the necessary steps were taken, the Spanish Cabinet authorised the sale transaction on 25 July 2003. The sale was recorded in a public deed on 30 October 2003, at which date the Group lost its public-sector status and the name of its parent was changed to ENA Infraestructuras, S.A.

Its registered offices are currently located at Plaza Carlos Trías Bertrán nº 7, 3ª planta, Madrid, Spain.

Its corporate purpose is as follows:

(a) The planning, projection, construction, maintenance, financing and operation, on its own account or on behalf of third parties, of toll roads, highways, express roads, conventional roads, bridges and tunnels and their respective installations and accessory items, such as toll plazas, control, maintenance and service areas, service stations, petrol stations, assembly and repair workshops, car parks, restaurants, cafeterias, bars, hotels, motels, transport hubs, and other rest, entertainment or service establishments for the purpose of meeting the requirements of the road users and the traffic that uses them.

(b) Advisory services to third parties on the planning, projection, construction, upkeep, maintenance, financing and operating of toll roads, highways, express roads, conventional roads, bridges and tunnels and their respective installations and accessory items, including the corresponding architectural and engineering projects, technical management, personnel recruitment and training programmes and environmental, geological, geotechnical, sociological, legal, financial, administrative, IT, telecommunications and traffic studies.

This corporate purpose may be carried out by the Company wholly or partially, directly or indirectly, through the ownership of shares or interests in the capital of companies with similar or identical corporate purpose, in Spain and abroad, whatever the procedure or form of awarding such contracts, for any Spanish or foreign public administration, and Spanish or foreign public and private entities or companies.

Since its incorporation, ENA's principal activity has been the management and coordination of the control, the implementation of standard policies and debt and cash management of its subsidiaries, which are listed below.

- Autopistas del Atlántico, Concesionaria Española, S.A. (AUDASA), incorporated on 16 October 1973; its concession expires on 18 August 2048.
- Autopista Concesionaria Astur-Leonesa, S.A. (AUCALSA), incorporated on 15 December 1975; its concession expires on 17 October 2050.
- Autopistas de Navarra, S.A. (AUDENASA), incorporated on 28 July 1973; its concession expires on 30 June 2029.

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- Autoestradas de Galicia, Autopistas de Galicia, Concesionaria de la Xunta de Galicia, S.A. (AUTOESTRADAS), incorporated on 30 March 1995; its concession expires on 1 February 2045.

The Company charges its subsidiaries a service management fee for general management, administration and technical and financial control expenses under the agreements signed with these companies (see note 16).

It also holds a minority interest in the toll road concession company Autopista Central Gallega, C.E.S.A. through Tacel Inversiones, S.A.

As described in note 12, at 31 December 2019 the shares representing the share capital of ENA are held by ENAITÍNERE, S.L.U. which, in turn, is owned by ITÍNERE INFRAESTRUCTURAS, S.A., which have their respective registered office in Madrid and Bilbao.

Consequently, in accordance with article 42 of the Spanish Code of Commerce, the Company belongs to a group of companies, the Parent of which is ITÍNERE INFRAESTRUCTURAS, S.A. (hereinafter, ITÍNERE), which has its registered office in Bilbao and on 29 March 2019 authorised the issue of its consolidated annual accounts and consolidated management report for the year ended 31 December 2018. Those accounts were deposited with the Mercantile Registry in Bilbao. Likewise, and in turn, this group belongs to another, the ultimate holding company of which, in Spain, is ARECIBO SERVICIOS Y GESTIONES, S.L. (hereinafter, ARECIBO), which was incorporated on 27 April 2009 and has its registered office in Bilbao. On 29 March 2019, ARECIBO drafted its consolidated annual accounts and consolidated management report for the year ended 31 December 2018. At the date of preparing these annual accounts, ITÍNERE and ARECIBO had not yet drafted their consolidated annual accounts for the 2019 financial year, being scheduled for 30 March 2020.

At 31 December 2019, ARECIBO holds a 52.87% stake in the capital of ITÍNERE (the same percentage at 31 December 2018).

2. BASIS OF PRESENTATION

(a) True and fair view

These annual accounts were obtained from the Company's accounting records and are presented in accordance with the prevailing mercantile legislation and the standards established in the Spanish General Chart of Accounts with the aim of giving a true and fair view of the equity and financial position at 31 December 2019 and results of its transactions, changes in equity, and cash flow for the year then ended.

These annual accounts, which were authorised by the Company Directors, will be submitted for approval by the sole shareholder and are expected to be approved without any changes. Similarly, the 2018 annual accounts were approved by the sole partner exercising the powers of the General Meeting of Shareholders on 24 June 2019.

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

(b) Critical factors for measuring and estimating uncertainties

When preparing the Company's annual accounts, the Directors made estimates based on past experience and other factors which, in accordance with current circumstances, are deemed to be fair and constitute the basis for establishing the carrying amount of the assets and liabilities whose value cannot easily be established from other sources. The Company reviews its estimates in an ongoing way and, as and when applicable, their effects are recognised

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Notes to the Annual Accounts

prospectively. However, given the uncertainty inherent to them, there is an important risk of adjustments arising in the future in the values of the affected assets and liabilities should there be a significant change in the assumptions, facts and circumstances on which they are based.

The key assumptions concerning the future and other relevant data on the uncertainty of estimates at the reporting date that present a risk of significant changes in the value of assets and liabilities are as follows:

◇ *Impairment of non-financial assets*

The Company tests its non-financial assets for impairment on an annual basis, using the appropriate impairment tests in the circumstances.

◇ *Deferred tax assets*

Recognition of deferred tax assets is made on the basis of future estimates made by the Company in connection with the likelihood of future tax gains being available to permit their recovery.

◇ *Calculation of fair value, value in use and present value*

The calculation of fair value, value in use and present value may require assumptions regarding the future cash flows and their future amounts, and the discount rates applicable thereto. These estimates and related assumptions are based on past experience and other factors deemed to be fair, in accordance with the circumstances surrounding the activity conducted by the Company.

(c) Comparison of information

As required by article 35.6 of the Spanish Code of Commerce and for the purposes of uniformity and comparability, the annual accounts for 2019 include comparative figures for 2018.

(d) Consolidated annual accounts

As at 31 December 2019 and 2018, and in accordance with the provisions of article 43 of the Code of Commerce, the Company does not have the obligation to prepare consolidated annual accounts owing to the fact that it is included, together with its subsidiaries, in a Group, the holding company of which prepares consolidated annual accounts under EU legislation.

3. DISTRIBUTION OF PROFIT

- (a) The Directors have proposed to the sole shareholder that the entire profit for the year ended 31 December 2019 be distributed as the dividend.

The Company can freely distribute the dividend.

- (b) On 5 April 2019, the Directors resolved to distribute an interim dividend out of distributable profit at 31 March amounting to 15,835 thousand euros, equivalent to 223.87 euros per share.

Pursuant to the Consolidated Text of the Corporate Enterprises Act, the aforementioned distribution was prepared based on profits at 31 March 2019 and the following liquidity statement for the one-year period from the date of adoption of the distribution agreement:

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Notes to the Annual Accounts

Thousands of euros	Amount
Tax net profit/loss at 31 March 2019	17,345
Allocation to the legal reserve	-
Interim dividend distributed	-
Distributable profit at 31 March 2019	17,345
Estimated liquid assets for a period of one year after 05 April 2019	
Liquid assets balance at 05 April 2019	3,444
Collections and payments foreseen until 05 April 2020	88
Liquid assets balance at 05 April 2020	3,532

- (c) On 15 July 2019, the Directors resolved to distribute a second interim dividend out of distributable profit at 30 June amounting to 1,700 thousand euros, equivalent to 24.03 euros per share.

Pursuant to the consolidated text of the Corporate Enterprises Act, the aforementioned distribution was prepared based on profits at 30 June 2019 and the following liquidity statement for the one-year period from the date of adoption of the distribution agreement:

Thousands of euros	Amount
Tax net result at 30 June 2019	22,234
Allocation to the legal reserve	-
Interim dividend distributed	(15,835)
Distributable profit at 30 June 2019	6,399
Estimated liquid assets for a period of one year after 15 July 2019	
Liquid assets balance at 15 July 2019	1,193
Collections and payments foreseen until 15 July 2020	582
Liquid assets balance at 15 July 2020	1,775

- (d) On 3 October 2019, the Directors resolved to distribute a third interim dividend out of distributable profit at 2 October amounting to 43,800 thousand euros, equivalent to 619.22 euros per share.

