



ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Condensed Consolidated Financial Statements for the year ended
December 31, 2020

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

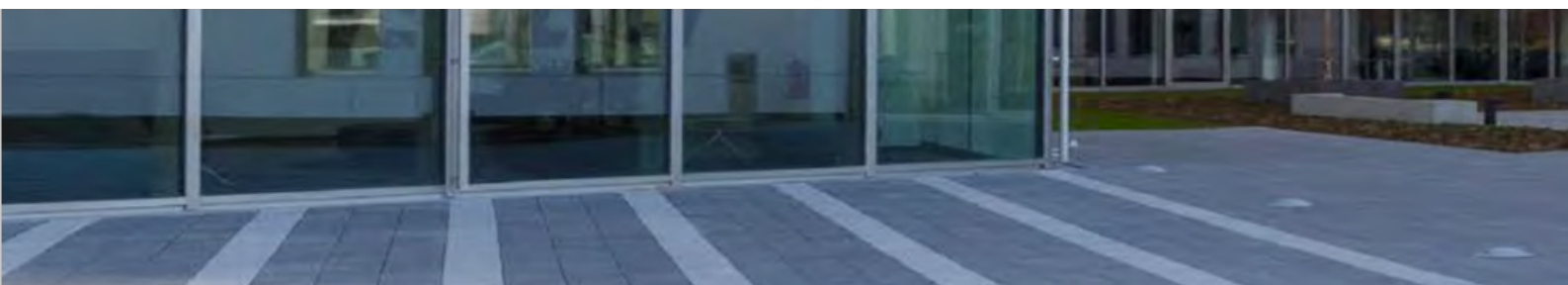


TABLE OF CONTENTS

Página

– Consolidated statement of financial position at December 31, 2020	4
– Consolidated income statement for the year ended December 31, 2020	6
– Consolidated statement of comprehensive income for the year ended December 31, 2020	7
– Consolidated statement of comprehensive income for the year ended December 31, 2020	8
– Consolidated statement of cash flows for the year ended December 31, 2020	9
– Explanatory Notes to the Condensed Consolidated Financial Statements for the year ended December 31, 2020	10
01. Introduction and basis of presentation for the Condensed Consolidated Financial Statements	10
01.01. Basis of presentation and principles for consolidation	10
01.01.01. Basis of presentation	10
01.01.02. Bases of consolidation	12
01.01.03. Effects of Covid-19	12
01.02. Entry into force of new accounting standards	14
01.03. Comparative information	16
01.04. Non-current assets held for sale, liabilities relating to non-current assets held for sale and discontinued operations	16
01.04.01. Non-current assets held for sale	16
01.04.02. Discontinued operationsDiscontinued operations	19
01.05. Materiality	21
01.06. Events after the reporting date	21
01.07. Consolidated statement of cash flows	22
01.08. Changes in the scope of consolidation	23
01.09. Currency	28
01.10. Dividends paid by the Parent Company	28
01.11. Earnings per share from continuing and discontinued operations	29
01.11.01. Basic earnings per share	29
01.11.02. Diluted earnings per shareDiluted earnings per share	30
02. Intangible assets	30
02.01. Goodwill	30
02.02. Other intangible assets	34
03. Property, plant and equipment	34
04. Non-current assets in projects	36
05. Investments in companies accounted for using the equity method	38
06. Financial assets	41
06.01. Composition and breakdown	41
06.02. Equity instruments	43
06.03. Loans to associates	43
06.04. Debt securities	44
06.05. Other financial assets and Non-current trade	44
06.06. Trade and other receivables	44
06.07. Impairment losses	46
07. Inventories	46
08. Equity	46
08.01. Share capital	46
08.02. Treasury shares	49
08.03. Adjustments for changes in value	50
09. Non-current provisions	50

10. Financial liabilities	51
10.01. Bonds and other securities	52
10.02. Bank borrowings	54
10.03. Capital management	56
11. Derivative financial instruments	57
12. Tax matters	60
12.01. Deferred tax assets and liabilities	60
12.02. Change in income tax expense	61
13. Business segments	62
14. Finance costs	66
15. Average headcount	66
16. Impairment and gains or losses on disposals of fixed assets and financial instruments	66
17. Changes in the fair value of financial instruments	67
18. Related party transactions and balances	67
19. Operations performed between people	68
20. Board of Directors and senior executives	69
20.01. Remuneration of directors	69
20.02. Remuneration of senior executives	70
20.03. Share-based remuneration systems	70
21. Guarantee commitments to third parties and other contingent liabilities	71
Appendix I	75
Individual financial statements	79
Basis of the presentation of the selected individual financial information	80
Declaration of responsibility	81

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2020

ASSETS	Note	Thousands of Euros		
		31/12/2020	31/12/2019	01/01/2019
			(*)	(*)
NON-CURRENT ASSETS		13,018,795	14,544,433	14,820,301
Intangible assets	02	3,659,179	4,183,359	4,898,265
Goodwill		2,863,053	3,237,450	3,934,887
Other intangible assets		796,126	945,909	963,378
Tangible assets - property, plant and equipment	03	1,764,077	2,679,487	2,480,533
Non-current assets in projects	04	406,151	169,210	189,406
Investment property		42,298	41,595	74,674
Investments accounted for using the equity method	05	4,479,551	4,411,440	4,721,050
Non-current financial assets	06	760,556	945,316	881,251
Long term deposits	06	283	283	230
Derivative financial instruments	11	17,847	7,401	63,495
Deferred tax assets	12	1,888,853	2,106,342	1,511,397
CURRENT ASSETS		24,314,925	25,150,779	22,304,098
Inventories	07	715,241	916,316	872,039
Trade and other receivables	06	10,498,289	12,396,603	11,656,144
Trade receivables for sales and services		8,500,244	10,489,423	9,614,961
Other receivable		1,762,431	1,757,375	1,710,048
Current tax assets		235,614	149,805	331,135
Other current financial assets	06 and 10.02	1,354,982	1,339,029	1,463,855
Derivative financial instruments	11	251,316	11,259	53,190
Other current assets		233,154	245,617	210,206
Cash and cash equivalents	06	8,080,808	8,130,984	7,014,755
Non-current assets held for sale and discontinued operations	01	3,181,135	2,110,971	1,033,909
TOTAL ASSETS		37,333,720	39,695,212	37,124,399

(*) Data restated.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of financial position at December 31, 2020.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2020

EQUITY AND LIABILITIES	Note	Thousands of Euros		
		31/12/2020	31/12/2019	01/01/2019
			(*)	(*)
EQUITY	08	4,275,907	5,505,968	5,872,728
SHAREHOLDERS' EQUITY		4,197,251	4,777,463	4,646,578
Share capital		155,332	157,332	157,332
Share premium		495,226	897,294	897,294
Reserves		3,608,699	3,163,352	3,813,457
(Treasury shares and equity interests)		(636,011)	(402,542)	(221,505)
Profit for the period of the parent		574,005	962,027	—
ADJUSTMENTS FOR CHANGES IN VALUE		(668,772)	(356,377)	(297,834)
Financial assets with changes in other comprehensive income		(27,547)	(20,789)	(33,424)
Hedging instruments		(159,383)	(166,833)	(58,767)
Translation differences		(481,842)	(168,755)	(205,643)
EQUITY ATTRIBUTED TO THE PARENT		3,528,479	4,421,086	4,348,744
NON-CONTROLLING INTERESTS		747,428	1,084,882	1,523,984
NON-CURRENT LIABILITIES		10,605,990	9,533,296	9,550,282
Grants		3,485	2,697	3,227
Non-current provisions	09	1,276,375	1,380,215	1,710,519
Non-current financial liabilities	10	8,370,036	6,839,189	6,561,439
Bank borrowings, debt instruments and other marketable securities		8,179,726	6,556,062	6,325,269
Project finance with limited recourse		73,318	122,496	100,678
Other financial liabilities		116,992	160,631	135,492
Long term lease liabilities	03	472,836	686,944	694,873
Derivative financial instruments	11	49,791	72,239	45,051
Deferred tax liabilities	12	320,488	383,121	380,456
Other non-current liabilities		112,979	168,891	154,717
CURRENT LIABILITIES		22,451,823	24,655,948	21,701,389
Current provisions		921,378	1,326,333	1,092,902
Current financial liabilities	10	2,885,808	3,650,511	2,482,565
Bank borrowings, debt instruments and other marketable securities		2,781,175	3,469,936	2,399,580
Project finance with limited recourse		16,123	18,502	16,078
Other financial liabilities		88,510	162,073	66,907
Short term lease liabilities	03	192,173	321,251	306,673
Derivative financial instruments	11	155,460	28,381	81,967
Trade and other payables		15,824,034	17,586,450	16,742,406
Suppliers		8,619,276	10,503,990	9,971,886
Other payables		6,983,515	6,910,528	6,653,124
Current tax liabilities		221,243	171,932	117,396
Other current liabilities		226,888	555,968	458,279
Financial liabilities related to BICC	01.04.02	—	—	—
Liabilities relating to non-current assets held for sale and discontinued operations	01.04	2,246,082	1,187,054	536,597
TOTAL EQUITY AND LIABILITIES		37,333,720	39,695,212	37,124,399

(*) Data restated.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of financial position at December 31, 2020.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	Thousands of Euros	
		2020	2019
REVENUE	13	34,937,356	39,048,873
Changes in inventories of finished goods and work in progress		(346)	15,718
Capitalised expenses of in-house work on assets		5,896	4,212
Procurements		(23,615,898)	(25,752,669)
Other operating income		377,976	323,184
Personal expenses		(8,126,212)	(8,394,427)
Other operating expenses		(2,479,520)	(2,698,874)
Depreciation and amortisation		(968,315)	(969,714)
Allocation of grants relating to non-financial assets and others		545	909
Impairment and gains on the disposal of non-current assets	16	1,091,886	296,085
Other results		(10,864)	(80,589)
Impairment of financial instruments	05 and 16	—	—
Ordinary results of companies accounted for using the equity method	05	196,902	553,310
Financial income		150,736	187,638
Financial costs	14	(422,515)	(497,202)
Changes in the fair value of financial instruments	17	77,635	30,075
Exchange differences		(51,194)	4,197
Impairment and gains or losses on the disposal of financial instruments	16	108,622	3,627
Non-ordinary results of companies accounted for using the equity method		10,712	4,555
PROFIT BEFORE TAX	13	1,283,402	2,078,908
Income tax	12	(387,352)	(408,592)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		896,050	1,670,316
Profit after tax from discontinued operations	01.04.02	32,440	(880,727)
PROFIT FOR THE PERIOD		928,490	789,589
(Profit) / loss attributed to non-controlling interests		(322,045)	(466,862)
(Profit) / loss from discontinued operations attributable to non-controlling interests		(32,440)	639,300
PROFIT ATTRIBUTABLE TO THE PARENT		574,005	962,027

EARNINGS PER SHARE	Note	Euros per share	
		2020	2019
Basic earnings per share	01.11	1.95	3.13
Diluted earnings per share	01.11	1.95	3.13
Basic earnings per share from discontinued operations	01.11	—	(0.79)
Basic earnings per share from continuing operations	01.11	1.95	3.91
Diluted earnings per share from discontinued operations	01.11	—	(0.79)
Diluted earnings per share from continuing operations	01.11	1.95	3.91

(*) Data restated.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated income statement for the year ended December 31, 2020.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Thousands of Euros	
	2020	2019 (*)
(A) CONSOLIDATED RESULTS FOR THE YEAR (from the income statement)	928,490	789,589
(B) OTHER COMPREHENSIVE INCOME - ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD:	(28,968)	(35,938)
For actuarial gains and losses	(38,747)	(36,924)
Efecto impositivo	9,779	986
(C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED AFTER THE INCOME FOR THE PERIOD:	(506,982)	(1,819)
1. Hedging transactions:	19,601	(46,917)
Valuation gains/(losses)	4,863	(57,164)
Amounts transferred to the profit and loss account	14,738	10,247
2. Conversion differences:	(318,630)	69,158
Valuation gains/(losses)	(345,795)	69,187
Amounts transferred to the profit and loss account	27,165	(29)
3. Share in other comprehensive income recognized for investments in joint ventures and associates:	(200,082)	(66,119)
Valuation gains/(losses)	(200,082)	(66,119)
4. Debt instruments at fair value with changes in other comprehensive income	—	—
5. Other income and expenses that may be reclassified after the result of the period:	(12,775)	29,324
Valuation gains/(losses)	(12,775)	29,324
6. Efecto impositivo	4,904	12,735
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B + C)	392,540	751,832
Attributed to the controlling entity	246,907	885,797
Attributed to non-controlling interests	145,633	(133,965)

(*) Data restated.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of comprehensive income for the year ended December 31, 2020.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

	Thousands of Euros							
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Non-controlling interests	TOTAL
Balance at December 31, 2018	157,332	897,294	2,897,879	(221,505)	(292,027)	915,578	1,636,105	5,990,656
BICC global consolidation restatement (see Note 01.01)	—	—	—	—	(5,807)	—	(112,121)	(117,928)
Balance at January 01, 2019 (*)	157,332	897,294	2,897,879	(221,505)	(297,834)	915,578	1,523,984	5,872,728
Income / (expenses) recognised in equity	—	—	(17,687)	—	(58,543)	962,027	(133,965)	751,832
Capital increases / (reductions) (Note 01.10 and 08)	5,401	—	(5,401)	—	—	—	—	—
Stock options	—	—	4,471	—	—	—	—	4,471
Distribution of profit from the prior year:								
To reserves	—	—	915,578	—	—	(915,578)	—	—
Acquisition of free allocation rights against 2018 (Note 01.10)	—	—	(141,599)	—	—	—	—	(141,599)
Remaining allotment rights from 2018 accounts (Note 01.10)	—	—	104,723	—	—	—	—	104,723
Acquisition of additional free allocation rights 2018 (Note 01.10)	—	—	(456,264)	—	—	—	—	(456,264)
Remaining allotment rights from 2018 accounts	—	—	298,330	—	—	—	—	298,330
To dividends	—	—	—	—	—	—	(290,634)	(290,634)
Treasury shares	(5,401)	—	(383,662)	(181,037)	—	—	—	(570,100)
Treasury shares through investees	—	—	744	—	—	—	731	1,475
Change in the scope of consolidation and other effects of a lesser amount	—	—	(53,760)	—	—	—	(15,234)	(68,994)
Balance at December 31, 2019 (*)	157,332	897,294	3,163,352	(402,542)	(356,377)	962,027	1,084,882	5,505,968
Income / (expenses) recognised in equity	—	—	(14,703)	—	(312,395)	574,005	145,633	392,540
Capital increases (Note 01.10 and 08)	7,138	—	(7,138)	—	—	—	—	—
Capital reductions (Note 01.10 and 08)	(2,000)	—	2,000	—	—	—	—	—
Stock options	—	—	4,471	—	—	—	—	4,471
Distribution of profit from the prior year:								
To reserves	—	—	962,027	—	—	(962,027)	—	—
Acquisition of free allocation rights against 2019 (Note 01.10)	—	—	(141,284)	—	—	—	—	(141,284)
Remaining allotment rights from 2019 accounts (Note 01.10)	—	—	92,723	—	—	—	—	92,723
Acquisition of additional free allocation rights 2019 (Note 01.10)	—	—	(484,583)	—	—	—	—	(484,583)
Remaining allotment rights from 2019 accounts	—	—	287,464	—	—	—	—	287,464
To dividends	—	—	—	—	—	—	(248,819)	(248,819)
Treasury shares	(7,138)	(402,068)	(95,544)	(233,469)	—	—	—	(738,219)
Treasury shares through investees	—	—	(64,893)	—	—	—	(103,160)	(168,053)
Changes in the ownership interest in controlled entities	—	—	(111,854)	—	—	—	(161,160)	(273,014)
Change in the scope of consolidation and other effects of a lesser amount	—	—	16,661	—	—	—	30,052	46,713
Balance at December 31, 2020	155,332	495,226	3,608,699	(636,011)	(668,772)	574,005	747,428	4,275,907

(*) Data restated.

The accompanying notes 01 to 21 and Appendice I are an integral part of the consolidated statement of changes in equity for the year ended December 31, 2020.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Thousands of Euros	
		2020	2019
A) CASH FLOWS FROM OPERATING ACTIVITIES		1,141,688	1,893,923
1 Profit before tax		1,283,402	2,078,908
2 Adjustments for:		476,358	280,630
Depreciation and amortisation		968,315	969,714
Other adjustments to profit (net)	01.07	(491,957)	(689,084)
3 Changes in working capital		(704,399)	(560,392)
4 Other cash flows from operating activities:		86,327	94,777
Interest paid	10	(424,990)	(498,598)
Dividends received		739,532	632,917
Interest received	01.07	133,527	168,624
Income tax (paid) / received	12	(361,742)	(208,166)
B) CASH FLOWS FROM INVESTING ACTIVITIES	02 and 03	292,311	(1,466,637)
1 Investment paid:		(1,704,176)	(1,897,091)
Group companies, associates and business units		(486,643)	(226,745)
Property, plant and equipment, intangible assets, projects and property investments		(876,461)	(1,164,786)
Other financial assets		(341,543)	(502,457)
Other assets		471	(3,103)
2 Divestment:	02 and 03	1,996,487	430,454
Group companies, associates and business units		1,571,201	220,934
Property, plant and equipment, intangible assets, projects and investment property		59,867	84,474
Other financial assets		362,671	114,493
Other assets		2,748	10,553
C) CASH FLOWS FROM FINANCING ACTIVITIES		(1,059,358)	566,852
1 Equity instrument proceeds / (and payment):	01.07 and 08	(1,173,323)	(593,040)
Acquisition		(1,193,042)	(610,441)
Disposal		19,719	17,401
2 Liability instrument proceeds / (and payment):	10	1,904,473	2,071,770
Issue		7,785,734	6,434,556
Refund and repayment		(5,881,261)	(4,362,786)
3 Dividends paid and remuneration relating to other equity instruments:	01.11	(490,115)	(485,607)
4 Other cash flows from financing activities:		(1,300,393)	(426,271)
Payment of operating lease principal		(379,716)	(386,553)
Other financing activity proceeds and payables		(920,677)	(39,718)
D) EFFECT OF CHANGES IN EXCHANGE RATES		(424,817)	122,091
E) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(50,176)	1,116,229
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		8,130,984	7,014,755
G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		8,080,808	8,130,984
1. CASH FLOWS FROM OPERATING ACTIVITIES		(31,765)	(484,787)
2. CASH FLOWS FROM INVESTING ACTIVITIES		(1,200)	(142,557)
3. CASH FLOWS FROM FINANCING ACTIVITIES		(4,947)	619,231
NET CASH FLOWS FROM DISCONTINUED OPERATIONS		(37,912)	(8,113)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and banks		6,779,266	6,329,374
Other financial assets		1,301,542	1,801,610
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		8,080,808	8,130,984

(*) Data restated.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of cash flows for the year ended December 31, 2020.

01. Introduction and basis of presentation for the Condensed Consolidated Financial Statements

ACS, Actividades de Construcción y Servicios, S.A. is a company incorporated in Spain in accordance with the Spanish Limited Liability Companies Law, and its registered office is at Avenida de Pío XII, 102, 28036 Madrid, Spain.

ACS, Actividades de Construcción y Servicios, S.A. is the parent company of a group of companies with diverse activities, including construction (both civil construction and building), industrial services (both industry support services and integrated projects), services (for individuals and buildings, cities and their surroundings) and concessions. The Company is therefore obliged to prepare, in addition to its own separate financial statements, the consolidated annual financial statements for the ACS Group, which include subsidiaries, interests in joint ventures and investments in associated companies.

01.01. Basis of presentation and principles for consolidation

01.01.01. Basis of presentation

The Condensed Consolidated Financial Statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries (hereinafter ACS Group), for the year ended December 31, 2020, were initially approved by the Directors of the parent company at the meeting of the Board of Directors on February 25, 2021, and were re-expressed at the meeting of the Board of Directors on March 31, 2021 after consolidating its 45% stake in BIC Contracting LLC globally (as explained later in this note and in Note 01.04.02), and they have been drawn up based on the accounting records maintained by the parent company and the other entities integrated into the ACS Group.

The directors approved the Condensed Consolidated Financial Statements on the presumption that anyone who reads them will also have access to the consolidated financial statements for the year ended December 31, 2019, prepared in accordance with International Financial Reporting Standards (IFRS), which were authorized for issue on March 26, 2020 and approved by shareholders at the General Shareholders' Meeting held on May 8, 2020. Consequently, and as they have been prepared using the accounting principles and standards employed in preparing the Consolidated Financial Statements, it was not necessary to repeat or update the notes that are included in these Consolidated Condensed Financial Statements. Instead, the accompanying explanatory notes include an explanation of events and transactions that are significant to an understanding of the changes in the consolidated financial position and consolidated performance of the ACS Group since the date of the above-mentioned Consolidated Financial Statements. Therefore, the interim financial information does not include all the information required by the International Financial Reporting Standards adopted by the European Union for a complete set of financial statements.

This consolidated interim financial information was prepared in accordance with International Accounting Standard 34 (IAS 34), on Interim Financial Reporting, and all the mandatory accounting principles and rules and measurement bases. Accordingly, they fairly present the ACS Group's consolidated equity and financial position at December 31, 2020, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the interim period then ended. All of this is pursuant to Article 12 of Spanish Royal Decree 1362/2007.

In preparing this consolidated financial information for the ACS Group for the fiscal year ended December 31, 2020, estimates were occasionally made by the senior executives of the Group and of the consolidated entities, in order to quantify certain assets, liabilities, income, expenses and obligations reported herein:

- The assessment of impairment losses on certain assets, and in particular the assumptions and hypotheses taken into consideration when analyzing the recoverability of the investment in Abertis.
- The fair value of the assets acquired and of the liabilities assumed in business combinations and the assignment of Purchase Price Allocation in acquisitions.
- The measurement of goodwill.
- The recognition of construction contract revenue and costs.

- The amount of certain provisions.
- The assumptions used in calculating liabilities and obligations to employees.
- The market value of derivatives (such as equity swaps, interest rate swaps, forward purchases, etc.) referred to in Note 11.
- The useful life of the intangible assets and property, plant and equipment.
- The recoverability of deferred tax assets.
- The evaluation and analysis carried out by ACS Group management in relation to the main implications of the impact of Covid-19.

During 2020, ACS, through its subsidiary CIMIC, and Elliott Advisors (UK) Ltd ("Elliott") concluded an agreement whereby funds advised by Elliott acquired a 50% shareholding in Thiess, with CIMIC retaining the other 50% stake. The sale was completed on December 31, 2020. The transaction agreements provide for the future transfer of share options, including a possible initial public offering or sale to a third party, and an option ("put option") for Elliott to sell all or part of its stake in Thiess to CIMIC within three to six years from completion of the transaction. In this respect, the assumption of the premium for the put option, the fair value of which at December 31, 2020 amounts to EUR 8.2 million, has been considered as less value in the sale transaction (see Note 21). The Shareholders' Agreement also provides for a minimum distribution to each shareholder of AUD 180 million per year (approximately EUR 113 million) for the first six years, with Elliott receiving a preferential payment. As part of the transaction, CIMIC has provided warranties that are subject to common limitations.

A professional assessment was conducted to determine whether the transaction should be counted as a sale under IFRS so as to be able to deconsolidate Thiess and to recognize CIMIC's stake in Thiess as a joint venture, or, on the contrary, whether it should be considered that CIMIC continued to control Thiess after the sale of the 50% stake in Elliott's share capital. The decision-making process prescribed in the Shareholders' Agreement and the exposure of the different parties to variable yields were considered and evaluated.

It has been concluded that, in view of the contractual agreements in force between the parties, CIMIC has no power over the investee company and does not have the capacity to use its power over the investee company to influence the amount of its own returns, since the Shareholders' Agreement determines an equitable representation at the Shareholders' Meeting and the requirement of the consent of both shareholders (or those designated by the Meeting) on the significant activities. Moreover, CIMIC and Elliott are exposed to Thiess's variable returns. Elliott is exposed to the risks and benefits of its stake while maintaining its interest in capital investment for the duration of the period during which its put option is exercisable. The put option price does not provide Elliott with the ability to take advantage of any positive change in Thiess's fair value, with any change in the fair value of the put option in the future being registered in the CIMIC income statement. It should be noted that the put option is not relevant for the purpose of evaluating the control, since it cannot be exercised before December 31, 2023, therefore being considered as a financial instrument which is valued "out of the money" at the beginning.

Since CIMIC does not have the current capacity to direct Thiess's important activities and since Elliott is exposed to variable yields, it was determined that CIMIC has lost control of Thiess, and must therefore recognize the sale of Thiess as a subsidiary and proceed to the recognition of its holding in Thiess as a joint venture as on December 31, 2020.

Although these estimates were made using the best information available with regard to the facts reviewed on the date when these Condensed Consolidated Financial Statements were created, future events may make it necessary to revise these estimates (upward or downward) in coming years. Changes in accounting estimates would then be applied prospectively, recognizing the effects of the change in estimates in the related future Consolidated Annual Financial Statements.

