



ECONOMIC AND FINANCIAL REPORT

2020



- Statements Consolidated Financial Statements**
- Auditor's Report on Consolidated Financial**

“Translation of original document issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails”

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

Consolidated Annual Accounts for the year ended December 31, 2020, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Consolidated Directors' Report

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ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS 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	04	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	05	1,764,077	2,679,487	2,480,533
Non-current assets in projects	06	406,151	169,210	189,406
Investment property	07	42,298	41,595	74,674
Investments accounted for using the equity method	09	4,479,551	4,411,440	4,721,050
Non-current financial assets	10	760,556	945,316	881,251
Long term deposits	10	283	283	230
Derivative financial instruments	22	17,847	7,401	63,495
Deferred tax assets	26.05	1,888,853	2,106,342	1,511,397
CURRENT ASSETS		24,314,925	25,150,779	22,304,098
Inventories	11	715,241	916,316	872,039
Trade and other receivables	12	10,498,289	12,396,603	11,656,144
Trade receivables for sales and services	10	8,500,244	10,489,423	9,614,961
Other receivable	10	1,762,431	1,757,375	1,710,048
Current tax assets	26	235,614	149,805	331,135
Other current financial assets	10	1,354,982	1,339,029	1,463,855
Derivative financial instruments	22	251,316	11,259	53,190
Other current assets	13	233,154	245,617	210,206
Cash and cash equivalents	10 and 14	8,080,808	8,130,984	7,014,755
Non-current assets held for sale and discontinued operations	03.09	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 38 and Appendices I to III 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 AS AT DECEMBER 31, 2020

EQUITY AND LIABILITIES	Note	Thousands of Euros		
		31/12/2020	31/12/2019	01/01/2019
			(*)	(*)
EQUITY	15	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	16	3,485	2,697	3,227
Non-current provisions	20	1,276,375	1,380,215	1,710,519
Non-current financial liabilities		8,370,036	6,839,189	6,561,439
Bank borrowings, debt instruments and other marketable securities	17	8,179,726	6,556,062	6,325,269
Project finance with limited recourse	18	73,318	122,496	100,678
Other financial liabilities	19	116,992	160,631	135,492
Long term lease liabilities	05	472,836	686,944	694,873
Derivative financial instruments	22	49,791	72,239	45,051
Deferred tax liabilities	26.05	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	20	921,378	1,326,333	1,092,902
Current financial liabilities		2,885,808	3,650,511	2,482,565
Bank borrowings, debt instruments and other marketable securities	17	2,781,175	3,469,936	2,399,580
Project finance with limited recourse	18	16,123	18,502	16,078
Other financial liabilities	19	88,510	162,073	66,907
Short term lease liabilities	05	192,173	321,251	306,673
Derivative financial instruments	22	155,460	28,381	81,967
Trade and other payables	23	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	26	221,243	171,932	117,396
Other current liabilities	24	226,888	555,968	458,279
Liabilities relating to non-current assets held for sale and discontinued operations	03.09	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 38 and Appendices I to III 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	27	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	27	5,896	4,212
Procurements	28.01	(23,615,898)	(25,752,669)
Other operating income	27	377,976	323,184
Personal expenses	28.02	(8,126,212)	(8,394,427)
Other operating expenses		(2,479,520)	(2,698,874)
Depreciation and amortisation	04,05,06 and 07	(968,315)	(969,714)
Allocation of grants relating to non-financial assets and others	16	545	909
Impairment and gains on the disposal of non-current assets	29	1,091,886	296,085
Other results		(10,864)	(80,589)
Ordinary results of companies accounted for using the equity method	09	196,902	553,310
Financial income		150,736	187,638
Financial costs	28.05	(422,515)	(497,202)
Changes in the fair value of financial instruments	22 and 28.04	77,635	30,075
Exchange differences		(51,194)	4,197
Impairment and gains or losses on the disposal of financial instruments	29	108,622	3,627
Non-ordinary results of companies accounted for using the equity method	09	10,712	4,555
PROFIT BEFORE TAX		1,283,402	2,078,908
Income tax	26.03	(387,352)	(408,592)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		896,050	1,670,316
Profit after tax from discontinued operations	03.09	32,440	(880,727)
PROFIT FOR THE PERIOD		928,490	789,589
(Profit) / loss attributed to non-controlling interests	15.07	(322,045)	(466,862)
(Profit) / loss from discontinued operations attributable to non-controlling interests	15.07	(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	31	1.95	3.13
Diluted earnings per share	31	1.95	3.13
Basic earnings per share from discontinued operations	31	—	(0.79)
Basic earnings per share from continuing operations	31	1.95	3.91
Diluted earnings per share from discontinued operations	31	—	(0.79)
Diluted earnings per share from continuing operations	31	1.95	3.91

(*) Data restated.

The accompanying notes 01 to 38 and Appendices I to III 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)
Tax effect (Note 26.04)	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. Tax effect (Note 26.04)	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 38 and Appendices I to III 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 02.01)	—	—	—	—	(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 15)	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 15)	—	—	(141,599)	—	—	—	—	(141,599)
Remaining allotment rights from 2018 accounts (Note 15)	—	—	104,723	—	—	—	—	104,723
Acquisition of additional free allocation rights 2018 (Note 15)	—	—	(456,264)	—	—	—	—	(456,264)
Remaining allotment rights from 2018 accounts (Note 15)	—	—	298,330	—	—	—	—	298,330
To dividends	—	—	—	—	—	—	(290,634)	(290,634)
Treasury shares (Note 15.04)	(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 15)	7,138	—	(7,138)	—	—	—	—	—
Capital reductions (Note 15)	(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 15)	—	—	(141,284)	—	—	—	—	(141,284)
Remaining allotment rights from 2019 accounts (Note 15)	—	—	92,723	—	—	—	—	92,723
Acquisition of additional free allocation rights 2019 (Note 15)	—	—	(484,583)	—	—	—	—	(484,583)
Remaining allotment rights from 2019 accounts (Note 15)	—	—	287,464	—	—	—	—	287,464
To dividends	—	—	—	—	—	—	(248,819)	(248,819)
Treasury shares (Note 15.04)	(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 38 and Appendices I to III 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)	03.23	(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	17, 18 and 19	(424,990)	(498,598)
	Dividends received		739,532	632,917
	Interest received	03.23	133,527	168,624
	Income tax (paid) / received	26	(361,742)	(208,166)
B)	CASH FLOWS FROM INVESTING ACTIVITIES	04, 05, 06 and 07	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:	03, 04, 05, 06, 07 and 09	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):	02.02.f and 15	(1,173,323)	(593,040)
	Acquisition		(1,193,042)	(610,441)
	Disposal		19,719	17,401
2	Liability instrument proceeds / (and payment):	17, 18 and 19	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:	15.01	(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	03.23	(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 38 and Appendices I to III are an integral part of the consolidated statement of cash flows for the year ended December 31, 2020.

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

Notes to the Consolidated Annual Accounts for the year ended December 31, 2020

01. Group Activity

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

In addition to the transactions it directly carries out, ACS, Actividades de Construcción y Servicios, S.A. is head of a group of subsidiaries with a diverse number of activities, among them construction (both civil construction and building), industrial services (both industry support services and integrated projects), services (for individuals and buildings, city and surroundings) and concessions and which make up (along with the company) the ACS Group. Therefore, ACS, Actividades de Construcción y Servicios, S.A. is obliged to prepare, in addition to its own individual annual accounts, the Group's Consolidated Annual Accounts, which also include interests in joint agreements and investments in associates.

In accordance with its corporate purpose, the business activities of ACS, Actividades de Construcción y Servicios, S.A., the Parent Company of the ACS Group, are as follows:

1. The business of constructing all kinds of public and private works, as well as the provision of services, for the conservation, maintenance and operation of highways, freeways, roads and, in general any type of public or private ways and any other type of works, as well as any kind of industrial, commercial and financial actions and operations which bear a direct or indirect relationship thereto.
2. The promotion, construction, restoration and sale of housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either alone or through third parties. The conservation and maintenance of works, facilities and services, whether urban or industrial.
3. The management and execution of all manner of works, facilities, assemblies and maintenance related to production plants and lines, electric power transmission and distribution, substations, transformation, interconnection and switching centers, generation and conversion stations, electric, mechanical and track installations for railways, metros and light rail, railway, light rail and trolleybus electrification, electric dam installations, purifying plants, drinking water treatment plants, wharfs, ports, airports, docks, ships, shipyards, platforms, flotation elements and any other elements for diagnostics, tests, security and protection, controls for interlocking, operating, metering - either directly remotely - for industries and buildings as well as those suited to the above listed, facilities, electrification, public lighting and illumination, electric installations in mines, refineries and explosive environments; and in general all manner of, facilities related to the production, transmission, distribution, upkeep, recovery and use of electric energy in all its stages and systems, as well as the operation repair, replacement and upkeep of the components thereof. Control and automation of all manner of electric networks and installations, remote controls and computer equipment required for the management, computerization and rationalization of all kinds of energy consumption.
4. The management and execution of all manner of works, facilities, assemblies and maintenance related to the electronics of systems and networks for telephone, telegraph, signaling and S.O.S. communications, civil protection, defense and traffic, voice and data transmission and use, measurements and signals, as well as propagation, broadcast, repetition and reception of all kinds of waves, antennas, relays, radio-links, navigation aids, equipment and elements required for the execution of such works, assemblies and facilities.
5. The management and execution of all manner of works, facilities, assemblies and maintenance related to the development, production, transformation, storage, transmission, channeling, distribution, use, metering and maintenance of any other kind of energy and energy products, as well as of any other energy that may be used in the future, including the supply of special equipment and the elements required for installation and assembly and materials of all kinds.

6. The management and execution of all manner of works, assemblies, facilities and maintenance of hydroelectric works to use, store, raise, drive or distribute water and its piping, transport and distribution, including water and gas treatment facilities.
7. The management and execution of all manner of works, assemblies, facilities and maintenance for using, transporting, channeling and distributing combustible gases and liquid and solid gases for all kinds of uses.
8. The management and execution of all manner of works, assemblies, facilities and maintenance of ventilation, heating, air conditioning and refrigeration works and works to improve the environment, for all kinds of uses.
9. The management and execution of all manner of works, facilities, assemblies and maintenance related to cable cars, gondola lifts, chair lifts and aerial lifts for both passenger and material transport by means of systems of cables or any type of mechanical element. The retrieval of ships and submerged elements, maritime salvages, ship breaking, naval fleet repairs, repairs and assembly of engines and mechanical elements for ships and underwater works and sale of aquatic and sports material.
10. The manufacture, transformation, processing, handling, repair, maintenance and all manner of operations of an industrial nature for commercialization related to machinery, elements, tools, equipment, electric protection material, bare and insulated conductors, insulators, metal fittings, machines, tools and auxiliary equipment for assemblies and installation of railways, metros and light trains, electric power plants and lines, transportation networks and electric energy distribution and for telephone and telegraph communications, telecommunication systems, security, traffic, telematics and voice and data transmission systems; of elements and machines for the development, transformation, transmission and use of all kinds of energies and energy products; of fluid and gas lift pumps, piping and other elements, mechanisms, accessory instruments, spare parts and materials required for execution and performance of any industrial, agricultural, naval, transport, communication and mining works, facilities and assemblies and others listed in the preceding paragraphs. The production, sale and use of electricity and of other energy sources and the performance of studies relating thereto and the production, exploration, sale and use of all manner of solid, liquid or gaseous primary energy resources, including specifically all forms and kinds of hydrocarbons and natural, liquefied or any other type of gas. Energy planning and rationalization of the use of energy and combined heat and power generation. The research, development and exploitation of communications and information technologies in all their facets.
11. The manufacture, installation, assembly, construction, supply, maintenance and commercialization of all kinds of products and elements pertaining to or derived from concrete, ceramics, resins, varnishes, paints, plastics or synthetic materials; as well as metal structures for industrial plants and buildings, bridges, towers and supports of metal or reinforced concrete or any synthetic material for all manner of communications and electric power transmission or distribution, or any other class of energy material or product related to all types of energy.
12. The manufacture, preparation, handling and finishing, diagnosis, treatment and impregnation for protection and preservation and sale of wood in general and especially of posts used for electric, telephone and telegraph lines, impregnation or servicing for mine and gallery timbering, building supports, construction woodwork, cross ties for railways and barricades and the production and commercialization of antiseptic products and running of procedures for preserving wood, elements, tools and equipment of this nature. The acquisition, provision, application and use of paints, varnishes, coverings, plating and, in general, construction materials.
13. The management and execution of reforestation and agricultural and fishery restocking works, as well as the maintenance and improvement thereof. Landscaping, planting, revegetation, reforestation, maintenance and conservation of parks, gardens and accessory elements.
14. The manufacture, installation, distribution and any kind of use of all manner of ads and advertising supports. The design, construction, manufacture, installation, maintenance, cleaning, upkeep and advertising use of all manner of street furniture and similar elements.

15. The provision of all manner of public and private services of an urban nature, including the execution of any necessary works and facilities, either by administrative concession or leasing. The treatment, recycling and recovery of all kinds of urban, urban-like, industrial and sanitary waste; the treatment and sale of waste products, as well as the management and operation of waste treatment and transfer plants. Drafting and processing of all manner of environment-related projects.
16. Cleaning services for buildings, constructions and works of any kind, offices, commercial premises and public places. Preparation, upkeep, maintenance, sterilization, disinfection and rodent control. Cleaning, washing, ironing, sorting and transportation of clothing.
17. Furniture assemblies and installations, including tables, shelves, office material and similar or complementary objects.
18. Transportation of all kinds, especially ground transportation of passengers and merchandise and the activities related thereto. The management and operation, as well as provision of auxiliary and complementary services, of all manner of buildings and properties or complexes for public or private use, intended for use as service areas or stations, recreational areas and bus or intermodal transportation stations.
19. The provision of integral health care and social assistance services by qualified personnel (physicians, psychologists, educators, university graduates in nursing, social workers, physical therapists and therapists) and performance of the following tasks: home care service; tele-home care and social health care; total or partial running or management of homes, day care centers, therapeutic communities and other shelters and rehabilitation centers; medical transportation and accompaniment of the above-mentioned groups; home hospitalization and medical and nursing home care; supply of oxygen therapy, gas control, electro-medicine and associated activities.
20. The provision of auxiliary services in housing developments, urban properties, industrial facilities, roadway networks, shopping centers, official agencies and administrative departments, sports or recreational facilities, museums, fairgrounds, exhibition galleries, conference and congress halls, hospitals, conventions, inaugurations, cultural and sports centers, sporting, social and cultural events, exhibits, international conferences, annual general meetings and owners' association meetings, receptions, press conferences, teaching centers, parks, farming facilities (agricultural, livestock and fisheries), forests, rural farms, hunting reserves, recreational and entertainment areas and in general all kinds of properties and events, by means of porters, superintendents, janitors, ushers, guards or controllers, console operators, auditorium personnel, concierges, receptionists, ticket clerks (including ticket collection), telephone operators, collectors, caretakers, first aid personnel, hostesses and similar personnel or personnel who complement their functions, consisting of the maintenance and upkeep of the premises, as well as attention and service to neighbors, occupants, visitors and/ or users, by undertaking the appropriate tasks, excluding in all cases those which the law reserves for security firms. The collection and tallying of cash and the preparation, collection and charging of bills and receipts. The development, promotion, exhibition, performance, acquisition, sale and provision of services in the field of art, culture and recreation, in their different activities, forms, expressions and styles.
21. The provision of emergency, prevention, information, telephone switchboard, kitchen and dining hall services. Opening, closing and custody of keys. Turning on and off, running, supervision, maintenance and repair of engines and heating and air conditioning, electricity and lift installations, water, gas and other supply pipes and fire protection systems. The operation of rapid communication systems with public assistance services, such as police, firemen, hospitals and medical centers. Firefighting and prevention services in general, in woodlands, forests, rural farms and industrial and urban facilities.
22. The integral management or operation of public or private educational or teaching centers, as well as surveillance, service, education and control of student bodies or other educational groups.
23. The reading of water, gas and electricity meters, maintenance, repair and replacement thereof, monitoring and transcription of readouts, meter inspection, data acquisition and update and placing warnings. Temperature and humidity measurements on roadways and, in general, all kinds of properties and real estate and public and private facilities, providing all the controls required for proper upkeep and maintenance thereof, or of the goods deposited or guarded therein.

24. The handling, packaging and distribution of food or consumer products; the processing, flavoring and distribution of food for own consumption or supply to third parties; the servicing, replacement and maintenance of equipment, machinery and dispensing machines of the mentioned products; and participation in operations involving raw materials, manufactured goods and supplies.
25. The provision of ground services to passengers and aircraft. Integral logistic freight services, such as: loading, unloading, stowing and unstowing, transport, distribution, placement, sorting, warehouse control, inventory preparation, replacement, control of warehouse stock and the storage of all kinds of merchandise, excluding activities subject to special legislation. The management and operation of places of distribution of merchandise and goods in general and especially perishable products, such as fish auction centers and wholesale and retail markets. Reception, docking, mooring and service connections to boats.
26. Direct advertising services, postage and mailing of printed advertising and publicity material and, in general, all kinds of documents and packages on behalf of its clients.
27. The management, operation, administration, maintenance, upkeep, refurbishment and fitting out of all kinds of concessions in the broadest sense of the word, including those that are part of the concessionary firm's shareholders and those that have any type of contractual relation to carry out any of the above-listed activities.
28. The acquisition, holding, use, administration and disposal of all manner of own-account securities, excluding activities that special legislation and, in particular, legislation on the stock market exclusively ascribes to other entities.
29. Managing and administering securities representing the equity of companies not resident in Spain, through the related organization of the appropriate material and human resources for this purpose.
30. The preparation of all manner of studies, reports and projects and entering into contracts concerning the activities indicated in this article, as well as supervision, management and consulting in the execution thereof.
31. The occupational training and recycling of people who provide the services described in the preceding points.

02. Basis of presentation of the Consolidated Annual Accounts and basis of consolidation

02.01. Basis of presentation

The Consolidated Annual Accounts of the ACS Group for 2020 were prepared:

- By the directors of the Parent Company, at the Board of Directors' meeting held on March 31, 2021.
- In accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council and subsequent amendments. The consolidation principles, as well as the principal accounting policies and measurement bases applied in preparing the Group's Consolidated Annual Accounts for 2020 are summarized in Notes 2 and 3.
- Taking into account all the mandatory accounting principles and rules and measurement bases with a material effect on the Consolidated Annual Accounts, as well as the alternatives permitted by the relevant legislation in this connection, which are specified in Note 3 (Valuation standards).
- In such a way that they give a true and fair view of the Group's consolidated equity and financial position as at December 31, 2020 and of the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.
- On the basis of the accounting records kept by the Parent Company and the other Group companies.

Except as indicated below in the section "Changes in accounting estimates and policies and correction of fundamental errors," the consolidation criteria applied in 2020 are consistent with those applied in the 2019 Consolidated Annual Accounts.

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

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 contain the spread, including: isolation, lockdown, 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 administrators and management are constantly monitoring developments in both financial and non-financial areas.

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

- The lockdown and mobility restriction measures enacted in most countries in which Abertis operates have 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 and EUR 280 million respectively compared to the previous year.
- In Services (Clece), 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, as well as a gradual recovery in normal activity in the last quarter of the year has balanced out the sales volume. On the other hand, 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 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 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 million, of which, as at December 31, 2020, some EUR 1,150 million 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, remains 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 Consolidated Annual Accounts 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, where relevant, the impairment tests relating to the most significant goodwill items that remain recorded as at December 31, 2020 (See Note 04.01).
- Equity instruments: The recoverable value of the most significant recorded investments recognized as at December 31, 2020, has been revised using the participation method (see Note 09).
- 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. In fact the impact of Covid-19 does not imply the reversal of the deferred tax assets recorded (see Note 26).
- Provisions: The level of provisions as at December 31, 2020 (see Note 20) 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 order book (see Note 27) amounting to EUR 69,227 million, which is equivalent to approximately 23 months considering the current rate of sales.

Comparative information

The information contained in these Consolidated Annual Accounts of the ACS Group for the financial 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 notes of the Consolidated Annual Accounts for the financial year 2020. The effects of Covid-19 should be taken into account in the comparison of the information (see Note 02.01).

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 the 2019 financial year.

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 from the 2019 financial year, which was presented to provide a comparison to the Consolidated Annual Accounts for 2020 as referred to in "Changes in accounting estimates and policies and correction of fundamental errors."

The 2020 Consolidated Annual Accounts of the ACS Group have not yet been approved by the shareholders at the Annual General Meeting. However, the Parent Company's Board of Directors considers that the aforementioned annual accounts will be approved without any material changes.

Responsibility for information and estimates made

The information in these Consolidated Annual Accounts is the responsibility of the directors of the Group's Parent Company.

The Consolidated Annual Accounts were prepared from the 2020 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its Group companies.

In preparing these Consolidated Annual Accounts for the ACS Group for the financial 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 (Notes 03.01, 03.06 and 10) and, in particular, the assumptions and hypotheses taken into consideration when analyzing the recoverability of the investment in Abertis (Note 09).
- The fair value of the assets acquired and of the liabilities assumed in business combinations (Note 02.02.f)) and the assignment of the Purchase Price Allocation in acquisitions.
- The measurement of goodwill (Note 03.01).
- The recognition of earnings in construction contracts (Note 03.16.01).
- The amount of certain provisions (Note 03.13).
- The assumptions used in the calculation of liabilities and obligations to employees (Note 03.12).
- The market value of derivatives (such as equity swaps, interest rate swaps, forward purchases, etc.) is referred to in Note 22.
- The useful life of intangible assets and property, plant and equipment (Notes 03.02 and 03.03).
- The recovery of deferred tax assets (Note 26.05).
- 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 ("selling 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 acceptance of the premium for the put option, the fair value of which, as at December 31, 2020, amounted to EUR 8.2 million, has been considered to have less value in the sale transaction (see Note 36.01). 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 and does not have the capacity to use its power over the investee to influence the amount of its own yields, since on the one hand the Shareholders' Agreement prescribes equitable representation at the Shareholders' Meeting and the requirement of the consent of both shareholders (or their representatives as designated by the Meeting) concerning important business activities, as well as that fact that CIMIC and Elliott are exposed to Thiess's variable yields. 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 sale option is exercisable. The put option price does not give Elliott 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 recorded in CIMIC's income statement. It should be noted that the put option is not relevant for the purposes of evaluating the control, since it cannot be exercised before December 31, 2023. It is therefore 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 at December 31, 2020.

Although these estimates were made on the basis of the best information available at the date of preparation of these Consolidated Annual Accounts on the events analyzed, events that take place in the future might make it necessary to change these estimates (upward or downward) in future Consolidated Annual Accounts.

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 recognized.

Regarding the Group's 45% stake in BIC Contracting LLC (BICC), the aforementioned investee company was included in the Consolidated Annual Accounts 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, among other reasons, it was considered that the put option did not imply a substantive right as a result of the legal limitations regarding the purchase of companies in the UAE. At the request of the Spanish National Securities Market Commission (CNMV), which has requested that the Group retroactively modify the accounting criterion to record its stake in BICC —without this meaning that the ACS Board of Directors shares the final conclusion of its analysis—for the 2020 financial year, the ACS Group changed the consolidation method applied to BICC, registering it as fully integrated. In addition, it has been considered as a discontinued operation in the financial information as at December 31, 2020, re-expressing the comparative figures for the 2019 financial year in the same way. In addition, and as indicated in IAS 1.10(f), a statement of financial position as at January 1, 2019 has been submitted.

In terms of the equity of the ACS Group, the impact of this change on the Consolidated Annual Accounts for the financial years 2019 and 2020 is as follows:

	Millions of Euros					
	2020			2019		
	BICC	ACS Group	%	BICC	ACS Group (*)	%
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 the earnings per share corresponds to the earnings per share of the interrupted activities indicated in Note 31.

In addition, as indicated in Note 32, following the close of the 2020 financial year, 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 annual accounts, as ACS provisioned its total financial exposure in BICC in the 2019 financial year.

Except for the foregoing and the entry into force of new accounting standards, the bases of consolidation applied in 2020 are consistent with those applied in the 2019 Consolidated Annual Accounts (see Note 03.24).

Currency

The euro is the currency in which the Consolidated Annual Accounts are presented. Details of sales in the main countries in which the Group operates are set out in Note 25.

02.02. Consolidation principles

a) Balances and transactions with Group companies and associates

The significant intra-Group balances and transactions are eliminated on consolidation. Accordingly, all gains obtained by associates up to their percentage of ownership interest and all gains obtained by fully consolidated companies were eliminated.

However, in accordance with the criteria provided by IFRIC 12, balances and transactions relating to construction projects undertaken by companies of the Construction and Industrial Services division for concession operators are not eliminated on consolidation since these transactions are considered to have been performed for third parties as the projects are being completed.

b) Standardization of items

In order to uniformly present the various items comprising these Consolidated Annual Accounts, accounting standardization criteria have been applied to the individual annual accounts of the companies included in the scope of consolidation.

In 2020 and 2019, the reporting date of the annual accounts of all the companies included in the scope of consolidation was the same or was temporarily brought into line with that of the Parent Company.

c) Subsidiaries

"Subsidiaries" are defined as companies over which the ACS Group has the capacity to exercise control, i.e. in accordance with IFRS 10, when it has the power to lead their relevant activities, it is exposed to variable revenues as a result of their stake in the subsidiary and is able to exercise said power in order to influence its own revenues, either directly or through other companies it controls.

The annual accounts of the subsidiaries are fully consolidated with those of the Parent Company. Where necessary, adjustments are made to the annual accounts of the subsidiaries to adapt the accounting policies used to those applied by the Group.

As at December 31, 2020, the ACS Group had an effective ownership interest of less than 50% in companies considered to be subsidiaries because it controls the majority of the voting rights of these companies with the most representative companies, the most representative of which have an assets volume in excess of EUR 4 million: Piques y Túneles, S.A., Consorcio Embalse Chironta, S.A., Consorcio Constructor Hospital de Quellón, S.A. and Salam Sice Tech Solutions Llc (these four companies were in the same situation as at December 31, 2019). The ACS Group fully consolidates these investees by having the power, the rights to variable yields and the ability to influence those yields through the power it exercises.

As at December 31, 2020, the main companies of the ACS Group with dividend rights of more than 50% which are not fully consolidated include: Road Management (A13) Plc. y Benisaf Water Company, Spa. As at December 31, 2019, the ACS Group also owned companies with dividend rights of more than 50% which are not fully consolidated, including the following: Autovía de La Mancha, S.A. Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Road Management (A13) Plc., Autovía de los Pinares, S.A. and Benisaf Water Company, Spa.

This circumstance arises because the control over these companies is exercised by other shareholders or because decisions require the affirmative vote of another or other shareholders and consequently, they have been recognized as joint ventures or companies accounted for using the equity method. The relevant decisions vary depending on each resolution, but, generally, the other shareholder can veto any decision regarding (i) appointment, renewal, removal or replacement of the Chief Executive Officer (CEO), Chief

Financial Officer (CFO) and Chief Operating Officer (COO), (ii) approval of distribution of dividends or reserves not approved in the business plan, (iii) any change in the business activity, (iv) approval of the business plan and approval of the annual budget and/or final investment decision for a development project, (v) refinancing or restructuring or rebalancing agreements, (vi) changes in financial policies (hedging, leverage, guarantees, etc.), (vii) approval of the annual accounts and application of results, etc.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e., a discount on acquisition) is credited to profit and loss on the acquisition date. The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognized.