Pursuant to the consolidated text of the Corporate Enterprises Act, the aforementioned distribution was prepared based on profits at 2 October 2019 and the following liquidity statement for the one-year period from the date of adoption of the distribution agreement:

Thousands of euros	Amount
Tax net result at 2 October 2019	61,491
Allocation to the legal reserve	-
Interim dividend distributed	(17,535)
Distributable profit at 2 October 2019	43,956
Estimated liquid assets for a period of one year after 3 October 2019	
Liquid assets balance at 3 October 2019	6,371
Collections and payments foreseen until 3 October 2020	2,441
Liquid assets balance at 3 October 2020	8,812

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- (e) On 19 December 2019, the Directors resolved to distribute a fourth interim dividend out of distributable profit at 18 December amounting to 27,300 thousand euros, equivalent to 385.95 euros per share.

Pursuant to the consolidated text of the Corporate Enterprises Act, the aforementioned distribution was prepared based on profits at 18 December 2019 and the following liquidity statement for the one-year period from the date of adoption of the distribution agreement:

Thousands of euros	Amount
Tax net result at 18 December 2019	89,129
Allocation to the legal reserve	-
Interim dividend distributed	(61,335)
Distributable profit at 18 December 2019	27,794
Estimated liquid assets for a period of one year after 19 December 2019	
Liquid assets balance at 19 October 2019	3,580
Collections and payments foreseen until 19 December 2020	38
Liquid assets balance at 19 December 2020	3,618

- (f) The distribution of profit corresponding to the financial year ended 31 December 2018, carried out during 2019, is shown in the statement of total changes in equity, which forms an integral part of these Annual accounts.

4. ACCOUNTING PRINCIPLES

The main recognition and measurement standards applied by the Company in the preparation of the annual accounts for the year ended on 31 December 2019 were as follows:

- (a) Intangible assets

Intangible assets, which include computer software, are stated at cost of acquisition minus any accumulated amortisation and impairment losses.

The above-mentioned intangible assets have finite useful lives and are amortised on a systematic basis over their estimated useful lives, on a straight-line basis over five years. Their recoverability is analysed when events or changes occur that indicate that the carrying amount might not be recoverable. Amortisation methods and periods are reviewed at each year end and adjusted prospectively, as required.

- (b) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or production minus any accumulated depreciation and impairment adjustments.

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

	Years
Other facilities, fixtures and furniture	5 - 10
Other property, plant and equipment	4 - 10

Repairs and maintenance costs which do not improve the related assets or extend their useful lives are expensed when incurred.

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At each year end, the Company reviews the useful lives and depreciation methods of its property, plant and equipment and, if necessary, adjusts them prospectively.

(c) Investment property

Investment property comprises land and buildings, some of which are leased to third parties while others are available for lease. 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 property.

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

(d) Impairment of non-financial assets

The carrying amount of non-financial assets recognised by the Company is reviewed at each reporting date to determine if there are indications of impairment and recognise any impairment if applicable. For this purpose, the recoverable amount of the assets is estimated, which is the higher of their fair value minus the cost of sale and their value in use.

In determining value in use, future expected cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates in regard to the time value of money and the specific risks of the asset. In the case of the Company, its assets do not generate cash flows that are highly independent of other assets, and therefore the recoverable amount is determined for the only cash-generating unit to which all the assets belong.

Impairment losses are recognised for all assets, or, where applicable, for the cash generating units to which they belong, when their carrying amount exceeds their estimated recoverable amount. These impairment losses are recognised in the income statement and reversed if the circumstances in which they were recognised no longer exist. The reversal of impairment is recognised in the income statement and only up to the limit of the carrying amount of the asset net of amortisation and depreciation had impairment not been recognised.

(e) Operating leases

Income and expenses from operating leases are charged to the income statement in the year accrued.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment, which will be allocated to the income statement over the lease term as the benefits of the leased asset are received or given.

(f) Financial instruments

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 of financial assets, financial liabilities and equity instruments.

The Company classifies financial instruments in the different categories on the basis of their characteristics and the Company's intentions at the time of their initial recognition.

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(i) Financial assets

The Company's financial assets are classified as follows:

- Loans and receivables: Loans and receivables are financial assets deriving from services rendered as part of the Company's ordinary business. This category also includes non-trade receivables defined as financial assets of a fixed or determinable amount that are not equity instruments or derivatives and are not traded in an active market.

These financial assets are initially measured at their fair value, including the transaction costs directly attributable to them, and, subsequently, at their amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

However, current trade receivables which have no contractual interest rate, which are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

- Equity investments in group companies and associates: Investments in group companies, jointly controlled entities and associates are initially measured at cost, plus any directly attributable transaction costs.

- Available-for-sale financial assets: comprise debt securities and equity instruments of other companies not classified in any other category of financial assets.

These assets are initially recognised at fair value without deducting the transaction costs. In absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received, plus directly attributable transaction costs.

They are subsequently measured at fair value. Any changes in the fair value are recognised in equity until the assets are sold or have been subject to stable or permanent impairment, at which time the cumulative balance of the adjustments to fair value previously recognised in equity is taken to the income statement.

When there is objective evidence that an asset has been impaired as a result of events occurring after initial recognition and leading to a reduction or delay in estimated future cash flows, the Company adjusts its carrying amount with a charge to the income statement.

Investments in group companies, jointly controlled entities and associates are adjusted for impairment if there is objective evidence that the carrying amount will not be recovered. Impairment is calculated as the difference between the carrying amount and the recoverable amount, the latter understood as the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated by the Company as its share in the cash flows expected to be generated by the investee, as a result of its ordinary activity, disposal or derecognition.

In the case of financial assets recognised in the accounts at their amortised cost, the impairment loss is the difference between their carrying amount and the present value of the future cash flows that it is estimated are going to be generated, discounted at the effective interest rate calculated at the moment of their initial recognition. For variable interest financial assets, the effective interest rate at the reporting date is used, in accordance with contractual terms.

The reversal of value adjustments due to impairment is recognised in the income statement with the limit of the carrying amount of the credit or, as and when applicable, the investment that would have been recognised at the reversal date had the value impairment not been recognised.

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Financial assets, or part thereof, are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and it has transferred substantially all the risks and rewards of ownership.

Gains or losses on derecognition of a financial asset form part of the profit/loss for the year in which the asset is derecognised, and are calculated as the difference between the consideration received, net of attributable transaction costs, considering any new asset obtained less any new liability assumed, plus any cumulative amount recognised directly in equity.

(ii) Interest and dividend

Interest is recognised using the effective interest rate method.

Dividend income from investments in equity instruments is recognised once the rights pertaining to their reception have arisen for the Company. If the distributed dividends unequivocally derive from results generated prior to the acquisition date because amounts that are higher than the profits generated by the investee since the acquisition have been distributed, they reduce the investment's carrying amount.

(iii) Guarantees

Guarantees received under lease contracts entered into by the Company are measured using the same criteria as for financial liabilities. The difference between the amount received and the fair value is classified as income received in advance and recognised in the income statement over the lease term (over the period for which the service is rendered). Non-current advances are restated at the end of each reporting period based on the market interest rate on initial recognition.

Guarantees delivered under lease contracts entered into by the Company are measured using the same criteria as for financial assets. The difference between the amount delivered and the fair value is classified as an advance payment and recognised in the income statement over the lease term (over the period for which the service is rendered). Non-current advances are restated at the end of each reporting period based on the market interest rate on initial recognition.

(iv) Financial liabilities

Financial liabilities held by the Company are classified as debts and payables. This category includes financial liabilities arising on the purchase of goods and services in the course of the Company's trade operations as well as non-trade payables other than derivatives.

They are measured initially at their fair value minus the transaction costs directly attributable to them, as and when applicable and, subsequently, at their amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

Nevertheless, amounts payable from commercial transactions with maturity not above one year and that do not have a contractual interest rate, the amount of which it is expected will be paid in the short term, are valued at their nominal value when the effect of not updating the cash flows is insignificant.

A financial liability is derecognised when the resulting obligation has been cancelled. In exchanges of debt instruments with substantially different terms, or when there are substantial changes to the current terms of a liability, the original financial liability is derecognised and the new financial liability recognised. In an exchange of debt instruments that do not have substantially different terms, the original financial liability is not

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derecognised. Fees and commissions paid are accounted for as an adjustment to the carrying amount.

Gains or losses on derecognition of a financial liability form part of the results for the year and are determined as the difference between the carrying amount of the financial liability and the consideration paid, including attributable transaction costs, and any asset transferred which differs from the cash or liability assumed is recognised.

(g) Cash and cash equivalents

This line-item includes cash in hand, amounts in current accounts and deposits and the temporary acquisition of assets that meet all the following requirements:

- They are convertible into cash.
- Their maturity does not exceed three months from their acquisition date.
- They are not subject to a significant risk of changes in value.
- They form part of the Company's usual cash management policy.

(h) Foreign currency transactions

The Company's functional currency is the euro. Consequently, any transactions in non-euro currencies are considered a foreign currency and are recognised according to the exchange rates in force on the transaction dates.