Changes in accounting estimates and policies and correction of fundamental errors

The effect of any change in accounting estimates is recognized in the same income statement line item as that in which the expense or income measured using the previous estimate had been previously recognized.

In relation to the Group's 45% stake in BIC Contracting LLC (BICC), said investee company was included in the Consolidated Financial Statements using the equity method up until the 2019 financial year, given that it was considered that ACS exercised significant influence over the entity without having control over it since, among other reasons, it was considered that the purchase option did not imply a substantive right as a result of legal limitations on the purchase of companies in the UAE. At the request of the Spanish National Securities Market (CNMV) Supervisor, who has requested that the Group retroactively modify the accounting criterion to record its share in BICC, and without this meaning that the ACS Board of Directors shares the final conclusion of its analysis, in FY 2020 the ACS Group changed the consolidation method applied to BICC, registering it as global integration. Moreover, it has been considered as a discontinued operation in the financial information as at December 31, 2020 and the comparative figures for FY 2019 were re-expressed in this regard. In addition, and as indicated in IAS 1.10(f), a statement of financial position as at January 1, 2019 has been submitted.

The impact of this change, for the equity purposes of the ACS Group, on the Condensed Consolidated Financial Statements for FY 2019 and 2020 is as follows:

	Millions of Euros					
	2020			2019		
	BICC	Grupo ACS	%	BICC	Grupo ACS (*)	%
Non-current assets	—	13,019	—	196	14,544	1.3%
Current Assets	828	24,315	3.4%	907	25,151	3.6%
Non-current liabilities	—	10,606	—	492	9,533	5.2%
Current-liabilities	837	22,452	3.7%	601	24,656	2.4%
Shareholders' equity	—	4,197	—	—	4,777	—
Equity	(9)	4,276	(0.2%)	10	5,506	0.2%
Profit for the period of the parent	—	574	—	—	962	—

(*) Data restated.

The impact on earnings per share corresponds to the earnings per share from discontinued operations indicated in Note 01.11.01.

In addition, as indicated in Note 01.06, following the close of FY 2020, the Group reached an agreement with SALD Investment LLC for the sale of its stake in BICC. The transaction is not expected to have a significant impact on the Group's financial statements, as ACS provisioned its total financial exposure in BICC in FY 2019.

01.01.02. Consolidation criteria

Except as indicated in Note 01.01.01 "Changes in accounting estimates and policies and correction of fundamental errors" and by the entry into force of new accounting standards (see Note 01.02), the consolidation criteria applied in FY 2020 are consistent with those applied in the Consolidated Financial Statements for FY 2019.

Notwithstanding the above, it should be noted that as a result of the current situation motivated by the outbreak of Covid-19 and the consequent uncertainty about market developments, the salient accounting estimates and significant judgments made in the preparation of these Condensed Consolidated Financial Statements are affected by a greater degree of uncertainty. Therefore, the effects on the Condensed Consolidated Financial Statements of the ACS Group have been evaluated and analyzed and are set out below in the following note.

01.01.03. Effects of Covid-19

On March 11, 2020, the World Health Organization declared the Coronavirus Covid-19 outbreak a pandemic due to its rapid spread around the world, affecting more than 150 countries. Most governments are taking

restrictive measures to control its propagation, including: isolation, confinement, quarantining and restrictions on the free movement of people, the closure of public and private premises except for essential services and healthcare facilities, the closure of borders and a drastic reduction of air, sea, rail and road transportation.

This situation is having a substantial impact on the global economy due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, reflected in increased volatility of asset prices and exchange rates and a reduction of long-term interest rates.

Finally, it should be emphasized that the Group's Directors and management are constantly monitoring developments in both financial and non-financial aspects.

The main impacts caused by the pandemic on ACS Group results during the 2020 fiscal year were the following:

- The lockdown and mobility restriction measures enacted in most countries in which Abertis operates resulted in drastic declines in average daily traffic since March, with severe setbacks in the second quarter of the year. Consequently, Abertis's contribution to the Group's EBITDA and to its net profit in 2020 decreased by EUR 349 million and EUR 280 million respectively compared to the previous year.
- In Services (Clece), the cleaning and maintenance activities of those social infrastructures that ceased their activity in Spain during the state of emergency, such as schools or leisure centers, non-essential facilities and air transport, were significantly reduced. However, the increase in activity in hospital centers and public offices and a gradual recovery of normal activity in the last quarter of the year balanced out the sales volume. In addition, temporary reinforcement in occupational health and safety has led to an increase in operating costs. As a result, the negative impact on EBITDA and net profit was EUR 33 million and EUR 21 million respectively.
- In the remainder of Construction and Industrial Services activities the impact was less profound, with reductions in production and operating results of around 10%.

In order to increase liquidity reserves during the Covid-19 pandemic, the different ACS Group companies either agreed to new credit lines or were given access to such credit lines in the different countries in which they operate. In this regard, ACS, Actividades de Construcción y Servicios, S.A. obtained various loans and credit lines between April and June 2020, for a total amount of EUR 1.200 billion, of which, as at December 31, 2020, some EUR 1.150 billion remain in place, and EUR 300 million have been made available as loans.

Hochtief, A.G., for its part, had fully arranged the cash tranche of its syndicated loan in March 2020 for the amount of EUR 500 million. In addition, Hochtief, A.G. secured a cash-syndicated financial facility of EUR 400 million in May 2020 that, as at the closing date of these financial statements, remain fully disbursed and invested in liquid assets. Certain credit lines were also agreed or arranged by the Hochtief operating units in the United States and Australia to expand their liquidity reserves.

As a result of the situation arising from the Covid-19 crisis, the ACS Group has carried out an analysis in relation to its main assets and liabilities based on estimates with regard to the attached Condensed Consolidated Financial Statements and corresponding to:

- Goodwill: Taking into account the circumstances regarding the impairment tests carried out at the end of the first half of 2020, the Group has proceeded to update, when applicable, the impairment tests relating to the most significant goodwill items that remain recorded as at December 31, 2020 (see Note 02.01).
- Equity instruments: The recoverable value of the most significant recorded investments recognized as at December 31, 2020, has been revised using the equity method (see Note 05).
- Deferred tax assets: The fiscal projections and assumptions concerning the recoverability of these assets conducted in the first half of 2020, which were included in the year-end recoverability test on December 31, 2019, have been updated to reflect the effect of Covid-19. The impact of Covid-19 does not imply the reversal of the deferred tax assets recorded (see Note 12).

- Provisions: The level of provisions as at December 31, 2020 (see Note 09) was considered adequate to cover all risks considered probable.
- Financial instruments: As a result of the impact of Covid-19, changes in economic or business circumstances that have an impact on the fair value of the financial assets and liabilities of the entity have been included in the fair value of the financial instruments.

In this regard, while the current situation brought about by Covid-19 generates uncertainty about the evolution and development of the markets, the Group has a high diversification of activities and locations in developed regions with stable political frameworks, as well as a very significant backlog (see Note 13) amounting to EUR 69.227 million, which is equivalent to approximately 23 months considering the current rate of sales.

01.02. Entry into force of new accounting standards

Changes in accounting policies

The following mandatory standards and interpretations, already adopted in the European Union, came into force in 2020 and, where applicable, were used by the Group in the preparation of the Condensed Consolidated Financial Statements:

(1) New standards, amendments and interpretations whose application is mandatory in the year beginning January 1, 2020:

Approved for use in the European Union		Mandatory application in the years from:
Amendment to IAS 1 and IAS 8 Definition of "materiality"	Amendments to IAS 1 and IAS 8 to align the definition of "materiality" with that contained in the conceptual framework	January 01, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 Benchmark Interest Rate Reform - Phase 1	Amendments to IFRS 9, IAS 39 and IFRS 7 related to the ongoing reform of benchmarks (first phase).	
Amendment to IFRS 3 Definition of business	Clarifications to business definition	
Amendments to IFRS 16 Leases Improvements in income	An amendment to make it easier for lessees to account for income improvements related to Covid-19.	June 01, 2020

With respect to IFRS 9, IAS 39 and IFRS 7, the IASB has modified certain requirements of hedging relationships to be able to continue to apply hedge accounting on the assumption that certain benchmark interest rates on which the cash flows of hedge instruments and hedged items are based are not affected by the uncertainties generated by the reform of supply interest rates in the interbank market (IBOR indices). As on December 31, 2020, Phase I of this amendment has already been completed and has not been significant for the Group.

The ACS Group has chosen to implement the practical solution provided for in the "Amendment to IFRS 16 Leases – Income Improvements" which entered into force on June 1, 2020, and which simplifies the accounting of an improvement in income related to Covid-19. The amendment exempts lessees from having to re-evaluate lease agreements in the event of lease payment suspensions or renegotiations on the deferral of payment of leases earned during FY 2020 that fulfilled the conditions described in the amendment to the regulations and allows for the registration of these improvements as income from variable yields. The impact on the Group has not been significant since the contracts most affected by the decrease in activity linked to Covid-19 have not met the conditions laid out in the amendment.

The rest of the rules have been applied without any significant impact on the figures reported, nor on the presentation and breakdown of the information, either because it does not imply any material changes, or because it refers to economic facts that do not affect the ACS Group.

(2) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning January 1, 2020 (applicable from 2021 onwards):

At the date of approval of these Condensed Consolidated Financial Statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the Condensed Consolidated Financial Statements or because they had not yet been adopted by the European Union:

Approved for use in the European Union		Mandatory application in the years from:
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Benchmark Interest Rate Reform – Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to benchmark reform (second phase).	January 01, 2021
Amendment to IFRS 4 Deferment of the application of IFRS 9	Deferral of the application of IFRS 9 until 2023.	

Not approved for use in the European Union		Mandatory application in the years from:
Amendment to IFRS 3 Reference to the Conceptual Framework (published in May 2020)	IFRS 3 is updated to align the definitions of assets and liabilities in a combination of businesses with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding the recording of contingent liabilities and assets.	January 01, 2022
Amendment to IAS 16 Revenue earned before intended use (published in May 2020)	The amendment prohibits deducting from the cost of an item of property, plant or equipment any income obtained from the sale of the articles produced while the entity is preparing the asset for its intended use. Revenue from the sale of such samples, together with production costs, must be recorded in the income statement.	
Amendment to IAS 37 Onerous contracts - Cost of fulfilling a contract (published in May 2020)	The amendment explains that the direct cost of fulfilling a contract includes the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to the fulfillment of the contract.	
Improvements to the 2018–2020 IFRS Cycle (published in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	
Amendment to IAS 1 Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current.	January 01, 2023
IFRS 17 Insurance contracts and amendments thereto (published in May 2017 and the amendments in June 2020)	Replaces IFRS 4 and draws together the principles of recording, valuation, presentation and breakdown in insurance contracts, with the aim that the entity provides relevant and reliable information which allows those using the financial information to determine the effect the insurance contracts have on the financial statements.	January 01, 2023
Amendment to IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates	The amendments will help distinguish changes in accounting estimates from changes in accounting policies.	January 01, 2023
Amendments to IAS 1 Presentation of Financial Statements Disclosure of accounting policies	The amendments will help improve disclosures about accounting policies to provide more useful information to investors and other primary users of financial statements.	January 01, 2023

With respect to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16, IASB continues to develop guidelines and amendments to address the various accounting considerations that may arise when different IBORs are modified or replaced by others. This second phase proposes certain practical solutions, clarifications and exceptions, with the aim of reflecting in the best possible way financial assets and liabilities and lease liabilities in the financial statements of the entities as a result of the reform of IBORs.

The Directors do not expect significant impacts from the introduction of this amendment or from those summarized in the previous table published but which have not entered into force, as they are prospective applications, modifications of presentations and breakdowns and/or deals with aspects not applicable or not significant to the Group's operations.

01.03. Comparative information

The information contained in these Condensed Consolidated Financial Statements of the ACS Group for the fiscal year ended December 31, 2019, is presented solely and exclusively, for comparative purposes with each item of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the Condensed Consolidated Financial Statements for the fiscal year 2020. The effects of Covid-19 should be taken into account in the comparison of the information (see Note 01.01.03).

The explanatory notes include events or changes that might appear significant in explaining changes in the financial position and consolidated results of the ACS Group since the last Consolidated Annual Accounts of the Group for fiscal year 2019.

The ACS Group's Consolidated Annual Accounts for 2019 (IFRS as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 8, 2020. These Consolidated Annual Accounts differ from the information for FY 2019 presented for comparative purposes of the Condensed Consolidated Financial Statements for FY 2020 as mentioned above in "Changes in accounting estimates and policies and correction of fundamental errors."

01.04. Non-current assets held for sale, liabilities relating to non-current assets held for sale and discontinued operations

01.04.01. Non-current assets held for sale

2020 Fiscal Year

At December 31, 2020, non-current assets held for sale related mainly, in the Industrial Activity segment, to the renewable energy business (mainly photovoltaic plants, wind farms and solar thermal plants) and electricity transmission lines.

In all the above cases, a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale. It is noteworthy that the assets, which were classified as held for sale at December 31, 2020, had been held in this category for a period of over 12 months but were not sold due to circumstances which at the time of their classification were not foreseeable. Paragraph B1 (c) of Appendix B of IFRS 5 exempts a company from using a one-year period as the maximum period for classifying an asset as held for sale if, during the aforementioned period, circumstances arise which were previously considered unlikely, the assets have been actively marketed at a reasonable price and fulfill the commitments required by Management and there is a high probability that the sale will occur within one year from the balance sheet date.

The breakdown of the main assets and liabilities held for sale at December 31, 2020 is as follows:

	Thousands of Euros			
	31/12/2020			
	Renewable energy	Transmission line	Other	Total
Tangible assets - property, plant and equipment	26,414	—	9,150	35,564
Intangible assets	55,100	—	—	55,100
Non-current assets in projects	1,299,394	—	29,471	1,328,865
Financial Assets	126,025	265,547	232,382	623,954
Deferred tax assets	7,204	—	1,981	9,185
Other non-current assets	202	11,749	74,917	86,868
Current assets	128,729	357	84,046	213,132
Assets held for sale	1,643,068	277,653	431,947	2,352,668
Non-current liabilities	926,122	2,082	44,881	973,085
Current liabilities	260,020	82,729	93,124	435,873
Liabilities relating to assets held for sale	1,186,142	84,811	138,005	1,408,958
Non-controlling interests held for sale	4,660	—	1,478	6,138

During January 2020, an agreement was reached for the sale of the 50.1% that the Group still held at December 31, 2019, in the company Zero-E Euro Assets, S.A. as well as for the sale of other photovoltaic energy projects also located in Spain (see Note 01.08).

The agreement was amended in July 2020 with the creation of a joint venture that groups together the projects already in operation and a first package of those that were in development, of which Galp acquired 75.01% for an amount between EUR 300 million and 350 million, while the ACS Group maintains a 24.99% stake, with a joint governance structure. The remaining projects will be progressively incorporated into the joint venture.

On September 15, 2020, an agreement was reached with the Galp Energía Group (Galp), consisting of the sale of shares representing 75% of the capital of the company, which concentrates its investment on photovoltaic energy projects in Spain, both those currently in operation and those expected to be developed and operational starting from 2020 through to 2023. This represents a total installed capacity of 2930 MW and an initial disbursement by Galp of EUR 325 million.

The total value of the company, once all the projects have been completed, is estimated at some EUR 2.200 billion, with total net profits for the Group of approximately EUR 330 million, of which EUR 250 million was collected in the financial year 2019.

In addition, on April 28, 2020, the ACS Group, through Iridium Concesiones de Infraestructura, S.A., completed the entire sales contract with the Hermes Infrastructure fund for 74% of the capital of a company holding all of the Group's shares in six shadow toll concessions in Spain. The operation was carried out with a company value (100%) of EUR 950 million and with capital gains on 74% of the total amount of EUR 40 million, part of which had already been collected in the 2019 financial year. As at December 31, 2019, these assets were classified under the item "Other" under the heading non-current assets held for sale. The remaining 26% stake has been classified under the heading "Investments accounted for using the equity method."

The ACS Group is currently either studying and analyzing the various sales options or is in the process of selling after duly obtaining the relevant authorizations, and has therefore classified these assets under "Non-current assets held for sale, liabilities relating to non-current assets held for sale."

The increase in the total value of non-current assets held for sale during financial year 2020 amounts to EUR 1,070,164 thousand and the increase in the liabilities associated with them amounts to EUR 1,059,028 thousand.

The amount relating to net debt included under assets and liabilities held for sale at December 31, 2020 totals EUR 1,263,428 thousand (EUR 810,648 thousand at December 31, 2019), of which EUR 995,363

thousand (EUR 727,666 thousand at December 31, 2019) corresponds to renewable energies, EUR 74,998 thousand (EUR 66,485 thousand at December 31, 2019) corresponds to transmission lines, no amount at all to highways (compared to EUR 14,056 thousand at December 31, 2019) and EUR 193,067 thousand (EUR 2,441 thousand at December 31, 2019) to other sectors. Within the total amount of the aforementioned net debt, EUR 524,269 thousand (EUR 401,817 thousand at December 31, 2019) corresponds to limited resource project and debt financing. Net debt is calculated using the arithmetical sum of the current and non-current financial liabilities, less long-term deposits, other current financial assets and cash and cash equivalents.

2019 Financial Year

At December 31, 2019, non-current assets held for sale related mainly, in the Industrial Activity segment, to the renewable energy business (mainly photovoltaic plants, wind farms and solar thermal plants) and electricity transmission lines. Also noteworthy, within the concessions activity, are certain shadow toll roads located in Spain.

The detail of the main assets and liabilities held for sale at December 31, 2019, was as follows:

	Thousands of Euros				
	31/12/2019				
	Renewable energy	Transmission line	Highways / roads	Other	Total
Tangible assets - property, plant and equipment	24,039	—	—	10,205	34,244
Intangible assets	74,517	—	—	8,415	82,932
Non-current assets in projects	1,137,576	—	—	—	1,137,576
Financial Assets	201,910	213,315	39,773	28,078	483,076
Deferred tax assets	7,107	—	—	180	7,287
Other non-current assets	8,776	14,837	—	—	23,613
Current assets	328,482	3,346	7,756	2,659	342,243
Assets held for sale	1,782,407	231,498	47,529	49,537	2,110,971
Non-current liabilities	648,869	49,388	21,812	5,723	725,792
Current liabilities	431,518	28,303	—	1,441	461,262
Liabilities relating to assets held for sale	1,080,387	77,691	21,812	7,164	1,187,054
Non-controlling interests held for sale	1,710	—	—	1,837	3,547

The main changes in the year ended December 31, 2019, with respect to "Non-current assets held for sale, liabilities relating to non-current assets held for sale" included in the consolidated statement of financial position at December 31, 2018, relate mainly to renewable energy assets, essentially photovoltaic solar energy plants and offshore wind farms built during the period.

As a result of the sale of 49.898% of the shares in Zero-E Euro Assets, S.A. under a joint control agreement, this sum was recorded at fair value based on the agreed sale price pending collection at the end of the 2019 financial year.

The megawatts of these companies sold correspond mainly to megawatts assigned to the 1550 MW obtained by the Group in the 2017 auction. Construction of these assets began at the end of 2018 and was completed in the last quarter of 2019, when they began to feed energy into the grid within the deadlines set by the regulations applicable to the 2017 auction.

Consequently, the Group has derecognized the net assets relating to the aforementioned plants from the Condensed Consolidated Financial Statements at December 31, 2019, and has again recognized at fair value the assets corresponding to the 50.1% stake in these plants, which it holds after the aforementioned sale of 49.9% of the shares in Zero-E Euro Assets, S.A.

Therefore, the increase in the total value of the non-current assets held for sale during the 2019 financial year amounted to EUR 1,077,062 thousand, and the increase in the liabilities associated with them amounted to EUR 650,457 thousand, mainly as a result of the transactions that have been described above.

The income and expenses recognized under "Valuation adjustments" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at December 31, 2020 and 2019 are as follows:

	Thousands of Euros			
	31/12/2020			
	Renewable energy	Transmission line	Other	Total
Exchanges differences	(15,228)	(63,273)	(11,749)	(90,250)
Cash flow hedges	(7,846)	—	(4,720)	(12,566)
Adjustments for changes in value	(23,074)	(63,273)	(16,469)	(102,816)

	Thousands of Euros			
	31/12/2019			
	Renewable energy	Transmission line	Other	Total
Exchanges differences	(5,892)	(32,673)	(386)	(38,951)
Cash flow hedges	(1,177)	—	—	(1,177)
Adjustments for changes in value	(7,069)	(32,673)	(386)	(40,128)

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. For this to be the case, the assets or disposal groups must be available for immediate sale in their present condition, and their sale must be highly probable.

01.04.02. Discontinued operations

The ACS Group has an indirect stake of 45% through CIMIC in BIC Contracting LLC (BICC), a company based in Dubai, United Arab Emirates, and which at December 31, 2020 and 2019 has a book value of zero. The Group made the formal sales decision and a plan for the sale was initiated. The confidential divestiture process previously initiated with respect to the Group's investment in BICC has continued during the 2020 fiscal year. As a result of this process, CIMIC signed a sales agreement with a third party outside the Group on February 15, 2021, and this sale is expected to be completed in the coming months (see Note 01.06). In this context, the ACS Group has carried out an evaluation of the probability of the sale of the shareholding, concluding that at the end of the financial year 2020 there has been sufficient compliance with IFRS 5 criteria to consider the said shareholding as non-current assets held for sale.

Also, and since BICC represents a specific geographical area of operations for the ACS Group (with no other permanent establishments in that area) and is a component representing a specific geographical area of operations whose figures are significant, the ACS Group has considered BICC's operations as a discontinued operation.

On January 23, 2020, the ACS Group announced to the CNMV (the Spanish National Securities Market Commission) that CIMIC had completed an extensive strategic review of its financial investment in BIC Contracting LLC (BICC). In relation to the impact of the departure of BICC from CIMIC at the end of FY 2019, certain liabilities and other accounts payable were recognized in FY 2019, of which EUR 95,099 thousand remained outstanding as at December 31, 2020 (EUR 101,043 thousand as at December 31, 2019). In relation to this liability (BICC), as indicated in Note 03.23, payments of EUR 844.1 million in financial guarantees and other operational and financial expenses were made in FY 2020, offset by the reduction of certain contingencies recorded during the period of expenditure already incurred in 2019.

As at December 31, 2020, EUR 95,099 thousand have been classified as “Liabilities relating to non-current assets held for sale and discontinued operations” in the consolidated statement of financial position as at that date.

CIMIC continued to have a purchase option to acquire the remaining 55% of the stake in BICC. This option has no current impact on company control. Following the Group's decision to dispose of BICC as at December 31, 2019, it was determined that the fair value of the purchase option was zero euro, the same amount as at December 31, 2020.

The breakdown of the assets and liabilities for the activity interrupted as at December 31, 2020 is as follows:

	Thousands of Euros
	31/12/2020
	BICC
Non-current assets	165,016
Current assets	663,451
Equity	(8,657)
Non-current liabilities	57,059
Current liabilities	780,065

The income and expenses recognized under “Valuation adjustments” in the consolidated statement of changes in equity, which relate to operations considered to be activity interrupted at December 31, 2019, are as follows:

	Thousands of Euros
	31/12/2020
	BICC
Translation differences	(3,553)

The breakdown of the results of the discontinued operations corresponding to the periods ended on December 31, 2020 and 2019 is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
	BICC	BICC
Revenue	138,571	231,913
Operating expenses	(58,093)	(99,314)
Profit / (Loss) before tax	32,440	(1,373,382)
Income tax	—	492,654
Profit / (Loss) attributed to non-controlling interests	(32,440)	639,300
Profit / (Loss) attributable to the parent	—	(241,428)

In FY 2019, this includes the one-off impact before tax of EUR 1,694.6 billion (AUD 2,724.7 billion) for provisions and asset impairment in respect of CIMIC's exit from the Middle East. In this context, EUR 230 million of the existing non-current provisions in FY 2019 were applied to cover international risks related to the Middle East. The tax effect of the above impacts is reflected under the heading Income Tax.

The breakdown of the statement of cash flows from discontinued operations is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
	BICC	BICC
Cash flows from operating activities	(31,765)	(484,787)
Cash flows from investing activities	(1,200)	(142,557)
Cash flows from financing activities	(4,947)	619,231
Net cash flows from discontinued operations	(37,912)	(8,113)

At December 31, 2019 there were no assets and liabilities corresponding to any discontinued operations. .

01.05. Materiality

In determining the information to be disclosed in the explanatory notes concerning the various items in the financial statements or other matters, the Group, in accordance with IAS 34, took into account their materiality in relation to the Condensed Consolidated Financial Statements.

01.06. Events after the reporting date

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second execution of capital increase with a charge to reserves approved by the Ordinary General Shareholders' Meeting held on May 8, 2020. The purpose of the transaction is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second execution of the reduction of the capital stock by amortization of its treasury stock approved at the same General Shareholders' Meeting for a maximum amount equal to the amount by which the capital stock is actually increased as a result of the second execution of the capital increase referred to in the previous paragraph.