Also, the share of third parties of:

- The equity of their investees is presented within the Group's equity under "Non-controlling interests" in the consolidated statement of financial position.
- The profit for the year is presented under "Profit/(loss) attributable to non-controlling interests" and "Profit/(loss) from discontinued operations attributable to non-controlling interests" in the consolidated income statement and in the consolidated statement of changes in equity.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

Appendix I to these Notes to the Consolidated Annual Accounts details the subsidiaries and information thereon.

Section f) of this Note contains information on acquisitions and disposals, as well as increases and decreases in ownership interest.

d) Joint agreements

The Group recognizes in the Consolidated Annual Accounts its assets, including its share of jointly controlled assets; its liabilities, including its share of liabilities incurred jointly with the other operators; the revenue obtained from the sale of its share of the production resulting from the joint operation, its share of the revenue obtained from the sale of the production resulting from the joint operation, its expenses, including its share of the joint expenditure.

Within the joint agreements in which the ACS Group operates, mention should be made of Temporary Joint Ventures and similar entities (various types of joint ventures) abroad, which are entities through which cooperation arrangements are entered into with other venturers in order to carry out a project or provide a service for a limited period of time.

The assets and liabilities assigned to these types of entities are recognized in the consolidated statement of financial position, classified according to their specific nature on the basis of the existing percentage of ownership. Similarly, income and expense arising from these entities is presented in the consolidated income statement on the basis of their specific nature and in proportion to the Group's ownership interest.

Notes 08 and 09 contain relevant information on the relevant joint ventures.

e) Associated entities

The companies over which the ACS Group maintains significant influence or joint control are consolidated using the equity method in those cases where they do not meet the requirements of the IFRS 11 to be classified as Joint Agreements.

Exceptionally, the following entities are not considered to be Group associates since they do not have a significant influence or are fully inoperative and irrelevant for the Group as a whole.

Investments in associates are accounted for using the equity method, whereby they are initially recognized at acquisition cost. Subsequently, on each reporting date, they are measured at cost, plus the changes in the net assets of the associate based on the Group's percentage of ownership. The excess of the cost of acquisition over the Group's share of the fair value of the net assets of the associate at the date of acquisition is recognized as goodwill. The goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. Any excess in the Group's share in the fair value of the net assets of the associate over acquisition cost at the acquisition date is recognized in profit or loss.

The net tax results of associates are included in the Group's consolidated income statement under "Ordinary results of companies accounted for using the equity method" for all those associates and Joint Ventures whose activity is part of the same operational business of the Group and under "Non ordinary results of companies accounted for using the equity method" for those whose activity is not part of the Group's operational business (after an individual analysis has been carried out on each one of them), according to the percentage of their stake. Previously, the appropriate adjustments are made to take into account the depreciation of the depreciable assets based on their fair value at the date of acquisition.

Losses in the associates that correspond to the Group are limited to the value of the net investment, except in those cases where legal or implied obligations had been assumed by the Group or it has made payments on behalf of the associates. For the purposes of the recognition of impairment losses in associates, the result of adding to the book value resulting from the application of the participation method the value corresponding to any other item which, in substance, forms part of the investment in the associates, is considered a net investment. The excess of losses on investment in equity instruments applies to all other items in reverse order to the priority in settlement. Subsequent gains from those associates in which the recognition of losses to the value of the investment have been limited are recorded to the extent that they exceed previously unrecognized losses.

Note 09 contains relevant information on material entities.

f) Changes in the scope of consolidation

The main changes in the scope of consolidation of the ACS Group (formed by ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries) in the year ended December 31, 2020, are described in Appendix III.

Acquisitions, sales and other corporate transactions

Acquisitions

During the 2020 financial year, the increase in participation 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% as at December 31, 2019, to 52.2% as at December 31, 2020. In addition, Hochtief purchased 8,962,059 CIMIC shares during the 2020 financial year. Moreover, CIMIC has bought treasury shares during the same period. Both operations have increased Hochtief's participation in CIMIC from 72.8% as at December 31, 2019, to 78.6% as 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 the 2020 financial year, the remaining stake of Tonopah Solar Energy was acquired and will be fully integrated 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 sales agreement imply that the ACS Group no longer controls Thiess, but controls it jointly with Elliott and, consequently, the ACS Group has proceeded to derecognize Thiess's assets and liabilities in the Consolidated Annual Accounts. The remaining 50% of the stake held under joint control with Elliott was recorded again as at December 31, 2020, for its fair value based on the selling price (see Note 02.01).

The sale has been accounted for under IFRS 10 as follows: The total net receivable of transaction costs 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 04.01), and the recycling of reserves of EUR 36.8 million, resulting in a profit before tax of EUR 1,111 million, which has been recorded under the heading "Impairment and gains or losses on disposals of fixed assets" in the consolidated income statement. The breakdown as 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)
Gain of disposal of controlled entities before tax	1,274
Transaction costs	(163)
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
Goodwill (see Note 04.01)	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 09.01); the share of this result attributable to the investment in the alienated 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 2019 financial year (see Note 03.09).

During January 2020, an agreement was reached for the sale of the 50.1% that the Group still held as 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 03.09). The agreement was amended during 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 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 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 million, with total net profits for the Group of approximately EUR 330 million, of which EUR 250 million was collected in the 2019 financial year.

The Group's Management, based on the fact that the relevant activities of Escal UGS, S.L., i.e. those that significantly affect its performance, are limited, therefore, proceeded to deconsolidate them in from the Group's financial statements 2019, 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 has derecognized the net assets relating to the aforementioned photovoltaic plants from the Consolidated Annual Accounts as at December 31, 2019 and has again recognized at fair value the assets corresponding to the 50.1% stake in these plants, which it held at the end of 2019, after the aforementioned sale of 49.898% of the shares in Zero-E Euro Assets, S.A.

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 sold its 50% stake in the Canadian company Northeast Anthony Henday, the concessionaire of the Edmonton ring road in Alberta, Canada (see Note 29).

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, stakes in eight concessions or PPPs 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 a company value of around EUR 5,200 million. This proposal was examined by the ACS Board of Directors, which, despite not being in search of buyers, decided to continue with the negotiations. In this regard, at the end of the 2020 financial year, the ACS Group assessed whether the criteria set out in IFRS 5 for the classification of its investment as a non-current asset held for sale were met. After analyzing the various factors, the Group found that it should not be presented as a non-current assets held for sale since the potential sales package was not available as of December 31, 2020, under the conditions necessary for its immediate sale, since there is a segregation process (or carve-out) of the companies pending. Also, given the elevated size of the industrial division, authorization is required by various agents, such as competition agencies in many geographical areas, funding agents for certain projects, clients, government agencies, the approval of which is a substantive condition and is not under the control of the ACS Group. Due to all this, and with the opinion of its legal advisers, it has been considered that at the end of the 2020 financial year, the sale is not highly likely, to the extent that it is not unlikely that significant changes to the plan may occur and it is not possible to determine the assets and liabilities affected, the necessary conditions have not been met for its immediate sale and therefore, according to IFRS 5, the criteria for being classified as a non-current assets held for sale have not been met.

03. Accounting Policies

The principal valuation standards used in preparing the Group's Consolidated Annual Accounts, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, were as follows:

03.01. Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- Those attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognized in their balance sheets and whose accounting treatment (amortization, accrual, etc.) was similar to that of the same assets (liabilities) of the Group. Those attributable to specific intangible assets, recognizing them explicitly in the consolidated statement of financial position provided that the fair value at the acquisition date can be measured reliably.
- Goodwill is only recognized when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognized.
- Goodwill acquired on or after January 1, 2004, is measured at acquisition cost and that acquired earlier is recognized at the carrying amount as at December 31, 2003.

In all cases, at the end of each reporting period goodwill is reviewed for impairment (i.e., a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment and gains or losses on the disposal of non-current assets" in the consolidated income statement, since, as stipulated in IFRS 3, goodwill is not amortized.

An impairment loss recognized for goodwill must not be reversed in a subsequent period.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is translated to euro at the exchange rates prevailing at the date of the consolidated statement of financial position and changes are recognized as translation differences or impairment, as appropriate.

Any negative differences between the cost of investments in consolidated companies and associates below the related underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is classified as negative goodwill and is allocated as follows:

- If the negative goodwill is attributable to specific assets and liabilities of the companies acquired, by increasing the value of the liabilities (or reducing the value of the assets) whose market values were higher (lower) than the carrying amounts at which they had been recognized in their balance sheets and whose accounting treatment (amortization, accrual, etc.) was similar to that of the same assets (liabilities) of the Group.
- The remaining amounts are presented under "Other results" in the consolidated income statement for the year in which the share capital of the subsidiary or associate is acquired.

03.02. Other intangible assets

Intangible assets are identifiable non-monetary assets, without physical substance, which arise as a result of a legal transaction or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reliably and from which the consolidated companies consider it probable that future economic benefits will be generated are recognized.

Intangible assets are measured initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. These assets are amortized over their useful life.

The ACS Group recognizes any impairment loss on the carrying amount of these assets with a charge to "Impairment and gains on the disposal of non-current assets" in the consolidated income statement. The criteria used to recognize the impairment losses on these assets and, where applicable, the reversal of impairment losses recognized in prior years are similar to those used for property, plant and equipment (Note 03.06).

03.02.01. Development expenditure

Development expenditure is only recognized as intangible assets if all of the following conditions are met:

- an identifiable asset is created (such as computer software or new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be reliably measured.

Costs related to research and/or development activities are recorded as an expense as they are incurred.

The costs related to development activities have been capitalized to the extent that:

- The Group has technical studies that justify the viability of the production process;
- There is a commitment from the Group to complete the production of the asset in such a way that is found in the terms of sale (or internal use);
- The asset will generate sufficient economic benefits;
- The Group has the technical and financial (or other) resources to complete the development of the asset (or to use it internally) and has developed budgetary control and analytical accounting systems to track budgeted costs, the modifications introduced and the costs actually charged to the various projects.

The cost of assets generated internally by the Group is determined according to the same principles as those established in the determining the production cost of inventories. The capitalization of the cost of production is made by the payment of the costs attributable to the asset in the accounts of the item "Capitalised expenses of in-house work on assets" from the consolidated income statement (consolidated statement of comprehensive income).

Costs incurred in carrying out activities in which the costs attributable to the research phase cannot be clearly distinguished from the costs of the intangible assets' development phase are charged to profit and loss.

In addition, the costs incurred in carrying out activities that contribute to developing the value of the various businesses in which the Group operates as a whole are recorded as expenses as they are incurred. Also, in general, subsequent substitutions or costs incurred in intangible assets are recorded as expenditure, unless the expected future economic benefits of the assets increase.

Internally generated intangible assets are amortized on a straight-line basis over their useful lives (over a maximum of five years). Where no internally generated intangible asset can be recognized, development expenditure is recognized as an expense in the year in which it is incurred.

03.02.02. Administrative concessions

Concessions may only be recognized as assets when they have been acquired by the company for a consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the State or from the related public agency.

Costs related to research and/or development activities are recorded as an expense as they are incurred.

Concessions are generally amortized on a straight-line basis over the term of the concession.

In the event of non-compliance, leading to the loss of the concession rights, the carrying amount of the concession is written off.

03.02.03. Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recorded with a charge to "Other intangible assets" in the consolidated statement of financial position.

Computer system maintenance costs are recognized with a charge to the consolidated income statement for the year in which they are incurred.

Computer software may be contained in a tangible asset or have physical substance and, therefore, incorporate both tangible and intangible elements. These assets will be recognized as property, plant and equipment if they constitute an integral part of the related tangible asset, which cannot operate without that specific software.

Computer software is amortized on a straight-line basis over a period of between three and four years from the entry into service of each application.

03.02.04. Other intangible assets

This heading basically includes the intangible assets related to the acquired companies' construction backlog and customer base, mainly of the Hochtief Group. These intangible assets are measured at fair value on the date of their acquisition and if material, on the basis of independent external reports. The assets are amortized in the five to ten-year period in which it is estimated that profit will be contributed to the Group.

03.03. Tangible assets - property, plant and equipment

Land and buildings acquired for use in the production or supply of goods or services or for administrative purposes are stated in the consolidated statement of financial position at acquisition or production cost less any accumulated depreciation and any recognized impairment losses.

The Group recognizes the interest costs directly attributable to the acquisition, construction or production of qualified assets as the higher value of the assets. Qualified assets are those that require a substantial period of time before they can be used or be subject to disposal. To the extent that the financing has been obtained specifically for the qualified asset, the amount of interest to be capitalized is determined on the basis of the actual costs incurred during the financial year minus the revenue obtained from the temporary investments made with those funds. Financing obtained specifically for a qualified asset is considered generic financing, once all the activities necessary to prepare the asset for its intended use or sale have been substantially completed. The amount of capitalized interest for generic financing is determined by applying a weighted average interest rate to the investment in qualified assets, never exceeding the total interest costs incurred. All other interest costs are recognized in profit or loss in the year in which they are incurred.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognized as additions to property, plant and equipment and the items replaced or renewed are derecognized.

Periodic maintenance, upkeep and repair expenses are recognized in profit or loss on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognized impairment loss.

Amortization is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period property, plant and equipment amortization charge is recognized in the consolidated income statement and is basically based on the application of amortization rates determined on the basis of the following average years of estimated useful life of the various assets:

	Years of estimated useful life
Buildings	20-60
Plant and machinery	3-20
Other fixtures, tools and furniture	3-14
Other items of tangible assets - property plant and equipment	4-12

Notwithstanding the foregoing, the property, plant and equipment assigned to certain contracts for services that revert to the contracting agency at the end of the contract term are amortized over the shorter of the term of the contract or the useful life of the related assets.

Interest relating to the financing of non-current assets held under finance leases is charged to consolidated profit for the year using the effective interest method, on the basis of the repayment of the related borrowings. All other interest costs are recognized in profit or loss in the year in which they are incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated income statement.

Future costs that the Group will have to face in connection with the dismantling, closure and environmental restoration of certain facilities are included in the value of the asset at present value, including the corresponding provision. The Group reviews its estimates of these future costs on an annual basis, adjusting the value of the provision established based on related studies.

Identified right of use in lease agreements

The ACS Group administers its owned and leased assets to ensure that there is a sufficient level of resources for it to meet its current obligations. The decision to lease or buy an asset depends on numerous considerations such as financing, risk management and operational strategies after the planned end to a project.

With the application of IFRS 16, the Group now assesses whether a contract is or contains a lease based on the new lease definition. Under IFRS 16, a contract is or contains a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

At the beginning of the lease, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset consists of the amount of the lease liability, any lease payments made on or before the

commencement date less incentives received, initial direct costs incurred and an estimate of the decommissioning or restoration costs to be incurred, as indicated in the provisions accounting policy.

The Group values the lease liability for the current value of lease payments that are pending payment on the start date. The Group discounts lease payments at the appropriate incremental interest rate, unless it can reliably determine the lessor's implicit interest rate.

Outstanding lease payments consist of fixed payments less any incentive receivable, variable payments that depend on an index or rate initially measured by the index or rate applicable at the inception date, amounts expected to be paid for residual value guarantees, the exercise price of the purchase option that is reasonably certain to be exercised and severance payments, provided that the lease term reflects the exercise of the cancellation option.

The Group values the right-of-use assets at cost, less the accumulated impairment amortizations and losses, adjusted for any reestimation of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease term or the right-of-use asset includes the purchase option price, the amortization criteria indicated in the section on property, plant and equipment from the start date of the lease to the end of the useful life of the asset shall apply. Otherwise, the Group amortizes the right-of-use asset from the start date until the previous date between the useful life of the right or the end of the term of the lease.

The Group applies the criteria for impairment of the value of non-current assets set out in Note 03.06 to the right-of-use asset.

The Group values the lease liability by increasing it for the accrued financial expense, decreasing it for payments made and reestimating the book value for lease modifications or to reflect updates to fixed payments in essence.

Lessees must separately recognize interest expense on the lease liability and depreciation expense on the right to use the asset. Future lease payments (for the purpose of calculating the initial value of the liability) do not include payments that are variable and not dependent on an index (such as the CPI or an applicable lease price index) or a rate (such as the Euribor).

However, lessees are required to remeasure the lease liability in the event of certain events (such as a change in the term or lease payments). The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. In this regard, the Group records the variable payments that have not been included in the initial valuation of the liability in the results from the period in which the events that triggered its disbursement occurred.

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

The Group recognizes reestimates of the liability as an adjustment to the right-of-use asset, until it is reduced to zero and subsequently recognized in profit and loss.

The Group reestimates the lease liability by discounting the lease payments at an updated rate, if there is a change in the lease term or a change in the exercise expectation of the underlying asset purchase option.

The Group reestimates the lease liability if there is a change in the expected amounts to be paid from a residual value guarantee or a change in the index or rate used to determine payments, including a change to reflect changes in market yields once these have been reviewed.

The standard includes two exceptions to the recognition of lease assets and liabilities by lessees for which the expense is recorded in the income statement on an accrual basis:

- Low-value leases: this refers to leases of little significance, i.e. those contracts whose underlying asset is attributed an insignificant value. The Group has set the upper limit of this value at USD 5,000 as a reference amount.

- Short-term leases: those contracts with an estimated rental period of less than 12 months.

Sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis. In this sense, the Group does not have any material operating leases as a lessor.

Due to the application of IFRS 16, in the previous year, the Group performed a detailed analysis of all the leases it has entered into, not considering contracts of less than one year and of low value; the main contracts were those associated with the rental of machinery, offices and transport elements in different geographical areas of operation.

There may also be some office leases that contain extension options which can be exercised by Group one year before the non-cancelable period of the lease. The Group considers such time extensions in those cases where it is reasonably certain that the extension will be exercised.

The ACS Group has chosen to implement the practical solution provided for in the "Amendment to IFRS 16 Leases – Rent Improvements" which entered into force on June 1, 2020, simplifying the accounting of an improvement in income related to Covid-19.

Lessor's standpoint:

The accounting of lease contracts where the Group acts as a lessor is carried out according to the following criteria:

Finance leases:

The Group recognizes an account receivable for the amount equivalent to the present value of the lease payments, plus the unguaranteed residual value, discounted at the implicit interest rate of the contract (net investment of the lease). Initial direct costs are included in the initial valuation of the collection rights and decrease the amount of revenue recognized over the term of the lease. Financial income is charged to the income statement according to the effective interest rate method.

At the beginning of the lease, the Group recognizes the outstanding amounts related to the fixed payments in the accounts receivable for the lease, less the incentives payable, the variable payments that depend on an index or rate that are valued using the index or rate applicable on that date, any residual value guarantees delivered to the lessor by the lessee, a party linked to it or any third party not linked to the lessor with the financial capacity to fulfill the obligation, the exercise price of any purchase option, if there is reasonable certainty that it will be exercised by the lessee and indemnity payments for the termination of the lease, if the term of the lease reflects that the lessee will exercise the option of cancellation.

As mentioned previously, sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis. In this sense, the Group does not have any material operating leases as a lessor.

03.04. Non-current assets in projects

This heading includes the amount of investments, mainly in transport, energy and environmental infrastructures which are operated by the ACS Group subsidiaries and which are financed under a project finance arrangement (limited recourse financing applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantees to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Each project is performed through specific companies in which the project assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a given amount and on the other, generally representing a larger amount, through borrowed funds in the form of non-current debt. The debt servicing of these credit facilities or loans is supported mainly by the cash flows to be generated by the project in the future and by security interests in the project's assets.

These assets are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, compulsory purchases, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items) and the portion relating to other indirectly allocable costs, to the extent that they relate to the construction period.

Also included under this heading will be the borrowing costs incurred prior to the entry into operation of the assets arising from external financing thereof. Capitalized borrowing costs arise from specific borrowings expressly used for the acquisition of an asset.

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

The residual value, useful life and depreciation method applied to the companies' assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the non-current assets in projects are consumed.

This heading also includes the amount of the concessions to which IFRIC 12 has been applied. These mainly relate to investments in transport, energy and environmental infrastructures operated by the ACS Group subsidiaries and financed under a project finance arrangement (limited recourse financing applied to projects), regardless of whether the demand risk is assumed by the group or the financial institution. In general, the loans are supported by security interests over the project cash flows.

The main features to be considered in relation to non-current assets in projects are as follows:

- The concession assets are owned by the concession grantor in most cases.
- The grantor controls or regulates the service offered by the concession operator and the conditions under which it should be provided.
- The assets are operated by the concession operator as established in the concession tender specifications for an established concession period. At the end of this period, the assets are returned to the grantor and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenues for the services provided either directly from the users or through the grantor.

In general, a distinction must be drawn between two clearly different phases: The first, in which the concession operator provides construction or upgrade services which are recognized under intangible or financial assets by reference to the stage of completion pursuant to IFRS 15 "Revenue from contracts with customers," with a balancing entry in an intangible or financial asset and a second phase in which a series of maintenance or operating services are provided for the aforementioned infrastructure, which are recognized in accordance with IFRS 15 "Revenue from contracts with customers."

An intangible asset is recognized when the demand risk is borne by the concession operator and a financial asset is recognized when the demand risk is borne by the concession grantor since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. These assets also include the amounts paid and to be paid in relation to the fees for the award of the concessions.

In certain mixed arrangements, the operator and the grantor may share the demand risk, although this is not common for the ACS Group.

All the infrastructures of the ACS Group concession operators were built by Group companies and no infrastructures were built by third parties. The revenue and expenses relating to infrastructure construction or improvement services are recognized at their gross amount (record of sales and associated costs), the construction margin being recognized in the Consolidated Annual Accounts.

Intangible assets

For concessions classified as intangible assets, provisions for dismantling, removal and rehabilitation and any steps to improve and increase capacity, the revenue from which is contemplated in the initial contract,

are capitalized at the start of the concession and the amortization of these assets and the adjustment for provision discounting are recognized in profit or loss. Also, provisions for infrastructure replacement and repair work are systematically recognized in profit or loss as the obligation is incurred.

Borrowing costs arising from the financing of the infrastructure are recognized in the period in which they are incurred and those accruing from the construction until the entry into service of the infrastructure are capitalized only in the intangible asset model.

Intangible assets are amortized on the basis of the pattern of consumption, understood as the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is toll road activity, whose assets are depreciated or amortized on the basis of the concession traffic.

Financial assets

Concessions classified as a financial asset are recognized at the fair value of the construction or improvement services rendered. In accordance with the amortized cost method, the related revenue is allocated to profit or loss at the interest rate of the receivable arising on the cash flow and concession payment projections, which are presented as revenue in the accompanying consolidated income statement. As described previously, the revenue and expense relating to the provision of the operation and maintenance services are recognized in the consolidated income statement in accordance with IFRS 15, "Revenue from contracts with customers," and the finance costs relating to the concession are recognized in the accompanying consolidated income statement according to their nature.

Assets are classified as current when they are expected to be realized or are intended to be sold or consumed during the normal cycle of the Group's operation, when they are held primarily for negotiation, they are expected to be realized within the 12-month period after the closing date or are cash or other equivalent liquid media, except in those cases where they cannot be exchanged or used to cancel a liability, at least 12 months after the closing date.

Interest income on the concessions to which the accounts receivable model is applied is recognized as sales, since these are considered to be ordinary activities, forming part of the overall objective of the concession operator and are carried on and provide income on a regular basis.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognized as a higher amount of the financial asset and the items replaced or renewed are derecognized.

The work performed by the Group on non-current assets is measured at production cost, except for the work performed for concession operators, which is measured at selling price.

Concession operators amortized these assets so that the carrying amount of the investment made is zero at the end of the concession.

Non-current assets in projects are depreciated on the basis of the pattern of use which, in the case of toll roads, is generally determined by the traffic projected for each year. However, certain contracts have terms shorter than the useful life of the related non-current assets, in which case they are depreciated over the contract term.

At least at each balance sheet date, the companies determine whether there is any indication that an asset or group of assets of financial assets is impaired so that, as indicated in Note 03.06, an impairment loss can be recognized or reversed in order to adjust the carrying amount of the assets to their value in use.

The companies consider that the periodic maintenance plans for their facilities, the cost of which is recognized as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiration of the concession contracts and that, therefore, no significant expenses will arise as a result of their return.

Future costs that the Group will have to face in connection with the dismantling, closure and environmental restoration of certain facilities are included in the value of the asset at present value, including the corresponding provision. The Group reviews its estimates of these future costs on an annual basis, adjusting the value of the provision established based on related studies.

03.05. Investment property

The Group classifies as investment property the investments in land and structures held either to earn rentals or for capital appreciation, rather than for their use in the production or supply of goods or services, or for administrative purposes, or for their sale in the ordinary course of business. Investment property is measured initially at cost, which is the fair value of the consideration paid for the acquisition thereof, including transaction costs. Subsequently, accumulated depreciation and where applicable, impairment losses, are deducted from the initial cost.

In accordance with IAS 40, the ACS Group has elected not to periodically revalue its investment property on the basis of its market value, but rather to recognize it at cost, net of the related accumulated depreciation, following the same criteria as for "Property, plant and equipment."

Properties in construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale or disposal by any other means.

Gains or losses arising from the retirement, sale or disposal of the investment property by other means are determined as the difference between the net disposal proceeds from the transaction and the carrying amount of the asset and is recognized in profit or loss in the period of the retirement or disposal.

Investment property is depreciated on a straight-line basis over its useful life, which is estimated to range from 25 to 50 years based on the features of each asset, less its residual value, if material.

03.06. Impairment of tangible assets, property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets, as well as its investment properties, to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of the impairment loss is recognized as income immediately.

03.07. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and overheads incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of inventories is calculated by using the weighted average cost formula. Net realizable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Group assesses the net realizable value of the inventories at year-end and recognizes the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

03.08. Non-current and other financial assets

Except in the case of financial assets at fair value through profit or loss, financial assets are initially recognized at fair value, plus any directly attributable transaction costs.

On January 1, 2018, IFRS 9 "Financial Instruments" came into force, affecting the classification and measurement of financial assets; the measurement method is determined on the basis of two concepts, the characteristics of the contractual cash flows of the financial asset and the Group's business model for managing it. The three new financial asset measurement categories are: amortized cost, fair value through other comprehensive income (equity) and fair value through changes in the consolidated income statement.

This classification depends on how an entity manages its financial instruments (equity instruments, loans, debt securities, etc.), its business model and the existence or otherwise of contractual cash flows from specifically defined financial assets:

- If the objective of the business model is to hold a financial asset in order to collect contractual cash flows and, according to the terms of the contract, cash flows are received on specific dates that constitute exclusively payments of principal plus interest on that principal, the financial asset is measured at amortized cost. The Group's financial assets relate largely to loans and debt securities and are therefore measured at amortized cost, i.e. initial cost less principal repayments plus accrued interest on the basis of the effective interest rate pending collection, adjusted for any recognized impairment losses, where applicable.

The effective interest rate is the rate that equals the initial cost to the total estimated cash flows for all items over the remaining life of the investment.

The receivables from commercial debtors that are typical of the Group's normal traffic are recorded by their nominal value adjusted by their expected lifetime credit losses.

- If the business model aims to obtain both contractual cash flows and their sale and, according to the terms of the contract, cash flows are received on specific dates that constitute exclusively payments of principal plus interest on that principal, the assets are measured at fair value with changes in other comprehensive income (equity). Interest, impairment and exchange differences are recorded in the income statement as in the amortized cost model. Other changes in fair value are recognized in equity and are recycled in the consolidated income statement upon their sale.
- Beyond the above scenarios, the general rule is that the remaining assets are measured at fair value with changes in the consolidated income statement. This method is used mainly to classify equity instruments, unless they are initially classified at fair value through other comprehensive income.