At year-end, the monetary assets and liabilities stated in a foreign currency are converted by applying the exchange rate prevailing on the balance sheet date. The profit and loss on that measurement are recognised directly in the income statement in the year in which they occur.

The non-monetary items measured at historical cost are measured by applying the exchange rate on the transaction date.

The non-monetary items measured at their fair value are measured by applying the exchange rate of the date on which the fair value is determined. Exchange differences are recognised directly in equity if the monetary item is measured in equity and in the income statement if measured in profit and loss.

(i) Income tax

The corporate income tax income or expense includes both current and deferred taxes.

The financial year's corporate income tax income or expense is calculated as the sum of the current tax, which results from applying the corresponding tax rate to the financial year's tax base after applying the existing rebates and deductions, and the variation in deferred tax assets and liabilities recorded in the accounts.

The deferred tax income or expense corresponds to the recognition or cancellation of deferred tax assets and liabilities. These arise as a result of the different valuation, either accounting or fiscal, attributed to the assets and liabilities and certain Company equity instruments, insofar as they have a future fiscal effect, as well as the negative tax bases recognised or applied.

Current income tax assets and liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, in accordance with the regulations and rates in force or approved and pending publication at year-end.

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Current and deferred income tax is recognised in the income statement, unless it comes from a transaction or economic event that has been recognised in the same year or in another year under equity or a business combination.

(i) Recognition of deferred tax liabilities

The Company recognises the deferred tax liabilities 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 carrying amount or the tax base at the transaction date.

(ii) Recognition of deferred tax assets

Deferred tax assets are only recognised insofar as it is considered likely that the Company is going to have future tax gains to offset the aforementioned assets or when the tax legislation envisages the possibility of the future conversion of deferred tax assets into a credit enforceable vis-à-vis the Public Administration.

The Company recognises the conversion of a deferred tax asset into a credit payable to the Public Administration when this is enforceable in accordance with the provisions of the prevailing tax legislation. For these purposes, the deferred tax asset is recognised with a charge to deferred income tax expense and the account receivable is credited to current income tax. Likewise, the Company recognises the swap of a deferred tax asset for public debt securities when their ownership is acquired.

In the absence of proof to the contrary, it is not considered probable that the Company will have future taxable profits when it is foreseen that their future recovery will occur more than ten years from the closing date of the fiscal year. This is regardless of the nature of the deferred tax asset or if they are credits arising from deductions and other fiscal advantages pending tax application due to insufficient quota, when the activity has taken place or the yield resulting from the right to the deduction or allowance has been obtained, there are reasonable doubts about compliance with the requirements to make them effective.

The Company only recognises the deferred tax assets arising from tax losses qualifying for carryforward insofar as it is likely that future tax gains will be obtained that will offset them within the period established in the applicable tax legislation, with a maximum of ten years, unless there is proof that they will be recovered within a longer deadline, when the tax legislation enables the carryforward in a longer period or does not establish any time limits regarding the carryforward.

On the other hand, it is considered likely that the Company will have sufficient tax gains to recover the deferred tax assets when there is a sufficient amount of taxable timing differences related to the same tax authority and referring to the same taxpayer, whose reversal is expected to be in the same tax year as the reversal expected of the deductible timing differences or in the years in which a tax loss, arising from a deductible timing difference, can be offset with prior or subsequent gains.

The Company recognises the deferred tax assets that have not been recognised because they exceed the ten-year recovery period insofar as the future reversal period does not exceed ten years from the year-end of the financial year or when there is a sufficient amount of taxable timing differences.

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

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(iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured based on the tax rates expected at the time of their reversal, in accordance with the approved standard in force, and according to the form in which the deferred tax asset or liability is rationally expected to be recovered or paid. For such purposes, the Company considers the deduction for reversal of the temporary measures implemented in transitional provision thirty-seven of Income Tax Act 27/2015 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.

Adjustments to the deferred tax asset and liability measurements are allocated to the income statement, except to the extent that the affected deferred tax assets and liabilities have their origin in book entries made directly to equity.

(iv) Offsetting and classification

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

(v) Consolidated tax system

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.

Since the Company files its corporate income tax under the consolidated tax system, it recognises the corporate income tax balances in the accounts with group companies and associates on the attached balance sheet. The corporate tax income or expense of the companies filed under the tax consolidation system is established by taking into account not only the parameters to be considered in the case of individual taxes, as indicated above, but also the following:

- The timing and permanent differences as a result of cancelling the profit or loss on transactions between group companies, deriving from the process of establishing the consolidated tax base.
- The rebates and deductions and the tax losses that correspond to each company in the tax group that pay tax under the consolidated tax return system will be attributed to the company that carried out the activity or obtained the necessary income to earn the right to the tax rebate or deduction.

The timing differences arising from eliminating the profit between the companies in the same tax group are recognised by the company that generates the results and measured by the applicable tax rate.

Regarding the tax losses from some group companies that have been offset by the other companies in the consolidated group, a reciprocal credit and debit arises between the corresponding companies and the companies that offset them. If there is a tax loss that cannot be offset by the other companies in the consolidated tax group, such tax credits losses for carryforward are recognised as deferred tax assets, considering the tax group as the taxpayer for their recovery.

(j) Income and expenses

Income and expenses are allocated based on when the actual flow of goods and services that they represent occurs, regardless of when the monetary or financial flow arising therefrom takes place.

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Income is recognised when the Company is likely to obtain a profit or economic reward from the transaction and the amount of the income and the costs incurred or to be incurred can be measured reliably.

Income is measured at the fair value of the consideration received or receivable, minus any discounts, price rebates or other similar reductions granted by the Company, and any interest on the nominal amount of receivables. The indirect taxes on transactions which are passed on to third parties do not form part of income.

(k) Environmental assets

Based on the type of activity conducted by the Company, no environmental actions are required.

(l) Transactions between related parties

Related-party transactions are recognised at the fair value of the consideration given or received, in accordance with the above-mentioned measurement standards.

(m) Current and non-current assets and liabilities

Assets and liabilities are classified as current and non-current in the balance sheet. To this end, assets and liabilities are classified as current when they are related to the Company's normal operating cycle and are expected to be sold, consumed, realised or settled during the course thereof, those whose maturity, disposal or realisation is expected to occur within a maximum one-year term, and the cash and cash equivalents, the use of which is not restricted by a term in excess of one year.

(n) Severance pay

Severance payments in case of involuntary termination are recognised when there is formal detailed plan and a valid expectation has been generated between the personal affected by the termination of employment, either because the plan has already been implemented or for having announced its main characteristics. Benefits that have remain unpaid for more than twelve months after the end of the reporting period are discounted to the related present value.

5. INTANGIBLE ASSETS

Their detail and movement are as follows:

Thousands of euros	Computer software	Other intangible fixed assets	Total
Cost at 31 December 2017	-	128	128
Additions	3	14	17
Transfers	142	(142)	-
Cost at 31 December 2018	145	-	145
Accumulated amortisation at 31 December 2017	-	-	-
Additions	(1)	-	(1)
Accumulated amortisation at 31 December 2018	(1)	-	(1)
Net book value at 31 December 2018	144	-	144
Cost at 31 December 2018	145	-	145
Additions	-	-	-
Cost at 31 December 2019	145	-	145
Accumulated amortisation at 31 December 2018	(1)	-	(1)
Additions	(48)	-	(48)
Accumulated amortisation at 31 December 2019	(48)	-	(48)
Net book value at 31 December 2019	96	-	96

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At 31 December 2019 intangible assets include the software acquired by the Company amounting to 96 thousand euros (144 thousand euros at 31 December 2018) for the management of traffic information on the Group's toll roads, the development of which was completed at 2018 year-end.

At 31 December 2019 and 2018, the Company had not fully amortised intangible assets.

6. PROPERTY, PLANT AND EQUIPMENT

The detail and movement are as follows:

Thousands of euros	Other facilities, fixtures and furniture	Assets under construction and advances	Other property, plant and equipment	Total
Cost at 31 December 2017	-	-	-	-
Additions	-	200	-	200
Disposals	-	7	-	7
Transfers	270	(207)	7	70
Cost at 31 December 2018	270	-	7	277
Accumulated amortisation at 31 December 2017	-	-	-	-
Additions	(2)	-	-	(2)
Accumulated amortisation at 31 December 2018	(2)	-	-	(2)
Net book value at 31 December 2018	268	-	7	275
Cost at 31 December 2018	270	-	7	277
Additions	-	-	-	-
Cost at 31 December 2019	270	-	7	277
Accumulated amortisation at 31 December 2018	(2)	-	-	(2)
Additions	(27)	-	(2)	(29)
Accumulated amortisation at 31 December 2019	(29)	-	(2)	(31)
Net book value at 31 December 2019	241	-	5	246

In 2018 the Company completed the refurbishment work on the building it owns.