The maximum number of new shares to be issued in the second execution of the capital increase charged to reserves agreed upon at the General Shareholders' Meeting held on May 8, 2020 (through which an optional dividend in shares or cash is structured) was set at 4,931,184 on January 19, 2021.

The price at which ACS, Actividades de Construcción y Servicios, S.A. undertook to purchase from its shareholders the free allocation rights corresponding to the said second execution of the capital increase was determined at a fixed gross amount of EUR 0.452 for each right.

After the negotiation period for the free allocation rights corresponding to the second execution of released capital increase, the irrevocable commitment to the purchase of rights assumed by ACS was accepted by the holders of 39.68% of the free allocation rights. After the decision-making period granted to the shareholders had elapsed, in February 2021 the following events took place:

- The dividend was determined to be a total gross amount of EUR 55,716,280.82 (EUR 0.452 per share) and was paid on February 9, 2021.
- The number of final shares subject to the capital increase was 2,568,165 for a nominal amount of EUR 1,284,082.50, which were redeemed simultaneously for the same amount (see Note 01.10).

On February 15, 2021, CIMIC announced that they signed an agreement with SALD Investment LLC ("SALD") for the sale of CIMIC's investment in the Middle East. SALD, a private investment company based in the United Arab Emirates, will buy CIMIC's 45% investment in BICC as well as the remaining 55% of BICC held by CIMIC's co-shareholder. The sale covers all of CIMIC's investments in the Middle East. Upon completion, SALD will own all BICC businesses in the UAE, Qatar, Oman and Saudi Arabia. Completion of the stock purchase agreement is subject to compliance with certain conditions above and to obtaining all

necessary approvals. While CIMIC has agreed with the buyer to contribute a certain amount of funds to BICC, the transaction does not increase CIMIC's previously announced financial exposure in the Middle East. The financial impact of the transaction for CIMIC is already included in the single after-tax impact on the 2019 Annual Accounts of CIMIC announced on January 23, 2020.

On March 26, 2021, CIMIC successfully signed a three-year syndicated bond issue worth AUD 1,400 million.

As of the date of preparation of these Condensed Consolidated Financial Statements, negotiations with VINCI are continuing with a view to reaching an agreement for the acquisition of most of the Industrial Services business, and it is estimated that this agreement will be reached shortly. In any case, the transaction would be subject, as a condition precedent, to obtaining all the necessary authorizations, especially in the area of competition.

01.07. Consolidated Statement of Cash Flows

The breakdown of the "Other adjustments to profit (net)" heading of the consolidated statement of cash flows for 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	2019 (**)
Financial income	(150,736)	(187,638)
Financial costs	422,515	497,202
Impairment and gains or losses on disposals of non-current assets	(1,091,886)	(296,085)
Ordinary results of companies accounted for using the equity method	(196,902)	(553,310)
Non-ordinary results of companies accounted for using the equity method	(10,712)	(4,555)
Impairment and gains or losses on disposal of financial instruments	(108,622)	(3,627)
Changes in the fair value of financial instruments	(77,635)	(30,075)
Other effects (*)	722,021	(110,996)
Total	(491,957)	(689,084)

(*) Includes the reversal in income of EUR 694 million corresponding to the conclusion of the arbitration on the Gorgon Jetty project (see Note 12.01).

(**) Data restated.

The breakdown of the "Interest received" heading of the consolidated statement of cash flows for 2020 and 2019 is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Operative interest received	106,926	121,406
Interest received from bank accounts	15,306	22,066
Other non-operative	11,295	25,152
Total	133,527	168,624

In preparing the consolidated statement of cash flows for 2020 and 2019, the section on cash flows from financing activities, "Proceeds and payments relating to equity instruments", includes the acquisitions of ACS treasury shares (see Note 08.02). In addition, in FY 2020, this heading includes the acquisitions of Hochtief's self-portfolio shares (EUR 168.1 million), as well as the acquisition of CIMIC shares by Hochtief (EUR 103.2 million) and the self-portfolio acquired by CIMIC (EUR 170.4 million).

In relation to the shareholding in BIC Contracting LLC (BICC), EUR 844.1 million was collected in 2020 (EUR 248 million in 2019), as a cash exit under the heading "Other receipts/(payments) of financing

activities" in the cash flow statement, as a result of the obligations assumed in 2019 after the departure from BICC.

In relation to cash flows, in accordance with IFRS 16.50, cash payments for the interest portion of the lease liability are considered as financing activities, and continue to be classified by applying the same alternative as permitted by IAS 7.33 Cash Flow Statement in force for financial interests.

In relation to cash flows from investments in property, plant and equipment, intangible assets, projects and investment property made in the year, a distinction must be made between operational and non-operational investments. The details are as follows:

	Thousands of Euros	
	2020	2019 (*)
Operational Investments	546,613	743,935
- Kinkardine Floating Offshore Wind Project in Scotland	204,353	126,694
- Photovoltaic Projects in Spain	15,472	223,470
- Wind Farms Projects in Spain	49,863	25,687
- Other projects	60,160	—
Investments in Projects	329,848	375,851
Investment Headquarters Hochtief	—	45,000
Investment in tangible assets, intangible assets, projects and real estate investments	876,461	1,164,786

(*) Data restated

The reconciliation of the carrying amount of the liabilities arising from financing activities, separately distinguishing the changes that generate cash flows from those that do not for 2020 and for 2019, are as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Initial net debt (Note 10.03)	(1,019,404)	(565,164)
Cash flows		
Issue of financial liabilities	(7,785,734)	(6,434,556)
Amortization of financial liabilities	5,881,261	4,362,786
Cash and cash equivalents	374,641	994,138
No Impact of Flows		
Variación deuda neta mantenido para la venta (Nota 01.04.01)	452,780	427,998
Exchange difference	(200,246)	51,892
Reclassifications	561,207	284,657
Change in the scope of consolidation and others	(84,276)	(141,155)
Final net debt (Note 10.03)	(1,819,771)	(1,019,404)

(*) Data restated

01.08. Changes in the scope of consolidation

The main changes in the scope of consolidation of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its Subsidiaries) during the fiscal year ended December 31, 2020, are detailed in Appendix I.

Acquisitions, sales and other corporate transactions

Acquisitions

During the 2020 financial year, the increase in stakes in Hochtief and CIMIC was highlighted through the investments made and the self-portfolio programs approved by those companies. In this way, through the purchase of a self-portfolio by Hochtief, the stake in that company goes from 50.4% at December 31, 2019 to 52.2% at December 31, 2020. In addition, Hochtief purchased 8,962,059 CIMIC shares during FY 2020. Moreover, CIMIC has bought shares in self-portfolio during the same period. Both operations have increased Hochtief's stake in CIMIC from 72.8% at December 31, 2019 to 78.6% at December 31, 2020.

In 2019, specifically on February 11, 2019, Cobra Instalaciones y Servicios, S.A., a wholly owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A., bought 49% of Bow Power, S.L. (currently called Zero-E Dollar Assets, S.L.) from Global Infrastructure Partners (GIP) for USD 96.8 million, making it the 100% shareholder of the company.

In addition, during FY 2020, the remaining interest of Tonopah Solar Energy has been acquired and will be integrated globally into the Consolidated Annual Accounts of the ACS Group.

Sales

During the 2020 financial year, the Group entered into an agreement with funds advised by Elliott with respect to Elliott's acquisition of a 50% stake in Thiess's share capital, the transaction thus being completed on December 31, 2020. The terms of the sale agreement imply that the ACS Group no longer controls Thiess, but controls it jointly with Elliott and, consequently, the ACS Group has downtracked the value of Thiess's assets and liabilities in the Condensed Financial Statements. The remaining 50% of the stake held under joint control with Elliott on December 31, 2020 was recorded again for a fair value based on the selling price (see Note 01.01.01).

The sale has been accounted for under IFRS 10 as follows: The total net receivable of transaction cost was EUR 1,980.9 million (AUD 3,148.8 million), comprising: a cash allowance of AUD 2,016.8 million and a non-monetary allowance of AUD 1,132.0 million (fair value of 50% interest withheld) minus the book value of Thiess's net assets of EUR 833 million, which includes the decline of the share allocated to the intangible assets deriving from the first consolidation of Hochtief (via a PPA or Purchase Price Allocation), together with the share of the Goodwill assigned to the said assets in the amount of EUR 244.7 million (see Note 02.01), and the recycling of reserves of EUR 36.8 million, resulting in a profit before tax of EUR 1,111 million, recorded under "Impairment and gain or loss on disposal of fixed assets" in the consolidated income statement. The breakdown at December 31, 2020, is as follows:

Millions of Euros	
31/12/2020	
Gain on disposal	
Total cash consideration	1,432
Non-cash consideration	712
Carrying amount on disposal	(833)
Recycling of reserves	(37)
Net gain on disposal of controlled entities before tax	1,111
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	80
Trade and other receivables	521
Inventories: consumables and development properties	86
Deferred tax assets	36
Property, plant and equipment	791
Intangibles	108
Fondo de Comercio (véase Nota 02.01)	245
Trade and other payables	(617)
Provisions	(91)
Lease liabilities	(305)
Deferred tax liabilities	(8)
Non-controlling interest	(13)
Net assets disposed	833
Cash flow resulting from sale	
Cash consideration net of transaction costs (*)	1,399
Cash disposed	(80)
Net cash outflow	1,319

(*) As at December 31, 2020 certain transaction costs remain unpaid which are accrued in the trade and other payables balance.

The share of this result attributable to the recognition of the investment held in the former subsidiary at its fair value is EUR 712.1 million (AUD 1,132.0 million) (see Note 05); the share of this result attributable to the investment in the disposed former subsidiary is EUR 712.1 million (AUD 1,132.0 million). Thiess's contribution from January 1, 2020 to December 31, 2020 to the Group's income was EUR 2,177 million and EUR 261 million to the Group's net profit after taxes and minority interest. The breakdown of income and of the effect on Thiess's cash flow statement are as follows:

	Millions of Euros	
	31/12/2020	31/12/2019
Revenue	2,177	2,423
Expenses	(1,842)	(2,023)
Net finance costs	(17)	(26)
Share of profits/(losses) of associates and joint ventures entities	1	2
Profit/(loss) before tax before gain/(loss) on sale of Thiess	319	376
Gain/(loss) on sale of assets from Thiess	1,111	—
Profit/(loss) before tax	1,430	376
Income tax (expense)/benefit from Thiess before gain on sale of assets	(80)	(116)
Income tax (expense)/benefit on gain on sale of assets	(383)	—
Income tax (expense)/benefit from Thiess	(463)	(116)
Profit/(loss) for the year from Thiess	967	260
Profit attributed to non-controlling interests	(706)	(166)
Profit attributable to the shareholders of parent entity	261	94

	Millions of Euros	
	31/12/2020	31/12/2019
Net cash from/(used in) operating activities	69	561
Net cash from/(used in) investing activities	(245)	(292)
Net cash from/(used in) financing activities	135	(303)
Net cash flow for the year	(41)	(34)

On April 28, 2020, there took place the sale to the Hermes Infrastructure fund (through Iridium Concesiones de Infraestructuras, S.A.) of 74% of its stake in a company that held all the shares that the Group had in six shadow toll concessions, which were as follows: in Catalonia, Eix Diagonal and Reus-Alcover; in Castile La Mancha, Autovía de la Mancha; in Castile and León, Autovía de los Pinares; in Navarre, Autovía del Pirineo; and in Galicia, the Santiago-Brion section. Iridium, in addition to maintaining the remaining 26% stake, will continue the management and operation of the assets, through operating and maintenance contracts and service contracts with a very significant presence in the management bodies of the companies and in the day-to-day management of the concessions. The operation was carried out with a company value (100%) of EUR 950 million and with a capital gain of 74% of the sum transmitted of EUR 40 million, some of which had already been collected in the financial year 2019 (see Note 01.04.01).

During January 2020, an agreement was reached for the sale of the 50.1% that the Group still held at December 31, 2019, in the company Zero-E Euro Assets, S.A. as well as for the sale of other photovoltaic energy projects also located in Spain (see Note 01.04.01). The agreement was amended in July 2020 with the creation of a joint venture that groups together the projects already in operation and a first package of those that were in development, of which Galp acquired 75.01% for an amount between EUR 300 million and 350 million, and the ACS Group maintains a 24.99% stake, with a joint governance structure. The remaining projects will be progressively incorporated into the Joint Venture.

On September 15, 2020, an agreement was reached with the Galp Energía Group (Galp), consisting of the sale of shares representing 75% of the capital of the company, which concentrates its investment on photovoltaic energy projects in Spain, both those currently in operation and those expected to be developed and operational starting from 2020 through to 2023. This represents a total installed capacity of 2,930 MW and an initial disbursement by Galp of EUR 325 million.

The total value of the company, once all the projects have been completed, is estimated at some EUR 2,200 million, with total net profits for the Group of approximately EUR 330 million, of which EUR 250 million was collected in the financial year 2019.

The Group's management, based on the fact that the material activities of Escal UGS, S.L., i.e. those that significantly affect its performance, are limited, therefore proceeded to deconsolidate them in 2019 from the Group's financial statements, as established in IFRS 10. Management considers that the activities are basically limited to the resolution of the pending litigation associated with the Castor project, and the decisions relating to these activities, due to their inevitable consequences for the subsidiary's assets, must be approved by the bankruptcy administration. The effect of the deconsolidation of this share for a very small amount was of little significance.

In December 2019, the ACS Group, through its subsidiary ACS Servicios, Comunicaciones y Energía, S.L., sold 49.9% of its shares in the company Zero-E Euro Assets, S.A., which owns several photovoltaic energy projects that will come into operation in 2019 with an installed power of 914.8 MW. As a result of this transaction and the agreements reached, the ACS Group has since that date maintained a joint control agreement with the partner holding the remaining stake.

Consequently, the Group derecognized the net assets relating to the aforementioned photovoltaic plants from the Condensed Consolidated Financial Statements at December 31, 2019, and has again recognized at fair value the assets corresponding to the 50.1% stake in the said assets, the percentage stake that it held at the close of 2019, following the aforementioned sale of 49.898% of the shares in Zero-E Euro Assets, S.A. (see Note 01.04.01).

The effect related to the photovoltaic plants has generated a positive after-tax result in the consolidated income statement for 2019 of approximately EUR 250 million.

The ACS Group has sold its 50% stake in the Canadian company Northeast Anthony Henday, the concessionaire of the Edmonton ring road in Alberta, Canada (see Note 16).

The ACS Group, through its subsidiary ACS Infrastructure Development, Inc. sold 75% of its 50% stake in the concession company I-595 Express, LLC in Florida (USA) I 595 Toll Road, LLC, to the owner of the other 50%.

Others

On October 2, 2020, ACS, Actividades de Construcción y Servicios, S.A. informed the market of the existence of a non-binding offer by VINCI with the aim of acquiring the Industrial Services business. The perimeter of the operation would include, in addition to engineering and works activities, the stakes in eight concessions, or PPP of mainly energy projects, as well as the platform for developing new projects in the renewable energy sector. The indicative value of the perimeter of the VINCI proposal represents an enterprise value of around EUR 5.200 billion. This proposal was examined by the ACS Board of Directors, which, despite not being in search of buyers, decided to continue negotiations. In this regard, at the end of the financial year 2020, the ACS Group has assessed whether the criteria set out in IFRS 5 for the classification of its investment as a non-current asset held for sale are met. After analyzing the various factors, the Group finds that it should not be presented as a non-current asset held for sale since the potential sales package was not available as at December 31, 2020 under the conditions necessary for its immediate sale, since there is a process of segregation (or carve-out) of companies to be carried out. Moreover, given the large size of the industrial division, authorization is required by various agents, such as antitrust authorities in many geographical areas, funding agents for certain projects, customers and government agencies, whose approval is a substantive condition and is not under the control of the ACS Group. As a result, and with the opinion of its legal advisors, the sale is not considered to be highly likely at the end of the financial year 2020, to the extent that significant changes to the plan are not unlikely to occur and the affected assets and liabilities cannot be determined, nor are the conditions for immediate sale being met, and therefore according to IFRS 5, the criteria for being classified as a non-current asset held for sale are not met.

01.09. Currency

The euro is the currency in which the Condensed Consolidated Financial Statements are presented. Details of sales in the main countries in which the Group operates are set out in Note 13.

01.10. Dividends paid by the Parent Company

On June 19, 2020, ACS, Actividades de Construcción y Servicios, S.A. agreed to allocate, from the results of this year 2020, an interim dividend of EUR 0.16 per share in cash. This represented a total dividend of EUR 46,256 thousand which was paid out on July 6, 2020. To this end, during their meeting held on June 19, 2020, the Board of Directors drew up the accounting statement required by Article 277 of the Public Limited Companies Act, in which the existence of enough liquidity to distribute the aforementioned amount as an interim dividend is proved.

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second execution of the capital increase with a charge to reserves approved by the Ordinary General Meeting of Shareholders held on May 8, 2020. The purpose of the transaction is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second execution of the reduction of the capital stock by amortization of its treasury stock approved at the same General Shareholders' Meeting for a maximum amount equal to the amount by which the capital stock is actually increased as a result of the second execution of the capital increase referred to in the previous paragraph.

The maximum number of new shares to be issued in the second execution of the capital increase charged to reserves agreed upon at the General Shareholders' Meeting held on May 8, 2020 (through which an optional dividend in shares or cash is structured) was set at 4,931,184 on January 19, 2021.

The price at which ACS, Actividades de Construcción y Servicios, S.A. undertook to purchase from its shareholders the free allocation rights corresponding to the said second execution of the capital increase was determined at a fixed gross amount of EUR 0.452 for each right.

After the negotiation period for the free allocation rights corresponding to the second execution of released capital increase, the irrevocable commitment to the purchase of rights assumed by ACS was accepted by the holders of 39.68% of the free allocation rights. After the decision-making period granted to the shareholders had elapsed, in February 2021 the following events took place:

- The dividend was determined to be a total gross amount of EUR 55,716,280.82 (EUR 0.452 per share) and was paid on February 9, 2021.
- The number of final shares subject to the capital increase was 2,568,165 for a nominal amount of EUR 1,284,082.50, which were redeemed simultaneously for the same amount (see Note 01.06).

On February 4, 2020, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second execution of the capital increase with a charge to reserves approved by the General Shareholders' Meeting held on May 10, 2019. The purpose of the transaction is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second execution of the reduction of the capital stock by amortization of its treasury stock approved at the same General Shareholders' Meeting for a maximum amount equal to the amount by which the capital stock is actually increased as a result of the second execution of the capital increase referred to in the previous paragraph.

After the negotiation period for the free allocation rights corresponding to the second released capital increase execution, the irrevocable commitment to purchase the rights assumed by ACS was accepted by

the holders of 34.37% of the free allocation rights. After the decision-making period granted to the shareholders had elapsed, in March 2020 the following events took place:

- The dividend was determined to be a total gross amount of EUR 48,561,684.35 (EUR 0.449 per share) and was paid on March 5, 2020.
- The number of final shares subject to the capital increase was 2,899,168 for a nominal amount of EUR 1,449,584, which were redeemed simultaneously for the same amount.

In addition, as a result of the resolution adopted by the shareholders at the General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 8, 2020, the Company resolved on June 10, 2020 to carry out the first capital increase, establishing the maximum reference value at EUR 487 million with a charge to the Company's reserves in order for the shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. In this respect, on June 18, 2020, certain aspects in relation to the first execution of the aforementioned capital agreement were finalized and are summarized as follows:

- The maximum number of new shares to be issued in the first execution would be 19,666,537 shares.
- The number of free allocation rights needed to receive one new share is 16.
- The purchase price for each free allocation right through the purchase commitment assumed by ACS is EUR 1.380.

Finally, after the decision-making period granted to the shareholders, on July 7, 2020 the dividend was determined at a total gross amount of EUR 150,862,632.24 and was paid on July 9.

In addition, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., at a meeting held on June 19, 2020, agreed to allocate, from the results of the year 2020, a cash interim dividend of EUR 0.16 per share, satisfied on July 6, 2020 for the amount of EUR 46,256 thousand.

01.11. Earnings per share from continuing and discontinued operations

01.11.01. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	2020	2019 (*)	Change (%)
Net profit for the period (Thousands of Euros)	574,005	962,027	(40.33)
Weighted average number of shares outstanding	293,847,994	307,513,166	(4.44)
Basic earnings per share (Euros)	1.95	3.13	(37.70)
Diluted earnings per share (Euros)	1.95	3.13	(37.70)
Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros)	—	(241,427.00)	n/a
Basic earnings per share from discontinued operations (Euros)	—	(0.79)	n/a
Basic earnings per share from continuing operations (Euros)	1.95	3.91	(50.13)
Diluted earnings per share from discontinued operations (Euros)	—	(0.79)	n/a
Diluted earnings per share from continuing operations (Euros)	1.95	3.91	(50.13)

(*) Data restated.

	Nº de acciones	
	2020	2019
Common shares outstanding at January 1	303,278,348	308,221,603
Effect of own shares	(18,218,395)	(4,943,255)
Effect of shares issued	14,276,225	10,802,365
Effect of redeemed shares	(14,276,225)	(10,802,365)
Common shares outstanding at December 31	285,059,953	303,278,348
Weighted average number of shares outstanding at December 31	293,847,994	307,513,166

01.11.02. Diluted earnings per share

In calculating diluted earnings per share, the amount of profit attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted to take into account all the dilutive effects inherent to potential ordinary shares (share options, warrants and convertible debt instruments). For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. The ACS share option plan currently in force (see Note 20.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. At December 31, 2020, as a result of the simultaneous capital increase and reduction in 2021, respectively for the same number of shares, the basic earnings and diluted earnings per share for continuing operations for 2020 are the same.

02. Intangible assets

02.01. Goodwill

The breakdown of the goodwill, based on the companies giving rise thereto, is as follows:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019 (*)
Parent	743,140	743,140
Infrastructure	1,934,814	2,297,502
Industrial Services	44,181	58,991
Services	140,918	137,817
Total	2,863,053	3,237,450

(*) Data restated.

In accordance with the table above, the most significant goodwill is the result of the global consolidation of Hochtief, A.G. in the amount of EUR 1,144,226 thousand at December 31, 2020 (EUR 1,495,749 thousand at December 31, 2019), and the result of the merger of the Parent Company with Grupo Dragados, S.A. which amounts to EUR 743,140 thousand (EUR 743,140 thousand at December 31, 2019).

During the financial year 2020, the most substantial variation relates to a reduction of EUR 351,523 thousand resulting from the loss of control in the sale of 50% of Thiess's share capital and the joint venture agreement with Elliott (see Note 01.08). This company was integrated by global integration, so the deconsolidation of all the assets and liabilities of this company led to the suspension of the share of the value corresponding to Thiess in the goodwill assigned to the business developed in Hochtief Asia Pacific, which continues to be recognized.

The restatement resulting from the full consolidation of BICC Contracting LCC resulted in an increase in goodwill in the amount of EUR 857,147 thousand in goodwill as of January 1, 2019. On January 23, 2020, the ACS Group announced to the CNMV that Cimic had completed an extensive strategic review of its financial investment in BIC Contracting LLC (BICC). As a result of this decision and on the basis of the impairment test performed on BICC, Cimic has recognized an impairment of EUR 762 million as of December 31, 2019. In this context, the recoverable amount of BICC was calculated on the basis of the value in use determined by a discounted cash flow model compared to the book value, bringing the book value to reached, after adjustments for translation differences, an amount of EUR 116 million. For the impairment test as of December 31, 2020, the recoverable amount was determined by the fair value less selling costs based on the purchase price of AED 1 defined in the purchase agreement dated February 15, 2021 with SALD. The net book value of BICC, including goodwill of EUR 89 million after conversion adjustments as of December 31, 2020, is consistent with the recoverable amount. Therefore, there is no need to impair the goodwill.

As regards goodwill, as a general rule on September 30 each year, the ACS Group compares the carrying amount of the related company or cash-generating unit (CGU) against its value in use, determined by the discounted cash flow valuation method. In this sense, and given the current context provoked by Covid-19, during the financial year 2020, an impairment test was carried out on June 30, 2020 to assess the recoverability of the most significant goodwill items, and the said tests were updated on September 30 if there were significant deviations in relation to the procedure conducted on June 30, 2020. In this respect, in the case of Hochtief it was repeated on September 30, given the partial divestment in Thiess.

As regards the goodwill generated by the purchase of Hochtief, A.G. in 2011, the said goodwill was, in accordance with IAS 36.80, allocated to the main cash-generating units, namely Hochtief Asia Pacific and Hochtief Americas. The value of the goodwill allocated to the business developed in Hochtief Asia Pacific amounted to EUR 857 million (EUR 1.209 million at December 31, 2019) after the sale of 50% of Thiess on December 31, 2020, while the Hochtief Americas business was allocated EUR 287 million. In 2020, the ACS Group evaluated the recoverability of these items.