However, there are two options for irrevocable designation at initial recognition:

- An equity instrument, provided it is not held for trading purposes, may be designated for measurement at fair value through other comprehensive income (equity), although if the instrument

is sold, amounts recognized in equity may not be allocated to the consolidated income statement and only dividends are recognized in profit or loss.

- A financial asset may also be designated to be measured at fair value with changes in the consolidated income statement if this reduces or eliminates an accounting asymmetry "*Fair Value Option*."

Expected loss and customer insolvencies

The change as a result of the entry into force of IFRS 9 consists of the change from incurred credit losses to expected credit losses in the presentation of impaired financial assets. The quantification of expected credit losses involves determining the probability of default in the initial recognition of an asset and, subsequently, whether there has been a significant increase in credit risk on an ongoing basis in each reporting period. In making this assessment, the ACS Group considers both the quantitative and qualitative information that is reasonable and can be supported, including historical experience and forward-looking information that is available without unnecessary cost or effort. Forward-looking information includes the future prospects of the industries in which the Group's debtors operate, obtained from reports compiled by expert economists, financial analysts, government bodies, relevant groups of experts and other similar organizations, as well as the consideration of various external sources of economic forecasts related to the main business operations of the ACS Group.

In particular, insofar as it is available in a reasonable form, the following information is taken into account for assessing significant changes in credit risk:

- Real or expected significant adverse changes in commercial, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its obligations.
- Real or expected significant changes in the borrower's operating results.
- Significant increases in credit risk in other financial instruments of the same borrower.
- Credit ratings assigned by an external agency.
- Significant changes in the value of the guarantee that supports the bond, or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of the borrowers in the Group and changes in the operating results of the borrower.
- Macroeconomic information, such as market interest rates and growth rates.

Under the new standards, the Group has opted to apply the simplified approach to the impairment of trade receivables that do not contain a significant financial component, assessing and recognizing from the outset the whole of the expected loss. For its practical application, estimated calculations are used based on historical experience and the risk of each customer, by geographical area.

Overall, the deterioration is estimated in terms of the losses expected over the next 12 months. When a significant deterioration in credit quality occurs, the expected loss over the life of the asset is estimated.

Current/Non-current classification

Liabilities are classified as current when they are expected to be settled in the normal cycle of the Group's operation, when they are held primarily for negotiation, they have to be settled within the 12-month period from the closing date or the Group does not have the unconditional right to postpone the cancellation of liabilities during the 12 months following the closing date.

Derecognition of financial assets

The Group derecognizes a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to

repurchase them at fair value and the securitization of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognize financial assets and does recognize a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring, sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest and the securitization of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

Fair value hierarchies

Financial assets and liabilities measured at fair value are classified according to the hierarchy established in IFRS 7, as follows:

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.

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

Non-current assets held for sale

2020 Financial Year

As 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 as 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 as 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 as 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 02.02.f)).

The agreement was amended during 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 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 2019 financial year.

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 the 2020 financial year 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 as at December 31, 2020, totals EUR 1,263,428 thousand (EUR 810,648 thousand as at December 31, 2019), of which EUR 995,363 thousand (EUR 727,666 thousand as at December 31, 2019) corresponds to renewable energies, EUR 74,998 thousand (EUR 66,485 thousand as at December 31, 2019) corresponds to transmission lines, no amount at all to highways (compared to EUR 14,056 thousand as at December 31, 2019) and EUR 193,067 thousand (EUR 2,441 thousand as at December 31, 2019) to other sectors. Within the total amount of the aforementioned net debt, EUR 524,269 thousand (EUR 401,817 thousand as at December 31, 2019) corresponds to project finance with limited recourse. 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 as 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 1,550 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 deregistered the net assets relating to the aforementioned plants from the Consolidated Annual Accounts as 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 as 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.

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), 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 financial year. As a result of this process, on February 15, 2021, CIMIC signed a sales agreement with a third party outside the Group and this sale is expected to be completed in the coming months (see Note 32). In this context, the ACS Group has carried out an evaluation of the probability of the sale of the shareholding, concluding at the end of the 2020 financial year that there has been sufficient compliance with IFRS 5 criteria to consider the said shareholding as non-current assets held for sale.

Also, since BICC represents a specific geographical area of operations for the ACS Group (with no other permanent establishments in that area) and it 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 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 the 2019 financial year, certain liabilities and other accounts payable were recognized in the 2019 financial year, of which EUR 95,099 thousand remained outstanding as at December 31, 2020 under the heading "Trade and other payables" in the attached statement of financial position. 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 the 2020 financial year, offset by the reduction of certain contingencies recorded during the period whose expenditure already incurred in 2019.

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 discontinued operations 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 amount recognized under "Valuation adjustments" in the consolidated statement of changes in equity, which relate to operations considered as discontinued operations as at December 31, 2019, is 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 2019, this includes the one-off impact before tax of EUR 1,694.6 million (AUD 2,724.7 million) 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 2019 were applied to cover international risks related to the Middle East. The tax effect of the aforementioned impacts is reflected under the Income Tax heading.

The breakdown of the cash flows statement 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)

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

03.10. Equity

An equity instrument represents a residual interest in the net assets of the Group after deducting all of its liabilities.

Capital and other equity instruments issued by the Parent Company are recognized in equity at the proceeds received, net of direct issue costs.

03.10.01. Share capital

Ordinary shares are classified as capital. There are no other types of shares.

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

03.10.02. Treasury shares

The transactions involving treasury shares in 2020 and 2019 are summarized in Note 15.04. Treasury shares were deducted from equity in the accompanying consolidated statement of financial position as at December 31, 2020 and 2019.

When the Group acquires or sells treasury shares the amount paid or received for the treasury shares is recognized directly in equity. No loss or gain from the purchase, sale, issue or amortization of the Group's own equity instruments is recognized in the consolidated income statement for the year.

The shares of the Parent Company are measured at average acquisition cost.

03.10.03. Stock options

The Group has granted options on ACS, Actividades de Construcción y Servicios, S.A. shares to certain employees.

In accordance with IFRS 2, the options granted are considered as equity-settled. Accordingly, they are measured at their fair value on the date they are granted and charged to income, with a credit to equity, over the period in which they accrue based on the various periods of irrevocability of the options.

Since market prices are not available, the value of the share options has been determined using valuation techniques taking into consideration all factors and conditions that would have been applied in an arm's length transaction between knowledgeable parties (Note 28.03).

In addition, the Hochtief Group has granted options on Hochtief, A.G. shares to members of its management.

03.11. Government grants

The ACS Group has received grants from various government agencies mainly to finance investments in property, plant and equipment for its Services business. Evidence of compliance with the conditions established in the relevant decisions granting the subsidies was provided to the relevant competent agencies.

Government grants received by the Group to acquire assets are taken to income over the same period and on the same basis as those used to depreciate the asset relating to the aforementioned grant.

Government grants to compensate costs are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

A government grant receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support with no future related costs is recognized in profit or loss of the period in which it becomes receivable.

03.12. Financial liabilities

Financial liabilities are classified in accordance with the content and the substance of the contractual arrangements.

The main financial liabilities held by the Group companies relate to held-to-maturity financial liabilities which are measured at amortized cost.

The Group eliminates financial liabilities when the obligations which have generated them are canceled.

The financial risk management policies of the ACS Group are detailed in Note 21.

03.12.01. Debentures, debt and other securities

Interest-bearing bank loans and overdrafts are recognized at the amount received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognized in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Exchange of debt instruments between the Group and the counterparty, or substantial modifications of the liabilities initially recorded, are recorded as a reconciliation of the original liability and the recognition of a new financial liability, provided the instruments have substantially different conditions. The Group considers that the conditions are substantially different if the present value of the cash flows discounted under the new conditions, including any fees paid net of any fees received and using the original effective interest rate to discount, differs by at least ten percent from the discounted present value of the cash flows that still remain from the original financial liability.

If the exchange is recorded as a cancellation of the original financial liability, the costs or fees are recognized in the consolidated income statement. Otherwise, the modified flows are discounted at the original effective interest rate, recognizing any difference in the previous carrying amount in profit or loss. The costs or fees also adjust the carrying amount of the financial liability and are amortized using the amortized cost method over the remaining life of the modified financial liability.

Bonds and other marketable securities, loans and credit facilities are subsequently valued at amortized cost.

Loans are classified as current items unless the Group has the unconditional right to defer repayment of the debt for at least 12 months from the end of the reporting period.

03.12.02. Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ significantly from their fair value.

The heading of trade payables is also used to classify outstanding balances payable to suppliers made through confirming contracts with financial institutions and the payments related thereto are also classified as trade flows since these operations do not incorporate either specific guarantees granted as pledges on the payments to be made nor any modifications that alter the commercial nature of the transactions.

03.12.03. Current/Non-current classification

In the accompanying consolidated statement of financial position debts due to be settled within 12 months are classified as current items and those due to be settled within more than 12 months as non-current items.

Loans due within 12 months but whose long-term refinancing is assured at the Group's discretion, through existing long-term credit loan facilities, are classified as non-current liabilities.

"Project finance with limited recourse" is classified based on the same criteria; the breakdown is shown in Note 18.

03.12.04. Retirement benefit obligations

a. Post-employment benefit obligations

Certain Group companies have post-employment benefit obligations of various kinds to their employees. These obligations are classified by group of employees and may relate to defined contribution or defined benefit plans.

For defined contributions, the contributions made are recorded as expenditure under the heading "Personal expenses" in the consolidated income statement as they accrue.

ACS, Actividades de Construcción y Servicios, S.A. includes in defined benefit plans for Spanish companies those that are financed by the payment of insurance premiums in which there is a legal or implicit obligation to provide the employees with the promised benefits at the time when they become claimable. This obligation is satisfied through the insurance company.

ACS, Actividades de Construcción y Servicios, S.A. is required, under specific conditions, to make monthly payments to a group of employees to supplement the mandatory public social security system benefits for retirement, permanent disability, widowhood or death of a parent.

In this sense, for the defined benefit plans, actuarial studies are conducted once a year by independent experts using market assumptions and the expenditure relating to the obligations is recognized on an accrual basis, classifying the normal cost for the current employees over their working lives under "Personal expenses" and recognizing the associated finance cost, in the event that the obligation were to be financed, by applying the rates relating to investment-grade bonds on the basis of the obligation recognized at the beginning of each year (see Note 20).

The post-employment benefit obligations include, inter alia, those arising from certain companies of the Hochtief Group, for which the Group has recognized the related liabilities and whose recognition criteria are explained in Note 03.13.

b. Other employee benefit obligations

The expense relating to termination benefits is recognized in full when there is an agreement or when the interested parties have a valid expectation that such an agreement will be reached that will enable the employees, individually or collectively and unilaterally or by mutual agreement with the company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is

only recognized in situations in which the Group considers that it will give its consent to the termination of the employees.

03.12.05. Termination benefits

Under current legislation, Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees terminated without just cause. There are no employee redundancy plans making it necessary to record a provision in this connection.

03.13. Provisions

The Group's Consolidated Annual Accounts include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognized in the Consolidated Annual Accounts, but rather are disclosed, as required by IAS 37.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognized. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

Litigation and/or claims in process

At the end of 2020, certain litigation and claims were in process against the consolidated companies forming part of the ACS Group arising from the ordinary course of their operations, which were not representative at the individual level. The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the annual accounts for the years in which they are settled.

Provisions for employee termination benefit costs

Pursuant to current legislation, a provision is recognized to meet the cost of termination of temporary employees with a contract for project work.

Provisions for pensions and similar obligations

In the case of foreign companies whose post-employment benefit obligations are not externalized, the provisions for pensions and similar obligations recorded by various Hochtief Group companies stand out, as explained below.

Provisions for pensions and similar obligations are recognized for current and future benefit payments to active and former employees and their surviving dependants. The obligations primarily relate to pension benefits, partly for basic pensions and partly for optional supplementary pensions. The individual benefit obligations vary from one country to another and are determined for the most part by length of service and pay scales. Turner's obligations to meet healthcare costs for retired staff are likewise included in pension provisions due to their pension-like nature.

Provisions for pensions and similar obligations are computed by the projected unit credit method. This determines the present value of future entitlements, taking into account current and future benefits already known at the reporting date plus anticipated future increases in salaries and pensions and, for the Turner Group, in healthcare costs. The computation is based on actuarial appraisals using biometric accounting principles. Plan assets as defined in IAS 19 are shown separately as deductions from pension obligations. Plan assets comprise assets transferred to pension funds to meet pension obligations, shares in investment funds purchased under deferred compensation arrangements and qualifying insurance policies in the form of pension liability insurance. If the fair value of plan assets is greater than the present value of employee benefits, the difference is reported—subject to the limit in IAS 19—under "Non-current assets."

Amounts arising from the assessments of the defined benefit plans are recognized directly in the consolidated income statement during the period in which they arise. The current cost for the year is recognized under personnel expenses. The effect of interest on the increase in pension obligations,

diminished by anticipated returns on plan assets (each calculated using the discount factor method for pension obligations), is reported in net investment and interest income.

Provisions for project completion

This corresponds to the estimated costs for site clearance and other expenses that may be incurred from completion of the project through final settlement thereof are accrued over the execution period on the basis of production volumes and are recognized under "Current provisions" on the liability side of the consolidated statements of financial position.

Decommissioning of fixed assets

The Group is obliged to decommission certain facilities at the end of their useful life at their location. The corresponding provisions have been made for this purpose and the present value of the cost of carrying out these tasks has been estimated, recognizing an asset as a balancing entry.

Other provisions

Other provisions mainly include provisions for warranty costs.

03.14. Risk management policy

The ACS Group is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and monitoring systems.

The main principles defined by the ACS Group for its risk management policy are as follows:

- Compliance with corporate governance rules.
- Establishment by the Group's various lines of business and companies of the risk management controls required to assure that market transactions are performed in accordance with the policies, standards and procedures of the ACS Group.
- Special attention to the management of financial risk, essentially comprising interest rate risk, foreign currency risk, liquidity risk and credit risk (see Note 21).

The Group's risk management is of a preventative nature and is aimed at the medium and long term, taking into account the most probable scenarios with respect to the future changes in the variables affecting each risk.

03.15. Financial derivatives

The ACS Group's activities are exposed to financial risks, mainly involving changes in foreign exchange rates and interest rates. The transactions performed are in line with the risk management policy defined by the Group.

Derivatives are initially recognized at fair value on the date on which the derivative agreement is signed and they are subsequently revalued at their fair value on the date of each balance statement. Accounting for subsequent changes in fair value depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item being hedged.

A financial derivative is a financial instrument or other agreement whose value is modified in response to changes in certain variables, such as the interest rate, the price of a financial instrument, the exchange rate, a credit rating or index, or depending on another, potentially non-financial variable.

Financial derivatives, in addition to producing profits or losses, may, under certain conditions, offset all or part of the risks of the exchange rate, interest rate or the value associated with balances and transactions. Hedges are accounted for as described below:

- Cash flow hedges: With this type of hedging, changes in the value of the hedging instrument are recorded temporarily in equity and are then charged to the income statement when the item in question is materialized.
- Fair value hedges: In this case, changes in the value of the hedging instrument are recognized in income, compensating for changes in the fair value of the hedged item.
- Net investment hedges in foreign business: These types of hedging transactions are intended to hedge foreign exchange risk and are treated as cash flow hedges.

In accordance with IFRS 9 "Financial instruments," an efficiency test must be carried out, consisting of a qualitative evaluation of the financial derivative in order to determine if it can be considered a hedging instrument and, therefore, effective.

The qualitative requirements that it should meet are the following:

- Identification and formal documentation in the origin of the hedging relationship, as well as the purpose of the same and the strategy assumed by the entity with respect to hedging.
- Documentation with identification of the hedged item, hedging instrument and nature of the risk being hedged.
- It must meet the effectiveness requirements, i.e., there is an economic relationship between the hedged item and the hedging instrument so that both generally move in directions opposite to the hedged risk. Likewise, credit risk should not have a dominant effect on changes in the value of the elements of the hedge and the hedge ratio should be equivalent to the percentage of exposure to the risk covered.

According to the qualitative effectiveness test, hedging will be considered fully effective as long as it meets these criteria. If this were not the case, hedging would cease to be treated as such, with the hedging relationship ceasing and the derivative accounting for its fair value, with changes in the income statement.

Once the effectiveness of the instruments has been evaluated, a quantitative analysis will be used to determine the accounting for them. This quantitative analysis consists of a retrospective part for purely accounting purposes as well as a prospective part with the objective of analyzing possible future deviations in the hedging relationship.

For the retrospective evaluation, the analysis is adapted to the type of hedging and the nature of the instruments used:

- In cash flow hedges, with regard to interest rate swaps (IRS) in which the Group receives a variable rate equivalent to that of the covered financing and pays a fixed rate, given that the objective is to reduce the variability of financing costs, the estimation of effectiveness is carried out through a test that determines whether changes in the fair value of the IRS cash flows offset the changes in the fair value of the hedged risk.

In terms of accounting, we follow the methodology of the hypothetical derivative typical of the quantitative evaluation of effectiveness, which establishes that the company will record in equity the lowest figure between the variation in the value of the hypothetical derivative (hedged position) and the variation of value of the contracted derivative, in absolute values. The difference between the value of the variation recorded in equity and the fair value of the derivative at the date on which the effectiveness test is being prepared will be considered an ineffective aspect and will be recorded directly in the income statement.

For cash flow hedges in which the hedging derivative instrument is not an IRS but an option or a forward, we must differentiate between the designated element and the non-designated element:

- For the designated element, the treatment will be similar to the one detailed for IRS.
- For the non-designated element (forward points or temporary value of the options), the change in the fair value of the same will be recognized in other comprehensive income to the extent that it relates to the hedged item and will be accumulated in a separate component of Equity. This amount will be reclassified from the separate component of Equity to the income for the period as a

reclassification adjustment in the same period or periods during which the expected future cash flows covered affect the income for the period (for example, when a planned sale takes place).

Changes in the fair value of financial derivatives that do not meet the accounting criteria for hedges are recognized in the income statement as they occur.

The valuation is calculated by methods and techniques defined from observable inputs in the market, such as:

- Interest rate swaps have been valued by discounting all flows foreseen in the agreement according to their characteristics, such as the notional amount and the collection and payment schedule. For this valuation, the zero coupon rate curve determined using the deposits and swaps quoted at each moment through a "bootstrapping" process is employed and through this zero-coupon rate curve the discount factors used in the Valuations made under an assumption of Absence of Arbitration Opportunity (AOA) are obtained. In the cases in which the derivatives contemplate upper and lower limits ("cap" and "floor") or any combinations thereof, which may be linked to special compliance, the interest rates used have been the same as in the swaps, although the generally accepted Black-Scholes methodology has been used to provide input to the randomness component in the exercise of the options.
- In the case of a cash flow hedge linked to inflation, the methodology used is very similar to that of the interest rate swaps. Expected inflation is estimated using quoted inflation, implicitly in swaps indexed to European ex-tobacco index fund inflation quoted on the market and assimilated to the Spanish index through a transition adjustment.

Equity swaps are measured as the result of the difference between the quoted price at year end and the strike price initially agreed upon, multiplied by the number of agreements reflected in the swap.

Derivatives whose underlying asset is quoted on an organized market and which are not qualified as hedges are measured using the Black-Scholes methodology, applying market parameters such as implicit volatility or estimated dividends.

For those derivatives whose underlying asset is quoted on an organized market, but in which the derivative forms part of a financing agreement and where its arrangement substitutes the underlying assets, the measurement is based on the calculation of its intrinsic value at the calculation date.

Derivatives contained in other financial instruments or in host contracts are recorded separately as derivatives only when their risks and characteristics are not closely related to the main agreements and provided that those principal contracts are not valued at fair value through recognition of changes in fair value in the consolidated comprehensive income statement.

The fair value includes the assessment of the credit risk of the counterparty in the case of the assets, or of the ACS Group in the case of liabilities, in accordance with the IFRS 13. Therefore, when a derivative presents unrealized gains, this amount is adjusted downward according to the risk of the banking counterparty due to make payment to a Group company, whereas when there are unrealized losses, this amount is reduced on the basis of own credit risk, as it will be the Group entity that will be required to pay the counterparty.

The evaluation of inherent and counterparty risk takes into account the existence of contractual guarantees (collateral), which can be used to compensate for a credit loss in the event of suspension of payments.

For impaired derivatives, the inherent credit risk that applies to adjust the market price is that of each individual company or project evaluated and not the Group or sub-group to which they belong. To do so, an internal rating is prepared for each company/project using objective parameters such as ratios, indicators, etc.

For derivatives with unrealized capital gains, since accounting standards do not provide a specific methodology that should be applied, an accepted "best practice" method has been used, which takes three

elements into account in order to calculate the adjustment, to obtain the result by multiplying the level of exposure in the position by the probability of default and by any loss in the event of non-compliance.

In addition, a sensitivity test of derivatives and net financial indebtedness is performed in order to analyze the effect that a possible interest rate variation might produce in the Group's accounts, under the hypothesis of an increase and a decrease in the rates at year end in different variation scenarios (see Note 21). The procedure is similar for cases of exchange rate variation.

Meanwhile, gains or losses on fair value for credit risk of derivatives are recognized in the consolidated income statement when the derivatives are qualified as speculative (non-hedging); if the derivatives are classified as hedging instruments, recorded directly in equity, then the gains or losses on fair value are also recognized in equity.

Financial instruments valued after their initial recognition at fair value are classified in levels of 1 to 3 based on the degree to which fair value is observable (see Note 21).

Note 22 of these accompanying Consolidated Annual Accounts details the financial derivatives that the ACS Group has contracted, among other related aspects.

Interbank Interest Rate Reform

The Group maintains various hedging relationships with hedging instruments and hedged items whose reference interest rate is the Euribor. This reference interest rate is subject to reform, therefore certain long-term hedging relationships may be affected by it.

For this purpose, certain accounting criteria applicable to hedging transactions are subject to a temporary exemption, due to the reform of the interbank interest rate.

The Group finds that a hedging relationship is directly affected by the reform, only if the reform results in uncertainties regarding:

- The reference interest rate (specified contractually or not contractually) designated as a hedged risk; and/or
- The term or the amount of the flows of the reference interest rate of the hedged item or the hedging instrument.

The exceptions apply only to the requirements set out below while the remaining accounting requirements must be applied to the affected hedging relationships.

In determining whether a transaction is highly probable, the Group must assume that the reference interest rate on which the hedged flows are based will not be altered by the reform.

In determining whether future flows are expected to occur, the Group must assume that the reference interest rate on which the hedged flows are based will not be altered by the reform.

The Group must assume that the reference interest rate on which the hedged flows and/or hedged risk are based or the reference interest rate on which the hedged instrument flows are based shall not be altered as a result of the reform.

In this regard, the Group has assessed the potential impact that the reform of the bank interest rate will have on the financial statements, concluding that there will be no significant impact.

03.16. Revenue recognition

Revenue is measured at the fair value of the consideration paid or payable and for the goods received and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue and expenses are recognized on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Pursuant to IFRS 15, the Group identifies and separates the various commitments to transfer a good or service under a contract. This implies the separate recognition of revenue from each of the obligations that could be individually identified within the same main contract.

The Group also estimates the price of each of the contracts that have been identified taking into account (in addition to the initial price agreed in the contract) the amount of the variable compensation and the temporary value of the money (where a significant funding component is considered) and non-monetary compensation.

In cases where the amount is variable or in line with unapproved claims, the amount is estimated using the approach that best predicts the amount to which the Group will be entitled, using either a probability-based expected value or the single most likely amount. The aforementioned compensation will only be recognized to the extent that it is considered highly likely that a significant reversal of recognized revenue will not occur when the associated uncertainty is resolved.

The following are some of the existing criteria for the activities carried on by the Group.

Building activity revenue:

Revenue:

Due to the nature of the activity, its revenue usually comes from long-term contracts where the start date and end date of the contract's activity are generally in different accounting periods, therefore the initial estimates of income and expenditure may be subject to variations that could affect the recognition of income, expenditure and profit and loss.

The Group acknowledges the results of construction contracts in accordance with the percentage-of-completion method, estimating this or with reference to the termination status of the activity produced by the contract at the balance sheet date, determined on the basis of the examination of the work carried out, or on the basis of the percentage of costs incurred compared to the total estimated costs. In the first case, based on the measurement of the units that have been completed, the executed production is recorded in each period as revenue and the costs are recognized according to the accrual corresponding to the units that have been completed. In the second case, revenue is recognized in the income statement based on the percentage of completion over costs (the costs incurred versus the total estimated costs in the contract), applied to the total project revenue that is considered highly likely to be obtained from the project. The latter is common in markets with an Anglo-Saxon influence and contracts without unit prices.

In some circumstances (for example, in the early stages of a contract), the Group may not be able to reasonably measure compliance with a performance obligation, even if the Group expects to recover the costs incurred to meet such a performance obligation. In these circumstances, the Group recognizes the revenue of ordinary activities only to the extent of the costs incurred so far as it can reasonably measure compliance with the performance obligation.

Also, in contracts where the estimated costs of a contract are considered to exceed the revenue from the contract, the expected losses are provided from the consolidated income statement for the year in which they are recognized.

Ordinary contract revenue is recognized considering the initial amount of the contract agreed with the customer, as well as modifications and claims on the contract to the extent that it is highly likely that income

will be obtained from the contract, which can be reliably measured and does not imply a significant reversal in the future.

A contract modification is considered to exist when there is an instruction from the customer to change the scope of the contract. A claim is considered to exist on contracts when costs not included in the initial contract are incurred by the customer or third parties (delays, errors in specifications or design, etc.) and the contractor has the right to be compensated for the overcharges incurred either by the customer or by the third party from whom the overcharges originated.

These modifications and claims are included as revenue from the contract when the customer has approved the related work, either in writing, through a verbal agreement or tacitly in accordance with normal business practices, i.e. when payment is considered highly probable and there will be no significant reversal of revenue in the future.

In cases where the works are approved but not yet priced or where, although customer approval has not yet been obtained, the Group believes that final approval is highly likely due to negotiations being in an advanced state or due to the existence of internal technical and/or legal reports or independent experts that support it, the amount to be recorded as revenue is estimated in accordance with the definition of "variable compensation" set out in IFRS 15, i.e. using those methods that produce the best prediction of the compensation so that the most likely amount is obtained (a single most likely amount in a range of possible compensation amounts), taking into account all available information (historical, current and projected) that is reasonably available and only to the extent that it is highly likely that a significant reversal of the recognized amount of accumulated regular revenue will not occur when, subsequently, the uncertainty over the variable compensation is resolved.

As discussed previously, construction contracts are subject to estimates of revenue and costs that need to be reviewed by project managers as projects progress. Any modification of the estimates of revenue, expenses and the final profit or loss of the work is subject to revision by the different provisions of the Management and when they are verified and approved, the effect is treated as a change in the accounting estimate in the year in which it occurs and in subsequent periods, in accordance with the accounting regulations in force.

Expenses:

Project costs include those directly related to the main contract and any amendments or claims associated with the contract. They also include those costs related to the contracting activity of each contract such as insurance, consultants, design and technical assistance, etc.

These costs are recognized on an accrual basis, with the costs related to the executed work units and the total indirect costs of the contract attributable to them being recorded as expenditure.

Those expenses related to future contract activity such as insurance premiums, work facilities, consultants, design and other work prior to the start of the work are initially recognized as assets in the Inventories chapter, provided that they are considered necessary for the performance of the contract and that they will be recovered with the execution of the contract, being recognized in the income statement according to the percentage of completion of the contract.

The costs of removal of machinery, dismantling of site installations, maintenance during the warranty period and those costs that can occur from the completion of the work to the final payment of the work, are accrued throughout the period of the work, as they take into account more of the cost of the work and relate to both the completed work units and the future activity of the contract.