At 31 December 2019 and 2018, the Company had not fully amortised its property, plant and equipment.

At 31 December 2019 and 2018, no property, plant and equipment have been pledged as security or are subject to ownership restrictions.

The Company has taken out insurance policies to adequately cover the risks to which its property, plant and equipment are exposed.

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7. INVESTMENT PROPERTY

The detail and movement are as follows:

Thousands of euros	Lands and buildings
Cost at 31 December 2017	4,191
Transfers	(70)
Cost at 31 December 2018	4,121
Accumulated amortisation at 31 December 2017	(3,163)
Additions	(125)
Accumulated amortisation at 31 December 2018	(3,288)
Net book value at 31 December 2018	833
Cost at 31 December 2018	4,121
Additions	4
Cost at 31 December 2019	4,125
Accumulated amortisation at 31 December 2018	(3,288)
Additions	(125)
Accumulated amortisation at 31 December 2019	(3,413)
Accumulated impairment at 31 December 2019	-
Net book value at 31 December 2019	712

Property investments recognised at 31 December 2019 and 2018 correspond to several premises in a building in Madrid owned by the Company, which are partially leased at the close of 2019, and mostly available for lease.

Income from these premises, which is recorded in the income statement, amounted to 3 thousand euros at 31 December 2019 (7 thousand euros at 31 December 2018).

The expenses derived from the Company's investment property consist of the annual depreciation and other expenses related to the building, which amounted to 82 thousand euros at 31 December 2019 (79 thousand euros at 31 December 2018). All the expenses are recognised in the income statement on an accrual basis.

There are no restrictions on property investments or on income derived therefrom.

There are no contractual obligations for the acquisition, construction or development of investment property, or for their repair, maintenance or improvement.

The Company has taken out insurance policies to adequately cover the risks to which its investment property is exposed.

8. LEASES

At 31 December 2019, the Company had entered into an operating lease agreement as the lessor that expires in November 2029. Details of the minimum instalments according to the terms and conditions in force, excluding the re-invoicing of the building's expenses, future CPI-based increases or future rental reviews agreed in contracts, are as follows:

Thousands of euros	2019
One year	74
Between one and four years	331
Total	405

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9. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

The breakdown of the financial assets by category at 31 December 2019 and 2018 is as follows:

Thousands of euros

Category	Class		Equity instruments		Credits and receivables		Other financial assets		TOTAL	
			2019	2018	2019	2018	2019	2018	2019	2018
Loans and accounts receivable	-	-	217,385	204,614	14	1	217,399	204,615		
Assets available for sale	2	2	-	-	-	-	2	2		
Non-current financial liabilities	2	2	217,385	204,614	14	1	217,401	204,617		
Loans and accounts receivable	-	-	3,336	3,817	1	1	3,337	3,818		
Current financial assets	-	-	3,336	3,817	1	1	3,337	3,818		
Total financial assets	2	2	220,721	208,431	15	2	220,738	208,435		

The aforementioned financial assets are broken down on the attached balance sheet as follows:

Thousands of euros

FINANCIAL ASSETS	Equity instruments		Credits and receivables		Other financial assets		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
Non-current financial assets:								
Non-current investments in group companies and associates	-	-	217,385	204,614	-	-	217,385	204,614
Loans to companies (notes 10 and 15)	-	-	217,385	204,614	-	-	217,385	204,614
Non-current financial investments	2	2	-	-	14	1	16	3
Equity instruments	2	2	-	-	-	-	2	2
Other financial assets	-	-	-	-	14	1	14	1
Total non-current financial assets	2	2	217,385	204,614	14	1	217,401	204,617
Current financial assets:								
Trade and other receivables	-	-	2,881	3,368	-	-	2,881	3,368
Group companies and associates, receivable (note 15)	-	-	2,881	3,368	-	-	2,881	3,368
Current investments in group companies and associates	-	-	455	449	-	-	455	449
Loans to companies (note 15)	-	-	455	449	-	-	455	449
Non-current financial investments	-	-	-	-	1	1	1	1
Other financial assets	-	-	-	-	1	1	1	1
Total current financial assets	-	-	3,336	3,817	1	1	3,337	3,818
Total financial assets	2	2	220,721	208,431	15	2	220,738	208,435

At 31 December 2019 and 2018, the carrying amount of financial assets does not differ significantly from their fair value.

Assets available for sale

Their detail at 31 December 2019 and 2018 is as follows:

Thousands of euros	2019	2018
Tacel Inversiones, S.A	3,010	3,010
Club financiero Génova	2	2
Equity instruments	3,012	3,012
Tacel Inversiones, S.A	(3,010)	(3,010)
Impairment losses	(3,010)	(3,010)
Assets available for sale	2	2

At 31 December 2019 and 2018, the Company has a 9% stake in Tacel Inversiones, S.A., which is the sole partner of Autopista Central Gallega, C.E.S.A. (hereinafter, ACEGA), the concession holder for the construction, maintenance and operation of the Santiago-Alto de Santo Domingo section of the Santiago de Compostela-Ourense toll road. The Company was

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incorporated for a limited duration of time in line with the concession period, which will end on 25 November 2074.

In 2012, the Company recognised impairment of 100% of the value of its investment in Tacel Inversiones, S.A. as a result of the impairment test carried out at that year-end, which estimated the current value of the 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.

Details of the interests in available-for-sale assets at 31 December 2019 are as follows:

Thousands of euros

Name of the Company	% Stake	Capital	Reserves	Other changes in equity	Operating profit/loss	Other profit/loss	Equity	Carrying amount	Dividends received
Tacel inversiones, S.A.	9.00%	33,450	(159)	-	(24)	6	33,273	-	-

Loans and accounts receivable

(a) Loans to third parties

On 28 December 2006, the company Tacel Inversiones, S.A. arranged a participating loan with its shareholders amounting to 13,000 thousand euros, the Company participating with 1,170 thousand euros. The loan was subordinated to the main credit contract signed by ACEGA with several lenders and whose maturity is for 2024. The loan was extended so that the borrower could meet its payment commitments with the temporary joint venture constructing the toll road and accrues interest based on the rise in traffic of the borrowing company. In 2019 and 2018, the conditions established for this purpose were not met and, therefore, no interest accrued.

In 2012, the Company wrote off this loan entirely for the same reasons as explained previously for the impairment of its ownership interest that was recorded in 2012.

(b) Other financial assets

This amount shows the guarantees arranged by the Company for the leased premises that it owns.

FINANCIAL LIABILITIES

All the financial liabilities belong to loans and payables and are broken down in the attached balance sheet as follows:

Thousands of euros

FINANCIAL LIABILITIES	Trade creditors and other payables		Derivatives and others		Total	
	2019	2018	2019	2018	2019	2018
<u>Current financial liabilities:</u>						
Non-current payables	12	-	-	-	12	-
Other financial liabilities	12	-	-	-	12	-
Non-current payables to group companies and associates (note 15)	-	-	109,460	98,139	109,460	98,139
Total non-current financial liabilities	12	-	109,460	98,139	109,472	98,139
<u>Current financial liabilities:</u>						
Current payables to group companies and associates (note 15)	1,456	1,407	-	-	1,456	1,407
Trade and other payables	560	131	-	-	560	131
Sundry payables	56	72	-	-	56	72
Staff	504	59	-	-	504	59
Total current financial liabilities	2,016	1,538	-	-	2,016	1,538
Total financial liabilities	2,028	1,538	109,460	98,139	111,488	99,677

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The fair values of the financial liabilities at 31 December 2019 and 2018 do not differ significantly from their carrying amounts.

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 2019 and 2018 is shown below:

	2019	2018
	Days	Days
Average period for payments to suppliers	10	21
Ratio of transactions paid	10	22
Ratio of transactions pending payment	13	2
Thousands of euros	Amount	Amount
Total payments made	3,055	5,761
Total payments pending	3	393

At 31 December 2019 and 2018, the Company does 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.

10. INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The detail and movement are as follows:

Thousands of euros	Balance at 31/12/2017	Additions	Balance at 31/12/2018	Additions	Balance at 31/12/2019
Autopista del Atlántico, C.E., S.A.	114,897	-	114,897	-	114,897
Autopista Astur-Leonesa, C.E., S.A.	214,626	-	214,626	-	214,626
Autopista de Navarra, S.A.	40,307	-	40,307	-	40,307
Autoestradas de Galicia, A.G., C.X.G., S.A.	30,177	-	30,177	-	30,177
Equity investments in group companies	400,007	-	400,007	-	400,007
Enaitínere, S.A.U.	93,478	16,431	109,909	8,154	118,063
Itínere Infraestructuras, S.A.	92,191	2,514	94,705	4,616	99,321
Credits to group companies associates (note 15)	185,669	18,945	204,614	12,770	217,384
Investments in Group Companies and Associates	585,676	18,945	604,621	12,770	617,391

(a) Equity investments in group companies

At 31 December 2019 and 2018, Equity instruments in Group companies includes the 100% stakes in the share capital of Autopistas del Atlántico, Concesionaria Española, S.A. (AUDASA), Autopista Concesionaria Astur-Leonesa, S.A. (AUCALSA), Autoestradas de Galicia, Autopistas de Galicia, Concesionaria de la Xunta de Galicia, S.A. (AUTOESTRADAS) and the 50% stake in Autopistas de Navarra, S.A. (AUDENASA), companies which operate the toll roads they have concessions for. Details of the dividend received by ENA from these stakes are included in note 18.