For the purpose of testing the impairment of the goodwill of Hochtief assigned to the business carried out by Hochtief Asia Pacific, the ACS Group based its valuation for the 2021 financial year on Hochtief's estimates for this division and the internal projections for the period 2022 to 2025, discounting the free cash flows at a weighted average cost of capital (WACC) of 7.63%, and using a perpetual growth rate of 2.4%. The weighted average cost of capital represents a profitability premium on the long-term rate of interest (10-year Australian Bond) published by Bloomberg at September 30, 2020 and standing at 684 basis points. Similarly, the perpetual growth rate used corresponds to the estimated CPI for Australia for the year 2025 as published by the IMF in its World Economic Outlook report for October 2020. Account has been taken of the effect of the sale of 50% of Thiess and the joint venture agreement with Elliott.

In the case of the sensitivity analysis for the impairment test relating to the goodwill assigned to Hochtief's Asia Pacific business, the most relevant aspects are that the goodwill test withstands a discount rate of up to approximately 8.5%, representing a range of approximately 88 basis points, as well as a perpetuity growth rate of 1.37%. Also, it would withstand an annual drop in cash flows of approximately 18% with regard to the projected flows.

This value has been contrasted with the market price of CIMIC as at December 31, 2020, concluding that there is no deterioration.

In the case of the Hochtief Americas business, the following basic assumptions have been made:

- Forecasts used for the division for five years, until 2022, according to the Hochtief Business Plan and estimates for the 2023–2025 period.
- Perpetual growth rate of 2.2%, according to the IMF estimate with regard to the CPI for the US in 2025, based on the World Economic Outlook report published by the IMF in October 2020.
- A discount rate of 5.34%.

As for the sensitivity analysis of the impairment test for the goodwill assigned to Hochtief Americas, the most relevant aspects are that the goodwill test, even assuming a cash position of zero euro, can withstand a discount rate of over three digits, and would withstand an annual fall in cash flows of more than 90% of the projected flows.

It should also be pointed out that the stock price for Hochtief, A.G. at December 31, 2020 (EUR 79.55 per share) was significantly higher than the carrying cost.

Along with the goodwill arising from the aforementioned full consolidation of Hochtief, A.G., the most significant goodwill, which amounted to EUR 743,140 thousand (EUR 743,140 thousand at December 31, 2019), arose from the merger with Dragados Group in 2003 and related to the amount paid in excess of the value of the assets on the acquisition date. This goodwill was assigned mainly to the cash-generating units of Dragados Construcción y Servicios Industriales according to the following breakdown:

Cash-generating unit	Goodwill allocated
	Thousands of euros
Infrastructure	554,420
Industrial Services	188,720
Total goodwill	743,140

In this context, the ACS Group in the first half of 2020 assessed the recoverability of the same, comparing the carrying amount of the related company or cash-generating unit (CGU) against its value in use, determined by the discounted cash flow valuation method, with internal projections for each of the companies. There have been no significant changes in the estimates used in the assessment during the second half of 2020, so it has not been considered necessary to update the test at the end of the year. In this respect, the existence of a non-binding offer by VINCI for the ACS Group, notified to the market in October by the Industrial Services business, confirms the valuation resulting from the impairment test carried out in June 2020.

The discount rate used in each business unit is its weighted average capital cost. In order to calculate the discount rate of each business unit, the yield of 10-year Spanish government bonds was used, the deleveraging beta of the sector according to Damodaran, releveraged by the debt of each business unit and the market risk premium according to Damodaran. The cost of the gross debt is the consolidated effective cost of the debt of each business unit at June 2020 and the tax rate used is the theoretical tax rate for Spain. The perpetual growth rate (g) used is the CPI increase in 2024 for Spain according to the IMF report issued in October 2019.

The key assumptions used to measure the group of most significant cash-generating units were as follows:

- Dragados Construcción:
 - Sales: compound annual growth rate during the period from 2021 to 2025 of 0.7%.
 - EBITDA margins: average margin from 2021–2025 of 5.1% and final margin of 5.1%.
 - Amortizations/operating investments: convergence to a ratio of sales of up to 0.9% in the last projection year.
 - Working capital: maintenance of the days of working capital for the period, calculated based on the figures for the end of December 2020.
 - Perpetual growth rate of 1.8%.
 - A discount rate of 7.73%.

- Industrial Services:
 - Sales: compound annual growth rate during the period from 2021 to 2025 of 0.7%.
 - EBITDA margins: average margin for 2021–2025 of 9.9% and final margin of 9.9%.
 - Amortizations/operating investments: convergence to a ratio of sales of up to 1.5% in the last projection year.
 - Working capital: maintenance of the days of working capital for the period, calculated based on the figures for the end of December 2020.
 - Perpetual growth rate of 1.8%.
 - A discount rate of 7.73%.

In addition, it should be noted that the main variables considered in the above-mentioned test have not significantly deferred from those contemplated in the impairment test of the previous year, except for the considerations regarding the possible estimated impacts of Covid-19.

After testing the impairment of each of the groups of cash-generating units to which the goodwill arising from the merger with Dragados Group in 2003 is assigned, it has been determined, with the aforementioned assumptions, that under no circumstances is the estimated recoverable amount of the cash-generating unit less than its carrying amount, as there is no evidence of its impairment.

No reasonable scenario gave rise for the need to recognize an impairment loss. Impairment tests of the main cash-generating units such as Construction and Industrial Services support substantial increases in discount rates of over 950 basis points and significant negative deviations (over 55%) in budgeted cash flows without incurring impairment.

According to the above, the Directors consider that the sensitivity ranges of the test with regard to the key assumptions are within a reasonable range, allowing no deterioration to be detected either in 2020 or in 2019.

The remaining goodwill, excluding that generated by the merger between ACS and the Grupo Dragados and the goodwill arising from the full consolidation of Hochtief, A.G., is highly fragmented. Thus, in the case of the Industrial Services business, the total goodwill on the statement of financial position amounts to EUR 44,181 thousand (EUR 58,991 thousand at December 31, 2019), which relates to 12 companies from this business area, the most significant relating to the acquisition of Oficina Técnica de Estudios y Control de Obras, S.A. for EUR 12,351 thousand (EUR 12,351 thousand at December 31, 2019), Sociedad Ibérica de Construcciones Eléctricas, S.A. for EUR 11,709 thousand (EUR 11,709 thousand at December 31, 2019) and Electromur, S.A. for EUR 6,661 thousand (EUR 6,661 thousand at December 31, 2019).

In the Services division, the total amount comes to EUR 140,918 thousand (EUR 137,817 thousand at December 31, 2019), corresponding to 19 different companies, the largest of which is that relating to the purchase of 25% of Clece for the amount of EUR 115,902 thousand (EUR 115,902 thousand at December 31, 2019).

In the Construction area, in addition to the goodwill arising from the full consolidation of Hochtief, A.G., others worth mentioning include the goodwill arising from the acquisitions of Pulice for EUR 50,400 thousand (EUR 55,052 thousand at December 31, 2019), Schiavone for EUR 48,660 thousand (EUR 53,151 thousand at December 31, 2019) and John P. Picone for EUR 44,061 thousand (EUR 48,127 thousand at December 31, 2019), and those from the Hochtief Group after the takeover.

In these areas, the calculated impairment test is based upon scenarios similar to those that have been described for each area of activity, or in the case of Dragados Group goodwill, taking into account the necessary adjustments based upon the peculiarities, geographic markets and specific circumstances of the affected companies.

According to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of

units) to which the goodwill is allocated will make it possible to recover the net value of the goodwill recognized at December 31, 2020.

As indicated in IAS 36, at December 31, 2020, the Group has not found any relevant impairment indicators for goodwill and other assets subject to impairment testing. There have been no significant variations in the assumptions used in the impairment tests on the Group's goodwill that could represent a significant risk of recognition of impairment in future. It should be noted that the market value of the holding in Hochtief is higher than its book value.

During the financial year 2020, there have been no losses of value suffered by the ACS Group's goodwill. For the 2019 financial year, losses of EUR 768,769 thousand were recognized in relation to the ACS Group's goodwill.

02.02. Other intangible assets

Additions in 2020 amounted to EUR 65,182 thousand (EUR 75,905 thousand in 2019) corresponding mainly to Industrial Services in the amount of EUR 47,978 thousand (EUR 57,100 thousand in 2019), to Hochtief in the amount of EUR 15,959 thousand (EUR 16,268 thousand in 2019), to Services in the amount of EUR 792 thousand (EUR 643 thousand in 2019) and to Dragados in the amount of EUR 361 thousand (EUR 1,432 thousand in 2019). As a result of the sale of Thiess, intangible assets have been derecognized in the amount of EUR 104 million.

During 2020, losses of value due to impairment were recorded for items classified as "Other intangible assets" for EUR 11,339 thousand (EUR 1,351 thousand in 2019). Losses of value have not been carried forward to the consolidated income statements of 2020 and 2019.

03. Property, plant and equipment

In 2020 and 2019, items of property, plant and equipment were acquired for EUR 871,178 thousand and EUR 1,090,732 thousand, respectively. In 2020 and 2019, the rights to use the leased assets were included under this heading in accordance with IFRS 16.

In 2020, the most noteworthy acquisitions by division were mainly in the Infrastructure area for EUR 714,959 thousand, especially in investments made by Hochtief amounting to EUR 601,722 thousand (in particular, tunneling machines and mining machinery), by Dragados for EUR 111,969 thousand, by the Industrial Services division for EUR 111,191 thousand for the acquisition of new machinery and equipment to develop new projects and by the Services division in the amount of EUR 44,922 thousand, mainly for the acquisition of machinery and industrial vehicles.

In 2019, the most noteworthy acquisitions by division were mainly in the Infrastructure area for EUR 951,657 thousand, especially in investments made by Hochtief amounting to EUR 856,513 thousand (in particular, tunneling machines and mining machinery), by Dragados for EUR 93,912 thousand, by the Services area for EUR 45,558 thousand, mainly for buying machinery and industrial vehicles, and by the Industrial Services area, amounting to EUR 93,006 thousand for the acquisition of new machinery and equipment to develop new projects.

Similarly, assets were also sold in fiscal years 2020 and 2019 for a net carrying amount of EUR 57,904 thousand and EUR 76,642 thousand, respectively, which gave rise to a residual effect on the Group's income statement. Changes in the scope of consolidation represented a disposal in the financial year of EUR 484.7 million in the corresponding section, without considering assets under IFRS 16, mainly for the sale of 50% of Thiess. The most significant disposals in 2020 relate mainly to the sale of Hochtief machinery amounting to EUR 28,867 thousand (EUR 28,355 thousand in 2019) and the sale of Dragados machinery amounting to EUR 14,178 thousand (EUR 35,369 thousand in 2019).

As at December 31, 2020, the Group had ongoing contractual commitments for the future acquisition of property, plant and equipment for a value of EUR 50,667 thousand (EUR 93,762 thousand at December 31,

2019), corresponding most notably to the investment commitments for technical installations for Hochtief for an amount of EUR 46,931 thousand (EUR 83,624 thousand at December 31, 2019) and for machinery for Dragados for a value of EUR 2,411 thousand (EUR 3,844 thousand at December 31, 2019).

The impairment losses recognized in the consolidated income statement for 2020 amount to EUR 904 thousand, relating mainly to the impairment of Industrial Services technical installations for the amount of EUR 476 thousand (EUR 2,058 thousand in 2019, relating mainly to the impairment of Dragados machinery amounting to EUR 1,022 thousand). No significant losses from value impairment were reverted and recognized in the 2020 and 2019 consolidated income statements.

Leases

At December 31, 2020, an amount of EUR 572,885 thousand (EUR 885,874 thousand at December 31, 2019) of net "Right-of-Use Assets" was recognized in accordance with IFRS 16 "Leases" under the heading "Property, Plant and Equipment" in the consolidated statement of financial position. The detail of the right-of-use assets at December 31, 2020 and December 31, 2019 is as follows:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019 (*)
Land and buildings	985,742	1,047,526
Plant and machinery	151,317	587,565
Other intangible assets	194,871	216,835
Total tangible assets - property, plant and equipment	1,331,930	1,851,926
Accumulated depreciation	(758,915)	(965,982)
Impairment losses	(130)	(70)
Total net tangible assets - property, plant and equipment	572,885	885,874

(*) Data restated

The change in "Right-of-Use Assets" in 2020 is mainly due to acquisitions in the Infrastructure area amounting to EUR 263,530 thousand (EUR 298,381 thousand for 2019), including, most notably, the investments made by Hochtief amounting to EUR 212,533 thousand (EUR 273,484 thousand in 2019). In relation to disposals, of note is the net change in the scope of consolidation of EUR 261,466 thousand, mainly due to the sale of 50% of Thiess.

The depreciation and amortization relating to the right-of-use assets recognized under IFRS 16 "Leases" during the year 2020 amounted to EUR 344,661 thousand (EUR 355,698 thousand in 2019) and the recognition of interest on the lease obligation amounted to EUR 35,699 thousand in 2020 (EUR 43,038 thousand during the year 2019) included in the consolidated income statement.

The "Non-current lease liabilities" and the "Current lease liabilities" associated with these "Right-of-use assets" as at December 31, 2020 are respectively EUR 472,836 thousand and EUR 192,173 thousand (EUR 686,944 thousand and EUR 321,251 thousand as at December 31, 2019, respectively).

Variable lease payments were not material at December 31, 2020 and 2019.

Sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis.

There are assets leased under short-term or low-value leases that do not apply IFRS 16 "Leases" since there are very short-term leases, generally of three to six months' duration, or ongoing monthly agreements or contracts with termination clauses, which are used throughout the Group. Each lease is analyzed and evaluated to verify whether or not it is reasonably safe to extend the lease agreement. Within its considerations is included an assessment of the requirements of the asset in the project, the scope of the work that is to be carried out with this asset and other relevant economic questions to evaluate adequately the duration of the same. As at December 31, 2020, the accrued amounts of EUR 327,708 thousand (EUR

372,425 thousand at December 31, 2019) on the aforementioned assets were recognized as an expense under "Other Operating Expenses" in the consolidated income statement. As indicated in Note 01.01.03, the Construction and Industrial Services businesses have suffered a moderate or limited impact as a result of Covid-19, and therefore the existence of a potential impairment impact on the assets under this category has not been considered.

04. Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement of financial position at December 31, 2020 includes the costs incurred by the fully consolidated companies in the construction of transport, service and power plant infrastructures whose operation forms the subject matter of their respective concessions. These amounts relate to property, plant and equipment associated with projects financed under a project finance arrangement and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.04. of the Consolidated Annual Accounts at December 31, 2019. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, although they are broken down by type of asset (financial or intangible) in this Note.

All the project investments made by the ACS Group at December 31, 2020 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Thermosolar plant	—	308,646	(95,955)	212,691
Highways / roads	2026	181,914	(102,272)	79,642
Water management	2032 - 2036	45,660	(171)	45,489
Photovoltaic Plants	—	33,672	—	33,672
Waste treatment	—	6,114	(1,830)	4,284
Wind farms	2039	3,265	—	3,265
Other infrastructures	—	28,386	(1,278)	27,108
Total		607,657	(201,506)	406,151

The breakdown of this heading by type, in accordance with IFRIC 12, is as follows:

- The concession assets identified as intangible assets, as a result of the Group assuming demand risk, at December 31, 2020, are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Highways / roads	2026	181,873	(102,236)	79,637
Waste treatment	-	6,019	(1,830)	4,189
Water management	-	171	(171)	—
Other infrastructures	-	1,679	(187)	1,492
Total		189,742	(104,424)	85,318

- The concession assets identified as financial assets, as a result of the Group not assuming demand risk at December 31, 2020, are as follows:

Type of infrastructure	End date of operation	Thousands of Euros
		Collection rights arising from concession arrangements
Other infrastructures	—	15,786
Total		15,786

- A detailed account of the financial assets financed under a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12 at December 31, 2020 is as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Thermosolar plant	-	308,646	(95,955)	212,691
Water management	2032 - 2036	45,489	—	45,489
Photovoltaic Plants	-	33,672	—	33,672
Wind farms	2039	3,265	—	3,265
Other infrastructures	-	11,057	(1,127)	9,930
Total		402,129	(97,082)	305,047

Simultaneously, there are concession assets that are not financed by project finance amounting to EUR 43,254 thousand (EUR 58,600 thousand at December 31, 2019) which are recognized as "Other intangible assets."

In 2020, the most noteworthy investments in projects were mainly in the Industrial Services division in the amount of EUR 50,306 thousand, namely in water management.

During the financial year 2020, there were additions in the amount of EUR 343,983 thousand in the scope of consolidation, notably the Tonopah Solar Energy solar thermal power plant. In the 2019 fiscal year, no significant additions were made to the consolidation scope.

During the 2020 and 2019 fiscal years, there were no significant disposals.

In 2020 and 2019, no impairment losses were recognized in the consolidated income statement. Furthermore, no losses for impairment of value were reversed and recognized in the 2020 and 2019 consolidated income statements.

At December 31, 2020 and 2019, the Group had not formalized any contractual commitments for the acquisition of non-current assets in projects.

The financing relating to non-current assets in projects is explained in Note 10. The concession companies are also obliged to hold restricted cash reserves, known as reserve accounts, included under "Other current financial assets."

Lastly, it should be noted that the Group has non-current assets in projects classified under "Non-current assets held for sale and discontinued operations" (see Note 01.04).

05. Investments in companies accounted for using the equity method

The detail, by division, of the investments accounted for by the equity method at December 31, 2020 and 2019 is as follows:

Line of Business	Thousands of Euros					
	31/12/2020			31/12/2019		
	Share of net assets	Profit/(Loss) for the year	Total carrying amount	Share of net assets	Profit / (Loss) for the year	Total carrying amount
Infrastructure	4,355,858	109,476	4,465,334	3,719,072	502,559	4,221,631
Industrial Services	33,602	(19,240)	14,362	212,170	(22,217)	189,953
Corporate unit and Adjustment	(145)	—	(145)	(144)	—	(144)
Total	4,389,315	90,236	4,479,551	3,931,098	480,342	4,411,440

"Ordinary results of companies accounted for using the equity method" and "Non-ordinary results of companies accounted for using the equity method" in the 2020 consolidated income statement, also include equivalent amounts in the profit or loss statement for companies accounted for using the equity method and considered to be assets held for sale, amounting to EUR 117,378 thousand (EUR 77,524 thousand in 2019).

– Infrastructure

As at December 31, 2020, in the area of Infrastructure, the stake in Abertis in the amount of EUR 2,868,396 thousand (EUR 3,417,754 thousand at December 31, 2019) and the remaining shares of the Hochtief Group registered by the equity method were noteworthy, in an amount of EUR 1,268,949 thousand (EUR 568,764 thousand at December 31, 2019), the most important addition of the year being the accounting of Thies as a joint business by the equity method in the amount of EUR 683 million (see Note 01.08).

The total amount of the equity-accounted interest in Abertis Holdco, S.A. in the ACS Group amounted to EUR 2,868,396 thousand (EUR 3,417,754 thousand at December 31, 2019), corresponding to the 20.0% stake in Hochtief and 30.0% originating directly from ACS itself (both included under the "Infrastructure" heading). The net contribution of Abertis to the ACS Group consolidated income statement in 2020 amounted to a loss of EUR 34,511 thousand (compared to a profit of EUR 245,240 thousand in 2019).

Jointly controlled entities

As indicated in Note 01.08, the sale of Thies was completed on December 31, 2020, and the ACS Group jointly controls Thies with Elliott. The transaction has therefore been recorded as the sale of a subsidiary, in accordance with IFRS 10, and the recognition of a stake in a joint business entity in view of the joint control agreement with Elliott.

Since the sale was completed on December 31, 2020, there is no significant contribution by the equity method to the income statement on the part of Thies for the year ended December 31, 2020 (see Note 01.08). Thies is currently in the process of assessing the assets and liabilities (PPA or Purchase Price Allocation) of the joint business in relation to the allocation of the allowance paid by Thies. As a result of this process and within the one-year period established by IFRS 3, the purchase price allocation is likely to change the value of certain assets and liabilities when it is complete. Therefore, in the process of valuation of assets and liabilities, certain assets and liabilities broken down in Note 01.08 are likely to change when adjusted for additional liabilities arising from Thies's newly acquired debt of EUR 0.4 million for the 50% share of CIMIC and the recognition of goodwill and other intangible assets identifiable in the joint business when completed. However, this process does not affect the book value of the equity-accounted interest at December 31, 2020. The financial information for this joint business is set out in Note 01.08.

– Industrial Services

Within Industrial Services, the variation in the financial year 2020 is mainly due to the change in the method of consolidation of Tonopah Solar Energy, becoming integrated globally, and the result of these companies for the 2020 financial year.

Material associates

According to IFRS 12, the only entity that has been considered material as of December 31, 2020 is Abertis Holdco, S.A. and its subsidiaries.

The ACS Group owns 50% minus one share of Abertis Holdco, S.A. The ACS Group's interest in Abertis Holdco, S.A. gives it a material influence within the meaning of IAS 28, and therefore Abertis is accounted for in these Condensed Consolidated Financial Statements as an associate that uses the equity method.

The table below shows the information on the companies considered material under this heading of the consolidated statement of financial position.

Abertis Holdco, S. A. and Subsidiaries	Thousands of Euros	
	31/12/2020	31/12/2019
	100%	100%
Non-current assets	41,589,347	37,184,921
Current assets	4,973,427	5,047,034
Of which: Cash and cash equivalents	3,268,024	2,718,299
Asset held for sale	26,750	—
Non-current liabilities	32,845,543	30,264,993
Of which: Financial liabilities	26,301,003	24,113,469
Current liabilities	4,193,594	3,602,876
Of which: Financial liabilities	2,400,865	2,039,481
Liabilities associate to assets held for sale	—	—
Equity	9,550,387	8,364,086
Non-controlling interest	2,840,237	1,780,978
Equity attributable to owners of the Company	6,710,150	6,583,108
Hybrid bond recognized in Abertis' equity	(1,225,759)	—
Equity attributable homogenized to owners of the Company	5,484,391	6,583,108
Group interests in net assets (50%)	2,742,196	3,291,554
Capitalized acquisition-related costs	126,200	126,200
Carrying amount of the investment	2,868,396	3,417,754

Abertis Holdco, S. A. and Subsidiaries	Thousands of Euros	
	31/12/2020	31/12/2019
	100%	100%
Sales	4,053,648	5,361,265
Profit or loss from continuing operations	(178,435)	628,512
Post-tax profit/(loss) from discontinued operations	—	(15,350)
Profit/(loss) for the year	(178,435)	613,162
Non-controlling interest	(92,947)	1,386
Profit/(loss) for the year attributable to owners of the company	(85,488)	611,776
Income and expenses recognized directly in equity, after tax	(388,802)	(197,376)
Non-controlling interest	(234,508)	(10,845)
Income and expenses recognized directly in equity, after tax, attributable to owners of the company	(154,294)	(186,531)
Total comprehensive income	(567,237)	415,786
Non-controlling interest	(327,455)	(9,459)
Total comprehensive income attributable to owners of the company	(239,782)	425,245
Group share of total comprehensive income attributable to owners of the company (shareholding 50%)	(119,891)	212,623
Annual profit	(42,744)	305,888
Other comprehensive income	(77,147)	(93,265)

In 2020, the ACS Group received dividends from Abertis Holdco, S.A. amounting to EUR 431,926 thousand (EUR 431,926 thousand in 2019).

As a result of the drastic reduction in traffic during the financial year 2020, mainly as a result of the restrictions on mobility imposed by Covid-19, a further impairment test was performed on December 31, 2020 on the value of the participation in Abertis, by comparing the recoverable value with the book value without deterioration of value having been detected. In the context of Covid-19, the ACS Group has compared the book value of the cash-generating unit, including the above-mentioned goodwill itself, with the fair value obtained through the discounted cash flow valuation method (Abertis Holdco, S.A. and subsidiaries). In this regard, the ACS Group, as described in IAS 36, has considered that the most appropriate methodology corresponds to the assessment of a projected finite period of five years (2021–2025) together with the estimation of a residual value.

Based on the budgets and latest long-term projections, the conducting of the Abertis goodwill impairment test as at December 31, 2020 was based on:

- The cash projections obtained from the Abertis Group-wide projection of income and expenditure for the period (2021–2025).
- To determine the terminal value, on the one hand, a growth of 2.0% was applied to the free cash flow after taxes of the last projected year, i.e. 2025, and, additionally, a cash outflow for investments in perpetuity was considered, equivalent to the amortization over the said period.

The discount rate (WACC) applied to cash flow projections rose to 5.66%, and in the case of terminal value, the WACC applied was increased by 2.0%.

In relation to the result of the goodwill impairment test, the recoverable value obtained (determined on the basis of fair value as stated above) exceeds the book value of the goodwill and assets, so that they allow for the recovery of the net book value of the participation in Abertis registered as at December 31, 2020 by the ACS Group. There is thus no need to provide any provision for impairment.

Based on the sensitivity analysis performed, the impairment test shows a certain clearance of the recoverable amount of the carrying amount, and has a sensitivity to variations in discount rate and cash flows in perpetuity. Therefore, a decrease in net operating profit after taxes of more than 15% or an increase

in WACC by 75 basis points could result in the need to record an impairment on the consolidated carrying amount of Abertis.