With regard to the allocation to the amortization of fixed assets involved in the execution of the contract, for those assets with an estimated useful life that matches the duration of the contract, amortization is carried out during the execution of the contract being fully amortized upon completion. For machinery with a useful life that exceeds the duration of the contract, its amortization is distributed on the basis of technical criteria among the different contracts to which it will be allocated and amortized on a straight-line basis during the course of each contract.

Late interest due to the delay in the customer's payment of work certifications is recorded as financial income only when it can be reliably measured and its collection is reasonably assured.

The Group Companies record in the Trade and other receivables chapter in the "Completed work pending certification" account the positive difference between the recognized revenue of a contract and the amount related to the certifications from the same. They also record in the Trade and other payables chapter in the "Advances received on orders" account the amount of advance certifications for various items, including advances received from the customer.

03.16.01. Construction Activities

In construction contracts, as a general rule a single performance obligation is identified due to the high degree of integration and customization of the different goods and services to offer a joint product, which is transferred to the customer over time.

As indicated above, the method chosen by the ACS Group as the preferred method is the "measured unit of work" within the output method, which is applied provided that during execution the progress of the work carried out can be measured and there is an allocation of prices to each unit of work.

The input method known as "percentage of completion over costs," can only be applied in those contracts where it is not possible to determine the unit price of the units to be executed.

In this case, revenue is recognized in the income statement based on the percentage of completion over costs (costs incurred versus total estimated costs in the contract), applied to the total project revenue that is considered highly likely to be obtained from the project.

03.16.02. Industrial services, Services and Other Activities

In this case there is no single type of contract due to the great diversity of services provided. In general, contracts include various tasks and unit prices where revenues are recorded in the income statement when services are provided on a time elapsed basis, i.e. when the customer simultaneously receives and consumes the benefits provided by the service performance as it occurs. This is the case, for example, for recurrent or routine services such as facilities management, cleaning, etc.

Certain contracts include different types of activities that are subject to fixed unit price tables for the provision of the services that are delivered and that form part of the complete contract. The customer requests each service through work orders that are considered an independent performance obligation and the associated revenue recognition will be made depending on the specific requirements established in the contract for approval.

For complex long-term contracts that include the provision of various services involving different performance obligations (construction, maintenance, operation, etc.), for which payment is made periodically and the price corresponding to the aforementioned obligations is indicated in the contract or can be determined, revenue is recognized for the recurring services using the elapsed time method and the percentage-of-completion method for more complex performance obligations for which it is not possible to assign prices to each of the units performed.

3.17. Expense recognition

An expense is recognized in the consolidated income statement when there is a decrease in the future economic benefits as a result of a reduction of an asset, or an increase in a liability, which can be reliably measured. This means that an expense is recognized simultaneously to the recognition of the increase in a liability or the reduction of an asset.

Additionally, an expense is recognized immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

Also, an expense is recognized when a liability is incurred and no asset is recognized, as in the case of a liability relating to a guarantee.

03.18. Offsetting

Asset and liability balances must be offset and the net amount is presented in the consolidated statement of financial position when and only when, they arise from transactions in which, contractually or by law, offsetting is permitted and the Group companies intend to settle them on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities due to temporary differences are offset at year-end if they relate to the same jurisdiction and are consistent in nature and maturity. The ACS Group compensates the deferred tax assets and deferred tax liabilities if and only if, the entity:

- (a) has the right, legally enforceable, to compensate the recognized amounts; and
- (b) intends to settle for the net amount, or to realize the asset and liquidate the liability simultaneously.

03.19. Income tax

The corporate income tax expense represents the sum of the current tax expense payable in the year and the change in deferred tax assets and liabilities.

The current corporate income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognized for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilized and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss). The other deferred tax assets (tax loss and tax credit carryforwards) are only recognized if it is probable that the consolidated companies will have sufficient future taxable profits against which they can be utilized.

The deferred tax assets and liabilities recognized are reassessed at the end of each reporting period in order to ascertain whether they still exist and the appropriate adjustments are made on the basis of the findings of the analyses performed. Deferred tax assets and liabilities due to temporary differences are offset at year-end if they relate to the same jurisdiction and are consistent in nature and maturity.

The Spanish companies that are more than 75% owned by the Parent Company file consolidated tax returns, as part of Tax Group 30/99, in accordance with current legislation.

Tax uncertainties

If the Group determines that the tax authority is not likely to accept uncertain tax treatment or a group of uncertain tax treatments, it considers such uncertainty in determining the tax base, the carrying amounts, the credits for negative carrying amounts, deductions or tax rates. The Group determines the effect of uncertainty on corporate income tax reporting by the expected amount method, when the range of possible

outcomes is highly dispersed or the most likely outcome method when the outcome is binary or concentrated on a value. In cases where the tax asset or liability calculated using these criteria exceeds the amount presented in the self-assessments, it is presented as current or non-current in the consolidated statement of financial position on the basis of the expected date of recovery or liquidation, whereas, where appropriate, the amount of the corresponding late interest on the liability as it accrues on the income statement. The Group records changes in facts and circumstances regarding tax uncertainties as a change of estimate.

03.20. Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent Company held by the Group companies (see Note 31.01).

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent Company. 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 (Note 28.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. As at December 31, 2020, as a result of the simultaneous capital increase and reduction in 2021, for the same number of shares, the basic earnings and diluted earnings per share for continuing operations for 2020 are the same.

03.21. Foreign currency transactions

The Group's reporting currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognized by applying the exchange rates prevailing at the date of the transaction.

Foreign currency transactions are initially recognized in the functional currency of the Group, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euro at the rates prevailing at the end of the reporting period. Non-monetary items measured at historical cost are translated to euro at the exchange rates prevailing on the date of the transaction.

The exchange rates of the main currencies in which the ACS Group operates in 2020 and 2019 are as follows:

	Average exchange rate		Closing exchange rate	
	2020	2019	2020	2019
1 U.S. Dollar (USD)	0.872	0.893	0.815	0.890
1 Australian Dollar (AUD)	0.604	0.622	0.629	0.625
1 Polish Zloty (PLN)	0.224	0.233	0.220	0.235
1 Brazilian Real (BRL)	0.166	0.227	0.158	0.222
1 Mexican Peso (MXN)	0.040	0.046	0.041	0.047
1 Canadian Dollar (CAD)	0.651	0.676	0.643	0.687
1 British Pound (GBP)	1.127	1.144	1.119	1.183
1 Argentine Peso (ARS)	0.012	0.018	0.010	0.015
1 Saudi Riyal (SAR)	0.232	0.239	0.217	0.238

All exchange rates are in euro.

Any exchange differences arising on settlement or translation at the closing rates of monetary items are recognized in the consolidated income statement for the year, except for items that form part of an investment in a foreign operation, which are recognized directly in equity net of taxes until the date of disposal.

On certain occasions, in order to hedge its exposure to certain foreign currency risks, the Group enters into forward currency contracts and options (see Note 21 for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, the assets and liabilities of the Group's foreign operations are translated to euro at the exchange rates prevailing at the date of the consolidated income statement. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly. Any exchange differences arising are classified as equity. Such exchange differences are recognized as income or as expenses in the period in which the investment is made or disposed of.

Goodwill and fair value adjustments arising on the acquisition of a company the functional currency of which is not the euro are treated as assets and liabilities of the foreign company and are translated at the closing rate.

03.22. Entities and branches located in hyperinflationary economies

Given the economic situation in Venezuela and in accordance with the definition of hyperinflationary economy provided by IAS 29, the country has been classified as hyperinflationary since 2009 and at the end of 2020 it continued to be classified as such. The ACS Group has investments in Venezuela through subsidiaries of the Construction and Industrial Services divisions; the amounts outstanding as at December 31, 2020 and 2019, with the volume of transactions in the years 2020 and 2019 being immaterial.

In 2020 and 2019, the Group recognized the relevant impact when considering the hyperinflationary economic situation in Argentina, with respect to its ownership interests in subsidiaries in the Construction and Industrial Services Division, the impact of which was immaterial for the ACS Group.

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRS. Accordingly, at year-end 2020 and 2019 it was not necessary to adjust the financial statements of any of the subsidiaries or associates to correct for the effect of inflation.

03.23. Consolidated Statement of Cash Flows

The below terms are used in the following senses in the consolidated statement of cash flow:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

In view of the diversity of its businesses and activities, the Group opted to report cash flows using the indirect method.

In preparing the consolidated statement of cash flows, cash and cash equivalents were considered to be "cash on hand," demand deposits at banks and short-term, highly liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.

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 on the 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, "Equity instruments proceeds / (and payment)" includes the acquisitions of ACS treasury shares (see Note 15.04). In addition, in the 2020 financial year, 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 financing activity proceeds and payables" in the statement of cash flow, 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 Statement of Cash Flow 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 21)	(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		
Change in net debt held for sale (Note 03.09)	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 21)	(1,819,771)	(1,019,404)

(*) Data restated

03.24 Entry into force of new accounting standards

Changes in accounting policies

During the 2020 financial year, the following mandatory standards and interpretations, already adopted by the European Union, came into force and, where applicable, were used by the Group in the preparation of the Consolidated Annual Accounts:

(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 at 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 – Rent Improvements" which entered into force on June 1, 2020, simplifying 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 the 2020 financial year 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 down 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 relevant 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 on which these Consolidated Annual Accounts were drawn up, 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 Consolidated Annual Accounts 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, the 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 IBOR reform.

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 presentation and breakdown and/or deal with aspects not applicable or not significant to the Group's operations.

04. Intangible assets

04.01. Goodwill

The detail by line of business of the changes in goodwill in 2020 and 2019 is as follows:

Line of Business	Thousands of Euros							Balance at 31/12/2020
	Balance at 31/12/2019 (*)	Change consolidation method	Additions	Disposals and allocations	Impairment	Exchange differences	Transfers to/from other assets	
Parent	743,140	—	—	—	—	—	—	743,140
Infrastructure	2,297,502	(89,303)	—	(244,675)	—	(29,550)	840	1,934,814
Industrial Services	58,991	(3,829)	532	—	—	(592)	(10,921)	44,181
Services	137,817	—	4,684	—	—	(1,583)	—	140,918
Total	3,237,450	(93,132)	5,216	(244,675)	—	(31,725)	(10,081)	2,863,053

(*) Data restated.

Line of Business	Thousands of Euros							Balance at 31/12/2019 (*)
	Balance at 31/12/2018 (*)	Change consolidation method	Additions	Disposals and allocations	Impairment	Exchange differences	Transfers to/from other assets	
Parent	743,140	—	—	—	—	—	—	743,140
Infrastructure	3,018,392	21,138	—	(716)	(768,769)	28,374	(917)	2,297,502
Industrial Services	43,845	—	11,285	(18)	—	50	3,829	58,991
Services	129,510	—	6,522	—	—	1,785	—	137,817
Total	3,934,887	21,138	17,807	(734)	(768,769)	30,209	2,912	3,237,450

(*) Data restated.

In accordance with the above table, the most significant goodwill is the result of the global consolidation of Hochtief, A.G. in the amount of EUR 1,144,226 thousand as at December 31, 2020 (EUR 1,495,749 thousand as 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 as at December 31, 2019).

During the 2020 financial year, the most relevant variation relates to a reduction of EUR 244,675 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 02.02.f). This company was fully consolidated, and, therefore, 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 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 2020 financial year, 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, said goodwill was, in accordance with IAS 36.80, allocated to the main cash-generating units that were in Hochtief Asia Pacific and Hochtief Americas. The value of the goodwill allocated to the Hochtief Asia Pacific business amounted to EUR 857 million (EUR 1,209 million as 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 (WACC) represents a profitability premium on the long-term rate of interest (ten-year Australian Bond) published by Bloomberg at September 30, 2020, 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. The effect of the sale of 50% of Thiess and the joint venture agreement with Elliott has been taken into account.

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% has also been assumed.

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 tests 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 ten-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 the 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.
 - A 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.
 - A 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 estimated potential impacts of Covid-19.

After testing the impairment of each one 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, so that no deterioration can 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 area, the total goodwill on the statement of financial position amounts to EUR 44,181 thousand (EUR 58,991 thousand as 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 as at December 31, 2019), Sociedad Ibérica de Construcciones Eléctricas, S.A. for EUR 11,709 thousand (EUR 11,709 thousand as at December 31, 2019) and Electromur, S.A. for EUR 6,661 thousand (EUR 6,661 thousand as at December 31, 2019).

In the Services division, the total amount comes to EUR 140,918 thousand (EUR 137,817 thousand as 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 as at December 31, 2019).

In the Construction area, in addition to the goodwill arising from the full consolidation of Hochtief, A.G., noteworthy is the goodwill arising on the acquisitions of Pulice for EUR 50,400 thousand (EUR 55,052 thousand as at December 31, 2019), Schiavone for EUR 48,660 thousand (EUR 53,151 thousand as at December 31, 2019), and John P. Picone for EUR 44,061 thousand (EUR 48,127 thousand as at December 31, 2019) and those from the Hochtief Group after 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, geographical 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 as at December 31, 2020.

As indicated in IAS 36, as 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 2020 financial year, there have been no value losses suffered by the ACS Group's goodwill. For the 2019 financial year, impairment losses of EUR 768,769 thousand were recognized in relation to the ACS Group's goodwill.

04.02. Other intangible assets

The changes in this heading in the consolidated statement of financial position in 2020 and 2019 were as follows:

	Thousands of Euros							
	Development	Computer software	Concessions	Other intangible assets	Total other intangible assets	Accumulated amortisation	Impairment losses	Total other intangible assets, net
Balance at 1 January of 2019	5,545	39,817	315,137	2,000,818	2,361,317	(1,341,976)	(55,963)	963,378
Changes in the scope of consolidation	—	1,427	18,841	831	21,099	90	—	21,189
Additions or charges for the year	3,857	3,388	15,319	53,341	75,905	(99,508)	(1,351)	(24,954)
Disposals or reductions	—	(1,900)	(22,581)	(563)	(25,044)	8,708	—	(16,336)
Exchange differences	—	118	2,202	3,861	6,181	(1,723)	(952)	3,506
Transfers to/from other assets	(964)	51	(27,705)	29,945	1,327	(2,213)	12	(874)
Balance at December 31, 2019	8,438	42,901	301,213	2,088,233	2,440,785	(1,436,622)	(58,254)	945,909
Changes in the scope of consolidation	—	238	11,025	(143,614)	(132,351)	43,937	6,502	(81,912)
Additions or charges for the year	5,613	2,595	13,371	43,603	65,182	(106,521)	(11,339)	(52,678)
Disposals or reductions	—	(1,252)	(6,550)	(2,454)	(10,256)	9,730	3	(523)
Exchange differences	—	(729)	(2,240)	(28,013)	(30,982)	7,865	4,429	(18,688)
Transfers to/from other assets	—	358	2,128	3,468	5,954	(1,936)	—	4,018
Balance at December 31, 2020	14,051	44,111	318,947	1,961,223	2,338,332	(1,483,547)	(58,659)	796,126

Additions in 2020 amounted to EUR 65,182 thousand (EUR 75,905 thousand in 2019) corresponding mainly to Industrial Services amounting to 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 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, the impairment losses were recorded of 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.

The main assets under the heading "Other intangible assets" correspond to those generated in the first Hochtief consolidation process as a result of the allocation of the price to the fair value of the assets acquired and the liabilities assumed under the PPA ("Purchase Price Allocation"). From this process, Hochtief's construction backlog stands out (mainly due to contracts in the Americas and Pacific Asia), prior to deteriorations and impairments, amounting to EUR 603,655 thousand (EUR 603,655 thousand as at December 31, 2019), which are completely amortized, to the various trademarks of the Hochtief Group amounting to EUR 221,096 thousand (EUR 221,096 thousand as at December 31, 2019) and to the contractual relationships with clients of the Hochtief Group amounting to EUR 598,189 thousand (EUR 722,779 thousand as at December 31, 2019) whose decrease in 2020 was due to the sale of Thiess. The accumulated amortization of the aforementioned assets, once the share associated with Thiess has been discounted in the financial year, amounts to EUR 996,511 thousand (EUR 991,164 thousand as at December 31, 2019). The amortization amount for the financial years 2020 and 2019 amounts to EUR 45,147 thousand.

In 2020 and 2019, no development expenditure was recognized as an expense in the consolidated income statement for 2020 and 2019 respectively.

At December 31, 2020, the amount of assets with an indefinite useful life other than those reported as "Goodwill," relate mainly the trademarks of the Hochtief Americas and Hochtief Asia Pacific divisions amounting to EUR 40,269 thousand (EUR 44,581 thousand as at December 31, 2019). The variations between the years have been caused by sales in the Hochtief Americas division and by the exchange rate.

Its possible impairment is verified annually. There have been no significant impairments in the value of these assets in the 2020 and 2019 financial years.

At the end of 2020, the ACS Group had fully amortized intangible assets still in use whose gross carrying value amounted to EUR 650,045 thousand (EUR 653,072 thousand as at December 31, 2019).

There were no material intangible asset items whose title was restricted in 2020 or 2019.

05. Tangible assets - property, plant and equipment

The changes in this heading in the consolidated statement of financial position in 2020 and 2019 were as follows:

	Thousands of Euros							
	Land and buildings	Plant and machinery	Other intangible assets	Advances and Property, plant and equipment in the course of construction	Total tangible assets - property, plant and equipment	Accumulated depreciation	Impairment losses	Total net tangible assets - property, plant and equipment
Balance 1 January 1, 2019 (*)	1,472,847	3,606,937	941,451	82,428	6,103,664	(3,584,318)	(38,813)	2,480,533
Changes in the scope of consolidation	696	4,111	3,504	—	8,311	(17,841)	—	(9,530)
Additions or charges for the year	162,066	731,904	139,478	61,368	1,094,815	(866,547)	(2,058)	226,211
Disposals or reductions	(149,075)	(544,059)	(88,462)	(291)	(781,887)	704,005	206	(77,676)
Exchange differences	11,312	53,138	2,489	2,083	69,022	(33,785)	(426)	34,811
Transfers from / to other assets	56,308	7,726	7,018	(27,037)	44,015	(18,877)	—	25,138
Balance at December 31, 2019 (*)	1,554,154	3,859,758	1,005,478	118,551	6,537,941	(3,817,363)	(41,091)	2,679,487
Changes in the scope of consolidation	(131,340)	(1,937,059)	(14,873)	—	(2,083,272)	1,337,796	3,649	(741,827)
Additions or charges for the year	144,978	541,634	134,511	50,055	871,178	(852,721)	(903)	17,554
Disposals or reductions	(121,637)	(493,920)	(106,046)	(187)	(721,790)	663,413	473	(57,904)
Exchange differences	(90,994)	(257,400)	(43,233)	(8,351)	(399,978)	259,393	1,898	(138,687)
Transfers from / to other assets	56,907	(1,292)	(20,807)	2,238	37,046	(31,592)	—	5,454
Balance at December 31, 2020	1,412,068	1,711,721	955,030	162,306	4,241,125	(2,441,074)	(35,974)	1,764,077

(*) Data restated.

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 area for EUR 111,191 thousand for the acquisition of new machinery and equipment to develop new projects and by the Services area 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 Thies. 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 as 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 as at December 31, 2019) and for machinery for Dragados for a value of EUR 2,411 thousand (EUR 3,844 thousand as 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 as 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 as at December 31, 2020 and 2019 is as follows:

	Thousands of Euros						
	Land and buildings	Plant and machinery	Other intangible assets	Total tangible assets - property, plant and equipment	Accumulated depreciation	Impairment losses	Total net tangible assets - property, plant and equipment
Balance at January 1, 2019 (*)	971,357	518,379	144,036	1,633,772	(759,913)	—	873,859
Changes in the scope of consolidation	641	3	7,193	7,837	(18,255)	—	(10,418)
Additions or charges for the year	143,264	159,645	78,174	381,083	(359,142)	(69)	21,872
Disposals or reductions	(129,621)	(85,020)	(30,748)	(245,389)	209,319	—	(36,070)
Exchange differences	62,054	(2,138)	1,193	61,109	(62,913)	(1)	(1,805)
Transfers from / to other assets	(169)	(3,304)	16,987	13,514	24,922	—	38,436
Balance at December 31, 2019 (*)	1,047,526	587,565	216,835	1,851,926	(965,982)	(70)	885,874
Changes in the scope of consolidation	(66,115)	(439,288)	(18,814)	(524,217)	262,974	—	(261,243)
Additions or charges for the year	140,080	143,285	65,662	349,027	(343,778)	(66)	5,183
Disposals or reductions	(112,470)	(114,153)	(53,744)	(280,367)	255,259	—	(25,108)
Exchange differences	(22,731)	(29,415)	(8,978)	(61,124)	28,756	6	(32,362)
Transfers from / to other assets	(548)	3,323	(6,090)	(3,315)	3,856	—	541
Balance at December 31, 2020	985,742	151,317	194,871	1,331,930	(758,915)	(130)	572,885

(*) Data restated.

The change in "Right-of-use assets" in 2020 is mainly due to additions 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 Thies.

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, were respectively EUR 472,836 and EUR 192,173 thousand (EUR 686,944 and EUR 321,251 thousand as at December 31, 2019, respectively).

Below are the details of lease liabilities by maturity as at December 31, 2020:

	Thousands of Euros					
	Current	Non-current				
	2021	2022	2023	2024	2025 and subsequent years	Total non-current
Lease liabilities	192,173	294,657	50,135	28,328	99,716	472,836

Below are the details of lease liabilities by maturity as at December 31, 2019:

	Thousands of Euros					
	Current	Non-current				
	2020	2021	2022	2023	2024 and subsequent years	Total non-current
Lease liabilities	321,251	525,950	39,818	36,301	84,875	686,944

Variable lease payments were not material as 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. For each lease, it is analyzed and evaluated 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 as 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 02.01, the Construction activity and Industrial Services activity have suffered a moderate or limited impact as a result of Covid-19, therefore the existence of a potential impairment impact on the assets under this category has not been considered.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The indemnities received for claims covered by insurance policies recognized in profit or loss were not significant in 2020 and 2019.

As at December 31, 2020 and 2019, there were no significantly restricted property, plant and equipment items.

The ACS Group has mortgaged land and buildings with a carrying amount of approximately EUR 33,170 thousand (EUR 35,058 thousand in 2019) to secure banking facilities granted to the Group.

As at December 31, 2020 the Group had recognized a net EUR 1,293,004 thousand, net of depreciation, relating to property, plant and equipment owned by foreign companies and branches of the Group (EUR 2,231,872 thousand as at December 31, 2019).

06. Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement of financial position as 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. 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 as 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 changes in this heading in 2020 and 2019 were as follows:

	Thousands of Euros					
	2020			2019		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	261,942	(92,732)	169,210	281,603	(92,197)	189,406
Changes in the scope of consolidation	343,956	(98,713)	245,243	10	—	10
Additions or charges for the year	41,675	(13,803)	27,872	57,129	(12,632)	44,497
Exchange differences	(18,538)	2,826	(15,712)	(487)	(1)	(488)
Disposals or reductions	(1,944)	—	(1,944)	(40,010)	2,118	(37,892)
Transfers	(19,434)	916	(18,518)	(36,303)	9,980	(26,323)
Ending balance	607,657	(201,506)	406,151	261,942	(92,732)	169,210

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, as 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

	Thousands of Euros					
	2020			2019		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	189,907	(91,785)	98,122	206,547	(87,700)	118,847
Additions or charges for the year	—	(12,655)	(12,655)	—	(12,443)	(12,443)
Exchange differences	(155)	16	(139)	35	—	35
Transfers	(10)	—	(10)	(16,675)	8,358	(8,317)
Ending balance	189,742	(104,424)	85,318	189,907	(91,785)	98,122

- The concession assets identified as financial assets, as a result of the Group not assuming the demand risk as at December 31, 2020, along with the changes in the balance of this heading in 2020 and 2019 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

	Thousands of Euros	
	2020	2019
Beginning balance	26,145	47,437
Investment	82	4,153
Finance income	3,448	4,901
Collections	(12,162)	(13,341)
Exchange differences	(1,102)	(1,356)
Transfers from/to other assets	(625)	(15,649)
Ending balance	15,786	26,145

In accordance with the measurement bases of IFRIC 12 and Note 03.04, the amount of financial remuneration included under "Revenue" amounted to EUR 3,448 thousand in 2020 (EUR 4,901 thousand in 2019), with no amounts in 2020 and 2019 corresponding to concession assets identified as financial assets classified as "Non-current assets held for sale and discontinued operations."

The borrowing costs accrued in relation to the financing of the concessions classified under the financial asset model are immaterial in 2020 and 2019.

- The detail of the financial assets financed through a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12 as at December 31, 2020 and the changes in the balance of this heading in 2020 and 2019 were 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

	Thousands of Euros					
	2020			2019		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	45,891	(947)	44,944	27,620	(4,498)	23,122
Changes in the scope of consolidation	343,956	(98,713)	245,243	10	—	10
Additions or charges for the year	50,307	(1,148)	49,159	61,416	(189)	61,227
Exchange differences	(17,281)	2,810	(14,471)	834	(1)	833
Disposals or reductions	(1,945)	—	(1,945)	(40,009)	2,118	(37,891)
Transfers	(18,799)	916	(17,883)	(3,980)	1,623	(2,357)
Ending balance	402,129	(97,082)	305,047	45,891	(947)	44,944

Simultaneously, there are concession assets that are not financed by project finance amounting to EUR 43,254 thousand (EUR 58,600 thousand as 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 2020 financial year, 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 financial year, no significant additions were made to the consolidation scope.

During the 2020 and 2019 financial 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.

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

The financing relating to non-current assets in projects is explained in Note 18. The concession operators are also obliged to hold restricted cash reserves, known as reserve accounts, included under "Other current financial assets" (see Note 10.05).

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 03.09).

07. Investment property

The changes in this heading in 2020 and 2019 were as follows:

	Thousands of Euros	
	2020	2019 (*)
Beginning balance	41,595	74,674
Variaciones de perímetro	4,460	—
Additions	12	2
Sales / decreases	(2,371)	(4,493)
Charges for the year	(1,045)	(1,648)
Impairment losses	—	(24,242)
Transfers from / to other assets	(353)	(3,795)
Exchange differences	—	1,097
Ending balance	42,298	41,595

(*) Data restated.

The rental income earned from investment property amounted to EUR 3,693 thousand in 2020 (EUR 3,300 thousand in 2019). The average occupancy level of the aforementioned assets was 33% (39% in 2019) with an average leased area of 39,145 square meters (44,330 square meters in 2019).

The direct operating expenses arising from investment properties included under "Other operating expenses," amounted to EUR 900 thousand in 2020 (EUR 866 thousand in 2019).

There were no significant contractual commitments for the acquisition, construction or development of investment property or for repairs, maintenance and improvements.

At the beginning of 2020, the gross carrying amount was EUR 63,404 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 21,809 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 56,110 thousand and EUR 13,812 thousand, respectively. There were no material differences with respect to fair value in the accompanying Consolidated Annual Accounts.

08. Joint agreements

The main aggregates included in the accompanying Consolidated Annual Accounts relating to JVs and EIGs for 2020 and 2019, in proportion to the percentage of ownership interest in the share capital of each joint venture, are as follows:

	Thousands of Euros	
	2020	2019
Net asset	1,674,245	1,686,790
Pre-tax profit or loss	54,448	203,553
Income tax expense (-) / income (+)	(12,447)	(30,388)
Post-tax profit or loss	42,001	173,165
Other comprehensive income	(3,861)	(4,251)
Total comprehensive income	38,140	168,914

The identification data relating to the main ACS Group's unincorporated joint ventures are detailed in Appendix II.