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Details of the equity and the cost of the investment in group companies at 31 December 2019 as well as information on their activity and registered offices is as follows:

Thousands of euros

Name of the Company	%Stake	Capital	Reserves	Other changes in equity	Operating profit/loss	Other profit/loss	Equity	Carrying amount	Dividends received
Autopistas del Atlántico, C.E.S.A.	100.00%	195.918	208.437	16.200	85.053	(42.775)	462.833	114.897	55.745
Autopista Concesionaria Astur-Leonesa, S.A.	100.00%	326.248	102	21.144	14.977	(9.322)	353.149	214.626	5.202
Autopistas de Navarra, S.A.	50.00%	109.180	6.463	(20.263)	28.590	(4.591)	119.379	40.307	19.011
Autoestradas de Galicia, A.G.C.X.G., S.A.	100.00%	30.177	(1.368)	(3.600)	10.387	(2.749)	32.847	30.177	7.710

NameCompany	Activity	Dirección
Autopistas del Atlántico, C.E.S.A.	Concesión Autopista El Ferrol - Tuy (AP-9)	C/ Alfredo Vicenti, 15. A Coruña (Spain)
Autopista Concesionaria Astur-Leonesa, S.A.	Concesión Autopista Campomanes - León (AP-66)	Parque Empresarial Asiplo II. Pza. Bárbara, 4. Llanera, Asturias (Spain)
Autopistas de Navarra, S.A.	Concesión Autopista Irurzun - Autopista del Ebro (AP-15)	Autopista AP-15 Km. 83-Sur, Tajonar, Navarra (Spain)
Autoestradas de Galicia, A.G.C.X.G., S.A.	Concesión Autopistas A Coruña - Carballo (AG-55) y Puxeiros - Valmiñor (AG-57)	C/ Alfredo Vicenti, 13. A Coruña (Spain)

All the above companies were audited by PricewaterhouseCoopers Auditores, S.L. in 2019.

As required by accounting regulations, if there are indications of impairment, the Company tests its investments in Group companies for impairment on an annual basis using discounted cash flow methods, through which it determines their recoverable amount, which is the greater of fair value minus costs to sell and value in use.

To carry out this impairment test, the Company has projections from which it obtains the value in use of its investments and which are based on the economic-financial plans of each of the concession companies for which the Company is the Sole direct or indirect Shareholder. These economic-financial plans provide for the full recovery of the investment made by the various companies, as well as the repayment of the debt subscribed, throughout their respective concession periods.

To determine the present value of future cash flows, the following variables are taken into account:

- ◇ The estimated term for the generation of the concession companies' cash flows, which coincides with the term of the corresponding concession agreements.
- ◇ The income and expense projection based on the following criteria:
 - The income that will be generated by these companies throughout the concessions periods has been estimated based on the forecasted evolution in Consumer Price Index (CPI), taking into consideration other variables, such as the maturity level of each of the concession companies and any other specific aspects that could affect their future activity. For this, the traffic estimates of each one of the concessionary companies corresponding to the remaining concession terms up to the date of their forecast reversion to the granting administrations have been taken into account. Such estimates have been made on the basis of a traffic study carried out by an independent expert.
 - The expenses have been estimated based on the estimated CPI and activity (traffic, technical enhancements, etc.).
- ◇ As regards to future investments, which include infrastructure maintenance and replacement activities, the best estimates available to the companies have been used, based on their experience and the expected performance of their activity.
- ◇ Calendar of debt repayment and refinancing according to estimated flows.
- ◇ Shareholders dividend distribution policy.

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- ◇ An estimated discount rate of 8.5%, resulting from increasing the cost of money in the long term, the country risk assigned by the market, the risk premium assignable to the business and the financial structure.

At 31 December 2019, considering the positive evolution of the traffic and activity of the concession companies in which ENA participates directly and indirectly, the Company had not identified any indications of impairment of the value of its investments in Group companies and, therefore, it was not necessary to record a valuation adjustment for impairment of the aforementioned investments.

(b) Loans to group companies

- Credit to Enaitinere, S.A.

On 16 February 2016, the Company signed a loan with its Sole Shareholder to replace the one originally formalised on 25 June 2015, pursuant to which provisions were made that at 31 December 2018 amounted to 109,909 thousand euros. On 7 October 2019, the Company formalised a new annex to that loan contract with the aim of making a new fund contribution amounting to 6,200 thousand euros. This loan accrues a variable interest rate pegged to 6-month Euribor plus a spread; if the interest is not paid at the end of the settlement period, it will be capitalised; and its maturity is October 2025. In 2019, the loan accrued interest totalling 1,960 thousand euros (1,791 thousand euros at 31 December 2018), of which 455 thousand euros were pending maturity (449 thousand euros at 31 December 2018) (see note 15) and are shown under "Current investments in group companies and associates" on the attached balance sheet. In 2019, interest has been capitalised to the amount of 1,955 thousand euros (1,731 thousand euros in 2018). As a result, at 31 December 2019, the aforementioned loan amounts to 118,064 thousand euros.

- Credit to Itínere Infraestructuras, S.A.

On 16 February 2016, the Company signed a loan agreement with ITINERE maturing in October 2025 and whose remuneration is tied to 1-year Euribor plus a margin. At 31 December 2019, the capital drawdown under this loan amounted to 99,321 thousand euros (94,705 thousand euros at 31 December 2018) and a new drawdown was made in July 2019 for 2,789 thousand euros relating to tax balances (812 thousand euros in July 2018). This loan provides for the capitalisation of any unpaid interest at the end of the settlement period. The interest accrued in 2019 amounts to 1,826 thousand euros (1,702 thousand euros in 2018), which have been capitalised (see note 15).

11. CASH AND CASH EQUIVALENTS

At 31 December 2019 and 2018, the Company did not have any cash equivalents.

12. CAPITAL AND RESERVES

Their breakdown and movement are shown in the statement of changes in equity, which forms an integral part of the attached annual accounts.

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(a) Subscribed capital

The share capital at 31 December 2019 and 2018 was represented by 70,734 ordinary nominative shares, each with a par value of 6,010.12 euros, fully subscribed and paid-up, owned by ENAITINERE, S.A.U. All shares have the same voting and economic rights, are not quoted on any stock exchange and there are no statutory restrictions on their transferability.

At 31 December 2019 and 2018, the Company complies with the requirements established in the Corporate Enterprises Act in order to be considered a sole proprietorship, whose status has been filed in the mercantile registry.

The Company's shares are pledged to secure repayment of the loan taken out by its sole partner.

(b) Legal reserve

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 2019 and 2018, the Company has allocated to this reserve the minimum amount required by the consolidated text of the Corporate Enterprises Act, amounting to 85,024 thousand euros.

(c) Contracts with the sole partner

At 31 December 2019, the Company has not entered into contracts with its sole shareholder other than those stated in note 10.

13. PUBLIC ADMINISTRATION

The balances payable to public administration at 31 December 2019 and 2018 are as follows:

Thousands of euros	2019	2018
Payable to Public Treasury:		
For tax withholdings	82	81
Payable to the Social Security	32	27
Public Administration	114	108

14. TAX POSITION

As stated in Note 4(i), since 1 January 2009, the Company has filed its taxes as part of the consolidated tax group 36/09, comprising ITINERE (the parent) and companies resident in Spain.

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

At 31 December 2019, the Company recognised an income tax expense of 545 thousand euros (383 thousand euros at 31 December 2018).

A reconciliation of net income tax and the tax receivable at 31 December 2019 and 2018 is as follows:

Thousands of euros	2019	2018
Net tax payable for the year	543	381
Withholdings and payments on account	(1,924)	(3,170)
Income tax payable (note 15)	(1,381)	(2,789)

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In accordance with the provisions of Articles 79.2.d) and 35, and Additional provision 16 of Provincial Law 24/1996 of 30 December on Corporate Income Tax, that the investee company AUDENASA is subject to, the dividends distributed thereby from exempt profit are subject to withholding tax. At 31 December 2019, the tax deductions amounted to 1,846 thousand euros (3,155 thousand euros at 31 December 2018).