As at June 30, 2019, the Group completed, with the participation of an independent expert, the allocation of the fair value of the assets acquired and liabilities assumed. The main impact of the PPA has been the assignment of greater value to the Abertis toll motorway concessions, net of tax effects. The value of the concessions has been calculated by discounting dividends from the capital cost assessed by the expert referred to above.

Investments in associates, as in the previous year, are not subject to any restrictions.

06. Financial assets

06.01. Composition and breakdown

The breakdown of the Group's financial assets at December 31, 2020 and 2019, by nature and category for valuation purposes, is as follows:

	Thousands of Euros			
	31/12/2020		31/12/2019 (*)	
	Non-Current	Current	Non-Current	Current
Equity instruments	79,870	127,912	157,743	196,266
Loans to associates	212,755	111,341	261,247	135,298
Other loans	56,883	53,083	62,660	99,513
Debt securities	19,020	729,220	—	467,354
Other financial assets	392,028	333,426	463,666	440,598
Long-term cash collateral deposits	283	—	283	—
Subtotal	760,839	1,354,982	945,599	1,339,029
Trade receivables for sales and services	—	8,500,244	—	10,489,423
Other receivables	—	1,762,431	—	1,757,375
Cash and cash equivalents	—	8,080,808	—	8,130,984
Total	760,839	19,698,465	945,599	21,716,811

(*) Data restated.

The classification of financial assets in accordance with the application of IFRS 9 at December 31, 2020 and 2019 is as follows:

	Thousands of Euros			
	Value at 31/12/2020	Fair value with changes in profit or loss	Fair value with changes in other comprehensive income	Amortized cost
Non-current financial assets	776,625	123,787	—	652,838
Equity securities at long-term	79,870	79,870	—	—
Loans to companies at long-term	212,755	2,387	—	210,368
Loans to third parties	56,883	7,592	—	49,291
Debt securities at long-term	19,020	19,020	—	—
Long-term cash collateral deposits	283	283	—	—
Other financial assets at long-term	58,796	11,886	—	46,910
Non-current financial assets in operating receivables	333,232	2,749	—	330,483
Concessional assets identified under the financial asset model (Note 04)	15,786	—	—	15,786
Other current financial assets	1,354,982	232,058	454,826	668,098
Equity securities at short-term	127,912	13,820	114,092	—
Loans to group and associates to short-term	111,341	14,278	—	97,063
Other financial assets group and associated to short-term	21	—	—	21
Loans to companies at short-term	53,083	75	—	53,008
Debt securities at short-term	729,220	58,700	340,734	329,786
Other financial assets at short-term	333,405	145,185	—	188,220
Current account with overcollateralization fund	—	—	—	—
Trade receivables for sales and services	8,500,244	—	—	8,500,244
Other receivable	1,762,431	—	—	1,762,431
Cash and cash equivalents	8,080,808	—	—	8,080,808

	Thousands of Euros			
	Value at 31/12/2019 (*)	Fair value with changes in profit or loss	Fair value with changes in other comprehensive income	Amortized cost
Non-current financial assets	971,743	181,520	3,913	786,310
Equity securities at long-term	157,743	157,743	—	—
Loans to companies at long-term	261,247	3,446	—	257,801
Loans to third parties	62,660	7,934	—	54,726
Debt securities at long-term	—	—	—	—
Long-term cash collateral deposits	283	283	—	—
Other financial assets at long-term	52,842	9,309	3,913	39,620
Non-current financial assets in operating receivables	410,824	2,805	—	408,019
Concessional assets identified under the financial asset model	26,144	—	—	26,144
Other current financial assets	1,339,029	263,300	378,453	697,276
Equity securities at short-term	196,266	104,190	92,076	—
Loans to group and associates to short-term	135,298	18,201	—	117,097
Other financial assets group and associated to short-term	—	—	—	—
Loans to companies at short-term	99,513	124	82	99,307
Debt securities at short-term	467,354	113,331	286,035	67,988
Other financial assets at short-term	420,809	25,361	260	395,188
Current account with overcollateralization fund	19,789	2,093	—	17,696
Trade receivables for sales and services	10,489,423	—	—	10,489,423
Other receivable	1,757,375	—	—	1,757,375
Cash and cash equivalents	8,130,984	—	—	8,130,984

(*) Data restated.

06.02. Equity instruments

Within non-current and current equity instruments, those arising from Hochtief amounting to EUR 44,621 thousand and 127,912 thousand respectively (EUR 83,697 thousand and 125,076 thousand respectively at December 31, 2019) stand out and relate mainly to short-term investments in securities held in special and general investment funds. At December 31, 2019, the Group had recognized its stake in Masmovil shares amounting to EUR 71,190 thousand under "Other current financial assets" in the accompanying consolidated statement of financial position with changes in the income statement. On September 17, 2020, ACS, Actividades de Construcción y Servicios, S.A. participated in the public takeover bid ("OPA") for Masmovil stocks formulated by Lorca Telecom Bidco, S.A.U., accepting a price of EUR 22.50 per share. This was authorized by the Spanish National Securities Market Commission (CNMV) on July 29, 2020 (see Note 17).

06.03. Loans to associates

As at December 31, 2020, the long-term loans granted in euro included, by order of importance, the subordinated loan granted to Road Management (A13) Plc. in the amount of EUR 40,409 thousand (EUR 40,266 thousand at December 31, 2019), the subordinated loan to Celtic Road Group (Portlaoise) in the amount of EUR 23,233 thousand (EUR 23,233 thousand at December 31, 2019) and the participatory loan granted to Gorey to Enniscorthy M11 PPP Limited in the amount of EUR 13,278 thousand (EUR 13,278 thousand at December 31, 2019). In FY 2020, the changes in the appropriations were mainly due to the repayment of the loan granted to Empresa de Mantenimiento y Explotación M30, S.A., which as at December 31, 2019, amounted to EUR 22,803 thousand, and the reduction of the subordinated loan to Celtic Road Group (Waterford), which as at December 31, 2019, represented an amount of EUR 22,333 thousand.

The Group regularly assesses the recoverability of the loans to associates jointly with investments, making the necessary provisions when required.

These loans bear interest at market rates.

06.04. Debt securities

As at December 31, 2020, this heading included the investments in securities maturing in the short term relating mainly to investments in securities, investment funds and fixed-interest securities maturing at more than three months and which are not intended to be held until maturity, from Hochtief, for EUR 345,625 thousand (EUR 329,035 thousand at December 31, 2019). Other significant amounts include those held by the Dragados Group amounting to EUR 53,801 thousand (EUR 70,312 thousand as at December 31, 2019) and Cobra amounting to EUR 329,785 thousand (EUR 67,987 thousand as at December 31, 2019).

06.05. Other financial assets and non-current trade

As at December 31, 2020, "Other financial assets" includes short-term deposits of EUR 271,375 thousand (EUR 227,507 thousand at December 31, 2019).

As at December 31, 2020, within the amount mentioned in the previous section, EUR 118,565 thousand (EUR 2,329 thousand at December 31, 2019) were held as collateral in guarantee of the derivatives arranged for the Group (see Note 11) and reflected under "Other current financial assets" in the attached consolidated statement of financial position.

As at December 31, 2020, this heading includes, principally as "Non-current trade," the certified amounts receivable amounting to EUR 128,876 thousand (EUR 83,135 thousand at December 31, 2019) in relation to construction projects for investments in gas extraction contracts, whose proceeds (expected to be long term) are linked to the cash flows generated by the operation of the aforementioned investments.

06.06. Trade and other receivables

The carrying amount of trade and other receivables is reflected with the following breakdown by business line at December 31, 2020 and 2019:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019 (*)
Trade receivables for sales and services	8,342,206	10,329,644
Receivable from group companies and associates	158,038	159,779
Other receivables	1,762,431	1,757,375
Current tax assets	235,614	149,805
Total	10,498,289	12,396,603

(*) Data restated.

The breakdown of "Trade receivables for sales and services" and net trade receivables balance, at December 31, 2020 and 2019, is as follows:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019 (*)
Trade receivables and notes receivable	5,223,000	6,472,844
Completed work pending certification	3,450,382	4,244,099
Allowances for doubtful debts	(331,176)	(387,299)
Total assets from receivables	8,342,206	10,329,644
Advances received on orders	(3,283,355)	(3,416,279)
Total liabilities from receivables	(3,283,355)	(3,416,279)
Total net trade receivables balance	5,058,851	6,913,365

(*) Data restated.

Should the amount of output from inception, measured at the certification price, of each project be greater than the amount billed up to the end of the reporting period, the difference between the two amounts reflects contractual assets recognized under the category of "Completed Work pending Certification" under the "Trade and other receivables" entry on the asset side of the consolidated statement of financial position.

Should the amount of output from inception be lower than the amount of the certifications issued, the difference reflects contractual liabilities recognized as "Customer advances" under "Trade and other payables" in liabilities in the consolidated statement of financial position. Therefore, the balances are presented on the basis of each project/work at both December 31, 2020 and December 31, 2019.

The main change in FY 2020 is the Gorgon LNG Jetty and Marine Structure (Gorgon Jetty) project for Chevron Australia (Chevron) carried out by CPB Contractors, a fully owned subsidiary of CIMIC, along with its consortium partners, Saipem S.A. and Saipem Portugal Comercio Maritimo LDA. The financial statements of the ACS Group at December 31, 2019, included AUD 1,150 million (equivalent to EUR 694 million at December 31, 2020) recognized as customer contract assets in relation to Gorgon Jetty, and the recovery of these contract assets was being claimed by CIMIC through arbitration proceedings in Australia against Chevron.

This arbitration process has already been completed and the Arbitration Tribunal has issued an award of AUD 78.0 million for the Consortium (CPB and Saipem) and a counterclaim of AUD 35.0 million to Chevron. The CIMIC share of the net award, together with certain CIMIC legal expenses and other legal expenses attributable to the arbitration process, has resulted in a single reversal of recognized income over the period of AUD 1,150 million (equivalent to EUR 694 million at December 31, 2020), in accordance with the variable compensation reassessment requirements of IFRS 15 Revenue from Contracts with Customers (see Note 13).

The heading "Total liabilities from receivables" includes both "Customer advances" and "Pre-certified construction work customers."

As a practical solution, the entity does not need to adjust the amount of the contribution promised to take into account the effects of a significant funding component if, at the start of the contract, the company expects the period between the time it transfers promised goods or services to a customer and the time the customer pays for those goods or services to be one year or less.

Incremental costs are not significant in relation to the total customer contract assets.

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The balance of receivables amounted to EUR 1,438,303 thousand at December 31, 2020 (EUR 2,146,086 thousand at December 31, 2019).

Substantially all the risks and rewards associated with the receivables, as well as control over them, were transferred through the sale and assignment of the receivables, since there are no repurchase agreements between the Group companies and the banks that have acquired the assets, and the banks may freely

dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognized in the consolidated statement of financial position. The Group companies continued to manage collection during the year.

06.07. Impairment losses

There were no significant impairment losses either in 2020 or in 2019. There were no significant reversals due to the impairment of financial assets either in 2020 or 2019.

07. Inventories

The detail of "Inventories" at December 31, 2020 and 2019 is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Merchandise	185,532	200,213
Raw materials and other supplies	242,287	379,489
Work in progress	179,544	164,361
Finished goods	17,218	57,248
Others	90,660	115,005
Total	715,241	916,316

(*) Data restated.

The balance of inventories at December 31, 2020 relates mainly to EUR 284,094 thousand (EUR 440,326 thousand at December 31, 2019) contributed by the Hochtief Group, which includes projects in progress amounting to EUR 146,970 thousand (EUR 153,309 thousand at December 31, 2019), mainly real estate (land and buildings), owned by Hochtief and its Australian subsidiary CIMIC, and which were not subject to restrictions either at December 31, 2020 or at December 31, 2019, and real estate assets in Dragados amounting to EUR 219,000 thousand (EUR 248,233 thousand at December 31, 2019). In addition to the aforementioned restrictions, inventories have been not pledged and/or mortgaged as security for the repayment of debts either at December 31, 2020 or at December 31, 2019.

Impairment losses on inventories recognized and reversed in the consolidated income statement, relating to the various ACS Group companies, amounted to EUR 416 thousand and 1,711 thousand, respectively in 2020 (EUR 2,035 thousand and EUR 584 thousand, respectively in 2019).

08. Equity

08.01. Share Capital

As at December 31, 2020, the share capital of the Parent Company amounted to EUR 155,332 thousand and was represented by 310,664,594 fully subscribed and paid shares with a par value of EUR 0.50 each, all with the same voting and dividend rights. At December 31, 2019, the share capital of ACS, Actividades de Construcción y Servicios, S.A. amounted to EUR 157,332 thousand and was represented by 314,664,594 fully subscribed and paid shares of EUR 0.50 par value each, all with the same voting and dividend rights. On August 14, 2020, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the capital reduction by EUR 2 million in nominal value through the amortization of 4 million shares of the Company's treasury stock, subject to the agreement of the Shareholders' Meeting of May 8, 2020.

Expenses directly attributable to the issue or acquisition of new shares are recognized in equity as a deduction from the amount thereof.

The General Shareholders' Meeting held on May 8, 2020 agreed to delegate to the Board of Directors, in accordance with the provisions of Article 297.1(b) of the Consolidated Text of the Spanish Companies Act, the power to increase, on one or more occasions, the share capital of the Company up to a maximum of 50% of the capital, as of the date of the Meeting, within a maximum period of five years from the date of the said General Meeting.

Said share capital increase(s) may be carried out, with or without an issue premium, either by increasing the nominal value of the existing shares with the requirements set forth in the law, or by issuing new shares, ordinary or preferential, with or without vote, or redeemable shares, or any other legally allowed shares or several modalities at the same time, consisting of the countervalue of the new shares or the increase in the nominal value of the existing ones, in terms of monetary contributions.

It is also agreed to empower the Board of Directors so that, in all matters not provided for, it can set the terms and conditions of the share capital increases and the characteristics of the shares, as well as freely offer the new unsubscribed shares within the term(s) for exercising the pre-emptive subscription right. The Board of Directors may also establish that, in the event of incomplete subscription, the share capital will be increased only in the amount of the subscriptions made and provide new wording to the corresponding article of the Company Bylaws regarding the share capital and number of shares.

The Board of Directors is expressly granted the power to exclude, in whole or in part, the preemptive subscription right up to a maximum nominal amount, collectively, equal to 20% of the share capital at the time of authorization in relation to all or any of the issues agreed upon on the basis of this authorization, in line with the provisions of Article 506 of the Spanish Companies Act, including also the exclusions of the preemptive subscription rights made within the framework of securities issues in accordance with the agreement approved at the General Shareholders' Meeting of May 10, 2019.

The Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 8, 2020 resolved, among other matters, to make a share capital increase and reduction. In this regard, the Company resolved to increase the share capital to a maximum of EUR 630 million with a charge to freely disposable reserves, whereby the first capital increase may not exceed EUR 487 million and the second increase may not exceed EUR 143 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the General Shareholders' Meeting held in 2020 and, in the case of the second increase, within the first quarter of 2021, thereby coinciding with the dates on which ACS, Actividades de Construcción y Servicios, S.A. has traditionally distributed the final dividend and the interim dividend. With regard to the capital reduction, the resolution adopted by the Board consists of reducing share capital through the redemption of the Company's treasury shares for a nominal amount equal to the nominal amount for which the aforementioned capital increase was effectively carried out. The Board of Directors is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases.

In this regard, on June 10, 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase charged to issue premium, approved at the Ordinary General Shareholders' Meeting held on May 8, 2020, so that once the process has concluded in July 2020, the definitive number of ordinary shares, with a par value of EUR 0.50 each, to be issued is 11,377,057, and the nominal value of the related capital increase is EUR 5,688,528.50, with a simultaneous capital reduction of EUR 5,688,528.50 through the redemption of 11,377,057 treasury shares charged to free reserves and with an allocation for the same amount of EUR 5,688,528.50 to the reserve provided for in section c) of Article 335 of the Spanish Companies Act, which is the nominal value of the redeemed shares.

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. decided to carry out the second capital increase with a charge to issue premium approved at the Ordinary General Shareholders' Meeting held on May 8, 2020, and, on the same date, also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital as a result of the second capital increase (Note 08.02).

On February 4, 2020, ACS, Actividades de Construcción y Servicios, S.A. decided to carry out the second capital increase with a charge to issue premium approved at the Ordinary General Shareholders' Meeting held on May 10, 2019, and, on the same date, also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital as a result of the second capital increase (Note 08.02).

The General Shareholders' Meeting held on May 10, 2019, approved a motion to delegate to the Board of Directors the power to issue, on one or more occasions, within a maximum term of five years following May 10, 2019, securities convertible and/or exchangeable for shares of the Company, as well as warrants or other similar securities that may directly or indirectly provide the right to the subscription or acquisition of shares of the Company, for a total amount of up to EUR 3 billion; as well as the power to increase the share capital by the necessary amount, along with the power to exclude, where appropriate, the preemptive subscription rights up to a limit of 20% of the share capital.

As provided for under Article 506 of the Consolidated Text of the Spanish Companies Act, the Board of Directors is expressly granted the power to exclude, in whole or in part, the pre-emptive subscription right in respect of all or any of the issues it agrees to make by virtue of this authorization. In the event that the issuance of the convertible securities excludes the preemptive subscription rights of the shareholders, the Company will only issue convertible securities when the capital increase necessary for their conversion, added to the increases that, if applicable, would have been agreed upon under other authorizations granted by the General Shareholders' Meeting, does not exceed 20% of said total amount of the capital stock at the time of the authorization.

Additionally, the Company's Board of Directors is authorized to request the listing or delisting of any shares issued, in Spanish or foreign organized secondary markets.

The Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 10, 2019 resolved, among other matters, to make a share capital increase and reduction. In this regard, the Company resolved to increase the share capital to a maximum of EUR 625 million with a charge to voluntary reserves, whereby the first capital increase may not exceed EUR 481 million and the second increase may not exceed EUR 144 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the General Shareholders' Meeting held in 2019 and, in the case of the second increase, within the first quarter of 2020, thereby coinciding with the dates on which ACS, Actividades de Construcción y Servicios, S.A. has traditionally distributed the final dividend and the interim dividend. With regard to the capital reduction, the resolution adopted by the Board consists of reducing share capital through the redemption of the Company's treasury shares for a nominal amount equal to the nominal amount for which the aforementioned capital increase was effectively carried out. The Board of Directors is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases.

In this regard, on June 11, 2019, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase charged to reserves, approved at the Ordinary General Shareholders' Meeting held on May 10, 2019, so that once the process has concluded in July 2019, the definitive number of ordinary shares, with a par value of EUR 0.50 each, to be issued is 7,836,637, and the nominal value of the related capital increase is EUR 3,918,318.50, with a simultaneous capital reduction of EUR 3,918,318.50 through the redemption of 7,836,637 treasury shares charged to free reserves and with an allocation for the same amount of EUR 3,918,318.50 to the reserve provided for in section c) of Article 335 of the Spanish Companies Act, which is the nominal value of the redeemed shares.

The shares representing the capital of ACS, Actividades de Construcción y Servicios, S.A. are admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are listed on the continuous market.

In addition to the Parent Company, the companies included in the scope of consolidation whose shares are listed on securities markets are Hochtief, A.G. on the Frankfurt Stock Exchange (Germany), Dragados y Construcciones Argentina, S.A.I.C.I. on the Buenos Aires Stock Exchange (Argentina), CIMIC Group Limited, and Devine Limited on the Australia Stock Exchange.

08.02. Treasury shares

The changes in "Treasury shares" in the 2020 and 2019 financial years were as follows:

	2020		2019	
	Number of shares	Thousands of Euros	Number of shares	Thousands of Euros
At beginning of the reporting period	11,386,246	402,542	6,442,991	221,505
Purchases	32,494,620	738,218	15,753,833	570,410
Depreciation and sales	(18,276,225)	(504,749)	(10,810,578)	(389,373)
At end of the reporting period	25,604,641	636,011	11,386,246	402,542

On February 4, 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second increase of capital against reserves approved by the Ordinary General Shareholders' Meeting held on May 10, 2019, setting the definitive number of ordinary shares of EUR 0.50 par value each to be issued at 2,899,168, the corresponding nominal amount of the increase in capital being EUR 1,449,584.00. On the same date, a capital reduction of ACS, Actividades de Construcción y Servicios, S.A. was executed for the amount of EUR 1,449,584.00 by means of the redemption of 2,899,168 treasury shares and an allocation of an equal amount of EUR 1,449,584.00 to the reserve provided for in section c) of Article 335 of the Spanish Capital Companies Act, equivalent to the nominal value of the redeemed shares (see Note 01.11).

On June 10, 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first increase of capital charged to issue premium approved by the Ordinary General Shareholders' Meeting held on May 8, 2020 so that, once the process is concluded was July 2020, the definitive number of ordinary shares would be set at EUR 0.50 par value each to be issued at 11,377,057, the corresponding nominal amount of the increase in capital being EUR 5,688,528.50. On the same date, a capital reduction of ACS, Actividades de Construcción y Servicios, S.A. was executed for the amount of EUR 5,688,528.50 by means of the redemption of 11,377,057 treasury shares and an allocation of an equal amount of EUR 5,688,528.50 to the reserve provided for in section c) of Article 335 of the Spanish Capital Companies Act, equivalent to the nominal value of the redeemed shares (see Note 08.01).

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase charged to issue premium approved by the Ordinary General Shareholders' Meeting held on May 8, 2020, and also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital as a result of the second capital increase (see Note 08.01) through the redemption of the required treasury shares.

On January 9, 2019, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second increase of capital against reserves approved by the Ordinary General Shareholders' Meeting held on May 8, 2018, setting the definitive number of ordinary shares of EUR 0.50 par value each to be issued at 2,965,728, the corresponding nominal amount of the increase in capital being EUR 1,482,864. On the same date, a capital reduction of ACS, Actividades de Construcción y Servicios, S.A. was executed for the amount of EUR 1,482,864 by means of the redemption of 2,965,728 treasury shares and an allocation of an equal amount of EUR 1,482,864 to the reserve provided for in section c) of Article 335 of the Spanish Capital Companies Act, equivalent to the nominal value of the redeemed shares (see Note 08.01).

On June 11, 2019, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first increase of capital against reserves approved by the Ordinary General Shareholders Meeting held on May 10, 2019, and, once the process was finished in July 2019, the definitive number of ordinary shares was set at EUR 0.50 par value each to be issued at 7,836,637, the corresponding nominal amount of the increase in capital being EUR 3,918,318.50. On the same date, a capital reduction of ACS, Actividades de Construcción y Servicios, S.A. was executed for the amount of EUR 3,918,318.50 by means of the redemption of 7,836,637 treasury shares and an allocation of an equal amount of EUR 3,918,318.50 to the reserve provided for in section c) of Article 335 of the Spanish Capital Companies Act, equivalent to the nominal value of the redeemed shares (see Note 08.01).

As at December 31, 2020, the Group held 25,604,641 treasury shares of the Parent Company, with a par value of EUR 0.50 each, representing 8.2% of the share capital, with a consolidated net carrying amount of EUR 636,011 thousand, which was recognized in equity under "Treasury shares" in the consolidated statement of financial position. At December 31, 2019, the Group held 11,386,246 treasury shares of the Parent Company, with a par value of EUR 0.50 each, representing 3.6% of the share capital, with a consolidated net carrying amount of EUR 402,542 thousand, which was recognized in equity under "Treasury shares" in the consolidated statement of financial position.

On May 25, 2020, ACS agreed to amend the treasury shares repurchase program (the "Repurchase Program") of which the CNMV was notified on February 24, 2020, extending the maximum number of shares to be acquired by 12,000,000, as well as the maximum investment to EUR 600 million and the duration of the period until March 31, 2022.

The average purchase price of ACS shares in 2020 was EUR 22.72 per share (EUR 36.21 per share in 2019).

08.03. Adjustments for changes in value

The net changes in the balance of this heading in 2020 and 2019 were as follows:

	Thousands of Euros	
	2020	2019
Beginning balance (*)	(356,377)	(297,834)
Hedging Instruments	7,449	(108,066)
Available-for-sale financial assets	(6,758)	12,635
Exchange differences	(313,086)	36,888
Ending balance	(668,772)	(356,377)

(*) Data restated.

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and effective as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting. The variations in the period are mainly due to the exchange differences generated by the change in the exchange rate of the US dollar, the Brazilian real and the Canadian dollar.

The changes relating to financial assets with changes in other comprehensive income include the unrealized gains or losses arising from changes in their fair value net of the related tax effect.

09. Non-current provisions

The breakdown of this balance under this heading at December 31, 2020 and 2019, is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Provision for pensions and similar obligations	481,610	428,194
Personnel-related Provisions	134,507	150,510
Provision for taxes	7,112	130,697
Provision for third-party liability	649,188	657,610
Provisions for actions on infrastructure	3,958	13,204
Total	1,276,375	1,380,215

(*) Data restated.

The increase in provisions for pensions and similar obligations has mainly been due to the decrease by Hochtief of the discount rate used to measure its pension obligations in Germany, the United States and the United Kingdom to 1.14%, 2.40% and 1.60% respectively at December 31, 2020 (1.30%, 2.98% y 2.05% respectively at December 31, 2019).