09. Investments in companies accounted for using the equity method

09.01. Consolidated companies accounted for using the equity method

The breakdown, by type of entity, of the consolidated companies accounted for by the equity method as at December 31, 2020 and 2019, is as follows:

	Thousands of Euros	
	2020	2019
Associates	3,033,374	3,716,708
Jointly controlled entities	1,446,177	694,732
Total	4,479,551	4,411,440

The changes in this heading in 2020 and 2019 were as follows:

	Thousands of Euros	
	2020	2019
Beginning balance (*)	4,411,440	4,721,050
Additions	339,682	282,917
Disposals	(165,528)	(45,996)
Change in consolidation method	684,694	(179,052)
Profit for the year	90,236	480,342
Changes in the equity of associates		
Exchange differences/other	(75,577)	16,242
Cash flow hedges	(22,707)	(81,343)
Financial assets held for sale	(5,009)	(1,136)
Transfer to non-current assets held for sale/discontinued operations	528	438
Distribution of dividends	(716,523)	(602,733)
Others	(61,685)	(179,289)
Ending balance	4,479,551	4,411,440

(*) Data restated 01/01/2019.

"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).

The detail, by division, of the investments accounted for by the equity method as 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

– Infrastructure

As at December 31, 2020, in the area of infrastructure, the participation in Abertis in the amount of EUR 2,868,396 thousand (EUR 3,417,754 thousand as at December 31, 2019) and the remaining shares of the Hochtief Group registered by the equity method were noteworthy, in the amount of EUR 1,268,949 thousand (EUR 568,764 thousand as at December 31, 2019), the most important addition of the year being the accounting of Thiess as a joint business by the equity method in the amount of EUR 683 million (see Note 02.02.f)).

The total amount of the equity-accounted interest in Abertis Holdco, S.A. in the ACS Group amounted to EUR 2,868,396 thousand (December 31, 2019: EUR 3,417,754 thousand), corresponding to the 20.0% interest in Hochtief and 30.0% directly from ACS itself (both included under the "Infrastructures" heading, see Note 02.01.c)). 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).

Joint Ventures

As indicated in Note 02.02.f), the sale of Thiess was completed on December 31, 2020, and the ACS Group jointly controls Thiess 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 Thiess for the year ended December 31, 2020 (see Note 02.02.f)). Thiess 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 Thiess. 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 02.02.f)) are likely to change when adjusted for additional liabilities arising from Thiess'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, notwithstanding the above, the aforementioned process does not affect the carrying amount of the equity method as at December 31, 2020. The financial information for the aforementioned jointly controlled entity is established in Note 02.02.f).

– Industrial Services

Within Industrial Services, the variation in the 2020 financial year 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.

09.02. Material associates/Joint Ventures

Material associates

According to IFRS 12, the only entity considered to be material as at December 31, 2020, is Abertis Holdco, S.A. and its Subsidiaries.

As indicated in Note 02.02.f, the ACS Group owns 50% less 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 Consolidated Annual Accounts as an associate using 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 2020 financial year, 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 stake 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 (CGU), 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 accounting 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 deterioration.

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 the perpetuity cash flow. 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 a deterioration 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 road 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.

Also detailed in the table below are the associated companies and the joint agreements which are not material:

	Thousands of Euros			
	Associates		Jointly controlled entities	
	2020	2019	2020	2019
Carrying amount	164,978	298,954	1,446,177	694,732
Profit before taxes	(5,051)	11,660	161,267	186,528
Income taxes	(4,351)	(4,664)	(18,886)	(19,072)
Profit after taxes	(9,403)	6,996	142,381	167,455
Other comprehensive income	(13,296)	1,056	(54,906)	5,417
Total comprehensive income	(22,698)	8,052	87,475	172,873

10. Financial assets

The breakdown of the Group's financial assets as 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 as 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 06)	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
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 Valor a 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
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
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.

10.01. Equity instruments

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

	Thousands of Euros			
	31/12/2020		31/12/2019 (*)	
	Non-Current	Current	Non-Current	Current
Infrastructure	74,912	127,912	116,337	125,076
Industrial Services	1,376	—	37,866	—
Services	64	—	22	—
Corporate Unit	3,518	—	3,518	71,190
Total	79,870	127,912	157,743	196,266

(*) Data restated.

Within non-current and current equity instruments, those arising from Hochtief amounting to EUR 44,621 and 127,912 thousand respectively (EUR 83,697 and 125,076 thousand respectively as at December 31, 2019) stand out and relate mainly to short-term investments in securities held in special and general investment funds. As 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 shares 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 28.04).

10.02. Loans to associates

The detail of the balances of "Loans to associates" and of the scheduled maturities as at December 31, 2020, is as follows:

	Thousands of Euros					
	Current	Non-current				
	2021	2022	2023	2024	2025 and subsequent years	Total non-current
Loans to associates	111,341	113,934	—	6,802	92,019	212,755

The detail of the balances of "Loans to associates" and of the scheduled maturities as at December 31, 2019, were as follows:

	Thousands of Euros					
	Current	Non-current				
	2020	2021	2022	2023	2024 and subsequent years	Total non-current
Loans to associates	135,298	112,429	—	—	148,818	261,247

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 as at December 31, 2019), the subordinated loan to Celtic Road Group (Portlaoise) in the amount of EUR 23,233 thousand (EUR 23,233 thousand as 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 as at December 31, 2019). In the 2020 financial year, 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 loans to associates jointly with investments, making the necessary provisions when necessary.

These loans bear interest at market rates.

10.03. Other loans

The detail of the balances of "Other loans" and of the scheduled maturities as at December 31, 2020, is as follows:

	Thousands of Euros					
	Current	Non-current				
	2021	2022	2023	2024	2025 and subsequent years	Total non-current
Other loans	53,083	7,818	1,941	764	46,360	56,883

The detail of the balances of "Other loans" and of the scheduled maturities as at December 31, 2019, was as follows:

	Thousands of Euros					
	Current	Non-current				
	2020	2021	2022	2023	2024 and subsequent years	Total non-current
Other loans	99,513	9,582	3,731	2,087	47,260	62,660

These loans earn interest tied to Euribor plus a market spread.

10.04. 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 it does not intend to hold until maturity arising from Hochtief for EUR 345,625 thousand (EUR 329,035 thousand as at December 31, 2019). Other significant amounts include those held by the Dragados Group amounting to EUR 53,801 thousand (December 31, 2019: EUR 70,312 thousand) and Cobra amounting to EUR 329,785 thousand (December 31, 2019: EUR 67,987 thousand).

10.05. Other financial assets

As at December 31, 2020, "Other financial assets" includes short-term deposits of EUR 271,375 thousand (EUR 227,507 thousand as 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 as at December 31, 2019) were held as collateral in guarantee of the derivatives arranged for the Group (see Note 22) and reflected under "Other current financial assets" in the attached consolidated statement of financial position.

Impairment losses

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

10.06. Non-current financial assets in operating receivables

As at December 31, 2020, this heading includes, principally as "Non-current financial assets in operating receivables" the certified amounts receivable amounting to EUR 128,876 thousand (EUR 83,135 thousand as 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.

11. Inventories

The breakdown "Inventories" as 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 as at December 31, 2020, relates mainly to EUR 284,094 thousand (EUR 440,326 thousand as at December 31, 2019) contributed by the Hochtief Group, which includes projects in progress amounting to EUR 146,970 thousand (EUR 153,309 thousand as 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 as at December 31, 2020 or as at December 31, 2019 and real estate assets in Dragados amounting to EUR 219,000 thousand (EUR 248,233 thousand as at December 31, 2019). In addition to the aforementioned restrictions, inventories have not been pledged and/or mortgaged as security for the repayment of debts either as at December 31, 2020 or as 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 and 1,711 thousand respectively in 2020 (EUR 2,035 thousand and EUR 584 thousand, respectively, in 2019).

12. Trade and other receivables

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

	Thousands of Euros				
	Infrastructures	Industrial Services	Services	Corporate unit and adjustments	Balance at 31/12/2020
Trade receivables for sales and services	5,746,081	2,400,275	195,850	—	8,342,206
Receivable from group companies and associates	49,533	108,493	12	—	158,038
Other receivables	1,038,759	708,336	14,382	954	1,762,431
Current tax assets	40,566	41,704	80	153,264	235,614
Total	6,874,939	3,258,808	210,324	154,218	10,498,289

	Thousands of Euros				
	Infrastructures	Industrial Services	Services	Corporate unit and adjustments	Balance at 31/12/2019 (*)
Trade receivables for sales and services	7,597,933	2,535,668	196,043	—	10,329,644
Receivable from group companies and associates	49,089	110,547	143	—	159,779
Other receivables	1,065,351	679,880	8,272	3,872	1,757,375
Current tax assets	42,351	34,367	233	72,854	149,805
Total	8,754,724	3,360,462	204,691	76,726	12,396,603

(*) Data restated.

12.01. Trade receivables for sales and services - Net trade receivables balance

The detail of trade receivables for sales and services and net trade receivables balance, by line of business, as at December 31, 2020 and 2019, is as follows:

	Thousands of Euros				
	Infrastructures	Industrial Services	Services	Corporate unit and adjustments	Balance at 31/12/2020
Trade receivables and notes receivable	3,690,781	1,348,206	179,516	4,497	5,223,000
Completed work pending certification	2,257,914	1,172,337	20,131	—	3,450,382
Allowances for doubtful debts	(202,614)	(120,268)	(3,797)	(4,497)	(331,176)
Total receivables for sales and services	5,746,081	2,400,275	195,850	—	8,342,206
Advances received on orders (Note 23)	(2,659,082)	(623,163)	(1,110)	—	(3,283,355)
Total liabilities from customer contracts	(2,659,082)	(623,163)	(1,110)	—	(3,283,355)
Total net trade receivables balance	3,086,999	1,777,112	194,740	—	5,058,851

	Thousands of Euros				
	Infrastructures	Industrial Services	Services	Corporate unit and adjustments	Balance at 31/12/2019 (*)
Trade receivables and notes receivable	4,651,571	1,641,450	175,326	4,497	6,472,844
Completed work pending certification	3,219,016	1,000,893	24,190	—	4,244,099
Allowances for doubtful debts	(272,654)	(106,675)	(3,473)	(4,497)	(387,299)
Total receivables for sales and services	7,597,933	2,535,668	196,043	—	10,329,644
Advances received on orders (Note 23)	(2,655,095)	(761,117)	(67)	—	(3,416,279)
Total liabilities from customer contracts	(2,655,095)	(761,117)	(67)	—	(3,416,279)
Total net trade receivables balance	4,942,838	1,774,551	195,976	—	6,913,365

(*) Data restated.

Positive balances relating to contracts with clients are registered in accordance with the explanations in Note 03.16.

The breakdown of the amounts recognized for these entries in 2020 and 2019 is as follows:

	Thousands of Euros									
	Balance at 31/12/2019 (*)	(a) Additions due to consolidation changes	(a) Disposals due to consolidation changes	(b) Contract modific/ Change of measurement and/or estimation Price	(c) Impairment	(d)	(e)	Exchange differences	Others	Balance at 31/12/2020
Trade receivables and notes receivable (net of provisions)	6,085,545	14,823	(264,316)	—	(43,387)	(8,815)	12,882	(62,016)	(842,892)	4,891,824
Completed work pending certification	4,244,099	39,368	(418,931)	(694,393)	—	—	(33,430)	(73,782)	387,451	3,450,382
Total Contract assets	10,329,644	54,191	(683,247)	(694,393)	(43,387)	(8,815)	(20,548)	(135,798)	(455,441)	8,342,206
Total Contract liabilities	3,416,279	41,375	(37,173)	—	—	—	(4,448)	(57,399)	(75,279)	3,283,355

(*) Data restated

	Thousands of Euros									
	Balance at 01/01/2019 (*)	(a) Additions due to consolidation changes	(a) Disposals due to consolidation changes	(b) Contract modific/ Change of measurement and/or estimation Price	(c) Impairment	(d)	(e)	Exchange differences	Others	Balance at 31/12/2019 (*)
Trade receivables and notes receivable (net of provisions)	4,959,748	27,216	(81)	31	(9,274)	2,467	65,638	1,898	1,037,902	6,085,545
Completed work pending certification	4,522,195	7,832	—	—	—	—	(36,876)	21,593	(270,645)	4,244,099
Total Contract assets	9,481,943	35,048	(81)	31	(9,274)	2,467	28,762	23,491	767,257	10,329,644
Total Contract liabilities	3,388,346	9,245	—	—	—	—	(8,631)	36,163	(8,844)	3,416,279

(*) Data restated

The different entries in the movement, in accordance with IRFS 15.118, are as follows:

- changes due to combinations of businesses;
- cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification;
- the impairment of a contract asset;
- a change in the time frame of a right to consideration that becomes unconditional (i.e. for a contract asset that is reclassified to an account receivable);
- a change in the time frame of a performance obligation to be satisfied (i.e. for the recognition of revenue from ordinary activities arising from a contract liability).

The "Others" item basically includes transactions related to production and/or invoicing to clients, as well as the receivables obtained from them.

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 as at both December 31, 2020 and December 31, 2019.

The main change in 2020 is the Gorgon LNG Jetty and Marine Structure (Gorgon Jetty) project for Chevron Australia (Chevron) carried out by CPB Contractors, a 100% subsidiary of CIMIC, along with its consortium partners, Saipem SA and Saipem Portugal Comercio Maritimo LDA. The financial statements of the ACS Group as at December 31, 2019, included AUD 1,150 million (equivalent to EUR 694 million as 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 as at December 31, 2020), in accordance with the

variable compensation reassessment requirements of IFRS 15 Revenue from Contracts with Customers (see Note 27.01).

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

As a practical solution, the company does not need to adjust the amount of 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.

With regard to ordinary income recognized in the 2020 financial year that was included in the balance of "Customer advances" (contract liabilities with customers) at the beginning of the financial year, this amounts to EUR 1,734 million (EUR 1,747 million in 2019) while ordinary income recognized in the 2020 financial year resulting from performance obligations that were fulfilled, or partially fulfilled, in previous financial years amounts to EUR 869 million (EUR 255 million in 2019), mainly due to the resolution of the aforementioned Gorgon Jetty arbitrage.

As at December 31, 2020, retentions held by customers for contract work in progress amounted to EUR 1,157,650 thousand (EUR 1,248,434 thousand as at December 31, 2019).

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 as at December 31, 2020 (EUR 2,146,086 thousand as 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.

In April 2020, the Asset Securitization Fund known as CAP – TDA 2 was terminated, which was established on May 19, 2010 and which was a minority of the "trade receivables and notes receivable" balance for the amounts transferred to the Asset Securitization Fund. The amount of the receivables sold to the Securitization Fund was EUR 58,737 thousand as at December 31, 2019, of which EUR 19,789 thousand at December 31, 2019 were recognized as a current account with the Securitization SPV included under "Other current financial assets - Other loans" (see Note 10.05). The ACS Group companies fully and unconditionally assigned receivables to the securitization SPV. By means of this mechanism, at the date of assignment, the Company charged a set price (cash price) which did not reverse back to the securitization SPV for any reason. This securitization SPV, which is subject to Spanish law, transforms the receivables acquired into bonds. It was managed by a management company called Titulizacion de Activos, Sociedad Gestora de Fondos de Titulizacion, S.A.

There was no customer as at December 31, 2020 and 2019, that represented more than 10% of total revenue.

12.02. Changes in the allowances for doubtful debts

The following is a breakdown, by line of business, of the changes in the "Allowances for doubtful debts" in 2020 and 2019:

Movement in the impairment provision	Thousands of Euros				
	Infrastructures	Industrial Services	Services	Corporate unit and adjustments	Total
Balance at January 1, 2019	(257,828)	(96,619)	(2,915)	(4,497)	(361,859)
Charges for the year	(22,368)	(31,338)	(1,955)	—	(55,661)
Reversals / Excesses	4,113	22,315	1,444	—	27,872
Changes in scope and other	3,429	(1,033)	(47)	—	2,349
Balance at December 31, 2019	(272,654)	(106,675)	(3,473)	(4,497)	(387,299)
Charges for the year	(339)	(46,605)	(1,600)	—	(48,544)
Reversals / Excesses	56,426	27,902	1,303	—	85,631
Changes in scope and other	13,953	5,110	(27)	—	19,036
Balance at December 31, 2020	(202,614)	(120,268)	(3,797)	(4,497)	(331,176)

A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities.

In addition, a provision of AUD 675 million (equivalent to EUR 422 million as at December 31, 2020) has been recognized by Cimic for 2014 and is presented net of the balances of completed work pending certification as at December 31, 2020 and 2019 (see Note 36).

The net trade receivables balance as at December 31, 2020 amounted to EUR 5,058,851 thousand (EUR 6,913,365 thousand as at December 31, 2019), of which EUR 1,300,817 thousand (EUR 1,092,479 thousand as at December 31, 2019) relate to domestic activity and EUR 3,758,034 thousand (EUR 5,820,886 thousand as at December 31, 2019) to international activity.

With regard to domestic activity, EUR 558,338 thousand (EUR 609,170 thousand as at December 31, 2019), 43% of the balance (56% of the balance as at December 31, 2019) relates to the net balance receivable from the Spanish public authorities, the remainder relating to the private sector, without large concentrations thereof.

With regard to foreign activities, the majority arises from the private sector amounting to EUR 3,111,384 thousand (EUR 5,086,998 thousand as at December 31, 2019), the majority of which relate to the Hochtief Group. The status of defaulting clients that are not impaired as at December 31, 2020 and 2019, is detailed in the "Credit risk" section of Note 21.

13. Other current assets

This heading in the statement of financial position includes mainly short-term accruals of prepaid expenses and interest.

14. Cash and cash equivalents

"Cash and cash equivalents" includes the Group's cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets amounting to EUR 315,331 thousand (EUR 292,644 thousand as at December 31, 2019) reflect their fair value and there are no restrictions as to their use.

15. Equity

15.01. 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 0.5 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 0.5 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 of the Company's treasury shares, 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 exchange value 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 preemptive 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 Secretary of the Board 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 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 0.5 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 (see Note 15.04).

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 (see Note 15.04).

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 three billion euro; 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 preemptive 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 share capital 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 Secretary of the Board 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 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 0.5 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 listed 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.

As at December 31, 2020, the shareholder with a stake of over 10% in the capital of the Parent Company was Inversiones Vesan, S.A. with a stake of 12.7%.

15.02. Share premium

The share premium as at December 31, 2020 and 2019, amounts to EUR 495,226 thousand and EUR 897,294 thousand, respectively. The reduction is due to the scrip dividend issued on June 10, 2020 (see Note 15.01).

The Consolidated Text of the Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

15.03. Reserves

The detail of this heading as at December 31, 2020 and 2019, is as follows:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019
Legal reserve	35,287	35,287
Voluntary reserves	3,251,185	2,685,092
Capital redemption reserve fund	39,578	30,440
Reserve for actuarial gains and losses	(14,702)	(17,687)
Others reserves	905,856	807,801
Reserves at consolidated companies	(608,505)	(377,581)
Total	3,608,699	3,163,352

The main movement under the heading "Reserves at consolidated companies" in the 2020 financial year corresponds to the effect on reserves of EUR 176,747 thousand, which resulted from the increase in the stake in Hochtief from 50.4% to 52.2% and in Cimic from 72.8% to 78.6%.

15.03.01. Parent Company reserves

This heading includes the reserves set up by the Group's Parent Company, mainly in relation to retained earnings and, if applicable, in compliance with the various applicable legal provisions.

Legal reserve

Under the Consolidated Text of the Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve of the Group's Parent Company, which amounts to EUR 35,287 thousand, has reached the stipulated level as at December 31, 2020 and 2019.

Voluntary reserves

These are reserves, the use of which is not limited or restricted, freely set up by means of the allocation of the Parent Company's profits, after the payment of dividends and the required appropriations to the legal or other restricted reserves in accordance with current legislation.

Pursuant to the Consolidated Text of the Spanish Companies Law, profit may not be distributed unless the amount of the unrestricted legal reserves is at least equal to the amount of research and development expenses included under assets in the statement of financial position. In this case the reserves allocated to meet this requirement are considered to be restricted reserves.

Capital redemption reserve fund

As a result of the retirement of the Parent Company's shares carried out in 2020 and 2019, in accordance with that established in Article 335 c) of the Consolidated Text of the Spanish Corporate Enterprises Act, ACS, Actividades de Construcción y Servicios, S.A. arranged a restricted "Reserve for retired capital" amounting to EUR 39,578 thousand (EUR 30,440 thousand as at December 31, 2019), which is equivalent to the nominal value of the reduced share capital.

Reserve for actuarial gains and losses

This reserve is included under "Adjustments for changes in value" and is the only item that is not transferred to the consolidated income statement since it is directly attributable to net equity. This item includes the effects on pension plans due to actuarial impacts such as changes in the technical interest rate, mortality tables, etc.

15.03.02. Reserves at consolidated companies

The breakdown, by line of business, of the balances of these accounts in the consolidated statement of financial position as at December 31, 2020 and 2019, after considering the effect of consolidation adjustments, is as follows:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019
Construction	3,099,436	3,595,193
Industrial Services	1,154,948	900,100
Services	64,833	53,681
Corporate Unit	(4,927,722)	(4,926,555)
Total	(608,505)	(377,581)

Certain Group companies have clauses in their financing agreements (this is standard practice in project financing) that place restrictions on the distribution of dividends until certain ratios are met.

15.04. 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 0.5 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 15.01).

On June 10, 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first increase of capital against the issue premium approved by the Ordinary General Shareholders' Meeting held on May 8, 2020, and, so that once the process is concluded in July 2020, the definitive number of ordinary shares is to be set at EUR 0.5 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 15.01).

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to the 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 15.01) 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 0.5 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 15.01).

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 0.5 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 15.01).

As at December 31, 2020, the Group held 25,604,641 treasury shares of the Parent Company, with a par value of EUR 0.5 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. As at December 31, 2019, the Group held 11,386,246 treasury shares of the Parent Company, with a par value of EUR 0.5 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 and also the maximum investment to EUR 600 million and extending 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).

15.05. Interim dividend

On June 19, 2020, ACS, Construction and Services Activities, S.A., agreed to allocate an interim dividend of EUR 0.16 per share in cash from the 2020 profits. This represented a total dividend of EUR 46,256 thousand, which was paid 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 was proven.

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 share capital by amortization of its treasury shares approved at the same General Shareholders' Meeting for a maximum amount equal to the amount in which the share capital 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 32).

15.06. 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.

The translation differences as at January 1, 2004, were recognized in the transition to IFRS as opening reserves. Consequently, the amount presented in the Group's consolidated statement of financial position as at December 31, 2020, relates exclusively to the difference arising in the period from 2004 to 2020, net of the related tax effect, between the closing and opening exchange rates, on non-monetary items whose fair value is adjusted against equity and on the translation to euro of the balances in the functional currencies of fully and proportionately consolidated companies and as companies accounted for using the equity method whose functional currency is not the euro.

As at December 31, 2020 and 2019, the main translation differences, by currency, were as follows:

	Thousands of Euros	
	Balance at 31/12/2020	Balance at 31/12/2019 (*)
U.S. Dollar (USD)	(73,826)	19,698
Australian Dollar (AUD)	(46,442)	33,655
Canadian Dollar (CAD)	(9,607)	785
Brazilian Real (BRL)	(112,195)	(62,768)
Mexican Peso (MXN)	15,837	(1,363)
Argentine Peso (ARS)	(55,813)	(49,502)
Chilean Peso (CLP)	(6,071)	(7,502)
Other currencies	(193,725)	(101,758)
Total	(481,842)	(168,755)

(*) Data restated

At December 31, 2020, in addition to the balance of translation differences, the balance of "Valuation adjustments" include a loss of EUR 159,383 thousand for hedging instruments (EUR -166,833 thousand as at December 31, 2019) and a negative amount of EUR -27,547 thousand for assets available for sale with changes in other comprehensive income (EUR -20,789 thousand as at December 31, 2019).

15.07. Non-controlling interests

The detail, by divisions, of the balance of "Non-controlling interests" in the consolidated statement of financial position as at December 31, 2020 and 2019, is as follows:

Line of Business	Thousands of Euros					
	Balance at 31/12/2020			Balance at 31/12/2019 (*)		
	Non-controlling interests	Profit attributed to non-controlling interests	Result discontinued operations	Non-controlling interests	Profit attributed to non-controlling interests	Result discontinued operations
Infrastructure	306,019	320,500	32,440	1,161,842	463,303	(639,300)
Industrial Services	81,995	2,849	—	92,008	1,691	—
Services	4,929	(1,304)	—	3,470	1,868	—
Total	392,943	322,045	32,440	1,257,320	466,862	(639,300)

(*) Data restated.

"Non-controlling interests" mainly relates to the full consolidation of Hochtief which includes both the ownership interests of the non-controlling shareholders of Hochtief as well as the non-controlling interests included in the statement of financial position of the German company, amounting to EUR 293,012 thousand as at December 31, 2020 (EUR 309,443 thousand as at December 31, 2019), which mainly relate to the non-controlling shareholders of Cimic Group Limited.

Accordingly, the only significant non-controlling interest is Hochtief, with the following information:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Non-current assets	5,263,746	6,260,433
Current assets	11,717,809	12,744,580
Non-current liabilities	5,190,506	4,635,244
Current liabilities	10,828,429	12,774,851
Equity	962,620	1,594,918
Of which: Non-controlling interests Hochtief	293,012	309,443
Non-controlling interests of Hochtief included in equity of the ACS Group	612,908	946,612
Turnover	22,953,752	25,851,855
Profit before tax	881,946	1,049,642
Income tax	(332,305)	(257,874)
Profit for the period from continuing operations	549,641	791,768
Profit after tax from discontinued operations	32,439	(1,053,084)
Profit for the period	582,080	(261,316)
Of which: Non-controlling interests Hochtief	(154,839)	55,069
Profit attributable to the parent	427,241	(206,247)
Non-controlling interests included in profit or loss for the year	(358,948)	157,299
Cash flows from operating activities	707,722	1,117,012
Cash flows from investing activities	711,673	(861,019)
Cash flows from financing activities	(632,142)	573,051

(*) Data restated.

The decrease in non-controlling interests of EUR 264,320 thousand in the 2020 financial year is due to the increase in the stake in Hochtief from 50.4% to 52.2% and Cimic from 72.8% to 78.6% (see Note 02.02 (f)).

"Non-controlling interests" in the accompanying consolidated statement of financial position reflects the proportionate share of the equity of Group companies in which there are non-controlling shareholders. The changes in 2020, by item, were as follows:

	Thousands of Euros
Balance at December 31, 2019 (*)	1,084,882
Profit for the year from continuing operations	354,485
Dividends received	(248,819)
Changes in shareholdings in controlled companies and others	(234,268)
Adjustments for changes in value	(208,852)
Balance at December 31, 2020	747,428

(*) Data restated.

The changes in 2019, by item, were as follows:

	Thousands of Euros
Balance at January 01, 2019 (*)	1,523,984
Profit for the year from continuing operations	(172,438)
Dividends received	(290,634)
Changes in shareholdings in controlled companies and others	(14,504)
Adjustments for changes in value	38,474
Balance at December 31, 2019 (*)	1,084,882

(*) Data restated.