The reconciliation between the net amount of the year's income and expenses and the corporate income tax base, which the Company expects to contribute to the 2019 financial year's consolidated tax return and that contributed to the 2018 financial year's tax return, is as follows:

	2019			2018		
	Income statement	Income and expenses recognised directly in equity	Total	Income statement	Income and expenses recognised directly in equity	Total
Thousands of euros						
Balance of income and expenses in the year	89,301	-	89,301	72,617	-	72,617
Income tax	545	-	545	383	-	383
Permanent differences:	(87,667)	-	(87,667)	(71,469)	-	(71,469)
Exempt dividends group companies	(87,667)	-	(87,667)	(71,448)	-	(71,448)
Other	-	-	-	(21)	-	(21)
Timing differences:	(8)	-	(8)	(8)	-	(8)
Arising in prior years:	(8)	-	(8)	(8)	-	(8)
Reversal of the limit to the deductibility of redemptions	(8)	-	(8)	(8)	-	(8)
Taxable income	2,170	-	2,170	1,523	-	1,523
Total amount (tax result)	543	-	543	381	-	381
Deductions and other	-	-	-	-	-	-
Net tax payable	543	-	543	381	-	381

A reconciliation of the income tax expense with the result of applying the pertinent tax rates to total recognised income and expense, differentiating between current and deferred tax, for 2019 and 2018, is as follows:

	2019			2018		
	Income statement	Income and expenses recognised directly in equity	Total	Income statement	Income and expenses recognised directly in equity	Total
Thousands of euros						
Profit/loss before taxes from continued operations	89,846	-	89,846	73,000	-	73,000
Permanent differences	(87,667)	-	(87,667)	(71,469)	-	(71,469)
Applicable tax rate	25%	25%	25%	25%	25%	25%
Theoretical tax burden	545	-	545	383	-	383
Effect of:						
Deductions and other	-	-	-	-	-	-
Effective tax expense	545	-	545	383	-	383
Detail:						
Current	543	-	543	381	-	381
Deferred	2	-	2	2	-	2
Income tax	545	-	545	383	-	383

Movements in deferred tax assets in 2019 and 2018 are as follows:

Thousands of euros	Deductible timing differences	Pending deductions	Total deferred tax assets
Balance at 31 December 2017	13	2	15
Disposals	(2)	-	(2)
Balance at 31 December 2018	11	2	13
Disposals	(2)	-	(2)
Balance at 31 December 2019	9	2	11

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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 property 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. Consequently, at 31 December 2019 the Company had recognised a deferred tax asset of 9 thousand euros in this respect (11 thousand euros at 31 December 2018).

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 2019 the Company had recognised deductions pending application amounting to 2 thousand euros for reversal of the temporary measures (3 thousand euros at 31 December 2018).

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.

On 5 July 2019, the Group's parent company received notification from the tax authorities of the commencement of tax audits and investigations into 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 14 February 2020, the parent company 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. At the date of preparation of these Annual Accounts the Company was not being investigated.

In accordance with the foregoing, the Company has open to inspection by the taxation authorities all the main applicable taxes since 1 January 2016 (year ended 31 December 2013, in the case of income tax, and periods from July 2015 onwards for Value Added Tax). 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 annual accounts.

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15. BALANCES AND TRANSACTIONS WITH GROUP COMPANIES

Receivables from and payables to group companies, jointly controlled entities, associates and other related parties at 31 December 2019 and 2018 are as follows:

Thousands of euros	2019			2018		
	Parent company	Other group companies	Total	Parent company	Other group companies	Total
Loans to companies (notes 9 and 10)	118,064	99,321	217,385	109,909	94,705	204,614
Itinere Infraestructuras, S.A.	-	99,321	99,321	-	94,705	94,705
Enaitinere, S.A.U.	118,064	-	118,064	109,909	-	109,909
Non-current debit balances	118,064	99,321	217,385	109,909	94,705	204,614
Loans to companies (note 9)	455	-	455	449	-	449
Enaitinere, S.A.U. (nota 10)	455	-	455	449	-	449
Trade balances and other receivables (note 9)	-	2,881	2,881	-	3,368	3,368
Audasa	-	764	764	-	381	381
Aucalsa	-	225	225	-	106	106
Audenas	-	338	338	-	46	46
Autoestradas	-	173	173	-	46	46
Itinere Infraestructuras, S.A. Consolidación IS (note 14)	-	1,381	1,381	-	2,789	2,789
Current debit balances	455	2,881	3,336	449	3,368	3,817
Non-current payables (note 9)	-	109,460	109,460	-	98,139	98,139
Audasa	-	37,024	37,024	-	36,371	36,371
Aucalsa	-	43,540	43,540	-	34,422	34,422
Autoestradas	-	28,896	28,896	-	27,346	27,346
Non-current creditor balances	-	109,460	109,460	-	98,139	98,139
Current payables	-	1,244	1,244	-	1,012	1,012
Audasa	-	616	616	-	568	568
Aucalsa	-	621	621	-	442	442
Autoestradas	-	8	8	-	3	3
Trade creditors	-	212	212	-	395	395
Itinere Infraestructuras, S.A.	-	1	1	-	369	369
Itinere Infraestructuras, S.A. Consolidated VAT	-	211	211	-	26	26
Current credit balances (note 9)	-	1,456	1,456	-	1,407	1,407

At 31 December 2019 and 2018, ENA has accounts receivable from its subsidiaries for services rendered under the agreements signed (see note 16).

At 31 December 2019, ENA has an account receivable from ITÍNERE of 1,381 thousand euros due to its inclusion in the consolidated income tax group regime (2,789 thousand euros at 31 December 2018) (see note 14).

With effect from 27 December 2018, the Company novated the loan agreement entered into on 16 February 2016 with its investee AUTOESTRADAS, under which provisions were made which amounted to 27,346 thousand euros at 31 December 2018. The loan accrues interest at a variable rate pegged to 6-month Euribor plus a spread and maturing in September 2023. In 2019, the loan accrued interest of 149 thousand euros, of which 2 thousand euros were payable at 31 December 2019 (809 thousand euros in 2018, of which 3 thousand euros were payable at 31 December 2018). In 2019, 150 thousand euros were capitalised as higher debt (815 thousand euros in 2018). As a result, at 31 December 2019, the aforementioned loan amounts to 27,496 thousand euros.

Likewise, on 3 October 2019, the Company signed a new loan agreement with its investee AUTOESTRADAS, pursuant to which provisions were made amounting to 1,400 thousand euros at 31 December 2019. The loan accrues interest at a variable rate pegged to 1-year Euribor plus a spread and maturing in October 2025. In financial year 2019, this loan accrued interest amounting to 6 thousand euros (see note 18), which at 31 December 2019 are pending payment.

On 16 February 2016, the Company signed a loan agreement with its investee AUDASA, pursuant to which provisions were made amounting to 36,371 thousand euros at 31 December 2018. This loan accrues a variable interest rate pegged to 1-year Euribor plus a spread; if the

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interest is not paid at the end of the settlement period, it will be capitalised; and its maturity is February 2021, which can be extended for annual periods. In 2019 this loan has accrued an interest amounting to 701 thousand euros, and capitalised 652 thousand euros (640 thousand euros and 557 thousand euros respectively, in 2018). At 31 December 2019, 616 thousand euros (568 thousand euros at 31 December 2018) were pending payment.

Additionally, on 15 February 2016, the Company signed a loan agreement with its investee AUCALSA, pursuant to which provisions were made which amounted to 34,422 thousand euros at 31 December 2018. On 3 October 2019, the Company formalised an annex to that loan contract by virtue of which a new drawdown amounting to 8,600 thousand euros was made. This loan accrues a variable interest rate pegged to 1-year Euribor plus a spread; if the interest is not paid at the end of the settlement period, it will be capitalised; and its maturity is February 2021, which can be extended for annual periods. In financial year 2019, the said loan accrued an interest amounting to 697 thousand euros (491 thousand euros in 2018), having capitalised 518 thousand euros (320 thousand euros in financial year 2018). At 31 December 2019, 621 thousand euros (442 thousand euros at 31 December 2018) were pending payment.