Note 20 to the ACS Group's Consolidated Annual Accounts for the year ended December 31, 2019 describes the main disputes, including the main litigation of a tax and legal nature, affecting the Group at that date. The Group has proceeded to re-evaluate the provisions that existed at the end of the previous financial year on the basis of the information available at the end of the 2020 financial year, which is why it has been concluded that some of them are not necessary.

The total amount of payments arising from lawsuits involving the ACS Group in fiscal years 2020 and 2019 is not significant in relation to these Condensed Consolidated Financial Statements.

10. Financial liabilities

The breakdown of the ACS Group's financial liabilities at December 31, 2020 and 2019, by nature and category for valuation purposes, is as follows:

	Thousands of Euros			
	31/12/2020		31/12/2019 (*)	
	Non-Current	Current	Non-Current	Current
Debt instruments and other marketable securities	3,137,017	943,609	2,531,291	2,073,134
Bank borrowings	5,116,027	1,853,689	4,147,267	1,415,304
- with limited recourse	73,318	16,123	122,496	18,502
- other	5,042,709	1,837,566	4,024,771	1,396,802
Other financial liabilities	116,992	88,510	160,631	162,073
Total	8,370,036	2,885,808	6,839,189	3,650,511

(*) Data restated.

The classification of financial liabilities in accordance with the application of IFRS 9 at December 31, 2020 and 2019 is as follows:

	Thousands of Euros			
	Value at 31/12/2020	Fair value through profit or loss	Fair value through other comprehensive income (equity)	Amortized cost
Long Term Financial Liabilities	8,370,036	—	—	8,370,036
Debentures and other negotiable securities	3,137,017	—	—	3,137,017
Payables to credit institutions	5,024,786	—	—	5,024,786
Payables on lease of goods	17,923	—	—	17,923
Project financing and debt with limited resources	73,318	—	—	73,318
Other long-term financial payables not in banks	97,883	—	—	97,883
Long-term payables to group and associated companies	19,109	—	—	19,109
Short Term Financial Liabilities	2,885,808	—	—	2,885,808
Debentures and other negotiable securities	943,609	—	—	943,609
Payables to credit institutions	1,832,412	—	—	1,832,412
Payables on lease of goods	5,154	—	—	5,154
Project financing and debt with limited resources	16,123	—	—	16,123
Other short-term financial payables not in banks	75,278	—	—	75,278
Short-term payables to group and associated companies	13,232	—	—	13,232

	Thousands of Euros			
	Value at 31/12/2019 (*)	Fair value through profit or loss	Fair value through other comprehensive income (equity)	Amortized cost
Long Term Financial Liabilities	6,839,189	—	—	6,839,189
Debentures and other negotiable securities	2,531,291	—	—	2,531,291
Payables to credit institutions	4,007,178	—	—	4,007,178
Payables on lease of goods	17,593	—	—	17,593
Project financing and debt with limited resources	122,496	—	—	122,496
Other long-term financial payables not in banks	110,702	—	—	110,702
Long-term payables to group and associated companies	49,929	—	—	49,929
Short Term Financial Liabilities	3,474,830	—	—	3,474,830
Debentures and other negotiable securities	2,073,134	—	—	2,073,134
Payables to credit institutions	1,213,827	—	—	1,213,827
Payables on lease of goods	7,293	—	—	7,293
Project financing and debt with limited resources	18,502	—	—	18,502
Other short-term financial payables not in banks	121,577	—	—	121,577
Short-term payables to group and associated companies	40,497	—	—	40,497

(*) Data restated.

10.01. Bonds and other securities

As at December 31, 2020, the ACS Group had debentures and bonds issued amounting to EUR 3,137,017 thousand in non-current issues and EUR 943,609 thousand in current issues (EUR 2,531,291 thousand non-current and EUR 2,073,134 thousand in current issues, respectively, at December 31, 2019) from CIMIC, Hochtief, ACS, Actividades de Construcción y Servicios, S.A. and ACS Servicios Comunicaciones y Energía, S.A.

The most significant variations as at December 31, 2020 are as follows:

- In 2020, ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) program for a maximum amount of EUR 750 million, which was registered in the Irish Stock Exchange. Through this program, ACS may issue notes maturing between 1 and 364 days, thus enabling the diversification of financing channels in the capital market. As at December 31, 2020, the issues outstanding under the aforementioned programs amounted to EUR 247,041 thousand (EUR 378,900 thousand at December 31, 2019).
- It has also renewed its debt issue program, called the Euro Medium Term Note Program (EMTN Program), for a maximum amount of EUR 1.500 billion, which was approved by the Central Bank of Ireland. On the basis of this program, ACS, Actividades de Construcción y Servicios, S.A., on June 8, 2020, went to the Euromarket for the issue of a five-year senior bond, for a total amount of EUR 750 million, maturing on June 17, 2025, and with a 1.375% annual coupon. Demand has been over twice the amount of the issue and the portion allocated to private investors has been distributed to residents in different European countries.
- Furthermore, in 2020, ACS, Actividades de Construcción y Servicios, S.A. renewed the Negotiable European Commercial Paper (NEU CP) program, increasing the maximum amount of EUR 300 million in the previous year to EUR 500 million, with a maximum issue term of 365 days, under the regulation of the Bank of France (pursuant to Article D.213-2 of the French Monetary and Financial Code) listed on the Luxembourg Stock Exchange. At December 31, 2020, the issues outstanding under this program amounted to EUR 238 thousand thousand (EUR 245,000 thousand at December 31, 2019).
- In March 2020, the corporate bond of Hochtief, A.G. was paid at maturity and in full in the amount of EUR 750 million. This operation was already refinanced in 2019 by the issuance of eight-year and 12-year corporate bonds under improved terms with a total amount of EUR 750 million. The first was issued for an amount of EUR 500 million, with an annual interest rate of 0.5% and maturity in 8 years (until September 2027). The second bond is for EUR 250 million, with an annual interest rate of 1.25% and a maturity of 12 years (until September 2031).
- In order to optimize and diversify the Group's funding, Hochtief, A.G. launched a commercial paper program with a limit of EUR 750 million in May 2020. Under this program, bonds have maturities of up to one year. As at December 31, 2020, the use of the commercial paper program amounted to EUR 276 million with an average maturity of approximately three months and an average cost of approximately -0.36%.
- In addition, the bond issue for a nominal amount of EUR 500,000 thousand at a fixed annual interest rate of 2.875% of ACS, Actividades de Construcción y Servicios, S.A. was paid when it matured on April 1, 2020.

The detail of the principal bonds of the ACS Group at December 31, 2020 and 2019 is as follows:

Bonds	Carrying amount 31/12/2020	Carrying amount 31/12/2019	Price 31/12/2020	Price 31/12/2019	Principal (Millions of Euros)	Coupon (%)	Initial term (in years)	Matures
ACS 750	750,455	—	102.67%	0.00%	750	1.375%	5	April 2025
ACS 500	—	510,431	Vencido	100.57%	500	2.875%	5	April 2020
ACS 120	120,351	120,252	n.a.	n.a.	120	0.375%	2	February 2021
ACS 50	50,001	50,001	n.a.	n.a.	50	0.785%	4.11	June 2023
ACS SC&E	755,551	754,372	107.76%	105.62%	750	1.875%	8	April 2026
HOCHTIEF 750	—	772,565	Vencido	100.82%	750	3.875%	7	March 2020
HOCHTIEF 500	501,949	501,413	107.06%	106.08%	500	1.750%	7	July 2025
HOCHTIEF 50 CHF	46,389	44,662	n.a.	n.a.	46	0.769%	6	June 2025
HOCHTIEF 50	50,622	50,609	n.a.	n.a.	50	2.300%	15	April 2034
HOCHTIEF 500	496,278	495,597	101.42%	98.52%	500	0.500%	8	September 2027
HOCHTIEF 1000 NOK	96,083	104,139	n.a.	n.a.	96	1.700%	10	July 2029
HOCHTIEF 250	249,246	249,079	102.38%	98.45%	250	1.250%	12	September 2031
CIMIC; 115 USD	—	102,712	Vencido	n.a.	103	5.780%	10	July 2020
CIMIC FINANCE 500 USD	164,458	179,785	103.75%	106.38%	164	5.950%	10	November 2022

10.02. Bank borrowings

The ACS Group's most significant bank loans are as follows:

- On October 13, 2020, ACS, Actividades de Construcción y Servicios, S.A. extended the maturity date of the bank syndicated loan for an additional year with maturity on October 13, 2025. In 2019, ACS, Actividades de Construcción y Servicios, S.A. renewed the syndicated bank loan for an amount of EUR 2,100,000 thousand, divided into two tranches (loan tranche A, fully drawn down, for EUR 950,000 thousand, and tranche B, for a liquidity facility of EUR 1,150,000 thousand), maturing on October 13, 2024, and which can be extended for a further two years, with lower margins. No amount had been drawn from the liquidity facility for Tranche B at December 31, 2020 and 2019.
- In the context of the acquisition of Abertis, in 2018, ACS, Actividades de Construcción y Servicios, S.A. formalized loan agreements with various entities in the amount of EUR 750 million, with differing maturities in 2023 (between June 28 and December 12, 2023), at market interest rates tied to Euribor, which were reduced by EUR 50 million in 2019, so that at the end of the 2019 financial year and at December 31, 2020, the outstanding capital stood at EUR 700 million.
- The credit financing granted by an international syndicate of banks to the investee Hochtief, A.G. for a total of EUR 1,700,000 thousand (it has a tranche for guarantees amounting to EUR 1,200 thousand thousand and a credit facility of EUR 500,000 thousand), maturing in August 2023, was extended by one year until August 2024. In order to temporarily increase liquidity reserves during the Covid-19 pandemic, Hochtief, A.G. had access to the EUR 500 million of the credit line tranche in March 2020 (as at December 31, 2019, there were no amounts arranged for the credit line tranche).
- In order to have additional liquidity, Hochtief secured a one-year syndicated loan of EUR 400 million in May 2020, which as at December 31, 2020, was fully disposed of and invested in liquid assets.
- CIMIC syndicated funding with the following maturities was also maintained at December 31, 2020:
 - AUD 1,300 million maturing on September 22, 2022.
 - AUD 950 million maturing on September 25, 2023.
 - AUD 950 million maturing on September 25, 2024.

The amount drawn down at December 31, 2020 was AUD 2,400 million (AUD 200 million at December 31, 2019).

- On January 28, 2020, CIMIC Finance (USA) Pty Limited subscribed syndicated bank financing totaling USD 1,060.0 million, equivalent to AUD 1,514.3 million, maturing on August 5, 2021. The funding has been repaid and at December 31, 2020 is canceled.

- On June 30, 2020, CIMIC Finance Limited entered into a syndicated bank financing agreement with HSBC as loan agent, in two tranches:
 - USD 105.0 million equivalent to AUD 150.0 million maturing on June 30, 2021.
 - AUD 125.0 million maturing on June 30, 2021.

The book value of this funding was zero at December 31, 2020.

- On June 29, 2017, the Company (Dragados, S.A.) and its investee (Dragados Construction USA, Inc.) as "Borrowers," signed a syndicated loan agreement with a group of international financial institutions, amounting to USD 270,000 thousand (EUR 225,075 thousand), which was drawn down in full by Dragados Construction USA, Inc. The principal of this loan bears interest tied to Libor and matures on June 29, 2022, when it will be repaid in full.
- On December 20, 2018, Dragados, S.A. entered into a new syndicated transaction amounting to a total of EUR 323,800 thousand, which was divided into Tranche A as a loan amounting to EUR 161,900 thousand and Tranche B as a credit facility for the same amount as Tranche A. Subsequently, on December 19, 2019, this contract was renewed, and tranches A and B were increased by EUR 70,000 thousand each, for a total of EUR 463,800 thousand. As at December 31, 2020, only EUR 231,900 thousand are available from Tranche A. Tranche B is not available. The principal of the loan and the credit facility will bear interest linked to Euribor, maturing on December 20, 2023.
- The ACS Group held mortgage loans amounting to EUR 28,329 thousand at December 31, 2020 (EUR 35,104 thousand at December 31, 2019).
- As at December 31, 2020, the Group companies had been granted credit facilities with limits of EUR 7,975,802 thousand (EUR 6,762,905 thousand in 2019), of which the amount of EUR 5,492,655 thousand (EUR 5,795,336 thousand at December 31, 2019) were undrawn. These credit facilities sufficiently cover all the Group's needs in relation to its short-term commitments.

"Project finance with limited recourse" on the liability side of the consolidated statement of financial position mainly includes the amount of the financing related to infrastructure projects.

The detail of this heading, by type of financed asset, at December 31, 2020 is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Highways	7,593	53,594	61,187
Other infrastructures	8,530	19,724	28,254
Total	16,123	73,318	89,441

The detail of this heading, by type of financed asset, at December 31, 2019 was as follows:

	Thousands of Euros		
	Current	Non-current	Total
Highways	5,256	57,189	62,445
Water management	4,336	43,851	48,187
Other infrastructures	8,910	21,456	30,366
Total	18,502	122,496	140,998

In 2020 and 2019, the ACS Group satisfactorily met its bank borrowing payment obligations on maturity.

Note 21 to the Consolidated Annual Accounts for 2019 details the main financial risks to which the ACS Group is exposed (interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk of listed shares). The most significant changes in fiscal year 2020 regarding the financial risks of the ACS Group detailed in the 2019 Consolidated Annual Accounts are as follows:

- ACS, Actividades de Construcción y Servicios, S.A. has renewed the Euro Commercial Paper (ECP) programs for a maximum amount of EUR 750 million, the Negotiable European Commercial Paper (NEU CP) program increasing the maximum amount from EUR 300 million to EUR 500 million and the debt issue program known as the Euro Medium Term Note Program (EMTN program) for a maximum amount of EUR 1.500 billion. The latter program issued a total amount of EUR 750 million in 2020 with a demand that was more than twice the amount of the issue.
- On October 13, 2020, ACS, Actividades de Construcción y Servicios, S.A. extended the maturity date of the bank syndicated loan for an additional year.
- The General Shareholders' Meeting held on May 8, 2020 approved delegating to the Board of Directors the power to increase, on one or more occasions, the share capital of the Company by a maximum amount of up to 50% of the capital, within a maximum period of five years from the date of the above-mentioned General Meeting as detailed in Note 08.01.
- In March 2021, the ratings agency Standard and Poor's (S&P) granted ACS, Actividades de Construcción y Servicios, S.A. a long-term corporate credit rating of BBB- and a short-term rating of A-3, with a stable outlook. Hochtief and CIMIC also obtained the same credit rating.

Under the heading "Other current financial assets" in the consolidated statement of financial position at December 31, 2020 (see Note 10), which amounts to EUR 1,354,982 thousand (EUR 1,339,029 thousand at December 31, 2019), the amount of EUR 771,948 thousand (EUR 443,650 thousand at December 31, 2019) could be settled in less than three months at the option of the Group due to the instrument's own liquid nature or its own term. In addition, the fair value of forward purchase contracts (settled for differences) relating to ACS shares amounting to EUR 247,163 thousand at December 31, 2020 are considered to be liquid and may be disposed of at any time (see Note 11).

The amount corresponding to "Other financial liabilities" on the statement of financial position includes, essentially, the financing obtained from public bodies in various countries to carry out certain infrastructure projects.

10.03. Capital management

The objectives of capital management at the ACS Group are to maintain an optimum financial and net worth structure to reduce the cost of capital and at the same time to safeguard the Group's ability to continue to operate with sufficiently sound debt/equity ratios.

The capital structure is controlled mainly through the debt/equity ratio, calculated as net financial debt divided by equity. Net financial debt is taken to be:

- + Net debt with recourse:
 - + Non-current bank borrowings
 - + Current bank borrowings
 - + Issue of bonds and debentures
 - Cash and other current financial assets
- + Debt from project finance and debt with limited recourse.

The Group's directors consider that the gearing ratio at December 31, 2020 and 2019 was adequate, the detail being as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Net recourse debt / (cash)	1,730,330	878,406
Non-current bank borrowings (Note 10.02)	5,042,709	4,024,771
Current bank borrowings (Note 10.02)	1,837,564	1,396,802
Issue of bonds and debentures (Note 10.01)	4,080,626	4,604,425
Other financial liabilities (Note 10.02)	205,504	322,704
Long term deposits, other current financial assets and cash	(9,436,073)	(9,470,296)
Project financing (Note 10.02)	89,441	140,998
Net financial debt	1,819,771	1,019,404
Equity (Note 08)	4,275,907	5,505,968

(*) Data restated.

11. Derivative financial instruments

The details of the financial instruments at December 31, 2020 and 2019 are as follows:

	Thousands of Euros			
	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
Hedges	17,836	41,599	7,393	72,230
Non-qualified hedges	11	8,192	8	9
Non-current	17,847	49,791	7,401	72,239
Hedges	2,733	29,270	7,287	9,125
Non-qualified hedges	248,583	126,190	3,972	19,256
Current	251,316	155,460	11,259	28,381
Total	269,163	205,251	18,660	100,620

The assets and liabilities designated as hedging instruments include the amount corresponding to the effective part of the changes in fair value of these instruments designated and classified as cash flow hedges. They relate mainly to interest rate hedges (interest rate swaps) and foreign exchange rate hedges, tied to asset and liability items in the statement of financial position, and to future transaction commitments qualifying for hedge accounting.

The assets and liabilities relating to derivative financial instruments not qualified as hedges include the fair value of derivatives that do not meet the hedging conditions.

In the second half of 2018, a new ACS share option plan was established which, like the previous ones, is outsourced to a financial institution. The financial institution holds these shares to be delivered to executives who are beneficiaries of the plan in accordance with the conditions included therein and at the exercise price of the option EUR 37.17 per share). These derivatives do not fulfill the accounting requirements to qualify for hedge accounting, therefore their measurement is recorded by means of changes in the consolidated income statement. The change in fair value of this instrument is included under "Changes in fair value of financial instruments" in the accompanying consolidated income statement (see Note 17). Pursuant to the contracts with the financing entities, the latter do not assume any risk arising from the decline of the share price below the call price. The negative fair value of the derivatives related to ACS shares amounted to EUR 125,813 thousand at December 31, 2020 (EUR 19,040 thousand at December 31,

2019) and was recognized under "Short-term derived financial instrument creditors" in the accompanying consolidated statement of financial position.

Since November 1, 2020, ACS, Actividades de Construcción y Servicios, S.A. has maintained a liquid "forward purchase" derivative for differences on its treasury shares with a financial institution for a maximum total of 12,000,000 shares with a EUR 12.21 strike price per share adjustable on the basis of future dividends and 104 maturities between October 8, 2021 and March 4, 2022.

Since December 21, 2020, ACS, Actividades de Construcción y Servicios, S.A. has had a "forward purchase" contract on ACS shares settled for differences, for a total of 11,952,615 options with a strike price per share of EUR 16.858 adjusted for future dividends and 104 maturities between March 7, 2022 and August 1, 2022.

The positive fair value of the forward purchase contracts (settled for differences) related to ACS shares at December 31, 2020 amounted to EUR 247,163 thousand and was recognized under "Short-term derived financial instrument debtors" in the attached consolidated statement of financial position. The net effect of the premium paid on the income statement has resulted in an income of EUR 181,366 thousand recognized under the heading "Changes in fair value of financial instruments" in the attached consolidated income statement.

The amounts provided as security (see Note 06.05) relating to the aforementioned derivatives arranged by the Group amounted to EUR 118,565 thousand at December 31, 2020 (EUR 2,329 thousand at December 31, 2019).

As part of the divestment of Thiess, the transaction agreement includes a put option for Elliott to sell all or part of its 50% stake in Thiess to CIMIC after the third year, i.e. four to six years after the sale on December 31, 2020. The strike price will be the lowest of either the cost price or a price indexed to changes in the S&P/ASX 200 Total Return Index plus the cumulative value of any shortfall in the minimum agreed distributions. This option has no current impact on the control of the company.

The put option is counted as a derivative financial instrument in accordance with IFRS 9 and is therefore recorded at fair value through profit or loss in the ACS Group's Consolidated Annual Accounts. External independent advisors have been used to determine the fair value of the put option.

The fair value of the put option cannot be assessed using the market price. A probability-weighted expected yield methodology is used to obtain the value of the put option income based on future potential payments if the option is exercised, adjusted for minimum annual distributions as per the shareholders' agreement, in comparison with the estimated exercise price to determine a fair value. At December 31, 2020, the fair value of the put option was determined to be EUR 8.2 million (AUD 13.0 million).

The Group has recognized both its own credit risk and that of the counterparty based on each derivative for all derivative instruments measured at fair value through profit or loss, in accordance with IFRS 13.

With regard to the assets and liabilities measured at fair value, the ACS Group followed the hierarchy set out in IFRS 7:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2: Inputs other than prices quoted included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

	Thousands of Euros			
	Value at 31/12/2020	Level 1	Level 2	Level 3
Assets	1,225,185	473,780	681,386	70,019
Equity instruments	207,782	128,220	9,543	70,019
Debt securities	748,240	345,486	402,754	—
Derivative financial instruments				
Non-current	17,847	3	17,844	—
Current	251,316	71	251,245	—
Liabilities	205,251	55	197,018	8,178
Derivative financial instruments				
Non-current	49,791	13	41,600	8,178
Current	155,460	42	155,418	—

	Thousands of Euros			
	Value at 31/12/2019 (*)	Level 1	Level 2	Level 3
Assets	840,023	488,548	245,179	106,296
Equity instruments	354,009	196,266	51,447	106,296
Debt securities	467,354	292,229	175,125	—
Derivative financial instruments				
Non-current	7,401	3	7,398	—
Current	11,259	50	11,209	—
Liabilities	100,620	32	100,588	—
Derivative financial instruments				
Non-current	72,239	9	72,230	—
Current	28,381	23	28,358	—

(*) Data restated.

The changes in financial instruments included under Level 3 in 2020 are as follows:

	Thousands of Euros				
	01/01/2020 (*)	Valuation adjustments	Transfer Level 2	Others	31/12/2020
Assets - Equity instruments and derivative financial instruments	106,296	(34,274)	—	(2,003)	70,019
Liabilities - Derivative financial instruments	—	8,178	—	—	8,178

The changes in financial instruments included under Level 3 in 2019 were as follows:

	Thousands of Euros				
	01/01/2019 (*)	Valuation adjustments	Transfer Level 2	Others	31/12/2019 (*)
Assets - Equity instruments and derivative financial instruments	116,336	(41,823)	—	31,783	106,296
Liabilities - Derivative financial instruments	—	—	—	—	—

(*) Data restated.

No derivative instruments measured at fair value through profit or loss were transferred between levels 1 and 2 of the fair value hierarchy either during the 2020 financial year or during 2019.

12. Tax matters

12.01. Deferred tax assets and liabilities

The detail of the deferred tax assets at December 31, 2020 and 2019 is as follows:

	Thousands of Euros					
	31/12/2020			31/12/2019 (*)		
	Tax Group in Spain	Other companies	Total	Tax Group in Spain	Other companies	Total
Credit for tax loss	462,294	353,052	815,346	473,738	780,385	1,254,123
Other temporary differences	468,123	410,847	878,970	482,266	159,294	641,560
Tax credits and tax relief	189,444	5,093	194,537	205,630	5,029	210,659
Total	1,119,861	768,992	1,888,853	1,161,634	944,708	2,106,342

(*) Data restated.

The temporary differences of the companies not included in the Spanish Tax Group arose mainly from the companies of the Hochtief Group.

The credit for tax losses of the Fiscal Group of ACS in Spain comes from the negative consolidated tax base of the financial year 2012, mainly due to the impairment and losses linked to the investment in Iberdrola, S.A. The temporary differences of companies outside the Spanish Tax Group originated mainly from the Hochtief Group companies, among which, as at December 31, 2019, those from CIMIC amounted to EUR 550.1 million (AUD 884 million) for losses incurred in connection with BIC Contracting. As a result of the sale of Thiess, CIMIC has managed to offset most of the tax losses arising from the losses registered in connection with BIC Contracting and the strategic departure of that company (see Note 01.04.01). Both tax credits have no expiration period.

With regard to credits for tax losses and deductions of the Tax Group in Spain, an impairment test is prepared every year on the basis of which these credits are availed of by the Group within the expiration period. In this regard, the tax projections and assumptions regarding the recoverability of these assets prepared at the end of the 2019 financial year have been updated to reflect the effect of Covid-19, with the result that due to the impact of Covid-19, there is no need to reverse recognized deferred tax assets.

The Group has considered, in relation to the analysis of the recoverability of deferred tax assets, the main positive and negative factors that apply to the recognition of these assets, identifying that the following, among others, are met:

Positive factors

- The probability of recovering deferred tax assets is greater if the loss arises from an isolated and non-recurring event than if it is the result of demand factors or margins. This is the case with ACS, where the loss comes from an isolated and non-recurrent event.
- History of recurring profits by the tax group.
- Existence of new business opportunities for the tax group. Having a solid portfolio.
- The Group is not a start-up.
- Compliance with business plans and profit forecasts in the coming financial years.
- Some of the businesses that make up the tax group are not very complex in terms of making projections.