At December 31, 2020, the shareholders with an ownership interest equal to or exceeding 10% of the subscribed capital of the Group's main subsidiaries were as follows:

Group	Percentage of ownership	Shareholder
Construction		
Hochtief, A.G.	18.01%	Atlantia S. p. A.
Construirail, S.A.	49.00%	Renfe Mercancías SME, S.A.
Gasoductos y Redes Gisca, S.A.	47.50%	Spie Capag, S.A.
BICC Contracting LLC	55.00%	Riad Al Sadik
Industrial Services		
Procme, S.A.	25.46%	GESTRC SGPS
Serpista, S.A.	39.00%	Iberia, S.A.
Monclova Pirineos Gas, S. A. de C.V.	30.55%	Atlantic Energy Investment, S.L. (10,55%) Constructora Industrial de Monclova, S.A. de C.V. (15%)
Petrolíferos Tierra Blanca, S.A. de C.V.	65.27%	Alfasid del Norte, S.A. (50%)
Dankocom Pty Ltd	48.00%	Navolox (20%) Sener Engineering and Construction South Africa Property Limited (28%)
Oilserv S.A.P.I. de C.V.	65.28%	Newpek, S.A. de C.V. (50%)
Services		
Multiservicios Aeroportuarios, S.A.	49.00%	Iberia, S.A.

16. Grants

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

	Thousands of Euros	
	2020	2019
Beginning balance	2,697	3,227
Exchange differences	(1)	9
Additions	1,431	439
Transfers	(97)	(69)
Recognition in income statement	(545)	(909)
Ending balance	3,485	2,697

The grants related to assets recognized in the consolidated income statement (recognized under "Allocation to profit or loss of grants related to non-financial non-current assets and other grants" in the consolidated income statement) amounted to EUR 545 thousand before tax in 2020 (EUR 909 thousand in 2019). The timing of recognition in profit or loss, by year, is detailed as follows:

	Thousands of Euros					
	31/12/2020			31/12/2019		
	<1	2-5	>5	<1	2-5	>5
Grants related to assets	1,111	1,307	1,067	482	1,071	1,144

The grants for COVID-19 were not significant in the 2020 financial year.

17. Bank borrowings, bonds and other marketable securities

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.

17.01. Bonds and other marketable 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, as 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 1500 million 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, 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 238,000 thousand (EUR 245,000 thousand as 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 8-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, by maturity, of these debentures and bonds as at December 31, 2020 is as follows:

	Thousands of Euros					
	Current	Non-current				
	2021	2022	2023	2024	2025 and subsequent years	Total non-current
Debentures and bonds	943,609	164,458	50,000	—	2,922,559	3,137,017

The detail, by maturity, of these debentures and bonds as at December 31, 2019 was as follows:

	Thousands of Euros					
	Current	Non-current				
	2020	2021	2022	2023	2024 and subsequent years	Total non-current
Debentures and bonds	2,073,134	119,884	179,785	50,000	2,181,622	2,531,291

The detail of the ACS Group's main bonds as 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%	—	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

17.02. Loans and credit facilities

17.02.01. Loans and credit facilities

The detail of the bank borrowings as at December 31, 2020, along with the repayment schedules, are as follows:

	Thousands of Euros					
	Current	Non-current				
	2021	2022	2023	2024	2025 and subsequent years	Total non-current
Bank loans in euros	1,163,256	475,417	1,314,440	294,648	1,096,851	3,181,356
Foreign currency loans	669,155	620,719	600,786	615,555	6,370	1,843,430
Other financial debts	5,155	6,914	5,711	3,191	2,107	17,923
Total	1,837,566	1,103,050	1,920,937	913,394	1,105,328	5,042,709

The detail of the bank borrowings as at December 31, 2019, along with the repayment schedules are as follows:

	Thousands of Euros					
	Current (*)	Non-current (*)				
	2020	2021	2022	2023	2024 and subsequent years	Total non-current
Bank loans in euros	434,524	179,880	318,087	1,061,485	1,373,743	2,933,195
Foreign currency loans	954,985	170,609	361,755	115,108	426,511	1,073,983
Other financial debts	7,293	6,103	5,470	4,572	1,448	17,593
Total	1,396,802	356,592	685,312	1,181,165	1,801,702	4,024,771

(*) Data restated.

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 to 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, 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 as 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 1,200,000 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 as 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 as at December 31, 2020, was AUD 2400 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 as 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 as 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 as at December 31, 2020 (EUR 35,104 thousand as 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 as at December 31, 2019) was undrawn. These credit facilities sufficiently cover all the Group's needs in relation to its short-term commitments.

The unused balances of credit lines granted to Group companies as at December 31, 2020, for maturities are as follows:

	Thousands of Euros					
	Current	No corriente				
	2021	2022	2023	2024	2025 and subsequent years	Total non-current
Credit lines in euros	1,772,279	804,719	517,721	—	1,150,000	2,472,440
Credit lines in foreign currency	736,870	511,066	—	—	—	511,066
Total	2,509,149	1,315,785	517,721	—	1,150,000	2,983,506

The unused balances of credit lines granted to Group companies as at December 31, 2019, for maturities were as follows:

	Thousands of Euros					
	Current	No corriente				
	2020	2021	2022	2023	2024 and subsequent years	Total non-current
Credit lines in euros	1,346,653	544,828	48,603	231,900	1,155,000	1,980,331
Credit lines in foreign currency	426,781	6,022	789,693	478,828	767,028	2,041,571
Total	1,773,434	550,850	838,296	710,728	1,922,028	4,021,902

At December 31, 2020, current and non-current bank borrowings in foreign currency amounted to EUR 2,512,585 thousand (EUR 1,021,719 thousand in 2019), of which EUR 1,657,766 thousand were mainly in Australian dollars (EUR 294,469 thousand in 2019), EUR 643,728 thousand are in US dollars (EUR 510,952 thousand in 2019), EUR 77,426 thousand are in Canadian dollars (EUR 55,225 thousand in 2019), EUR 45,389 thousand are in Brazilian reals (EUR 58,357 thousand in 2019), EUR 34,193 thousand in British pounds sterling (EUR 40,228 thousand in 2019) and EUR 11,778 thousand are in Polish zloty (EUR 13,458 thousand in 2019).

Foreign currency loans and credits are recognized at their equivalent euro value at each year-end, calculated at the exchange rates prevailing as at December 31, (see Note 03.21).

In 2020 the Group's euro loans and credits bore average annual interest of 0.93% (1.18% in 2019). Foreign currency loans and credits bore average annual interest of 1.38% (2.21% in 2019).

In accordance with its risk management policy and in order to reduce liquidity risk, the ACS Group attempts to achieve a reasonable balance between non-current financing for the Group's strategic investments (above all, limited recourse financing as described in Note 18) and current financing for the management of working capital. The effect of the changes in interest rates on finance costs are indicated in Note 21.

In 2020 and 2019, the ACS Group satisfactorily met its bank borrowing payment obligations on maturity. Additionally, up to the date of the preparation of the Consolidated Annual Accounts, the Group had not failed to meet any of its financial obligations. As at December 31, 2020, the ACS Group met all ratios required by its financing arrangements.

17.02.02. Financial liabilities classification

The classification of financial liabilities in accordance with the application of IFRS 9 as 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
LongTerm 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
LongTerm 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.

18. Project finance with limited recourse

"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 breakdown of this heading, by type of financed asset, as 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 breakdown of this heading, by type of financed asset, as 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

The detail, by maturity, of non-current financing as at December 31, 2020 and 2019, is as follows:

	Miles de Euros				
	Maturity in				
	2022	2023	2024	2025 and subsequent years	Total
Balance at December 31, 2020	18,903	20,082	16,613	17,720	73,318

	Miles de Euros				
	Maturity in				
	2021	2022	2023	2024 and subsequent years	Total
Balance at December 31, 2019	19,910	23,292	24,358	54,936	122,496

Project financing

The Group has arranged various interest rate hedges in connection with the aforementioned financing (see Note 22).

The average interest rate for this type of project financing amounted to an annual 4.31% in 2020 and 5.11% in 2019.

The debts relating to limited recourse financing are secured by non-current assets in projects and include clauses requiring that certain ratios be complied with by the project and which were being met in all cases as at December 31, 2020. Except as specifically mentioned in the preceding paragraphs in relation to each of the most relevant financing, as at December 31, 2020 and 2019, there were no guarantees in the form of collateral.

In 2020 and 2019, the ACS Group satisfactorily settled all its project financing debts with limited recourse on maturity. Additionally, up to the date of the preparation of the Consolidated Annual Accounts, the Group had complied with all its financial obligations.

19. Other financial liabilities

The breakdown of the balances of this heading in the consolidated statements of financial position as at December 31, 2020 and 2019, is as follows:

	Thousands of Euros			
	Balance at 31/12/2020		Balance at 31/12/2019	
	Non-current	Current	Non-current	Current
Non-bank borrowings at a reduced interest rate	34,251	6,404	42,018	6,977
Payable to associates	19,109	7,565	49,929	27,487
Other	63,632	74,541	68,684	127,609
Total	116,992	88,510	160,631	162,073

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

"Non-bank borrowings at a reduced interest rate" are loans at reduced or zero interest rates granted by the Ministry of Economy, Industry and Competition and dependent agencies. The effect of the financing at market interest rates would not be material.

20. Provisions

20.01. Non-current

The changes in non-current provisions in 2020 were as follows:

NON-CURRENT	Thousands of Euros						Total
	Provision for pensions and similar obligations	Personnel-related Provisions	Provision for taxes	Provision for third-party liability	Provision for environmental actions	Provisions for actions on infrastructure	
Balance at December 31, 2019 (*)	428,194	150,510	130,697	657,610	—	13,204	1,380,215
Additions or charges for the year	7,601	17,293	2,428	47,691	—	3,565	78,578
Reversals	(9,929)	(17,921)	(110)	3,096	—	—	(24,864)
Amounts used	(1)	(63)	(125,901)	(84,546)	—	(12,811)	(223,322)
Increases due to the passing of time and the effect of exchange rates on discount rates	62,492	—	—	—	—	—	62,492
Exchange differences	(6,748)	(10,613)	(1)	(34,870)	—	—	(52,232)
Changes in the scope of consolidation	—	(3,579)	—	4,288	—	—	709
Transfers	—	(1,120)	—	55,919	—	—	54,799
Balance at December 31, 2020	481,609	134,507	7,113	649,188	—	3,958	1,276,375

(*) 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, as at December 31, 2020 (1.30%, 2.98% and 2.05%, respectively, as at December 31, 2019).

The Group companies recognize provisions on the liability side of the accompanying consolidated statement of financial position for present obligations arising from past events which the companies consider will probably require an outflow of resources embodying economic benefits to settle them on maturity. These provisions are recognized when the related obligation arises and the amount recognized is the best estimate at the date of the accompanying financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognized as interest cost in the consolidated income statement. 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.

Following is detailed information on the Group's provisions, distributed into three large groups:

20.01.01 Provisions for pensions and similar obligations

On the one hand, defined benefit pension commitments were entered into by companies included in the group as a result of the merger by absorption of Dragados Group in 2003. These commitments were externalized through collective life insurance contracts, in which investments have been allocated whose flows coincide in time and amounts with the amounts and payment timetable of the insured benefits. Based on the valuation made, the amounts required to meet the commitments to current and retired employees amounted, as at December 31, 2020, to EUR 4,727 thousand (EUR 5,431 thousand in 2019) and EUR 142,990 thousand (EUR 148,741 thousand in 2019), respectively. The actuarial assumptions used in 2020 and 2019 valuations detailed above, are as follows:

Annual rate of increase of maximum social security pension deficit	2.00%
Annual wage increase	2.35%
Annual CPI growth rate	2.00%
Mortality table (*)	PERM/F-2000 P

(*) Guaranteed assumptions which will not vary

The interest rates applied since the pension obligations were externalized ranged from a maximum of 5.93% to a minimum 0.01%. In the financial years 2020 and 2019 the applied interest rate was 0.01%.

The amounts relating to the aforementioned pension obligations, recognized under "Personal expenses" in the consolidated income statement for 2020, gave rise to income of EUR 1 thousand in 2020 (EUR 51 thousand in 2019), relating mainly to the regularization and redemption of the pension obligation, for accrued and unpaid income, of a certain group of employees from Grupo Dragados.

Additionally, ACS, Actividades de Construcción y Servicios, S.A. and other Group companies have alternative pension system obligations to certain members of the management team and Board of Directors of the Parent Company. These obligations have been formalized through several group savings insurance policies which provide benefits in the form of a lump sum, which represented a contribution in 2020 of EUR 4790 thousand and was recognized under "Personal expenses" in the consolidated statement of financial position. In 2019, the contribution in this connection amounted to EUR 4,755 thousand.

Except as indicated above, in general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalize their pension and other similar obligations to employees. The Group has no liability in this connection.

Some of the Group's foreign companies are obligated to supplement the retirement benefit and other similar obligations to its employees, including those from the Hochtief Group. The accrued obligations and, where appropriate, the related plan assets were measured by independent actuarial experts using generally accepted actuarial methods and techniques and the related amounts are recognized under "Non-current provisions – Provisions for pensions and similar obligations" in the accompanying consolidated statement of financial position, in accordance with IFRS.

Defined benefit plans

Under defined benefit plans, the Group's obligation is to provide agreed benefits to current and former employees. The main pension obligations in Germany consist of direct commitments under the current 2000+ pension plan and deferred compensation plans. The 2000+ plan in force since January 1, 2000, is a modular defined contribution plan. The size of the annual pension component depends on employee income and age (resulting in an annuity conversion factor) and a general pension contribution reviewed by Hochtief A.G. every three years and adjusted as necessary. The future pension amount is the sum total of the pension components earned each year. In isolated instances, length-of-service and final salary pension arrangements are in existence for executive staff, although except at Executive Board level such arrangements have no longer been offered since 1995. Benefits comprise an old-age pension, an invalidity pension and a surviving dependants' pension and in almost all cases are granted as a life-long annuity.

Up to December 31, 2013, employees in Germany additionally had the option of deferred compensation in a company pension plan. The deferred compensation was invested in selected investment funds. The pension amount is based on the present value of acquired fund units and the time of retirement, subject to a minimum of the deferred compensation amount plus an increment that is guaranteed by Hochtief and ranges from 3.50% down to 1.75% p.a. At retirement, there is a choice between a lump sum payment and an annuity for five or six years.

Outside of Germany, there are defined benefit plans at Turner in the USA and Hochtief UK in the United Kingdom. The plan at Turner was frozen as at December 31, 2003, and no new entitlements can be earned under it. Benefits comprise an old-age pension, an invalidity pension and a surviving dependants' pension. There is a choice at retirement between a lifelong annuity and a lump sum payment. Commitments at Turner also include post-employment benefits in the form of medical care for pensioners. Hochtief UK has a length-of-service, final salary pension plan. For each year of service, 1/75th of the eligible final salary is granted as a monthly pension. Benefits comprise an old-age pension, an invalidity pension and a surviving dependants' pension.

The composition of the Hochtief Group's defined benefit obligations as at December 31, 2020 and 2019, was as follows:

	Thousands of Euros		
	31/12/2020		
	Germany	USA	UK
Active members	145,340	78,340	9,980
Final salary	(29,113)	—	(9,980)
Not final salary	(116,227)	(78,340)	—
Vested benefits	163,479	42,675	19,846
Retirees	509,540	90,078	26,225
Similar obligations	90	65,813	—
Total	818,449	276,906	56,051
Duration in years (weighted)	15.0	9.7	18.8

	Thousands of Euros		
	31/12/2019		
	Germany	USA	UK
Active members	139,931	84,853	12,878
Final salary	(25,631)	—	(12,878)
Not final salary	(114,300)	(84,853)	—
Vested benefits	161,985	42,865	20,470
Retirees	498,022	94,592	16,816
Similar obligations	86	65,508	—
Total	800,024	287,818	50,164
Duration in years (weighted)	15.0	9.7	18.8

Plan assets

Germany

There are no statutory or regulatory minimum funding requirements for pension plans in Germany. Domestic pension obligations are fully funded. The funded plans take the form of a contractual trust arrangement (CTA). The transferred assets are administered by an external trustee and serve exclusively to fund domestic pension obligations. The transferred cash is invested in the capital market in accordance with investment principles set out in the trust agreement and the investment guidelines. Investment decisions are not taken by the trustee, but by an investment committee.

The investment guidelines and decisions are based on the findings of an asset liability matching (ALM) study compiled by outside specialists at regular intervals of three to five years. This uses Monte Carlo simulation to model the development of the pension liabilities and other key economic factors over a very long forward horizon and in numerous combinations. Based on the ALM study, a range of criteria are then applied to determine the optimum asset allocation in order to ensure that pension liabilities can be met in the long term.

In order to achieve an optimally conservative risk structure, cross-sector risk management has also been adopted. To this end, the services of an independent cross-sector manager, who works autonomously with an annual fixed risk budget in a clearly structured cross-sector risk management process, have been used. Hochtief aims to ensure the full funding of pension obligations and to fund new vested benefits on the basis of current service cost on an annual or at least timely basis. The companies pay in additional amounts from time to time in the event of any shortfall. Pension commitments in Germany in excess of the contribution assessment ceiling applied in the statutory pension insurance scheme are additionally covered using pension liability insurance. Pension liabilities from deferred employee compensation offered as at December 31, 2013, were funded by the purchase of retail fund units. Funding of the obligations served by Hochtief Pension Trust e.V. as at December 31, 2020, amounts to about 45% (51% in 2019); the figure for Germany as a whole is about 51% (57% in 2019). It should be noted in this connection that pension obligations have increased significantly in recent years due to the low level of market interest rates and that the funding ratio is expected to significantly increase again when interest rates recover.

USA

The management of the Turner Group's frozen defined benefit obligations has also been entrusted to a pension fund. Plan assets are administered in trust by BNY Mellon and serve exclusively to fund the plan. Investment decisions are not made by the trust but by a special committee.

The investment of plan assets is based on a regularly compiled ALM study. The investment objectives are to maximize the funding ratio and reduce volatility in the funding ratio. The pension obligations being fully funded at Turner, high-risk investments in equities have been gradually replaced by investments in bonds that are more stable in value. These ideally perform in line with plan liabilities, thus ensuring full funding. There is no statutory minimum funding requirement, but low funding levels result in higher contributions to

the Pension Benefit Guarantee Corporation and limits to lump-sum payments, hence the objective is to achieve maximum funding. The funding of obligations covered by Turner's pension fund as at December 31, 2020 is about 108% (106%) in 2019; funding at Turner overall is about 82%, as in the prior year.

United Kingdom

The capitalization of the assets subject to the Hochtief (UK) plan is also carried out by means of a trust. Statutory minimum funding requirements apply. If funding is insufficient to make up a funding shortfall, an additional restructuring plan is drawn up. Plan funding is reviewed at least once every three years. Funding of pension obligations at Hochtief (UK) is about 74% (75% in 2019).

Defined benefit obligations are covered by plan assets as follows:

Coverage of defined benefit obligations by plan assets

	Thousands of Euros			
	31/12/2020		31/12/2019	
	Defined benefit obligations	Plan assets	Defined benefit obligations	Plan assets
Uncovered by plan assets	67,008	—	66,750	—
Partially covered by plan assets	872,232	457,633	776,905	415,462
Not fully covered by plan assets	939,240	457,633	843,655	415,462
Fully covered by plan assets	212,166	228,342	294,351	309,864
Total	1,151,406	685,975	1,138,006	725,326

Actuarial assumptions

The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. Specifically, the actuarial assumptions used in 2020 and 2019 are as follows:

	Percent					
	2020			2019		
	Germany	USA	UK	Germany	USA	UK
Discount factor*	1.00	2.17	1.45	1.30	2.98	2.05
Salary increases	2.75	—	2.00	2.75	—	1.90
Pension increases*	1.50	—	3.30	1.50	—	3.15
Health cost increases	—	5.00	—	—	5.00	—

* Weighted average

The discount factors are derived from the Mercer Pension Discount Yield Curve (MPDYC) model, taking into account the company-specific duration of pension liabilities. Salary and pension increases ceased to be taken into account in the USA (Turner Group) in 2004 due to the changeover in pension arrangements.

Biometric mortality assumptions are based on published country-specific statistics and experience. The following mortality tables were used in the actuarial calculation of pension obligations:

Germany	Heubeck 2018G mortality tables
USA	PRI2012 mortality table projected generationally with MP2020
UK	S2PxA CMI_2019 (1,25 %) year of birth

The present value of defined benefit obligations and the market value of plan assets have changed as follows:

Changes in the present value of defined benefit obligations

	Thousands of Euros					
	2020			2019		
	Germany	Rest of the world	Total	Germany	Rest of the world	Total
Defined benefit obligations at start of year	800,024	337,982	1,138,006	763,286	294,637	1,057,923
Current service costs	6,992	2,454	9,446	6,235	1,807	8,042
Past service cost	—	—	—	—	—	—
Interest expense	10,159	9,168	19,327	14,880	12,335	27,215
Remeasurements						
Actuarial gains / (losses) arising from changes in demographic assumptions	—	(1,422)	(1,422)	1,556	(2,666)	(1,110)
Actuarial gains / (losses) arising from changes in financial assumptions	35,897	27,937	63,834	60,315	40,066	100,381
Actuarial gains / (losses) arising from experience adjustments	2,222	2,058	4,280	(8,933)	3,841	(5,092)
Benefits paid from Company assets	(425)	(2,814)	(3,239)	(499)	(3,646)	(4,145)
Benefits paid from fund assets	(36,383)	(14,462)	(50,845)	(36,684)	(15,576)	(52,260)
Employee contributions	—	98	98	—	105	105
Effect of transfers	(37)	—	(37)	(34)	—	(34)
Changes in the scope of consolidation	—	—	—	(98)	—	(98)
Currency adjustments	—	(28,042)	(28,042)	—	7,079	7,079
Defined benefit obligations at end of year	818,449	332,957	1,151,406	800,024	337,982	1,138,006

Changes in the market value of plan assets

	Thousands of Euros					
	2020			2019		
	Germany	Rest of the world	Total	Germany	Rest of the world	Total
Plan assets at start of year	452,797	272,529	725,326	442,187	240,051	682,238
Interest on plan assets	5,858	7,284	13,142	8,795	10,032	18,827
Plan expenses paid from plan assets recognized in profit or loss	—	(1,404)	(1,404)	—	(1,081)	(1,081)
Remeasurements						
Return on plan assets no included in net interest expense / income	(9,853)	23,902	14,049	29,496	31,556	61,052
Difference between plan expenses expected and recognized in profit or loss	—	88	88	—	(358)	(358)
Employer contributions	6,147	2,064	8,211	9,003	2,118	11,121
Employee contributions	—	98	98	—	105	105
Benefits paid	(36,383)	(14,462)	(50,845)	(36,684)	(15,576)	(52,260)
Currency adjustments	—	(22,690)	(22,690)	—	5,682	5,682
Plan assets at end of year	418,566	267,409	685,975	452,797	272,529	725,326

Investing plan assets to cover future pension obligations generated actual returns of EUR 27,191 thousand in 2020 (EUR 79,879 thousand in 2019).

The pension provisions are determined as follows:

The fair value of plan assets is divided among asset classes as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Defined benefit obligations	1,151,406	1,138,006
Less plan assets	685,975	725,326
Funding status	465,431	412,680
Assets from overfunded pension plans	16,176	15,513
Provision for pensions and similar obligations	481,607	428,193

The fair value of plan assets is divided among asset classes as follows:

Composition of plan assets

	Thousands of Euros			
	31/12/2020			
	Fair value		Total	%
	Quoted in an active market	Not quoted in an active market		
Stock				
U.S. equities	23,085	—	23,085	3.37
European equities	24,858	—	24,858	3.62
Emerging market equities	10,423	—	10,423	1.52
Other equities	14,867	—	14,867	2.17
Bonds				
U.S. government bonds	48,102	1,111	49,213	7.17
European government bonds	22,095	—	22,095	3.22
Emerging market government bonds	25,108	—	25,108	3.66
Corporate bonds	242,892	—	242,892	35.41
Other bonds	17,127	1,709	18,836	2.75
Secure loans				
USA	8,476	—	8,476	1.24
Europe	8,744	—	8,744	1.27
Investment bonds	51,591	—	51,591	7.52
Real state	—	55,866	55,866	8.14
Infrastructure	—	33,909	33,909	4.94
Insurance policies	—	81,085	81,085	11.82
Cash	13,412	—	13,412	1.96
Other	697	818	1,515	0.22
Total	511,477	174,498	685,975	100.00

	Thousands of Euros			
	31/12/2019			
	Fair value		Total	%
	Quoted in an active market	Not quoted in an active market		
Stock				
U.S. equities	34,430	—	34,430	4.75
European equities	31,248	15,700	46,948	6.47
Emerging market equities	13,815	—	13,815	1.90
Other equities	16,448	—	16,448	2.27
Bonds				
U.S. government bonds	3,275	—	3,275	0.45
European government bonds	25,904	—	25,904	3.57
Emerging market government bonds	22,836	—	22,836	3.15
Corporate bonds	280,516	1,539	282,055	38.89
Other bonds	14,946	2,102	17,048	2.35
Secure loans				
USA	9,261	—	9,261	1.28
Europe	9,229	—	9,229	1.27
Investment bonds	51,804	—	51,804	7.14
Real state	—	57,601	57,601	7.94
Infrastructure	—	31,559	31,559	4.35
Insurance policies	—	81,262	81,262	11.20
Cash	22,592	—	22,592	3.11
Other	(1,643)	902	(741)	(0.10)
Total	534,661	190,665	725,326	100.00

Pension expense under defined benefit plans is made up as follows:

	Thousands of Euros					
	2020			2019		
	Germany	Rest of the world	Total	Germany	Rest of the world	Total
Current service cost	6,992	2,454	9,446	6,235	1,807	8,042
Post service cost	—	—	—	—	—	—
Total personnel expense	6,992	2,454	9,446	6,235	1,807	8,042
Interest expense for accrued benefit obligations	10,159	9,168	19,327	14,880	12,335	27,215
Interest on plan assets	(5,858)	(7,284)	(13,142)	(8,795)	(10,032)	(18,827)
Net interest expense / income (net investment and interest income)	4,301	1,884	6,185	6,085	2,303	8,388
Plan expenses paid from plan assets recognized in profit or loss	—	1,404	1,404	—	1,081	1,081
Total amount recognized in profit or loss	11,293	5,742	17,035	12,320	5,191	17,511

In addition to the expenses recognized in profit or loss, the consolidated statement of comprehensive income includes EUR 38,747 thousand in actuarial losses recognized in 2020 before deferred taxes and after consolidation changes and exchange rate adjustments (EUR 36,925 thousand in actuarial gains recognized in 2019). Before deferred taxes, the cumulative amount of actuarial losses is EUR 537,777 thousand (EUR 499,030 thousand in 2019).

The Turner Group's obligations to meet healthcare costs for retired staff are included in pension provisions due to their pension-like nature. The defined benefit obligation as at December 31, 2020, came to EUR 65,813 thousand (EUR 65,508 thousand in 2019). Healthcare costs accounted for EUR 2194 thousand (EUR 1595 thousand in 2019) of the current service cost and EUR 2016 thousand (EUR 2398 thousand in 2019) of the interest expense.

Sensitivity analysis

Pension obligations in the Hochtief Group are subject to the following significant risks:

Interest rate risk

For defined contribution plans, (notional) contributions are translated into benefits using a table of fixed interest rates, independent of the current market interest rate. Hochtief thus bears the risk of general capital market interest rate changes with regard to the determination of benefits. Pension obligations have increased significantly in recent years due to the generally low level of capital market interest rates. The correspondingly strong impact is due to the relatively long term of the obligations.