Details of transactions with group companies, jointly controlled entities, associates and other related parties in 2019 and 2018 are as follows:

Thousands of euros	2019			2018		
	Parent company	Other group companies	Total	Parent company	Other group companies	Total
Financial expenses	-	1,553	1,553	-	1,940	1,940
Audasa	-	701	701	-	640	640
Aucalsa	-	697	697	-	491	491
Autoestradas	-	155	155	-	809	809
Management or collaboration contracts	-	1,818	1,818	-	4,214	4,214
Itinere Infraestructuras, S.A.	-	1,818	1,818	-	4,214	4,214
Total expenses	-	3,371	3,371	-	6,154	6,154
Financial adjustment (note 18)	1,960	89,439	91,398	1,791	73,149	74,940
Audasa	-	55,745	55,745	-	42,413	42,413
Aucalsa	-	5,202	5,202	-	3,933	3,933
Audenasas	-	18,956	18,956	-	17,801	17,801
Autoestradas	-	7,710	7,710	-	7,300	7,300
Itinere Infraestructuras, S.A. (note 10)	-	1,826	1,826	-	1,702	1,702
Enaitinere, S.A.U. (note 10)	1,960	-	1,960	1,791	-	1,791
Management or collaboration contracts (note 16)	-	4,742	4,742	-	6,377	6,377
Audasa	-	2,793	2,793	-	4,115	4,115
Aucalsa	-	855	855	-	1,223	1,223
Audenasas	-	694	694	-	526	526
Autoestradas	-	401	401	-	513	513
Rendering of services (note 16)	-	70	70	-	70	70
Audenasas	-	70	70	-	70	70
Other income	-	-	-	-	45	45
Itinere Infraestructuras, S.A.	-	-	-	-	45	45
Total income	1,960	94,251	96,211	1,791	79,641	81,432

The transactions with related parties refer to the Company's normal business and are carried out on an arm's length basis.

16. NET TURNOVER

Income obtained in 2019 and 2018 are as follows:

Thousands of euros	2019	2018
Service management fee:	4,742	6,377
Audasa	2,793	4,115
Aucalsa	855	1,223
Audenasas	694	526
Autoestradas	401	513
Other services group companies:	70	70
Audenasas	70	70
Turnover	4,812	6,447

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The service management fee includes the amounts invoiced by ENA to its subsidiaries for general management, administration and technical and financial control expenses under the agreements signed with these companies.

All the turnover recorded by the Company in 2019 and 2018 was obtained in Spain.

17. EXTERNAL SERVICES

The breakdown of external services at 31 December 2019 and 2018 is as follows:

Thousands of euros	2019	2018
Leasing and royalties	1,802	4,208
Repairs and maintenance	13	2
Services of independent professionals	33	20
Bank services and similar	-	1
Advertising, propaganda and public relations	79	66
Supplies and other services	139	113
External services	2,066	4,410

18. FINANCIAL INCOME

The breakdown of financial income at 31 December 2019 and 2018 is as follows:

Thousands of euros	2019	2018
Financial income with group companies:		
Income from investments in equity instruments	87,612	71,448
Negotiable securities and other financial instruments	3,786	3,492
Financial income	91,398	74,940

Income from investments in equity instruments of group companies shows the dividends received from the following companies:

Thousands of euros	2019	2018
Audasa	55,745	42,413
Aucalsa	5,202	3,933
Audenasa	18,956	17,801
Autoestradas	7,710	7,300
Income from investments in equity instruments in Group companies	87,612	71,448

On 18 June 2019, the General Shareholders' Meeting of AUDENASA approved a reduction in the share capital of 11,059 thousand euros, of which the portion attributable to ENA based on its ownership interest (5,529 thousand euros) was recorded in full as financial income for financial year 2019, as the value of its share capital after its reduction was above the book value of the financial investment in ENA.

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19. STAFF

The average headcount in 2019 and 2018, broken down by category, is as follows:

	2019	2018
Managers	3	3
Technical staff	13	13
Administrative staff	6	5
Other staff	1	1
Total	23	22

At 31 December 2019 and 2018, the breakdown of the Company's headcount by category and gender is as follows:

	Men		Women		Total	
	2019	2018	2019	2018	2019	2018
Managers	2	2	1	1	3	3
Technical staff	7	6	7	6	14	12
Administrative staff	1	1	5	4	6	5
Other staff	1	1	-	-	1	1
Total	11	10	13	11	24	21

In 2019 and 2018, the Company did not have any employees with a disability of 33% or higher.

At 31 December 2019 and 2018, all the members of the Company's board of Directors were men.

In 2019, the Company recognised an expense for compensation amounting to 495 thousand euros, which is recognised under "Wages, Salaries and Similar" in the accompanying income statement.

Likewise, of the amount of social security contributions for 2019, 287 thousand euros correspond to the company's social security cost (273 thousand euros in 2018).

20. INFORMATION ABOUT COMPANY DIRECTORS AND SENIOR MANAGEMENT

No remuneration was paid to members of the Board of Directors in 2019 and 2018. The Company has no staff considered as senior management.

In 2019 and 2018, the Company has not extended any loan or credit, undertaken any pension plan or insurance commitments, nor does it have any balances receivable from or payable to members of the Board of Directors at 31 December 2019 and 2018.

In 2019 and 2018, the Company has not extended any loans or credit, undertaken any pension plan or life insurance commitments, nor does it have any balances receivable from or payable to members of the Board of Directors or the senior management at 31 December 2019 and 2018. Likewise, the Company has not paid any civil liability insurance premiums for Directors and managers. Notwithstanding the foregoing, ITINERE, the parent company of the Group to which the Company belongs, has civil corporate liability policies for the Directors and managers which cover the Directors and managers of the Group companies who represent them.

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21. GUARANTEES UNDERTAKEN WITH THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

The Company guarantees the following amounts in respect of the financing transactions entered into by its subsidiaries with third parties:

Thousands of euros	2019	2018
Audasa	1,064,993	1,064,993
Aucalsa	280,043	280,043
Total	1,345,036	1,345,036

The Company has also extended the following counter guarantees to its subsidiaries in relation to the operating, construction and other guarantees that these have had to arrange:

Thousands of euros	2019	2018
Construction guarantees	5,520	5,520
Performance guarantees	40,971	40,971
Bank guarantees	-	89
Total	46,491	46,580

As stated in note 12, the Company's shares are pledged to secure repayment of the loans taken out by its sole shareholder, ENAITINERE, S.A.U. (100% owned by ITÍNERE).

22. ENVIRONMENT

Based on the type of activity conducted by the Company, no environmental actions are required. Therefore, it has not incurred any environmental expense in 2019 and no provision is considered necessary to cover possible expenses or risks relating to environmental actions.

The Company's Directors declare that there are no items that need to be included in the separate environmental information document provided for in Order JUS/206/2009 of 28 January.

23. INFORMATION ABOUT THE NATURE AND RISKS OF FINANCIAL INSTRUMENTS

As stated in note 1, the Company's corporate purpose is the management and coordination of control, the implementation of standard policies and external debt and cash management of its subsidiaries, the corporate purpose of which is to exercise the rights and comply with the obligations derived from the respective concession arrangements entered into with the grantors (national or local government). These arrangements establish the right to redress the financial balance should circumstances beyond the control of the concession operator arise, which significantly limits the risks of these companies and, therefore, that of ENA itself.

The Company's financial management and policies are determined and executed by the financial department of ITÍNERE, which is the Company's indirect majority shareholder. The latter has established markedly conservative policies regarding the use of financial instruments such as not entering into speculative transactions with derivatives or the investment of cash surpluses solely in low-risk financial products.

To a large extent, the Company's financial risk management policies and, consequently, the instruments for their achievement are determined by the nature of its activity and by the situation in the financial markets at any given time.

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Thus, the structure, type of financing, hedges, guarantees and, in short, the most appropriate financing instruments are selected in accordance with the nature and risks inherent in the projects to be financed, with a view to their mitigation to the extent that this is possible.

The financing of concession companies in which ENA has a majority holding is secured by ENA itself, as explained in note 21. ENA supplements project financing with its own resources using non-Group financing when applicable.

The following is a brief analysis of the different risk factors related to financial instruments:

- **Credit risk:** It is low, due to the nature of the Company's income, which basically comes from dividends distributed by its investees.
- **Liquidity Risk:** This risk is low in the Company, due to the nature and characteristics of the Company's collections and payments, predictable in time, to its EBITDA and its financial structure. The Company aims to maintain the liquidity it needs to settle its payment obligations at any given time.
- **Interest rate risk:** The structure, type of financing, coverage, guarantees and, in short, the most appropriate financial instruments are selected according to the nature and risks inherent to the project in order to eliminate or mitigate them as much as possible taking the cost/risk factor into consideration.

At 31 December 2019, the Company has financing at a variable interest rate pegged to Euribor (see note 15). A possible change of ± 100 basis points with respect to the interest rate prevailing at year-end would have a quantitative effect on net profit for the fiscal year valued at ± 835 thousand euros.

- **Exchange rate risk:** The Company's debt is denominated in the same currency as the cash flows of its business. Likewise, no transactions are made in non-euro currencies. Consequently, there is currently no currency risk.
- **Price risk:** This risk is low since ENA's income is associated with the activity of its investees, which are not exposed to this risk, as they operate in a regulated market in which the tariffs applied are reviewed based on the variation of the CPI.