Negative factors

- The longer the recovery time, the less reliable the estimate will be.
- Long offsetting periods do not guarantee that deferred tax assets will be reversed in full because a company or tax group could generate new losses in the future or cease to be a going concern. In the

case of ACS' Spanish tax group, it has a history of recurring profits and a solid future portfolio, so this negative factor does not occur and the loss was a one-off operating event.

At December 31, 2020, deferred tax assets and liabilities arising from temporary differences totaling EUR 407,282 thousand (EUR 696,171 thousand at December 31, 2019) have been offset. The offsetting was at the level of the same company code or tax group and most of the offsetting arises in the Hochtief Group.

	Thousands of Euros	
	31/12/2020	31/12/2019
Deferred tax assets	2,296,135	2,802,513
Compensations of deferred tax assets/liabilities	(407,282)	(696,171)
Total deferred tax assets	1,888,853	2,106,342
Deferred tax liabilities	727,770	1,079,292
Compensations of deferred tax assets/liabilities	(407,282)	(696,171)
Total deferred tax liabilities	320,488	383,121

(*) Data restated.

The items and amounts of deferred tax liabilities amounting to EUR 320,488 thousand (EUR 383,121 thousand at December 31, 2019), have not substantially changed with respect to December 31, 2019. In relation to the amendment in the Spanish Government's General State Budget for 2021, which sets a limit for the exemption of dividends received by Spanish companies at 95%, the Group evaluated the impact of this measure at the end of the financial year, taking into account, among other factors, the interim dividends approved before the end of the financial year, the effects of Covid-19 on the profits of the different companies during the financial year and the corporate operations that may, where applicable, bear fruit in 2021. This did not result in any significant impact on the Condensed Consolidated Financial Statements as at December 31, 2020.

12.02. Change in income tax expense

The main items affecting the quantification of income tax expense at December 31, 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	2019 (*)
Consolidated profit/(loss) before tax	1,283,402	2,078,908
Profit / (Loss) of companies accounted for using the equity method	(207,614)	(557,865)
	1,075,788	1,521,043
Tax charge at 25%	268,947	380,261
Effect of long-term differences	(26,437)	(81,812)
Deductions for tax incentives	(4,810)	(6,668)
Effect of the difference between applicable national rates	85,566	61,854
Expenses for non-recognition of deferred tax assets generated during the fiscal year, and other adjustments from prior fiscal years	64,086	54,957
Income tax expense / (income)	387,352	408,592

(*) Data restated.

The effect of the spread between national tax rates against the reference tax rate of 25% is due to the fact that the nominal Spanish rate used to calculate this table is lower than the average of nominal rates in the relevant countries in which the Group operates.

In June 2019, the Group was notified that tax audits were being commenced on Spanish Tax Group 30/99 in relation to Corporate Income Tax for financial years 2013 to 2016, and VAT and withholdings for financial

years 2015 and 2016, there being no significant developments in the financial year 2020. Due to the possible different interpretations that can be made of the tax rules, this could result in tax liabilities whose amount cannot currently be objectively quantified. However, the ACS Group's directors do not consider that any significant contingent liabilities in relation to the Group's profit could arise from the performance of these activities.

13. Business segments

In accordance with the ACS Group's internal organizational structure and, consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the operating reporting segments as indicated in IFRS 8.

The main areas of the Group are divided into:

a) Infrastructure

The Infrastructure segment includes Construction activities (through Dragados and Hochtief – including CIMIC) and Concession activities (through Iridium and the Group's stake in Abertis), and is aimed at carrying out all types of Civil Construction and Building projects, as well as the development and operation of infrastructure concessions, such as transportation, etc. The geographical regions with the highest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed markets that are safe from the geopolitical, macroeconomic and legal perspective.

In this regard, the Group presents both Construction and Concession activities within the Infrastructure segment, mainly due to the fact that the activities of these sub-segments are directly related to one another; in other words, they correspond to business lines whose activities are complementary. The integration of both activities, i.e. construction and concessions, gives the ACS Group a comprehensive offer of solutions in the infrastructure area that allows the Group to strengthen its offer in the target markets. The integration of directly interrelated activities under the same management or the conceptual title of "segment manager," as defined in paragraph 9 of IFRS 8, brings important synergies for the Group, such as optimization of the international business support structure. As a consequence of the above, this functional decentralization allows a common management or segment manager to report directly to the highest operating decision-making authority and to remain in constant contact with that authority, in order to discuss operating activities, financial results, forecasts or plans for the segment in question. In this context, the Group presents the information corresponding to these integrated activities under the title "Infrastructure," in line with the Group's strategy as a comprehensive provider of infrastructure services, whose financial and management information is assessed jointly and periodically by the Senior Management under a single management.

The infrastructure segment is a component differentiated from the company's other components, in that it has differentiated financial information and has a management or "segment manager" who reports directly to the highest operating decision-making authority, with which they remain in constant contact.

Based on the above, the Group considers it reasonable and justified to present the construction and concession activities jointly, and aims to be a leading and comprehensive provider worldwide in the infrastructure sector.

b) Industrial Services

The area is dedicated to applied industrial engineering, developing activities of construction, operation and maintenance of energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area has a presence in more than 50 countries, with a predominant exposure to the Mexican and Spanish market despite the rapid growth in new Asian and Latin American countries.

c) Services

This area only includes Clece's facility management business activity which comprises maintenance of buildings, public places or organizations, as well as assistance for people. This area is fundamentally based in Spain despite an incipient growth of the European market. Although this segment does not meet the quantitative thresholds established in IFRS 8, the Group considers that it should be reported as a differentiated segment since the nature of the goods and services it provides is wholly differentiated and identifiable and it reports independently to the Group, and this presentation is considered to be more useful to the users of the financial statements.

The details of the deferred tax assets and liabilities at December 31, 2020 and 2019 is as follows:

	Thousands of Euros			
	Assets		Liabilities	
	31/12/2020 (*)	31/12/2019 (*)	31/12/2020 (*)	31/12/2019 (*)
Infrastructure	26,135,396	29,013,660	21,133,150	22,853,845
Industrial Services	8,987,261	8,886,820	7,862,573	7,683,187
Services	1,434,431	1,448,151	658,969	654,989
Corporate unit and adjustments	776,632	346,581	3,403,121	2,997,223
Total	37,333,720	39,695,212	33,057,813	34,189,244

(*) Data restated.

The breakdown of ordinary income by segments at December 31, 2020 and 2019 is as follows:

Business segments	Thousands of Euros	
	2020	2019
Infrastructure	27,558,710	30,955,100
Industrial Services	5,849,986	6,530,342
Services	1,554,649	1,579,117
(-) Adjustments and eliminations of ordinary inter-segment income	(25,989)	(15,686)
Total	34,937,356	39,048,873

Within the infrastructure segment, CPB Contractors, a subsidiary owned by CIMIC, along with its consortium partners, Saipem S.A. and Saipem Portugal Comercio Maritime LDA, completed the Gorgon LNG (Gorgon Jetty) marine structure and dock project for Chevron Australia (Chevron). The Annual Accounts of CIMIC at December 31, 2019 included AUD 1,150 million (EUR 694 million) recognized in contractual assets in relation to Gorgon Jetty, and the recovery of these contractual assets was being claimed by CIMIC through an arbitration process in Australia against Chevron.

This arbitration process has already been completed and the Arbitration Tribunal has issued an award of AUD 78.0 million for the Consortium (CPB and Saipem) and a counterclaim of AUD 35.0 million to Chevron. The CIMIC portion of the net award, together with certain legal expenses of CIMIC and certain legal expenses attributable to the arbitration process, has resulted in a single reversal of recognized revenue over the period of AUD 1,150 million (EUR 694 million), in accordance with the variable compensation reassessment requirements of IFRS 15 Revenue from Contracts with Customers (see Note 06.06).

Inter-segment sales are made at market prices.

The reconciliation of the profit/(loss), by business, with consolidated profit/(loss) before taxes at December 31, 2020 and 2019 is as follows:

Business segments	Thousands of Euros	
	2020	2019 (*)
Infrastructure	452,102	17,063
Industrial Services	315,191	601,827
Services	16,342	40,148
Total profit of the segments reported upon	783,635	659,038
(+/-) Non-assigned profit	112,415	769,851
(+/-) Income tax and / or profit / (loss) from discontinued operations	387,352	650,019
Profit / (Loss) before tax	1,283,402	2,078,908

(*) Data restated.

Revenue by geographical area at December 31, 2020 and 2019 is as follows:

Turnover by Geographical Area	Thousands of Euros	
	2020	2019
Domestic market	4,943,450	5,418,549
Foreign market	29,993,906	33,630,324
a) European Union	2,305,703	2,215,953
a.1) Euro Zone	1,254,636	1,037,311
a.2) Non Euro Zone	1,051,067	1,178,642
b) Rest of countries	27,688,203	31,414,371
Total	34,937,356	39,048,873

Net revenue amounting to EUR 34,937,356 thousand (EUR 39,048,873 thousand in 2019) includes performance obligations recognized mainly through the application of the product method in the infrastructure business (civil construction, PPP, etc.), the services business (including construction management, mining services, applied industrial engineering services for the construction sector, the maintenance and operation of energy, industrial and mobility infrastructures, and comprehensive maintenance services for buildings, public places and organizations, together with personal assistance).

Revenue by type for 2020 is as follows:

	Construction/PPP		Construction Management/Services		Others		Total	
	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%
Infrastructure	10,087,608	28.9 %	17,216,238	49.3 %	254,864	0.7 %	27,558,710	78.9%
Industrial Services	74,304	0.2 %	5,137,738	14.7 %	637,944	1.8 %	5,849,986	16.7%
Services	—	0.0 %	1,554,657	4.4 %	(8)	0.0 %	1,554,649	4.4%
Corporate unit and adjustments	—	0.0 %	—	0.0 %	(25,989)	(0.1)%	(25,989)	-0.1%
Total	10,161,912	29.1 %	23,908,633	68.4 %	866,811	2.5 %	34,937,356	100.0%

Revenue by type for 2019 was as follows:

	Construction/PPP		Construction Management/Services		Others		Total	
	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%
Infrastructure	12,246,778	31.4 %	18,448,957	47.2 %	259,366	0.7 %	30,955,100	79.3%
Industrial Services	—	0.0 %	6,530,342	16.7 %	—	0.0 %	6,530,342	16.7%
Services	—	0.0 %	1,579,117	4.0 %	—	0.0 %	1,579,117	4.0%
Corporate unit and adjustments	—	0.0 %	—	0.0 %	(15,686)	0.0 %	(15,686)	0.0%
Total	12,246,778	31.4 %	26,558,416	68.0 %	243,680	0.6 %	39,048,873	100.0%

The distribution of revenue relating to the Group's ordinary operations in 2020 and 2019, by the main countries where it operates, is as follows:

Turnover by Countries	Thousands of Euros	
	2020	2019
United States	15,746,201	16,932,402
Australia	5,091,080	6,838,529
Spain	4,943,450	5,418,549
Canada	1,650,178	1,628,925
Germany	955,046	751,092
Brazil	815,735	479,756
Mexico	619,621	816,142
Indonesia	565,898	745,477
Hong Kong	548,863	808,931
Peru	483,193	708,030
United Kingdom	465,634	480,313
Poland	401,347	427,918
Chile	356,035	414,426
New Zealand	298,031	447,334
Other	1,997,044	2,151,049
Total	34,937,356	39,048,873

The backlog by line of business at December 31, 2020 and 2019 is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Infrastructure	57,609,132	64,969,201
Industrial Services	8,916,438	9,923,939
Services	2,701,135	2,862,805
Total	69,226,704	77,755,945

Revenue by backlog at December 31, 2020 is as follows:

	Construction/PPP		Construction Management/Services		Others		Total	
	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%
Infrastructure	26,903,662	38.9 %	30,619,259	44.2 %	86,210	0.1 %	57,609,131	83.2 %
Industrial Services	370,813	0.5 %	6,662,761	9.6 %	1,882,864	2.7 %	8,916,438	12.9 %
Services	—	0.0 %	2,701,135	3.9 %	—	0.0 %	2,701,135	3.9 %
Total	27,274,475	39.4 %	39,983,155	57.8 %	1,969,074	2.8 %	69,226,704	100.0 %

Revenue by backlog at December 31, 2019 was as follows:

	Construction/PPP		Construction Management/Services		Others		Total	
	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%
Infrastructure	32,270,135	41.5 %	31,326,938	40.3 %	1,372,128	1.8 %	64,969,201	83.6%
Industrial Services	—	0.0 %	9,923,939	12.8 %	—	0.0 %	9,923,939	12.8%
Services	—	0.0 %	2,862,805	3.7 %	—	0.0 %	2,862,805	3.7%
Total	32,270,135	41.5 %	44,113,682	56.7 %	1,372,128	1.8 %	77,755,945	100.0%

The backlog would be equivalent to approximately 23 months of activity (23 months in 2019).

14. Finance costs

The ordinary financial result has dropped by 12.2% thanks to the reduction in financial expenditure due to the lower average cost of credit facilities.

Financial expenses include factoring costs.

15. Average headcount

The detail of the average number of employees, by professional category and gender, in 2020 and 2019 is as follows:

By professional category	Average number of employees					
	31/12/2020			31/12/2019		
	Men	Women	Total	Men	Women	Total
University graduates	17,010	5,678	22,688	18,098	5,687	23,785
Junior college graduates	5,701	3,708	9,409	6,551	3,963	10,514
Non-graduate line personnel	18,843	8,156	26,999	18,942	7,040	25,982
Clerical personnel	3,822	4,318	8,140	4,181	4,468	8,649
Other employees	60,103	54,360	114,463	69,188	55,918	125,106
Total	105,479	76,220	181,699	116,960	77,076	194,036

16. Impairment and gains or losses on disposals of non-current assets and financial instruments

The breakdown of "Impairment and gains on the disposals of non-current assets" in 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	2019
Impairment of assets	(27,506)	10,829
Gains or losses on disposal of assets	1,119,392	287,999
Impairment of goodwill of consolidation	—	(2,743)
Total	1,091,886	296,085

The heading "Impairment and gains on the disposals of non-current assets" includes mainly revenue from the sale of 50% of Thies and the subsequent joint control exercised by CIMIC with its partner Elliott (see Note 01.08 and Note 5) at the end of the financial year in the amount of EUR 1.111 billion. In addition, it includes revenue from the sale in financial year 2020 of shadow toll roads (see Note 01.08).

Gains or losses on disposals of fixed assets in 2019 mainly include the gain or loss generated by the sale of the photovoltaic energy projects in operation in Spain (see Note 01.04).

In 2019, the ACS Group, through its subsidiary ACS Infrastructure Development, Inc., sold 75% of its 50% stake in the concession company I-595 Express, LLC in Florida (USA) I 595 Toll Road, LLC, to the owner of the other 50%. Also in 2019, the ACS Group sold its 50% stake in the Canadian company Northeast Anthony Henday, the concessionaire of the Edmonton ring road in Alberta, Canada (see Note 01.08).

The breakdown of "Impairment and gains or losses on disposal of financial instruments" in 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	2019 (*)
Impairment of financial instruments	105,645	(48)
Gains or losses on disposal of financial instruments	2,977	3,675
Total	108,622	3,627

(*) Data restated.

17. Changes in the fair value of financial instruments

This heading includes the effect on the consolidated income statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most significant effect in 2020 relates to derivatives on ACS, Actividades de Construcción y Servicios, S.A. share options, which gave rise to a loss of EUR 106,773 thousand (a profit of EUR 22,642 thousand in 2019), as described in Note 22. Additionally, this heading reflects the positive effect associated with new derivatives on ACS shares (forward purchase contracts settled for differences) which resulted in a profit of EUR 181,366 thousand (see Note 11).

In addition, the 2020 financial year reflects the effect of the changes in value experienced in the shares of Masmovil up to the public takeover bid (OPA) and which has resulted in a profit of EUR 7,560 thousand (see Note 10.01). In 2019, an effect due to changes in value of the shares in Masmovil was recognized, which resulted in a gain of EUR 2,940 thousand.

18. Related party transactions and balances

The following information relating to transactions with related parties is disclosed in accordance with the Spanish Ministry of Economy and Finance Order EHA/3050/2004, of September 15, and applied through the Spanish National Securities Market Commission (CNMV).

19. Transactions between individuals, companies or Group entities related to Group shareholders or directors

The following transactions were performed in 2020:

2020 Related transactions Management or collaboration contracts	Directors and executives	Other related parties				Total
		Fidalsar, S.L.	Vedelobo, S.L.	Others	Total	
Thousands of Euros						
Leases	—	40	—	—	40	40
Services received	—	104	10	—	114	114
Expenses	—	144	10	—	154	154
Services rendered	—	—	32	238	270	270
Income	—	—	32	238	270	270

2020 Related transactions Other transactions	Other related parties		
	Banco Sabadell	Fapin Mobi, S.L.	Total
Thousands of Euros			
Financing agreements: loans and capital contributions (lender)	413,416	—	413,416
Dividends and other profit distributed	—	1,166	1,166

The following transactions were performed in 2019:

2019 Related transactions Management or collaboration contracts	Directors and executives	Other related parties					Total
		Fidalsar, S.L.	Vedelobo, S.L.	Zardoya Otis, S.A.	Others	Total	
Thousands of Euros							
Leases	—	209	—	—	—	209	209
Services received	—	66	—	2,439	—	2,505	2,505
Expenses	—	275	—	2,439	—	2,714	2,714
Services rendered	—	—	105	20	206	331	331
Sale of goods	405	—	—	—	—	—	405
Income	405	—	105	20	206	331	736

2019 Related transactions Other transactions	Other related parties		
	Banco Sabadell	Fapin Mobi, S.L.	Total
Thousands of Euros			
Financing agreements: loans and capital contributions (lender)	496,807	—	496,807
Dividends and other profit distributed	—	1,083	1,083

At December 31, 2020, the balance outstanding with Banco Sabadell amounted to EUR 316,530 thousand (EUR 293,025 thousand at December 31, 2019) for loans and credits granted to ACS Group companies. Moreover, the transactions maintained by this bank at December 31, 2020, in accordance with the information available at the different ACS Group companies, amounted to EUR 234,046 thousand (EUR 240,845 thousand at December 31, 2019) in guarantees and sureties and EUR 52,407 thousand (EUR 68,079 thousand at December 31, 2019) in reverse factoring transactions with suppliers.

The transactions with other related parties are listed due to the relationship of certain board members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or senior executives. In this regard, the transactions with Fidalser, S.L. and Fapin Mobi, S.L. are listed due to the relationship of the Board Member Pedro López Jiménez with these companies. The transactions with Banco Sabadell are listed due to the bank's relationship with the Board Member Javier Echenique.

“Other transactions” included all transactions not related to the specific sections included in the periodic public information reported in accordance with the regulations published by the CNMV.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business and relate to the normal operations of the Group companies.

Transactions between companies forming part of the consolidated ACS Group were eliminated in the consolidation process and formed part of the ordinary business conducted by said companies in terms of their purpose and contractual conditions. Transactions are carried out on the arm's length basis and disclosure is not required to present a true and fair image of the Group's equity, financial situation and results.

20. Board of Directors and senior executives

20.01 Remuneration of the Board of Directors

In 2020 and 2019, the Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the Board of Directors of the Parent Company or of the Board of Directors or Senior Executives of Group companies:

	Thousands of Euros	
	2020	2019
Remuneration for membership of the Board and / or Commissions	3,700	4,168
Wages	6,347	6,369
Variable cash remuneration	5,323	8,913
Payment systems based on financial instruments	—	7,082
Total	15,370	26,532

The amount charged to the consolidated income statement in relation to share options granted in 2018 to members of the Board of Directors with executive duties was EUR 229 thousand (EUR 458 thousand in 2019). This amount relates to the proportion of the value of the plan at the date on which it was granted.

The amounts paid to Board Members relating to mutual funds, pension plans and life insurance are as follows at December 31, 2020 and 2019:

	Thousands of Euros	
	2020	2019
Long-term savings systems	4,413	4,285
Other concepts	33	33
Total	4,446	4,318

With regard to contributions to Pension Funds and Plans, it should be noted that the Chief Executive Officer of ACS, as a member of the Executive Board of Hochtief, A.G., is entitled to a pension commitment from that company in the form of an individual contract that provides for a minimum retirement age of 65 years in line with the pension plans of Germany.

The ACS Group has not granted any advances or loans or made any guarantees to any of the board members at December 31, 2020 and 2019.

20.02. Remuneration of Senior Executives

The remuneration paid to the Group's Senior Executives, who are not executive directors, for the periods ended December 31, 2020 and 2019, was as follows:

	Thousands of Euros	
	2020	2019
Salary remuneration (fixed and variable)	36,220	37,430
Pension plans	2,610	1,964
Life insurances	59	52

The decrease in the amounts paid from year to year is due to the change in the composition of senior executives. The amounts recognized in the consolidated income statement in 2020 as a result of the share options granted to the Group's Senior Executives, in July 2018, amounted to EUR 4,014 thousand (EUR 4,014 thousand in 2019) and are not included in the aforementioned remuneration. Similarly, as indicated in the case of directors, these amounts relate to the proportion of the value of the plan on the date it was granted.

The ACS Group has not granted any advances or loans or made any guarantees to any of the Senior Executives at December 31, 2020 and 2019.

20.03. Share-based remuneration systems

ACS

On July 25, 2018, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in application of the authorizations granted by the Company's General Shareholders' Meetings held on April 28, 2015, and May 4, 2017, and after a favorable report of the Remuneration Committee held on the same date, decided to establish an Options Plan on shares of ACS, Actividades de Construcción y Servicios, S.A. (2018 Options Plan), governed by the following terms and conditions:

- a. The number of shares subject to the Options Plan will be a maximum of 12,586,580 shares, of EUR 0.50 par value each.
- b. The beneficiaries are 271 executives with options from 500,000 to 200,000.
- c. The acquisition price will be EUR 37.170 per share. This price will change by the corresponding amount should a dilution take place.
- d. The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after July 1, 2018, inclusive. However, in the case of an employee's contract being terminated for reasons without just cause or if it is the beneficiary's own will, the options may be proportionally exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases.
- e. For the execution by each beneficiary of the options that have been assigned to them, it will be required that the operational, financial and sustainability-related performance of the ACS Group during the period 2018–2020 exceed the average parameters of the main comparable companies on the market and, for this purpose, a selection has been made of the listed companies that compete in the same markets as the ACS Group (Europe, the Americas and Australia), with capitalization greater than EUR 1 billion and whose international sales exceed 15% of their total revenue. In order for the options to be exercisable by the beneficiaries, the following two criteria are established, one of which is financial in character and the other non-financial, and with different weightings:
 1. A financial criterion with a weighting of 85%: ROE: The objective set is to exceed average profitability in the sector over the period 2018–2020. If the ACS figure exceeds the sector

average, 100% of the options foreseen will be allocated. If the ACS figure does not exceed the 25th percentile of the sector sample, 50% of the options will be allocated, with intermediate positions weighted proportionally between 50% and 85%. This criterion has already been met since ACS's average ROE for the period 2018–20 was 19.6% compared to 10.5% of the adjusted average of the sector (without considering companies in losses).

2. A non-financial criterion with a weighting of 15%: Sustainability: The objective set is to exceed for at least two years the 60th percentile in the world ranking table produced annually by RobecoSAM for the Dow Jones Sustainability Index. This criterion has also been met as ACS has been included in the DJSI World index in the last two years.
3. Tax withholdings and the taxes payable as a result of exercising the share options will be borne exclusively by the beneficiaries.

The stock market price of ACS shares at December 31, 2020 and December 31, 2019 was EUR 27.150 and EUR 35.650 per share, respectively.

HOCHTIEF

Within the Hochtief Group, there are also share-based payment remuneration systems for the group's management. All of these stock option plans form part of the remuneration system for senior executives of Hochtief, and long-term incentive plans. The total amount provisioned for these share-based payment plans at December 31, 2020 is EUR 8,356 thousand (EUR 7,968 thousand at December 31, 2019). The effect recognized in the consolidated income statement in 2020 for this item was EUR 985 thousand (EUR 5,794 thousand in 2019). To hedge the risk of exposure to changes in the market price of the Hochtief, A.G. shares, it has a number of derivatives which are not considered to be accounting hedges.

21. Guarantee commitments to third parties and other contingent liabilities

As at December 31, 2020, the ACS Group had provided guarantees and sureties to third parties in connection with its business activities totaling EUR 23,992,861 thousand (EUR 25,108,940 thousand at December 31, 2019), most of this due to the inclusion of the bonding lines held by Dragados and Hochtief for the conducting of their operations in the United States. The limit of surety bonds and guarantees granted to third parties at December 31, 2020 amounted to EUR 31,976,567 thousand (EUR 32,780,310 thousand at December 31, 2019).