Inflation risk

By law, company pensions in Germany must be raised level with the inflation rate at least every three years. German company pensions under the 2000+ plan rise at a fixed 1% p.a., hence there is only minor inflation risk in the pension phase. Turner plans are free from inflation risk as the main defined benefit plan is frozen and no more adjustments to the company pension are made.

Longevity risk

The granting of lifelong pensions means that Hochtief bears the risk of pensioners living longer than actuarial calculations predict. This risk normally averages out across all pension plan members and only comes into play if general longevity is longer than expected.

The impact of the stated risks on the defined benefit obligations under a corresponding change in actuarial assumptions is shown in the sensitivity analysis that follows.

Impact on the defined benefit obligations

	Thousands of Euros					
	31/12/2020					
	Germany		Rest of the world		Total	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate +0,50% / -0,50%	(57,951)	64,904	(18,327)	20,409	(76,278)	85,313
Discount rate +1,00% / -1,00%	(107,900)	138,887	(34,851)	43,221	(142,751)	182,108
Salary increases +0,50% / -0,50%	619	(602)	591	(558)	1,210	(1,160)
Pension increases +0,25% / -0,25%	19,947	(19,191)	1,442	(1,376)	21,389	(20,567)
Medical costs +1,00% / -1,00%	—	—	—	—	—	—
Life expectancy +1 year	41,615	n/a	9,678	n/a	51,293	n/a

	Thousands of Euros					
	31/12/2019					
	Germany		Rest of the world		Total	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate +0,50% / -0,50%	(57,156)	63,241	(17,771)	19,692	(74,927)	82,933
Discount rate +1,00% / -1,00%	(107,677)	139,234	(33,860)	41,599	(141,537)	180,833
Salary increases +0,50% / -0,50%	687	(667)	498	(481)	1,185	(1,148)
Pension increases +0,25% / -0,25%	19,071	(18,336)	1,162	(1,118)	20,233	(19,454)
Medical costs +1,00% / -1,00%	—	—	—	—	—	—
Life expectancy +1 year	40,890	n/a	9,066	n/a	49,956	n/a

Discounted Cash Flow

Benefit payments

At December 31, 2020, the pension payments planned for the future are as follows:

	Thousands of Euros
Due in 2019	57,106
Due in 2020	55,985
Due in 2021	57,190
Due in 2022	56,097
Due in 2023	56,235
Due in 2024 to 2028	262,924

Contributions to defined benefit schemes:

Contributions to defined benefit plans in 2021 are expected to be EUR 9300 thousand.

Defined contribution plans

Under defined contribution plans, the Company pays into a state or private pension fund voluntarily or in accordance with statutory or contractual stipulations. It has no obligation to pay further contributions.

There are defined contribution plans at Turner, Flatiron and E.E. Cruz in the USA as well as at Cimic in Australia. Depending on length of service and salary level, between 3% and 6% of an employee's salary is paid into an external fund. In addition, Turner employees have an option to pay up to 25% of their salaries into an investment fund as part of a 401 (k) plan. Turner tops up the first 5% of the deferred compensation by up to 100%, depending on length of service. All employees can join the plan immediately and are vested in the company's contributions after three years' service. The majority of payments into the fund receive tax relief, although it is possible to pay contributions on taxed income and receive the investment proceeds tax free; the investment risk is borne by employees. The defined contribution plans at Flatiron and E.E. Cruz are similar to 401(k) plans. All non-union employees are entitled. Flatiron pays a contribution in the amount of 6.0% of the wage or salary, while E.E. Cruz doubles one-third of employee contributions, in each case up to the statutory maximum. In Australia, since July 1, 2014, Cimic has paid 9.50% (previously 9.25%) of the wage and salary total into the statutory pension (superannuation) scheme. The contribution rate is expected to rise incrementally up to 12.0% by 2025. Employees have a choice of investment funds and bear the investment risk. They are able to pay top-up contributions on a voluntary basis. Tax relief is granted on top-up contributions.

The following amounts were paid into defined contribution plans and state pension schemes in 2020 and 2019:

	Thousands of Euros	
	2020	2019
Amounts paid into defined contribution plans		
CIMIC	129,443	131,324
Turner	53,578	55,373
Other	10,899	6,654
Total	193,920	193,351
Amounts paid into state pension schemes (employer share)	26,561	26,438

The expenses are recorded as personal expenses in the consolidated income statement.

20.01.02. Provisions for taxes

Non-current provisions include the amounts estimated by the Group to settle claims brought in connection with the payment of various taxes, levies and local taxes, mainly property tax and other possible contingencies, as well as the estimated consideration required to settle probable or certain liabilities and outstanding obligations for which the exact amount of the corresponding payment cannot be determined or for which the actual settlement date is not known, since they are contingent upon meeting certain terms and conditions. These provisions have been provided in accordance with the specific analysis of the probability that the related tax contingency or challenge, might be contrary to the interests of the ACS Group, under the consideration of the country in which it has its origin and in accordance with the tax rates in this country. Since the timing for these provisions is dependent on certain facts, in some cases associated with the decisions handed down by the courts or similar bodies, the Group does not update these provisions given the uncertainty of the exact time in which the related risk may arise or disappear. As mentioned at the beginning of Note 20.01, 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.

20.01.03. Provisions for third-party liability

These relate mainly to the following:

Provisions for litigation

These provisions cover the risks arising from ACS Group companies which are party to certain legal proceedings due to the liability inherent to the activities carried on by them. The lawsuits, although numerous, represent scanty material amounts when considered individually based on the size of the ACS Group. Period charges to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the ACS Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on circumstances linked to judgments or arbitration and it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognized until the judgments handed down are final and payment is made or there is no doubt as to the disappearance of the associated risk. Note 36 refers to the ACS Group's main contingencies.

Environmental Provisions

The ACS Group has an environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimization of the environmental impact of the activities carried on by the Group. These provisions are made to cover any likely environmental risks which might arise.

Guarantees and contractual and legal obligations

This heading includes the provisions to cover the expenses relating to obligations arising from contractual and legal obligations which are not of an environmental nature. A significant portion of these provisions is made by increasing the value of those assets related to the obligations in relation to administrative concession at the beginning of the contractual agreement, whose effect on profit or loss occurs when the asset is amortized in accordance with amortization coefficients. Additionally, it includes provisions for toll road concession companies, in relation to the costs of future expropriations borne by the concession companies in accordance with agreements with the grantors as well as the current value of the investments made in concession contracts (including the improvements in infrastructure already foreseen and unavoidable in the initial agreement), according to the respective financial economic models.

Period charges to these provisions are generally mainly made to cover the costs associated with toll road concession contracts and other activities undertaken in the form of a concession. Such provisions are made when the associated commitments arise, the timing of their use being associated with the use of the infrastructure and/or its wear. Timing is analyzed according to the financial and economic model of each concession, considering related historical information in order to adjust for possible deviations that might arise in the payment schedule set for these models.

As at December 31, 2020, the breakdown of provisions for third-party liabilities, by line of business, is as follows:

Line of Business	Thousands of Euros
Construction	391,139
Industrial Services	131,776
Services	24,333
Corporation	101,940
Total	649,188

The most significant provisions in the Construction area relate to the Hochtief Group, for which period provisions were made at December 31, 2020, amounting to EUR 224,376 thousand (EUR 201,652 thousand at December 31, 2019) for employee obligations and claims.

20.02. Current

The changes in current provisions in 2020 were as follows:

CURRENT	Thousands of Euros			
	Provision for termination benefits	Provision for contract work completion	Provision for other traffic operations	Total
Balance at December 31, 2019 (*)	13,665	40,558	1,272,110	1,326,333
Additions or charges for the year	7,961	7,995	362,570	378,526
Amounts used	(159)	(5,609)	(451,042)	(456,810)
Reversals	(7,873)	(10,920)	(68,953)	(87,746)
Exchange differences	(22)	(624)	(55,545)	(56,191)
Changes in the scope of consolidation	—	—	(70,524)	(70,524)
Transfers	1,120	(1,399)	(111,931)	(112,210)
Balance at December 31, 2020	14,692	30,001	876,685	921,378

(*) Data restated.

The provision for the completion of the corresponding work, which is for the most part the budgeted or estimated losses during the execution of the works associated with onerous contracts.

The provision for other traffic operations corresponds mainly to provisions recorded in the construction activity to cover risks and claims associated with the works.

21. Financial risk and capital management

In view of its activities, the ACS Group is exposed to various financial risks, mainly arising from the ordinary course of its operations, the borrowings to finance its operating activities and its investments in companies with functional currencies other than the euro. Consequently, the Group evaluates the risks derived from the evolution of the market environment and how these may affect the consolidated annual accounts. Thus, the financial risks to which the operating units are subject include mainly interest rate, foreign currency, liquidity and credit risk. The ACS Group's exposure to climate risk is outlined in the Integrated Report.

21.01. Cash flow interest rate risk

This risk arises from changes in future cash flows relating to borrowings bearing interest at floating rates (or with current maturity and likely renewal) as a result of fluctuations in market interest rates.

The objective of the management of this risk is to mitigate the impact on the cost of the debt arising from fluctuations in interest rates. For this purpose, financial derivatives which guarantee fixed interest rates or rates with caps and floors are arranged for a substantial portion of the borrowings that may be affected by this risk (see Note 22).

The sensitivity of the ACS Group's profit and equity to changes in interest rates, taking into account its existing hedging instruments and fixed rate financing, is as follows:

Year	Increase / Decrease in the interest rate (basic points)	Thousands of Euros	
		Effect on profit or loss	Effect on equity
		(prior to tax)	(after tax)
2020	50	8,840	25,743
	-50	(8,840)	(25,743)
2019	50	17,812	36,056
	-50	(17,812)	(36,056)

21.02. Foreign currency risk

Foreign currency risk arises mainly from the foreign operations of the ACS Group which makes investments and carries out business transactions in functional currencies other than the euro and from loans granted to Group companies in currencies other than those of the countries in which they are located.

To hedge the risk inherent to structural investments in foreign operations with a functional currency other than the euro, the Group endeavors to make these investments in the same functional currency as the assets being financed.

For the hedging of net positions in currencies other than the euro in the performance of contracts in force and contracts in the backlog, the Group uses various financial instruments for the purpose of mitigating exposure to foreign currency risk (see Note 22).

The sensitivity analysis shown below reflects the potential effect on the ACS Group, both on equity and on the consolidated income statement, of a five percent fluctuation in the most significant currencies in comparison with the functional currency of each Group company, based on the situation at the end of the reporting period.

Effect on profit or loss before tax:

Functional currency	Currency	Millions of Euros			
		2020		2019	
		5%	-5%	5%	-5%
EUR	USD	-11.0	11.0	-14.8	14.8
EUR	BRL	10.0	-10.0	11.1	-11.1
EUR	PEN	2.3	-2.3	2.8	-2.8
EUR	MXN	1.4	-1.4	2.4	-2.4
AUD	USD	3.2	-3.2	2.3	-2.3
EUR	CLP	-3.4	3.4	-0.5	0.5
EUR	AUD	-2.2	2.2	-0.1	0.1
EUR	CAD	4.0	-4.0	1.7	-1.7

Effect on equity before tax:

Functional currency	Currency	Millions of Euros			
		2020		2019	
		5%	-5%	5%	-5%
EUR	USD	102.0	-102.0	46.2	-46.2
EUR	MXN	16.5	-16.5	21.0	-21.0
EUR	BRL	18.3	-18.3	14.1	-14.1
AUD	USD	-19.0	19.0	-11.5	11.5
EUR	CAD	12.1	-12.1	3.2	-3.2
EUR	GBP	11.0	-11.0	7.7	-7.7
EUR	PEN	6.0	-6.0	6.9	-6.9
EUR	CLP	11.1	-11.1	6.3	-6.3

The following tables show the breakdown of the major foreign currencies of the financial assets and liabilities of the ACS Group:

As at December 31, 2020

	Millions of Euros							Balance at 31/12/2020
	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	
Marketable securities (portfolio of short-term and long-term investments)	—	—	—	1,438	24,963	35,918	9	62,328
Loans to associates	770,459	3	13	—	65,522	57,286	42,061	935,344
Other loans	1,512	—	—	5,564	14	—	2,191	9,281
Bank borrowings, debt, and other held-for-trading liabilities (non-current)	275,887	18,131	—	—	—	1,690,115	27,738	2,011,871
Bank borrowings, debt, and other held-for-trading liabilities (current)	340,088	27,248	(72)	23,151	(7,634)	132,109	135,067	649,957

As at December 31, 2019

	Millions of Euros							
	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	Balance at 31/12/2019
Marketable securities (portfolio of short-term and long-term investments)	35,343	1	—	1,438	15,877	70,126	10	122,795
Loans to associates	559,504	46	13	9	77,292	13,854	45,016	695,734
Other loans	1,568	—	—	5,686	16	—	2,806	10,076
Bank borrowings, debt, and other held-for-trading liabilities (non-current)	284,000	37,733	—	—	17,787	474,254	40,908	854,682
Bank borrowings, debt, and other held-for-trading liabilities (current)	151,171	20,582	(30)	29,129	24,859	102,711	120,780	449,202

21.03. Liquidity risk

This risk arises from the timing differences between borrowing requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds obtained from the conduct of the Group's ordinary operations, different forms of bank financing, capital market transactions and divestments.

The ACS Group has a policy for the proactive management of liquidity risk through the comprehensive monitoring of cash and anticipation of the expiration of financial operations. The Group also manages liquidity risk through the efficient management of investments and working capital and the arrangement of lines of long-term financing.

The Group's objective with respect to the management of liquidity risk to maintain a balance between the flexibility, term and conditions of the credit facilities arranged on the basis of projected short-, medium- and long-term fund requirements. In this connection, the use of project finance with limited recourse as described in Note 18 and current financing for working capital requirements are noteworthy.

In this connection, in 2020, certain transactions were carried out which significantly reduced the liquidity risk of the ACS Group. The following stand out:

- 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 million. 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 date of the bank syndicated loan by 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 15.01.
- 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.

These refinancing transactions improved the liquidity of the ACS Group's operations, which combined with the generation of resources by its activities, will allow it to adequately fund its operations in 2021.

Under the heading "Other current financial assets" in the consolidated statement of financial position as at December 31, 2020 (see Note 10), which amounts to EUR 1,354,982 thousand (EUR 1,339,029 thousand as at December 31, 2019), the amount of EUR 771,948 thousand (EUR 443,650 thousand as at December

31, 2019) could be settled in fewer 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 as at December 31, 2020, are considered to be liquid and may be disposed of at any time (see Note 22).

As a precautionary measure against this risk, the Annual General Meeting of the ACS Group 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 three billion euro; 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 indicated in Note 15.01.

21.04. Credit risk

This risk mainly relates to the non-payment of trade receivables. The objective of credit risk management is to reduce the impact of credit risk exposure as far as possible by means of the preventive assessment of the solvency rating of the Group's potential clients. When contracts are being performed, the credit rating of the outstanding amounts receivable is periodically evaluated and the estimated recoverable doubtful receivables are adjusted and written down with a charge to profit and loss for the year. The credit risk has historically been very limited.

Additionally, the ACS Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives and cash placement. The Corporate management of the ACS Group establishes counterparty selection criteria based on the quality of credit of the financial institutions which translates into a portfolio of entities of high quality and solvency.

The status of defaulting clients that are not impaired as at December 31, 2020 and 2019, is detailed below:

	Thousands of Euros			
	31/12/2020			
	< 30 days	between 30 and 90 days	> 90 days	Total
Public Sector	32,347	32,369	479,224	543,940
State	9,588	6,737	44,410	60,735
Autonomous Communities	6,444	1,935	2,985	11,364
Municipalities	12,281	5,850	13,381	31,512
Autonomous organizations and Government Companies	4,034	17,847	418,448	440,329
Private Sector	98,988	18,871	63,380	181,239
Total	131,335	51,240	542,604	725,179

	Thousands of Euros			
	31/12/2019			
	< 30 days	between 30 and 90 days	> 90 days	Total
Public Sector	69,860	44,518	185,164	299,542
State	12,192	13,929	46,349	72,470
Autonomous Communities	4,452	4,460	19,218	28,130
Municipalities	5,997	2,490	9,067	17,554
Autonomous organizations and Government Companies	47,219	23,639	110,530	181,388
Private Sector	116,413	33,646	114,824	264,883
Total	186,273	78,164	299,988	564,425

It is the opinion of the Directors that the foregoing matured balances, particularly those related to public bodies, over which interest accrual rights exist, would not entail significant losses for the Group.

21.05. Exposure to publicly traded share price risk

The ACS Group is exposed to risks relating to the performance of the share price of listed companies.

In 2020, the exposure in derivative agreements related to remuneration systems and in forward purchase contracts for settlement by differences linked to the performance of the ACS, Actividades de Construcción y Servicios, S.A. share price (see Note 22) is noteworthy. Equity swaps eliminate the uncertainty regarding the exercise price of the remuneration systems, however, since the derivatives do not qualify for hedge accounting, their market value has an effect on the consolidated income statement (positive in the case of an increase in share price up to the strike value offered to the beneficiaries and negative if this is not the case).

Changes in the price of the shares of listed companies, with regard to which the ACS Group has derivative instruments, financial investments, etc., will have an impact on the consolidated income statement thereof.

21.06. 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 equity divided by 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 as 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 17.02)	5,042,709	4,024,771
Current bank borrowings (Note 17.02)	1,837,564	1,396,802
Issue of bonds and debentures (Note 17.01)	4,080,626	4,604,425
Other financial liabilities (Note 19)	205,504	322,704
Long term deposits, other current financial assets and cash	(9,436,073)	(9,470,296)
Project financing with limited recourse (Note 18)	89,441	140,998
Net financial / (Net cash)	1,819,771	1,019,404
Equity (Note 15)	4,275,907	5,505,968

(*) Data restated.

21.07. Estimate of fair value

The breakdown as at December 31, 2020 and 2019, of the ACS Group's assets and liabilities measured at fair value according to the hierarchy levels mentioned in Note 03.08.06 is as follows:

	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.

Level 2 of the Fair Value Hierarchy includes all of the ACS Group's financial derivatives, as well as the other assets and liabilities which are not listed in organized markets. They are measured internally and on a quarterly basis, using customary financial market techniques and compared, as appropriate, with the measurements received from the counterparties.

In this connection, based on the nature of the derivative, the use of the following methodologies is noteworthy:

- For Interest rate hedges the zero-coupon rate curve is used, determined based on the deposits and rates that are traded at the closing date and obtaining from that the discount rates and applying it to the schedule of future flows of collections and payments.
- Derivatives, the underlying asset for which is quoted on an organized market and are not qualified as hedges, are measured using the Black-Scholes methodology and applying market parameters such as implicit volatility, repo costs and market interest rates and estimated dividends.
- For those derivatives whose underlying asset is quoted on an organized market, but for which the intention of the Group is to hold them to maturity, either because the derivative forms part of

financing agreement or because its arrangement substitutes the underlying assets, the measurement is based on the calculation of its intrinsic value at the closing date.

With regard to the assets grouped under the category of "debt securities" within level 2, it should be pointed out that such assets correspond mainly to excesses of liquidity allocated to the formalization of fixed income securities with a maturity exceeding three months from the date of acquisition, which are highly liquid and high turnover. The amounts referred to above are mainly recognized in the Dragados division, amounting to EUR 53,801 thousand (EUR 70,312 thousand as at December 31, 2019), the Industrial Services division, amounting to EUR 329,794 thousand (EUR 68,007 thousand as at December 31, 2019) and the Hochtief division, amounting to EUR 19,159 thousand (EUR 36,806 thousand as at December 31, 2019).

With respect to equity instruments that are rated level 3 and whose fair value amounts to EUR 70,019 thousand (EUR 106,296 thousand at December 31, 2019), these correspond to unlisted financial assets with changes in another comprehensive income. The main assets come from Hochtief amounting to EUR 36,200 thousand (EUR 70,118 thousand as at December 31, 2019) that have been valued using the cash flow discount method with market interest rates at year-end. The rest of the holdings are dispersed in several minority stakes in concession assets outside Spain with amounts ranging from EUR 36,200 thousand to EUR 17 thousand (EUR 20,063 thousand to EUR 10 thousand as at December 31, 2019) individually considered and largely recognized at historical cost.

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

(*) Data restated.

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.

22. Derivative financial instruments

The ACS Group's different lines of business expose it to financing risks, mainly foreign currency and interest rate risks. In order to minimize the impact of these risks and in accordance with its risk management policy (see Note 21), the ACS Group has arranged various financial derivatives, most of which have non-current maturities.

Following is the detail, by maturity, of the notional amounts of the aforementioned hedging instruments as at December 31, 2020 and 2019, based on the nature of the contracts:

2020	Thousands of Euros							
	Notional value	2021	2022	2023	2024	2025	Subsequent years	Net fair value
Interest rate	1,768,742	950,000	—	754,566	—	—	64,176	(37,942)
Exchange rate	872,058	7,473	642,474	1,851	—	217,067	3,193	(12,337)
Price	4,620	4	—	—	—	—	4,616	(21)
Non-qualified hedges	1,138,810	—	483,284	502,397	—	—	153,129	114,212
Total	3,784,230	957,477	1,125,758	1,258,814	—	217,067	225,114	63,912

2019	Thousands of Euros							
	Notional value	2020	2021	2022	2023	2024	Subsequent years	Net fair value
Interest rate	1,817,065	—	950,000	—	754,566	44,450	68,049	(57,654)
Exchange rate	893,787	94,251	374,635	159,072	—	—	265,829	(9,021)
Price	4,616	—	—	—	—	—	4,616	—
Non-qualified hedges	830,137	—	352,561	9,732	467,844	—	—	(15,285)
Total	3,545,605	94,251	1,677,196	168,804	1,222,410	44,450	338,494	(81,960)

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities as at December 31, 2020, is as follows:

	Thousands of Euros						
	Notional value	2021	2022	2023	2024	2025	Subsequent years
Interest rate	348,485	315	—	—	167,540	—	180,630

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities as at December 31, 2019, was as follows:

	Thousands of Euros						
	Notional value	2020	2021	2022	2023	2024	Subsequent years
Interest rate	336,263	—	525	4	—	138,447	197,287

The following table shows the fair value of the hedging instruments based on the nature of the contract, as at December 31, 2020 and 2019:

	Thousands of Euros			
	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate	—	37,942	—	57,654
Exchange rate	20,569	32,906	14,680	23,701
Price	—	21	—	—
Non-qualified hedges	248,594	134,382	3,980	19,265
Total	269,163	205,251	18,660	100,620

The Group does not have any hedges of its foreign investments, since the foreign currency risk is hedged by the transactions performed in the local currency. Also, most significant foreign investments were made with long-term financing in which the interest rates on project financing debt are hedged.

Cash flow hedges (interest rate)

The purpose of using these derivatives is to limit changes in interest rates on its borrowings and to guarantee fixed interests rates, mainly by arranging interest rate swaps as the borrowings are arranged and used.

Most hedges are interest rate swaps that expire at the same time or slightly sooner than the underlying that they are hedging.

Hedges of this type are mainly related to the various syndicated loans within the Group and to project and other non-current financing, both as at December 31, 2020 and December 31, 2019 (see Notes 17 and 18).

In relation to the syndicated loans, there are hedges amounting to EUR 1,675,000 thousand on the syndicated loan of ACS, Actividades de Construcción y Servicios, S.A. and other long-term loans of ACS, Actividades de Construcción y Servicios, S.A. They have various interest rate swaps for the same amounts of the underlying loans and the same maturities.

Cash flow hedges (exchange rate)

The foreign currency risk relates mainly to projects in which payments and/or collections are made in a currency other than the functional currency.

In 2018, new hedging operations were carried out to mitigate exchange rate risks in projects in the North America area where payments will have to be made in a currency other than the one corresponding to collections and maturing in 2025.

Also of note, due to their importance, are the derivatives contracted from Hochtief for a notional amount of EUR 623,282 thousand, which primarily mature in 2022 (EUR 522,423 thousand in 2019, maturing between 2020 and 2021).

There are derivatives taken out by Industrial Services for exchange rate hedges for foreign projects for a nominal amount of EUR 28,699 thousand in 2020 which mature in 2021 and 2023 (EUR 102,489 thousand in 2019 which mature in 2020 and 2021).

Derivative instruments not classified as hedges

The assets and liabilities relating to 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 28.04). 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 fair negative value of the derivatives related to ACS shares as at December 31, 2020, amounted to EUR 125,813 thousand (EUR 19,040 thousand as at December 31, 2019) and was recognized under "Short-term 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 as at December 31, 2020, amounted to EUR 247,163 thousand and was recognized under "Short-term 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 the fair value of financial instruments" on the attached consolidated income statement.

The amounts provided as security (see Note 10.05) relating to the aforementioned derivatives arranged by the Group amounted to EUR 118,565 thousand as 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. As 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.

23. Trade and other payables

This heading mainly includes the amounts outstanding for trade purchases and related costs, as well as customer advances for contract work amounting to EUR 2,403,251 thousand in 2020 (EUR 2,565,639 thousand in 2019) (see Note 12) and the amount of the work certified in advance was EUR 880,104 thousand in 2020 (EUR 850,640 thousand in 2019).

The Group has entered into confirming and supply chain financing agreements (as they are called in other countries) with various financial institutions so that the latter may, at their discretion, facilitate advance payment to their suppliers, under which the supplier may enforce its collection rights against the Group companies or entities, obtaining the amount invoiced after deducting the financial discount costs and fees applied by the aforementioned entities. The amount drawn down against the confirming and supply chain financing lines totaled EUR 914,563 thousand as at December 31, 2020 (EUR 1,484,275 thousand as at December 31, 2019, including, for comparison purposes, the supply chain financing amounts). These contracts do not modify the main payment conditions thereof, which remain classified as trading liabilities.

Disclosures on deferred payments to suppliers. Final Provision Two of Law 31/2014, of December 3

The disclosures required by Final Provision Two of Law 31/2014, of December 3, are shown below, prepared in accordance with Resolution of January 29, 2016, of the Spanish Accounting and Audit Institute, concerning the information to be included in the financial statements with regard to the average payment period to suppliers in trade transactions at national level.

	2020	2019
	Days	
Average period of payment to suppliers	60	62
Ratio of transactions paid	57	59
Ratio of transactions pending payment	67	69
	Thousands of Euros	
Total payments made	2,836,313	3,523,154
Total payments pending	1,372,500	1,555,565

The data in the above table on payments to suppliers relates to those which due to their nature are trade creditors with payables to suppliers of goods and services, so that they include data relating to the headings "Trade and other payables – Suppliers" in the current liabilities of the accompanying consolidated statement of financial position.

"Average payment period for suppliers" is understood to mean the term that elapses from the delivery of goods or rendering of services by the provider and the effective payment for the transaction. This "Average payment period for suppliers" is calculated as the quotient resulting from the numerator as the sum of the ratio of transactions paid versus the total amount of payments plus the ratio of outstanding payment transactions versus the total amount of outstanding payments and in the denominator, by the total amount of payments made and outstanding payments.

The ratio of paid transactions is calculated as the quotient resulting from the numerator as the sum of the products corresponding to amounts paid, by the number of days until payment and from the denominator, the total amount of payments. Days until payment is understood to mean the number of calendar days that have elapsed from the start date of the effective payment term for the transaction.

Likewise, the ratio of outstanding payment transactions corresponds to the quotient resulting from the numerator as the sum of the products corresponding to payable amounts by the number of days during which the payment is outstanding and in the denominator, the total amount of payable amounts. The number of days in which an amount is payable is understood to mean the number of calendar days that have elapsed from the start date of the payment period to the last day of the period in the annual financial statements.