24. OTHER INFORMATION

PricewaterhouseCoopers Auditores, S.L., the company auditing the annual accounts of the Company, have rendered professional services to the Company during the year ended 31 December 2019 totalling 6,000 euros per year (KPMG Auditores, S.L., the company auditing the annual accounts for the year ending on 31 December 2018 provided professional services to the Company amounting to 6,324 thousand euros).

These amounts correspond to total audit fees for 2019 and 2018, irrespective of the date of invoice.

PricewaterhouseCoopers Auditores, S.L. has not rendered any other type of service to the Company during 2019 (KPMG Auditores S.L. also did not provide any service other than auditing during 2018).

No other entities affiliated with PwC have invoiced the Company for any services during 2019. (Other affiliates of KPMG International did not invoice any amount during financial year 2018).

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25. SUBSEQUENT EVENTS

No significant subsequent events have taken place.

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Directors' Report

1. COMPANY BUSINESS PERFORMANCE AND POSITION

In 2019, the Company continued to manage and coordinate the group companies, which operated normally throughout the year. The activity was performed in a fully integrated manner within the structure of ITÍNERE INFRAESTRUCTURAS, S.A.

The Company's profit for the year is 89.3 million euros, primarily due to dividend income from shareholdings corresponding to the prior year and interim dividends in 2019.

With regard to the management of investee companies, traffic in 2019 maintains the trend of consolidation of the recovery in traffic levels that has been observed since 2014, although there has been a certain slowdown in growth in line with the overall economy evolution. Traffic on the Group's toll roads, which, together with tariffs, is the determining factor in its activity and income. Weighted average daily traffic (ADT) in 2019 was 19,073 vehicles, up 1.91%. Weighted ADT of light vehicles for all ENA Group toll roads in 2019 was 16,647 vehicles, up 1.95% on 2018. For heavy vehicles, weighted ADT was 2,426, 1.64% higher than in 2018.

Total toll income for the investees (including proportional consolidation of AUDENASA) amount to 234.5 million euros, an increase of 12.4 million euros on the prior year (+5.57%).

In relation to the foregoing, it should be noted that Royal Decree 803/2017 of 28 July, published in the Spanish Official Gazette (B.O.E.) of 29 July, modified the Agreement between the General State Administration, the Regional Government of Galicia (Xunta de Galicia) and our investee company, Autopistas del Atlántico, C.E.S.A (AUDASA), approved by Royal Decree 633/2006 of 19 May, which established a shadow toll system for the Vigo-O Morrazo and A Coruña-A Barcala itineraries financed by both Administrations. At the date of preparation of these annual accounts, the Supreme Court awaits a ruling on the dispute brought by AUDASA against the decision of the Ministry of Development, on the grounds that it represents a unilateral and unjustified modification of an agreement signed between the parties. The economic effects of this modification mean, at the close of the financial year 2019, an accumulated amount of 11.4 million euros less income (6.5 million euros at the end of 2018).

In the financial section, our investees carried out the following refinancing operations in financial year 2019:

- On 21 March 2019, in order to meet the planned refinancing, AUCALSA signed a syndicated loan agreement for 229,400 thousand euros, which was disbursed on 10 June with a single maturity in June 2024. The loan bears interest equivalent to 6-month Euribor plus a 1.4 % spread. Note the improvement obtained in the terms and conditions of the refinancing facility, since the matured debt had a cost of 4.35%. This loan is guaranteed by ENA.
- On 16 December 2019, AUDASA signed a syndicated loan agreement for 400 million euros to be disbursed on 1 April 2020 to refinance the issue of tax-exempt bonds maturing on that date. The nominal amount of this loan is divided into two tranches: A) 300 million euros to be paid in full on the maturity date of the issue and B) 100 million euros to be paid in the event that a tax-exempt bond issue is not made for the aforementioned amount, or if it is not fully subscribed. 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 aforementioned bond issue costs 4.75%. This loan is guaranteed by ENA.

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The Group's investment activity in 2019, to which 10.2 million euros were allocated, was mainly materialised in the completion of the ancillary work pending on the capacity expansion work of the AP-9, Autopista del Atlántico in the Vigo access sections (including the extension of the Rande bridge) and the Santiago de Compostela bypass, included in the agreement to extend the AP-9, signed at the end of 2011 between the Company and the Ministry of Development under Royal Decree 1733/2011, of 18 November. In what regards the replacement actions carried out in 2019 in toll roads, improvements were also made to some of the safety and signage equipment, primarily during work to reinforce the road surface, as part of the Company's maintenance programme. Likewise, investments were made in installations and toll machinery (multi-payment lanes).

In addition, there was a change in the controlling shareholder of ITÍNERE, ENA's sole shareholder (through ENAITINERE), in 2009. As a result, the main shareholder of the Group to which the Company belongs is ARECIBO SERVICIOS Y GESTIONES, S.L., with a 52.87% stake in ITÍNERE at 31 December 2019.

The amounts paid by the Company to the various public administrations for taxes, social security contributions, etc. totalled 2.1 million euros in 2019.

In financial year 2019 the average workforce of the Company increased by 1 person.

At 31 December 2019, the Company does 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. All of the Company's payments in 2019 and 2014 were made within the legal deadline. The average payment period to suppliers in 2019 was 10 days.

2. SUBSEQUENT EVENTS

No significant subsequent events have taken place.

3. COMPANY OUTLOOK

The activities to be carried out by ENA Infraestructuras, S.A. over the coming years will be determined by the guidelines set by the Company's sole shareholder, the performance of its investees and the new investments made.

In this context, the Company will continue to consistently implement the group companies' maintenance programmes, undertaking replacement work and major repairs to our operational toll roads, to increase the quality of the service offered to road users.

4. MAIN RISKS AND UNCERTAINTIES

The future of the toll road concession sector and, consequently, of ENA's investees is undoubtedly affected by both the overall economic situation and changes in legislation that can significantly affect the forecasts.

With regard to potential market risk, ENA's toll road concession investees operate in accordance with the concession contracts with the Administration, 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. 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

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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 ENA's portfolio (mature and widely consolidated business) mitigate this risk.

- **Regulatory risk:** Companies in which ENA is an investee are subject to compliance with both sector-specific and general regulations (accounting, environmental, labour, data protection, tax, etc. regulations), whose stability and guarantee is essential in a highly regulated sector. As occurs in all highly regulated sectors, changes in the regulations can have a negative effect on the companies' 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 new costs or investments, the 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.

In terms of the performance of the economy in general, the economic conditions between 2008 and 2014 in Spain and internationally cannot be ignored, as they have significantly affected key industrial activities in the regions through which the Group's toll roads pass. Nevertheless, since 2015 this trend clearly changed. In 2020 and subsequent years, we expect this change in the traffic of our concession companies to continue, maintaining this recovery. Considering the consolidated use of our infrastructure and the management improvements that have been made and will continue to be made in the coming fiscal years, it will be possible to manage concessions more efficiently and maintain appropriate financial results. In any case, the assumptions which form the basis of the accounting estimates for our investees are in accordance with the Group's general policy and are conservative.

Other risks to which the ENA Group is 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.

ENA 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

As the Company's activity is limited to management and oversight of its subsidiaries and holding interests in other concession companies, ENA Infraestructuras S.A.U. does not require financing, as its operating expenses are covered by the fees collected from subsidiaries. Dividends paid to its shareholder are offset by the profit distributed by its subsidiaries. The debt signed by the Company with its subsidiaries corresponds to a credit granted to its sole shareholder; this circumstance mitigates any resulting financial risk. In 2019, the Company did not arrange any derivatives.

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6. RESEARCH AND DEVELOPMENT ACTIVITIES

The activities carried out by the Company in 2019 do not include any ongoing significant research or development programmes.

7. ACQUISITION OF OWN SHARES

At 31 December 2019, the Company held no own shares. No transactions were carried out with its own shares in 2019.

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**PROPOSED DISTRIBUTION OF PROFIT
FOR 2019**

Profit for 2018 totalled 89,301,176.78 euros, which will be fully distributed as the dividend.

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ONE: Pursuant to the requirements of article 253 of the Corporate Enterprises Act and article 37 of the Spanish Code of Commerce, the Directors of **ENA INFRAESTRUCTURAS, S.A.** have prepared the attached Annual Accounts comprised of the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto, the Directors' report and the proposed distribution of profit for the year ended 31 December 2019, which are presented on pages 1 to 39 of this document, each bearing the Company seal and signed by the secretary to the board of Directors.

TWO: At the same time, the undersigned, as the Company's Directors, declare that the Company's books, which form the basis of these annual accounts, do not contain any items that need to be included in the specific environmental information document provided for in Justice Ministry Order JUS/206/2009 of 28 January.

Signed in Madrid on 26 February 2020.

Mr. Francisco Javier Pérez-Gracia
Chairman

Mr. José Puelles Gallo
Director

Mr. Juan Carlos López Verdejo
Director