The item-by-item detail of the amounts arranged for these lines is as follows:

	Thousands of Euros	
	Disposed	
	2020	2019
Technical guarantees	8,449,339	8,495,927
Financial guarantees	1,889,390	1,545,074
Guarantees and guarantees in relation to Bonding Lines	13,359,190	15,048,436
Others	294,942	19,503
Total	23,992,861	25,108,940

The financial guarantees of EUR 1.889 billion cover EUR 1.037 billion of exercise or performance guarantees, EUR 540 million for advance guarantees and EUR 117 million corresponding to capital commitments for projects, with the remaining EUR 195 million corresponding to other financial guarantees.

The guarantees and sureties in relation to the bonding lines mentioned in the table above correspond to the guarantee of execution of the projects and operations developed by ACS Group companies in the United States, Canada and the United Kingdom, signed with various insurance companies.

The above amounts include the guarantees granted by CIMIC on the sale of Thiess to Elliott (as described in Note 02.02.f). In this regard, the ACS Group has registered as a derivative financial instrument the value of the put option for Elliott to sell all or part of its 50% stake in Thiess to CIMIC after the third year, between four to six years following the sale on December 31, 2020. The fair value of the option at December 31, 2020 (see Note 11) amounts to EUR 8.2 million (AUD 13.0 million).

In the course of its activities, the ACS Group is subject to contingent liabilities of various types which arise from litigation or administrative proceedings. It is reasonable to consider that these will not have a material effect on the economic and financial situation or on the solvency of the Group, and provisions have been made insofar as they may have a material adverse effect.

Both the investment of the ACS Group in Alazor (highways R3 and R5) and the accounts receivable for Alazor have been fully provided for in the Condensed Consolidated Financial Statements of the ACS Group for 2020 and 2019.

With regard to the complaint for declaratory judgment filed by the financial institutions and notified to the shareholders in October 2013, it should be noted that, after withdrawing in September 2018 the appeal they had filed against the rejection thereof, the funds acquiring the loans filed a new complaint for declaratory judgment, which has been notified to ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. in the month of January 2019, in which they invoke clause two of the Shareholders' Support Agreement to claim payment of EUR 757 million from the shareholders of Alazor and their respective guarantors (EUR 169 million would correspond to the ACS Group). After the reply to the complaint was formally made and the corresponding preliminary hearing was held (that took place on March 8, 2021), the Madrid Court of First Instance No. 13 has set a hearing for November 29, 2021.

With regard to the executive complaint notified in February 2014, based on clause four (viii) of the Shareholders' Support Agreement, it should be noted that after the enforcement order was rendered null and void and the EUR 278.37 million deposited in the Court's account (of which EUR 87.85 million correspond to the ACS Group) were returned, the Shareholders have claimed EUR 31.71 million as compensation for the interest on arrears and the damages caused (EUR 11.32 million would correspond to the ACS Group). In view of the opposition of the funds, the Madrid Court of First Instance No. 51 agreed to appoint an ex officio expert and held an oral hearing on March 10, 2021, with a judgment issued on March 11, 2021, estimating the shareholder claims and recognizing a total indemnity of EUR 26.19 million (EUR 11.30 million would correspond to the ACS Group), condemning the funds to pay the costs.

Invoking the same contractual clause that gave rise to the complaint for declaratory judgment, the funds have filed a second claim, this time declaratory, of which ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. were notified in May 2019, whereby they claim the payment of EUR 562.5 million from Alazor shareholders and their respective guarantors (EUR 133 million would correspond to the ACS Group). After the reply to the complaint was formally made and a preliminary hearing was held (that took place on December 16, 2020), the Madrid Court of First Instance No. 26 has set a hearing for June 16, 2021.

In relation to the ACS Group's investment in Irasa (highway R2), it should be noted that in September 2019, ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. were notified that the creditor funds had filed a declaratory judgment action in which, invoking clause two of the Shareholders' Commitment Agreement, they demanded payment from the shareholders of Irasa and their respective guarantors of a total of EUR 551.50 million (EUR 193 million would correspond to the ACS Group) to cover construction and expropriation overcosts. After having replied to the complaint, the Madrid Court of First Instance No. 37 set the date for the preliminary hearing for February 7, 2022 and the hearing for May 23, 2022.

The insolvency proceedings of Henarsa, Irasa, Accesos de Madrid and Alazor were all declared to be unforeseen. The Henarsa and Accesos de Madrid bankruptcy administrations handed over the operation of the R2, R3 and R5 highways to the State in documents dated February 28 and May 9, 2018, respectively, and these are being managed by the Ministry of Development through the SEITTSA, under an agreement signed in August 2017 which has been extended until 2022.

In relation to the concession agreement of the Lima Metro Line 2 Project in Peru, on January 16, 2017 the concessionaire Metro de Lima Línea 2, S.A. (in which Iridium Concesiones de Infraestructuras S.A. holds a 25% stake) filed an application for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Center for the Settlement of Investment Disputes between States and Nationals of other States (ICSID) for serious breach by the Republic of Peru in the concession agreement mainly consisting of: (i) the non-delivery of the Concession Area in the terms and conditions established in the concession agreement, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies.

In 2018, several briefs were filed requesting an extension of the term of execution of the Project works and compensation for damages in excess of USD 700 million, which include damages incurred by different participants in the Project (concessionary, construction group, rolling stock supplier, etc.). The Republic of Peru has dismissed the claims made and has included a counterclaim against the concessionaire company, claiming an amount in excess of USD 700 million for socio-economic and environmental damage.

Both the claim brought by the concessionaire against Peru and the counterclaim by Peru against the concessionaire have been consolidated into a single arbitration process in ICSID. The process has followed its normal course: in the first half of May 2019, the evidentiary hearing was held in Washington, where various witnesses gave their testimony, two rounds of briefs were presented during June and July 2019 in relation to issues raised during the evidentiary hearing and written conclusions were presented by both the concessionaire company and the State of Peru on September 20, 2019. The arbitration ruling is likely to be issued in the first half of 2021.

On December 3, 2015, the CNMC delivered a judgment in the proceedings against various companies, including Dragados, S.A., for alleged restrictive practices to competition in relation to the modular construction business. The amount of the decision, which totals EUR 8.6 million, was the subject of an appeal filed during 2016. The Group's Management considers that its potential effect will not be significant.

On October 1, 2018, an accusation was brought against DRAGADOS and other companies for possible infringements of Article 1 of the Competition Law and Article 101 of the Treaty on the Functioning of the European Union, consisting of agreements and exchanges of information between these companies in the field of tenders called by the various Public Administrations in Spain, for the construction and rehabilitation of infrastructures and buildings. On July 16, 2020, the said accusation was declared to have exceeded its validity, although on August 6, 2020, the initiation of a new accusation was notified in relation to the same facts as the expired accusation. On September 16, 2020, Dragados filed a contentious-administrative appeal against the resolution that decreed the expiration, which was admitted on October 9, 2020, with the claim being formalized on December 16, 2020.

On March 14, 2019, the CNMC notified the Group's subsidiaries Cobra Instalaciones y Servicios, S.A., Sociedad Española de Montajes Industriales, S.A., Control y Montajes Industriales Cymi, S.A. and Electren, S.A. of its decision regarding its alleged participation in two Spanish cartels relating to public tenders for conventional and high-speed railway lines, imposing fines totaling EUR 51 million. During the month of May 2019, each of these subsidiaries filed a contentious-administrative appeal against the resolution before the National High Court, requesting the precautionary suspension of the payment of the sanctions, which have been granted with the condition that a guarantee or payment deposit be submitted. The Group, with the support of its legal advisors, considers that there are solid arguments that could enable it to obtain the nullity of the resolution.

On October 1, 2019, the CNMC issued a ruling in which it concluded that the Group's subsidiaries Mantenimiento y Ayuda a la Explotación y Servicios, S.A. ("MAESSA"), Mantenimiento y Montajes Industriales, S.A. ("MASA") and Moncobra, S.A. had allegedly taken part, together with other companies, in a cartel in Spain consisting of price fixing and the distribution of tenders for the provision of industrial assembly and maintenance services, imposing financial penalties totaling EUR 18 million. Moncobra has not been financially sanctioned because it was considered that the alleged infringement is time-barred. Each of the subsidiaries mentioned filed the relevant contentious-administrative appeals against the resolution before the National High Court, requesting the precautionary suspension of the payment of the sanctions in relation to the appeals concerning MASA and MAESSA, which was granted on

condition that a guarantee or surety deposit be submitted. This surety deposit payment has in fact taken place. The Group, with the support of its legal advisors, considers that there are solid arguments that could lead to the nullity of the aforementioned resolution, in addition to confirmation of the time-barred status of the claim against Moncobra.

With regard to the case concerning sanction filing S/DC/0614/17, Rail Security and Communications, which was launched on August 27, 2018, against Cobra by the CNMC Competition Directorate. The subject of this sanction filing covers Cobra's possible participation in the distribution of tenders for the supply, installation, commissioning and maintenance of security, traffic control and management, communications and rail protection systems for the conventional and high-speed rail network in Spain. On September 15, 2020, a statement of objections was drawn up, and written pleadings were submitted on October 16, 2020.

API Movilidad, S.A. ("API"), in relation to the sanction filing S/DC/0013/19, Conservation of Roads, initiated on July 15, 2019 by the CNMC's Competition Directorate against API in relation to activities carried out in the field of the provision of maintenance and operation services for roads. ACS and the corresponding parent companies have also been charged. The subject of this sanction filing includes API's possible participation in anti-competitive practices consisting of the distribution of tenders for the provision of maintenance and operation services for the Spanish National Road Network convened by the Ministry of Development. During the course of January 2021, API submitted the relevant pleas in its defense against the statement of objections transmitted by the CNMC. To date, no preliminary ruling has yet been issued by that body. The Group, with the support of its legal advisors, considers that there are solid arguments that could lead to the nullity of the resolution.

With regard to the proceedings in progress described above, the Directors, with the support of their legal advisors, do not expect any material liabilities additional to those recognized in the Condensed Consolidated Financial Statements to arise as a result of the transactions or the results of the proceedings described in this note.

APPENDIX I

CHANGES IN THE SCOPE OF CONSOLIDATION

The main companies included in the scope of consolidation are as follows:

Iridium Hermes Road, S.L.
Offshore Wind Limited
Taif Independent Water Plant
Energia e Sust. Do Brasil, S.A.
LT La Niña, S.A.C.
Zero-E Proyectos Visigodos, S.L.U.
Operadora Caitan Spa
Solar Oufico Requena, S.L.
Solar Merope Requena, S.L.
Fotovoltaica Casiopea Requena, S.L.
Fotovoltaica Alcor Requena, S.L.
Solar Acamar Requena, S.L.
Solar Acrab Requena, S.L.
Pampa Transmissão de Energia, S.A.
Sermicro France, S.A.S
PV XII Teudiselo, S.L.U.
PV XIII Agila, S.L.U.
PV XIV Atanagildo, S.L.U.
PV XV Liuva, S.L.U.
PV XVI Leovigildo, S.L.U.
PV XVII Recaredo, S.L.U.
PV XVIII Witerico, S.L.U.
PV XIX Gundemarro, S.L.U.
PV XX Sisebuto, S.L.U.
PV XXI Suínthila, S.L.U.
PV XXII Sisenando, S.L.U.
PV XXIII Chintila, S.L.U.
PV XXIV Tulga, S.L.U.
PV XXV Chindasvinto, S.L.U.
PV XXVI Recesvinto, S.L.U.
PV XXVII Wamba, S.L.U.
PV XXVIII Ervigio, S.L.U.
PV XXIX Égica, S.L.U.
PV XXX Witiza, S.L.U.
PV XXXI Rodrigo, S.L.U.
Transferable Backlog Proyects, S.L.
ISUC Residencial, S.A. de C.V.
Pekko Engineers Limited
Cm2A Finance Pty Limited
Pulse Partners Agent Pty. Ltd.
GelreGroen Holding B.V.
Turner Smoot JV Hilton Columbus
Turner Smoot JV Columbus Crew
Hidrocaleras, S.L.
PV I Ataúlfo, S.L.U.
PV II Sigerico, S.L.U.
PV III Walia, S.L.U.
PV IV Teodoredo, S.L.U.
PV V Teodorico, S.L.U.

PV VI Turismundo, S.L.U.
PV VII Eurico, S.L.U.
PV VIII Alarico, S.L.U.
PV IX Gesaleico, S.L.U.
PV X Amalarico, S.L.U.
PV XI Theudis, S.L.U.
Taif Independent Construction Company
Taif Independent O & M
Humiclíma Guadalupe, SAS
Canberra Metro Trust
Torrens Connect Pty Ltd
Flatiron/Drill Tech
Turner Mosites Joint Venture
Turner Source
Moncobra France SAS
Palmares Investment, S.L.
Alcañiz Solar, S.L.U.
Caliza Solar
Navabuena
Pucela Solar
Valdealiño Solar, S.L.U.
Area de Agra
Cantarranas Solar, S.L.U.
Alabastro Solar, S.L.U.
Entrepinos Solar, S.L.U.
Overuela Solar
Pintia Solar
Andarrios, S.L.U.
Mundo Nuevo DV, S.A. de C.V.
Taburete Solar, S.L.U.
Sistema Fotovoltaico de Levante, S.A.U.
Hochtief PPP Operations Austria GmbH
Flatiron-Branch Civil, a Joint Venture
Branch Civil-Flatiron, a Joint Venture
Dragados-Vinci-Flatiron-DCB
Turner/Flatiron JV
Aecom Turner NBA JV
Zonair3D, S.L.
Lauriem Complete Care Limited
Ictio Solar Perseus, S.L.
Ictio Solar Orión, S.L.
Semi Engineering Germany GmbH
Instalaciones y Servicios Moscardó, S.L.U.
Instalaciones y Servicios Moscardó I, S.L.U.
Instalaciones y Servicios Moscardó II, S.L.U.
Instalaciones y Servicios Moscardó III, S.L.U.
Instalaciones y Servicios Moscardó IV, S.L.U.
Instalaciones y Servicios Moscardó V, S.L.U.
Servicios Integrales Cobra, S.L.U.
Servicios Integrales Cobra I, S.L.U.
Servicios Integrales Cobra II, S.L.U.
Servicios Integrales Cobra III, S.L.U.
Servicios Integrales Cobra IV, S.L.U.
Servicios Integrales Cobra V, S.L.U.

Sunbee I - Energias Renováveis, Unipessoal Lda.
 Sunbee II - Energias Renováveis, Unipessoal Lda.
 Sunbee III - Energias Renováveis, Unipessoal Lda.
 Sunbee IV - Energias Renováveis, Unipessoal Lda.
 Sunbee V - Energias Renováveis, Unipessoal Lda.
 Makiber Belgium
 Solatio Energia Gestao De Projetos De Belmonte I Ltda.
 Solatio Energia Gestao De Projetos De Belmonte II Ltda.
 Crescent Dunes Investment, LLC
 Crescent Dunes Finance , Inc.
 Cobra Sweden Ab
 Sedgman Projects Employment Services Pty Ltd
 Leighton Superannuation Pty Ltd.
 Ugl Regional Linx Pty Ltd
 Canberra Metro Trust
 Transmission Gully
 Acciona Infrastructure & Cpb Contractors Jv
 Adelaide Metro Operations Pty Ltd
 Adelaide Metro Operations Pty Ltd
 Innovative Asset Solutions Pty Ltd & Ugl Operations And Maintenance (Services) Pty. Ltd.
 Acciona Infrastructure & Cpb Contractors Jv
 Adelaide Metro Operations Pty Ltd
 U-Go Mobility Pty. Ltd.
 Thiess Group Holdings Pty Ltd
 Raststätten Betriebs Gmbh
 Edgital Gmbh
 Turner-Flatiron A Joint Venture
 Turner Management International Ltd. - Time
 Turner – Walsh
 Turner Barringer A Joint Venture
 Turner-Mckissack Jv li A Joint Venture

The main companies no longer included in the scope of consolidation are as follows:

Concesiones Viarias Chile, S.A.
 Parque Eólico Buseco, S.L.
 Dragados-Swiber Offshore S.A.P.I. de C.V.
 Leighton Contractors Asia (Vietnam) Limited
 Sedgman Llc
 UGL Canada Inc
 Thiess Wirlu-Murra JV
 Northern Gateway Alliance
 Leighton Kumagai Joint Venture (Metrorail)
 Southern Gateway Alliance (Mandurah)
 Hochtief PPP Solutions Chile Tres Ltda.
 Qatar Construction Logistics Trinac W.L.L.
 Turner/JGM JV
 Tompkins/Ballard JV
 Turner/VAA
 Turner/Winter
 Bonete Fotovoltaica 2, S.L.U.
 Bonete Fotovoltaica 3, S.L.U.
 Eyra Energias y Recursos Ambientais Lda.
 Canberra Metro Pty Ltd1

Wellington Gateway General Partner No.1 Limited2
Wellington Gateway Partnership No.1 Limited2
Hochtief Canada Holding 5 Inc.
Hochtief Boreal Health Partner Inc.
Boreal Health Partnership Inc.
Arge Budynku Gieldy Hochtief Polska Porr Polska S.A. Spółka Jawna
FPS Brunet Inc.
Sociedad Aragonesa de Estaciones Depuradoras, S.A.
Sociedad de Aguas Residuales Pirineos, S.A.
Depuradoras del Bajo Aragón, S.A.
Sice Soc de Inginerie Si Constructii Electricice SRL
PV I Ataúlfo, S.L.U.
MPC Engenharia - Brasil
Helping Hands Of Harrogate Ltd
Fuengirola Fotovoltaica, S.L.
Mentor Receptora De Alarmas, S.A.
Construcciones Dorsa, S.A.
Semi Usa Corporation
Mase Internacional Cri
Doubleone 3 Building Management Services Pty. Ltd.
Devine Springwood No. 3 Pty. Ltd.
United Group Investment Partnership
Access Arterial Nru Finance Pty. Ltd.
Access Arterial Seru Finance Pty. Ltd.
Ausindo Holdings Pte. Ltd.
Fleetco Canada Rentals Ltd.
Fleetco Chile S.P.A.
Fleetco Holdings Pty. Ltd.
Fleetco Management Pty. Ltd.
Fleetco Rentals 2017 Pty. Ltd.
Fleetco Rentals An Pty. Ltd.
Fleetco Rentals Ct Pty. Ltd.
Fleetco Rentals Enzo Pty. Ltd.
Fleetco Rentals Hd Pty. Ltd.
Fleetco Rentals Magni Pty. Ltd.
Fleetco Rentals No. 1 Pty. Ltd.
Fleetco Rentals Omega Pty. Ltd.
Fleetco Rentals Oo Pty. Ltd.
Fleetco Rentals Pty. Ltd.
Fleetco Rentals Rr Pty. Ltd.
Fleetco Rentals Ug Pty. Ltd.
Fleetco Services Pty. Ltd.
Hunter Valley Earthmoving Co. Pty. Ltd.
Hwe Cockatoo Pty. Ltd.
Hwe Mining Pty. Ltd.
Leighton-Lns Jv
Majwe Mining Jv (Proprietary) Ltd.
Oil Sands Employment Ltd.
Pt Thiess Contractors Indonesia
Thiess (Mauritius) Pty. Ltd.
Thiess Africa Investments Pty. Ltd.
Thiess Botswana (Proprietary) Ltd.
Thiess Chile Spa
Thiess Contractors (Malaysia) Sdn. Bhd.

Thiess Contractors (Png) Ltd.
Thiess Contractors Canada Ltd.
Thiess India Pvt. Ltd.
Thiess Khishig Arvin Jv Llc
Thiess Minecs India Pvt. Ltd.
Thiess Mining Canada Ltd.
Thiess Mining Maintenance Pty. Ltd.
Thiess Mongolia Llc
Thiess Mozambique Ltda.
Thiess Nz Ltd.
Thiess Pty. Ltd.
Thiess South Africa Pty. Ltd.
Wood Buffalo Employment Ltd.
Metro Trains Melbourne Pty Ltd
Ppco – Investment In Sahp
Ev Lng Australia Pty. Ltd. & Thiess Pty. Ltd. (Evt Jv)
John Holland – Leighton (South East Asia) Jv
Leighton – John Holland Jv (Lai Chi Kok)
Leighton China State John Holland Jv (City Of Dreams)
N.V. Besix S.A. & Thiess Pty Ltd (Best Jv)
Task Joint Venture (Thiess & Sinclair Knight Merz)
Thiess Balfour Beatty Joint Venture
Thiess Degremont Jv
Thiess Degremont Nacap Joint Venture
Thiess John Holland Joint Venture (Airport Link)
Thiess John Holland Joint Venture (Eastlink)
Thiess Kmc Jv
Cockatoo Mining Pty Ltd
Great Eastern Highway Upgrade
Rtl Jv
Rtl Mining And Earthworks Pty Ltd
Smartreo Pty. Ltd.
Thiess United Group Joint Venture
Hochtief Canada Holding 4 Inc.
Hochtief Sslg Partner Inc.
Raststätten Betriebs Gmbh
Signature On The Saint-Laurent Group G.P.
Hollenfells Re S.A.

Individual Financial Statements

Basis of the presentation of the selected individual financial information

Accounting standards applied

The Selected Individual Financial Information (hereinafter, the Selected Financial Information) has been prepared in accordance with current commercial laws and the General Accounting Plan approved by Royal Decree 1514/2007 of November 16, 2007, and its subsequent amendments, adapted to the summary models provided in Royal Decree 1362/2007 and in accordance with Circular 5/2015 of October 28, of the Spanish National Securities Market Commission (CNMV – Comisión Nacional del Mercado de Valores).

This Selected Financial Information does not include all the information required to complete the individual financial statements in accordance with generally accepted accounting principles and standards under Spanish law. In particular, the attached Selected Financial Information has been prepared with the content necessary to comply with the requirements for selected individual financial information set forth in the second rule of Circular 1/2008 for those cases in which the issuer may be compelled, in accordance with the applicable law, to prepare the Condensed Consolidated Financial Statements in the report which it is submitting. Accordingly, the Selected Financial Information must be read together with the financial statements of the Company for the fiscal year ended December 31, 2019, and together with the Condensed Consolidated Financial Statements for the period between January 1, 2020 and December 31, 2020.

In relation to the preparation of the Selected Individual Financial Information pursuant to the consultation published by the Institute of Accounting and Accounts Auditing (ICAC – Instituto de Contabilidad y Auditoría de Cuentas) in its Official Gazette, issue number 79, September 2009, we highlight that consideration forms part of the net turnover, the dividends received and the interest accrued from the financing granted to the investee companies.

The breakdown of the individual turnover is as follows:

	Thousands of Euros	
	2020	2019
Dividends from Group companies and Associates	845,554	825,341
Dividends from long-term financial investments	223	891
Financial income from Group companies and Associates	—	108
Services rendered	12,439	13,289
Total	858,216	839,629

This Selected Individual Financial Information has been prepared with reference to the publication of the semi-annual financial report required under article 35 of the Securities Market Act 24/1998 dated July 28, 1998, developed by Royal Decree 1362/2007 of October 19.

Declaration of responsibility

The directors declare that, to the best of their knowledge, the condensed semi-annual accounts presented for fiscal year 2020 have been prepared in accordance with the applicable accounting principles, provide a true image of the equity, financial position and income of ACS, Actividades de Construcción y Servicios, S.A. and that of the companies included in the consolidation as a whole, and that the management report contains a true analysis of the required information.

Date of Declaration: March 31, 2021.

Florentino Pérez Rodríguez (Chairman and CEO)	Antonio García Ferrer (Deputy Chairman)
Marcelino Fernández Verdes (Managing Director)	José Eladio Seco Domínguez (Board Member)
Agustín Batuecas Torrego (Board Member)	Antonio Botella García (Board Member)
Mariano Hernández Herreros (Board Member)	Joan-David Grimá i Terré (Board Member)
Emilio García Gallego (Board Member)	Carmen Fernández Rozado (Board Member)
Javier Echenique Landiribar (Board Member)	María Soledad Pérez Rodríguez (Board Member)
Pedro José López Jiménez (Board Member)	Miguel Roca i Junyent (Board Member)
Catalina Miñarro Brugarolas (Board Member)	José Luis del Valle Pérez (Director and Secretary General)

Declaration of responsibility

The directors declare that, to the best of their knowledge, the condensed semi-annual accounts presented for fiscal year 2020 have been prepared in accordance with the applicable accounting principles, provide a true image of the equity, financial position and income of ACS, Actividades de Construcción y Servicios, S.A. and that the management report contains a true analysis of the required information.

Date of Declaration: March 31, 2021.

Florentino Pérez Rodríguez (Chairman and CEO)	Antonio García Ferrer (Deputy Chairman)
Marcelino Fernández Verdes (Managing Director)	José Eladio Seco Domínguez (Board Member)
Agustín Batuecas Torrego (Board Member)	Antonio Botella García (Board Member)
Mariano Hernández Herreros (Board Member)	Joan-David Grimá i Terré (Board Member)
Emilio García Gallego (Board Member)	Carmen Fernández Rozado (Board Member)
Javier Echenique Landiribar (Board Member)	María Soledad Pérez Rodríguez (Board Member)
Pedro José López Jiménez (Board Member)	Miguel Roca i Junyent (Board Member)
Catalina Miñarro Brugarolas (Board Member)	José Luís del Valle Pérez (Director and Secretary General)