To calculate both the number of payment days and the number of days pending payment, the Group will begin to calculate the term from the date of receipt of the products or services. In the absence of reliable information as to when this circumstance occurs, the Company will use the date of receipt of the invoice.

24. Other current liabilities

The detail of this heading at December 31, 2020 and 2019, is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Advance payments received	40,744	60,305
Payable to non-current asset suppliers	10,513	8,585
Deposits and guarantees received	2,396	2,633
Other	173,235	484,445
Total	226,888	555,968

(*) Data restated.

Items such as the amounts relating to the current accounts with joint ventures and other third parties with a credit balance are included in the section "Others."

25. Segments

25.01. Segmentation criteria

The structure of the ACS Group reflects its focus on different lines of business or activity areas. Segment reporting based on the different lines of business includes information regarding the Group's internal organization, taking into account the bodies involved in monitoring operations and taking decisions.

25.01.01. Primary segments - business segments

In accordance with the ACS Group's internal organizational structure and, consequently, its internal reporting structure, the Group carries out 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, i.e. 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

This area is dedicated to applied industrial engineering, developing construction, maintenance and operation activities for 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 services for buildings, public places or organizations, as well as assistance for individuals. 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 should be reported as a differentiated segment since the nature of the goods and services it provides is wholly differentiated and identifiable; it reports independently to the Group and this presentation is considered to be more useful to the users of the financial statements.

The breakdown of the deferred tax assets and liabilities as 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.

25.01.02 Geographic segments

The ACS Group is managed by business segments and management based on geographic segments is irrelevant. Therefore, a distinction is made between Spain and the rest of the world, in accordance with the stipulations of IFRS 8.

25.02. Basis and methodology for business segment reporting

The reporting structure is designed in accordance with the effective management of the various segments comprising the ACS Group. Each segment has its own resources based on the entities engaging in the related business and accordingly, has the assets required to operate the business.

Each of the business segments relates mainly to a legal structure, in which the companies report to a holding company representing each activity for business purposes. Accordingly, each legal entity has the assets and resources required to perform its business activities in an autonomous manner.

The following is the business segment reporting before the allocation of expenses to subsidiaries in the income statement.

25.02.01. Income statement by business segment: 2020 Financial Year

	Thousands of Euros				
	Infrastructure	Services	Industrial Services	Corporate unit and adjustments	Total Group
REVENUE	27,558,710	1,554,649	5,849,986	(25,989)	34,937,356
Changes in inventories of finished goods and work in progress	(803)	—	457	—	(346)
Capitalised expenses of in-house work on assets	1,106	—	4,790	—	5,896
Procurements	(20,356,516)	(115,844)	(3,175,059)	31,521	(23,615,898)
Other operating income	347,354	21,710	27,728	(18,816)	377,976
Personal expenses	(5,355,920)	(1,347,924)	(1,388,333)	(34,035)	(8,126,212)
Other operating expenses	(1,646,289)	(52,527)	(766,841)	(13,863)	(2,479,520)
Depreciation and amortisation	(834,043)	(39,321)	(94,162)	(789)	(968,315)
Allocation of grants relating to non-financial assets and other	84	222	238	1	545
Impairment and gains on the disposal of non-current assets	1,154,650	(87)	(62,679)	2	1,091,886
Other results	(1,827)	1,175	(6,712)	(3,500)	(10,864)
Ordinary results of companies accounted for using the equity method	98,763	—	98,139	—	196,902
Finance income	76,469	7,563	39,038	27,666	150,736
Finance costs	(266,530)	(11,633)	(100,864)	(43,488)	(422,515)
Changes in the fair value of financial instruments	(4,514)	—	—	82,149	77,635
Exchange differences	(35,876)	(19)	(15,300)	1	(51,194)
Impairment and gains or losses on the disposal of financial instruments	7,414	—	(1,692)	102,900	108,622
Non-ordinary results of companies accounted for using the equity method	10,712	—	—	—	10,712
PROFIT BEFORE TAX	752,944	17,964	408,734	103,760	1,283,402
Income tax	(333,282)	(1,622)	(93,543)	41,095	(387,352)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	419,662	16,342	315,191	144,855	896,050
Profit after tax from discontinued operations	32,440	—	—	—	32,440
PROFIT FOR THE PERIOD	452,102	16,342	315,191	144,855	928,490
(Profit) / loss attributed to non-controlling interests	(320,500)	1,304	(2,849)	—	(322,045)
(Profit) / loss from discontinued operations attributed to non-controlling interests	(32,440)	—	—	—	(32,440)
PROFIT ATTRIBUTABLE TO THE PARENT	99,162	17,646	312,342	144,855	574,005

Income statement by business segment: 2019 Financial Year

	Thousands of Euros (*)				
	Infrastructure	Services	Industrial Services	Corporate unit and adjustments	Total Group
REVENUE	30,955,100	1,579,117	6,530,342	(15,686)	39,048,873
Changes in inventories of finished goods and work in progress	15,845	—	(127)	—	15,718
Capitalised expenses of in-house work on assets	1,378	—	2,834	—	4,212
Procurements	(22,219,015)	(116,140)	(3,437,833)	20,319	(25,752,669)
Other operating income	272,584	22,580	46,589	(18,569)	323,184
Personal expenses	(5,468,863)	(1,337,265)	(1,549,625)	(38,674)	(8,394,427)
Other operating expenses	(1,678,165)	(54,367)	(957,290)	(9,052)	(2,698,874)
Depreciation and amortisation	(843,313)	(37,395)	(88,027)	(979)	(969,714)
Allocation of grants relating to non-financial assets and other	84	171	654	—	909
Impairment and gains on the disposal of non-current assets	17,390	(629)	279,324	—	296,085
Other results	(20,826)	156	(59,919)	—	(80,589)
Ordinary results of companies accounted for using the equity method	507,163	—	46,147	—	553,310
Finance income	101,159	6,580	51,286	28,613	187,638
Finance costs	(314,392)	(13,457)	(121,790)	(47,563)	(497,202)
Changes in the fair value of financial instruments	4,787	—	(179)	25,467	30,075
Exchange differences	(379)	—	4,576	—	4,197
Impairment and gains or losses on the disposal of financial instruments	7,553	(1)	(3,969)	44	3,627
Non-ordinary results of companies accounted for using the equity method	4,555	—	—	—	4,555
PROFIT BEFORE TAX	1,342,645	49,350	742,993	(56,080)	2,078,908
Income tax	(272,499)	(9,202)	(141,166)	14,275	(408,592)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1,070,146	40,148	601,827	(41,805)	1,670,316
Profit after tax from discontinued operations	(1,053,083)	—	—	172,356	(880,727)
PROFIT FOR THE PERIOD	17,063	40,148	601,827	130,551	789,589
(Profit) / loss attributed to non-controlling interests	(463,303)	(1,867)	(1,692)	—	(466,862)
(Profit) / loss from discontinued operations attributed to non-controlling interests	639,300	—	—	—	639,300
PROFIT ATTRIBUTABLE TO THE PARENT	193,060	38,281	600,135	130,551	962,027

(*) Data restated.

Statement of financial position by business segment: 2020 Financial Year

ASSET	Thousands of Euros				
	Infrastructure	Services	Industrial Services	Corporate unit and adjustments	Total Group
NON CURRENT ASSETS	10,364,528	1,078,114	1,376,242	199,911	13,018,795
Intangible assets	3,021,926	233,270	166,668	237,315	3,659,179
Goodwill	2,440,639	140,918	44,182	237,314	2,863,053
Other intangible assets	581,287	92,352	122,486	1	796,126
Tangible assets-property, plant and equipment / Property investments	1,420,042	144,914	234,756	6,663	1,806,375
Non-current assets in projects	96,920	—	309,229	2	406,151
Non-current financial assets	4,979,139	622,473	259,896	(621,118)	5,240,390
Other current assets	846,501	77,457	405,693	577,049	1,906,700
CURRENT ASSETS	15,770,868	356,317	7,611,019	576,721	24,314,925
Inventories	630,969	413	84,224	(365)	715,241
Trade and other receivables	6,894,737	216,178	3,324,520	62,854	10,498,289
Other current financial assets	763,132	1,344	472,142	118,364	1,354,982
Derivative financial instruments	3,330	—	824	247,162	251,316
Other current assets	208,773	2,394	20,438	1,549	233,154
Cash and cash equivalents	6,432,317	135,988	1,365,346	147,157	8,080,808
Non-current assets held for sale and discontinued operations	837,610	—	2,343,525	—	3,181,135
TOTAL ASSETS	26,135,396	1,434,431	8,987,261	776,632	37,333,720

EQUITY AND LIABILITIES	Thousands of Euros				
	Infrastructure	Services	Industrial Services	Corporate unit and adjustments	Total Group
EQUITY	5,002,246	775,462	1,124,688	(2,626,489)	4,275,907
Equity attributed to the Parent	4,343,142	771,837	1,039,844	(2,626,344)	3,528,479
Non-controlling interests	659,104	3,625	84,844	(145)	747,428
NON-CURRENT LIABILITIES	6,527,136	296,128	1,057,734	2,724,992	10,605,990
Grants	52	1,888	1,545	—	3,485
Non-current financial liabilities	4,799,329	197,597	792,255	2,580,855	8,370,036
Long term lease liabilities	361,141	48,836	62,859	—	472,836
Derivative financial instruments	34,647	—	1,793	13,351	49,791
Other non-current liabilities	1,331,967	47,807	199,282	130,786	1,709,842
CURRENT LIABILITIES	14,606,014	362,841	6,804,839	678,129	22,451,823
Current financial liabilities	1,443,950	112,835	566,773	762,250	2,885,808
Short term lease liabilities	152,834	13,215	26,124	—	192,173
Derivative financial instruments	22,290	—	—	133,170	155,460
Trade and other payables	11,097,530	219,720	4,613,517	(106,733)	15,824,034
Other current liabilities	1,052,286	17,071	189,467	(110,558)	1,148,266
Liabilities relating to non-current assets held for sale and discontinued operations	837,124	—	1,408,958	—	2,246,082
TOTAL EQUITY AND LIABILITIES	26,135,396	1,434,431	8,987,261	776,632	37,333,720

Statement of financial position by business segment: 2019 Financial Year

ASSET	Thousands of Euros (*)				
	Infrastructure	Services	Industrial Services	Corporate unit and adjustments	Total Group
NON CURRENT ASSETS	11,936,711	1,067,113	1,282,339	258,270	14,544,433
Intangible assets	3,542,242	240,784	162,802	237,531	4,183,359
Goodwill	2,803,326	137,817	58,991	237,316	3,237,450
Other intangible assets	738,916	102,967	103,811	215	945,909
Tangible assets-property, plant and equipment / Property investments	2,366,233	131,373	216,338	7,138	2,721,082
Non-current assets in projects	119,310	—	49,898	2	169,210
Non-current financial assets	4,845,409	622,203	511,432	(622,005)	5,357,039
Other current assets	1,063,517	72,753	341,869	635,604	2,113,743
CURRENT ASSETS	17,076,949	381,038	7,604,481	88,311	25,150,779
Inventories	828,386	701	89,772	(2,543)	916,316
Trade and other receivables	8,791,827	208,469	3,422,631	(26,324)	12,396,603
Other current financial assets	994,987	78,268	260,411	5,363	1,339,029
Derivative financial instruments	11,259	—	—	—	11,259
Other current assets	209,578	2,229	32,274	1,536	245,617
Cash and cash equivalents	6,183,178	91,371	1,746,156	110,279	8,130,984
Non-current assets held for sale and discontinued operations	57,734	—	2,053,237	—	2,110,971
TOTAL ASSETS	29,013,660	1,448,151	8,886,820	346,581	39,695,212

(*) Data restated.

EQUITY AND LIABILITIES	Thousands of Euros (*)				
	Infrastructure	Services	Industrial Services	Corporate unit and adjustments	Total Group
EQUITY	6,159,815	793,162	1,203,633	(2,650,642)	5,505,968
Equity attributed to the Parent	5,173,826	787,824	1,109,934	(2,650,498)	4,421,086
Non-controlling interests	985,989	5,338	93,699	(144)	1,084,882
NON-CURRENT LIABILITIES	5,894,145	317,539	1,236,437	2,085,175	9,533,296
Grants	115	1,772	810	—	2,697
Non-current financial liabilities	3,891,792	227,222	916,471	1,803,704	6,839,189
Long term lease liabilities	599,736	39,289	47,919	—	686,944
Derivative financial instruments	31,958	—	15,994	24,287	72,239
Other non-current liabilities	1,370,544	49,256	255,243	257,184	1,932,227
CURRENT LIABILITIES	16,959,700	337,450	6,446,750	912,048	24,655,948
Current financial liabilities	2,101,846	94,551	386,567	1,067,547	3,650,511
Short term lease liabilities	279,791	10,356	31,104	—	321,251
Derivative financial instruments	7,896	—	427	20,058	28,381
Trade and other payables	12,803,210	211,899	4,659,712	(88,371)	17,586,450
Other current liabilities	1,745,145	20,644	203,698	(87,186)	1,882,301
Liabilities relating to non-current assets held for sale and discontinued operations	21,812	—	1,165,242	—	1,187,054
TOTAL EQUITY AND LIABILITIES	29,013,660	1,448,151	8,886,820	346,581	39,695,212

(*) Data restated.

25.02.02. The breakdown of revenue for 2020 and 2019 in the Construction business is as follows:

	Thousands of Euros	
	2020	2019
Spain	1,366,162	1,358,909
Dragados	1,306,701	1,301,109
Hochtief	—	7
Concessions	59,461	57,793
International	26,192,548	29,596,191
Dragados	3,211,466	3,714,169
Hochtief	22,953,752	25,851,848
Concessions	27,330	30,174
Total	27,558,710	30,955,100

The breakdown of revenue for 2020 and 2019 in the Industrial Services business is as follows:

	Thousands of Euros	
	2020	2019
Networks	569,377	679,951
Specialized facilities	2,304,265	2,125,369
Integrated projects	2,073,413	2,782,952
Control systems	855,041	909,004
Renewable energy: generation	52,956	42,144
Eliminations	(5,066)	(9,078)
Total	5,849,986	6,530,342

Of the total revenues from Industrial Services, EUR 3,683,385 thousand related to international operations in 2020 and EUR 3,918,677 thousand in 2019, representing 63.0% and 60.0%, respectively.

The breakdown of revenue in the Services business is as follows:

	Thousands of Euros	
	2020	2019
Facility Management	1,554,649	1,579,117
Total	1,554,649	1,579,117

Total revenue from the Services area amounted to EUR 117,993 thousand relating to international operations in 2020 and EUR 115,689 thousand in 2019, representing 7.6% and 7.3%, respectively.

Revenue is allocated on the basis of the geographical distribution of clients.

The reconciliation of revenue, by segment, to consolidated revenue as at December 31, 2020 and 2019, is as follows:

Segments	Thousands of Euros					
	2020			2019		
	External income	Inter-segment income	Total income	External income	Inter-segment income	Total income
Infrastructure	27,555,272	3,438	27,558,710	30,951,404	3,696	30,955,100
Industrial Services	5,830,355	19,631	5,849,986	6,521,458	8,884	6,530,342
Services	1,551,729	2,920	1,554,649	1,576,011	3,106	1,579,117
(-) Adjustments and eliminations of ordinary inter-segment income	—	(25,989)	(25,989)	—	(15,686)	(15,686)
Total	34,937,356	—	34,937,356	39,048,873	—	39,048,873

Inter-segment sales are made at market prices.

The reconciliation of the profit/loss, by business, with consolidated profit/loss before taxes as 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 before tax	1,283,402	2,078,908

(*) Data restated.

Revenue by geographical area for 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

The following table shows the breakdown, by geographical area, of certain of the Group's consolidated balances:

	Thousands of Euros			
	Spain		Rest of the world	
	2020	2019	2020	2019 (*)
Revenue	4,943,450	5,418,549	29,993,906	33,630,324
Segment assets	10,386,694	10,584,477	26,947,026	29,110,735
Total investments / (divestments) net	(409,427)	332,277	117,116	1,134,360

(*) Data restated.

25.02.03 Breakdown of assets

Assets as at December 31, 2020 and 2019, by geographical area, are as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019 (*)
Europe	15,396,071	16,151,318
Spain	10,386,694	10,584,477
Germany	3,531,240	4,200,798
Rest of Europe	1,478,137	1,366,042
Rest of geographic areas	21,937,649	23,543,894
Americas	13,323,021	13,410,889
Asia	314,012	390,710
Australasia	8,141,402	9,548,185
África	159,214	194,110
TOTAL	37,333,720	39,695,212

The additions to non-current assets, by line of business, were as follows:

	Thousands of Euros	
	2020	2019
Infrastructure	722,752	965,535
Services	45,714	46,201
Industrial Services	209,475	211,522
Corporate unit and adjustments	107	511
Total	978,048	1,223,769

26. Tax situation

26.01. Consolidated Tax Group

Pursuant to current legislation, ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company of Tax Group 30/99, which includes the Spanish subsidiaries in which the Parent Company has a direct or indirect ownership interest of at least 75% which meet the requirements provided for in Spanish legislation regulating the tax consolidation regime.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country, either individually or with groups of companies.

26.02 Reconciliation of the current income tax expense to accounting profit

The reconciliation of the corporate income tax expense resulting from the application of the standard tax rate in force in Spain to the current tax expense recognized, as well as the determination of the average effective tax rate, are as follows:

	Thousands of Euros	
	2020	2019 (*)
Consolidated profit before tax	1,283,402	2,078,908
Net profit from equity accounted investments	(207,614)	(557,865)
Permanent differences	(105,749)	(327,248)
Taxable profit	970,039	1,193,795
Tax at 25%	242,511	298,449
Deductions for incentives	(4,810)	(6,668)
Effect of different standard tax rate in other countries	85,566	61,854
Current tax income expense	323,267	353,635
Effective rate, excluding equity method	30.0%	23.2%

(*) Data restated.

The permanent differences in 2020 and 2019 are mainly due to certain gains obtained on the sale of subsidiaries and investees where there is an exemption right and on the reversal of provisions that were not tax deductible and, in the opposite direction, expenses and losses that were not tax deductible.

The tax incentive deductions include, basically, both double taxation deductions and deductions for donations and those derived from R&D&I activities carried out in Spain and in other countries.

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.

26.03. Detail of income tax expense

The detail of income tax expense is as follows:

	Thousands of Euros	
	2020	2019 (*)
Current income tax expense (Note 26.02)	323,267	353,635
Expense / (income) relating to adjustments to prior year's tax	12,031	10,506
(Income) arising from the application of prior year's deferred tax assets	(31,741)	(9,822)
Expense arising from deferred tax assets generated in the year and not capitalised	112,087	43,286
Tax expense (income) due to impact on deferred taxes from changes in legislation	215	192
Expense / (Income) other adjustments to tax for the year	(28,507)	10,795
Final balance of the income tax	387,352	408,592

(*) Data restated.

The expense of deferred tax assets generated for the year and not recognized fundamentally originates from the criteria prudently undertaken to not recognize the tax assets associated to tax losses and the temporary difference due to non-deductible financial expenses, incurred, mainly, by companies of the Group resident in Germany.

26.04. Taxes recognized in equity

In addition to the tax effects recognized in the consolidated income statement, a credit of EUR 14,683 thousand was recognized directly in the Group's equity in 2020 (a charge of EUR 13,721 thousand in 2019). These amounts relate to tax effects due to adjustments of financial assets with changes in other comprehensive income, with a credit of EUR 9,161 thousand in 2020 (a charge of EUR 2,032 thousand in 2019), cash flow derivatives, with a charge of EUR 3,723 thousand in 2020 (EUR 14,145 thousand in 2019), actuarial losses, with a credit of EUR 9,779 thousand in 2020 (charge of EUR 986 thousand in 2019) and translation difference, with a credit of EUR 534 thousand in 2020 (charge of EUR 622 thousand in 2019).

26.05. Deferred tax

The composition of the balance of these assets, as well as the liabilities, also for temporary differences, is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Deferred tax assets arising from:		
Asset valuation adjustments and impairment losses	397,663	435,244
Other provisions	308,745	327,303
Pension costs	95,902	93,493
Income with different tax and accounting accruals	13,575	18,826
Losses of establishments abroad	119,406	105,035
Financial expenses not deductible	10,860	62,079
Other	340,101	295,729
Total	1,286,252	1,337,709
Assets for tax loss	815,346	1,254,145
Assets for deductions in quota	194,537	210,659
Total	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 arising from:		
Assets recognised at an amount higher than their tax base	307,867	338,164
Income with different tax and accounting accrual	156,413	412,610
Other	263,490	328,518
Total	727,770	1,079,292
Compensation of deferred tax assets/liabilities	(407,282)	(696,171)
Total deferred tax liabilities	320,488	383,121

At December 31, 2020, deferred tax assets and liabilities arising from temporary differences totaling EUR 407,282 thousand (EUR 696,171 thousand as 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.

The detail of the main deferred tax assets and liabilities recognized by the Group and of the changes therein in 2020 and 2019 is as follows:

	Thousands of Euros								
	Balance at December 31, 2019	Current movement in the year	Charge/credit to equity				Business combinations		Balance at December 31, 2020
			Actuarial gains and losses	Charge/credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other	Period acquisitions	Period disposals	
Assets	2,802,513	(477,437)	9,779	7,269	—	(18,992)	—	(26,997)	2,296,135
Temporary differences	1,337,709	(28,159)	9,779	7,269	—	(23,789)	—	(16,557)	1,286,252
Tax losses	1,254,145	(433,923)	—	—	—	5,564	—	(10,440)	815,346
Tax credits	210,659	(15,355)	—	—	—	(767)	—	—	194,537
Liabilities	1,079,292	(335,879)	—	22	—	(10,355)	—	(5,310)	727,770
Temporary differences	1,079,292	(335,879)	—	22	—	(10,355)	—	(5,310)	727,770

	Thousands of Euros								
	Balance at December 31, 2018	Current movement in the year	Charge/credit to equity				Business combinations		Balance at December 31, 2019
			Actuarial gains and losses	Charge/credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other	Period acquisitions	Period disposals	
Assets	2,252,677	552,499	986	5,591	(2,032)	(7,520)	865	(553)	2,802,513
Temporary differences	1,402,006	(61,567)	986	5,591	(2,032)	(7,275)	—	—	1,337,709
Tax losses	639,989	614,154	—	—	—	(245)	247	—	1,254,145
Tax credits	210,682	(88)	—	—	—	—	618	(553)	210,659
Liabilities	1,121,736	(33,661)	—	(2,731)	—	(6,052)	—	—	1,079,292
Temporary differences	1,121,736	(33,661)	—	(2,731)	—	(6,052)	—	—	1,079,292

Tax loss and tax credit carryforwards relating to the ACS Spanish tax group amounted to EUR 651,738 thousand as at December 31, 2020 (EUR 679,368 thousand as at December 31, 2019).

The detail of the deferred tax assets as 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 credit for tax loss of the ACS Tax Group in Spain comes from the negative consolidated tax base for the 2012 financial year, mainly due to the impairment and handicaps linked to the investment in Iberdrola, S.A. The temporary differences from companies outside the Spanish tax group arose mainly from the Hochtief Group companies, including, most notably, as at December 31, 2019, those from Cimic amounting to EUR 550.1 million (AUD 884 million) due to losses incurred in relation to BIC Contracting. As a result of the sale of Thiess, Cimic has managed to offset most of the tax losses arising from losses incurred in connection

with BIC Contracting and the strategic departure from that company (see Note 09.01). Both tax credits have no expiration period.

The deferred tax assets were recognized in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

The items and amounts of deferred tax liabilities amounting to EUR 320,488 thousand (EUR 383,121 thousand as at December 31, 2019), have not substantially changed with respect to December 31, 2019. In relation to the amendment made by 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 not resulting in any significant impact on the Consolidated Annual Accounts as at December 31, 2020.

Pursuant to the regulations in force, deferred tax assets due to temporary difference are not subject to expiration periods.

Furthermore, with regard to the assets generated by tax losses, their application is subject to different conditions and deadlines established by the different applicable national regulations; in particular, in the case of Spain and Australia, where the most significant credit has been generated, there is no legal term of limitation.

In turn, deductions on pending tax credits corresponding to the Spanish Fiscal Group itemized as consolidated statement of financial assets, for the amount of EUR 189,444 thousand (EUR 205,630 thousand in 2019) expire according to the type as determined in the Corporate Income Tax Law. Amounts pending application in 2020 mainly correspond to deductions generated between 2010 and 2019 for reinvestment of gains and R&D+I expenses, whose statutory expiration periods are 15 and 18 years, respectively.

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.

To assess the recoverability of these credits due to losses and deductions, a test has been developed whose key assumptions, consistent with those applied in previous years, were as follows:

- Profit before tax, in calculable terms of taxable profit, of the business areas in Spain which, with respect to that obtained in 2019, increases between for subsequent years at annual rates of 3%.
- General maintenance of the current perimeter of companies in the Tax Group.
- The financial charge for the Group's corporate debt in Spain has been specifically recalculated between 2021 and 2022, taking into account the new composition of this debt and a reduction at an average annual rate of 2% has been estimated for subsequent years.
- It has been considered that in the next ten years the temporary differences that will reduce the tax base of tax loss of affiliates and branches, financial and other expenses will be reversed by EUR 505 million approximately, an adjustment that restricts the margin to take advantage of deductions.

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 are complied with, among others:

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.
- There are new business opportunities for the tax group. The Group has 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's 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.

On the basis of these assumptions, the tax credits of the Tax Group in Spain would be used before their expiration. Notwithstanding, it is worth noting that significant negative deviations between the aforementioned profits and the estimates used in the impairment test, in overall terms, i.e., that may not be offset by subsequent positive deviations within the expiration period, could represent a recoverability risk with regard to the tax credit. In particular, according to the test carried out, negative changes in the Spanish Tax Group's computable profit, in overall (not specific) terms, throughout the relevant period, with respect to the average of those generated in the last two years, would determine the beginning of the partial expiration of the deductions.

In addition to the amounts recognized on the asset side of the statement of financial position, as detailed above, the Group has other deferred tax assets and tax credits not recognized on the asset side of the consolidated statement of financial position because it is impossible to predict the related future flows of profit, which are significant in the Group companies domiciled in Germany. Therefore, tax assets relating to income tax loss carryforwards and temporary differences in financial expenses, amounting to EUR 2,103,441 thousand (EUR 2,014,941 thousand in 2019), as well as municipal taxes amounting to EUR 1,466,533 thousand (EUR 1,439,610 thousand in 2019), were not recognized.

26.06 Tax inspection

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the statute-of-limitations period has expired.

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 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.

27. Revenue

27.01. Revenue

The distribution of net revenue relating to the Group's ordinary operations in 2020 and 2019, by business segment, 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

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, maintenance and operation of energy, industrial and mobility infrastructures and comprehensive maintenance services for buildings, public places and organizations, as well as assistance for individuals).

Within the infrastructure segment, CPB Contractors, a subsidiary owned by CIMIC, along with its consortium partners, Saipem SA and Saipem Portugal Comercio Maritime LDA, completed the Gorgon LNG (Gorgon Jetty) marine structure and dock project for Chevron Australia (Chevron). The financial statements of CIMIC as 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 12.01).

Net turnover 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%

Net revenue by type for 2019 is 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%

In 2020, foreign currency transactions relating to sales and services amounted to EUR 28,124,298 thousand (EUR 31,650,067 thousand in 2019) and those relating to purchases and services received amounted to EUR 21,604,768 thousand (EUR 22,940,374 thousand in 2019).

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

Revenue 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

27.02. Backlog

The backlog by line of business as at December 31, 2020 and 2019, was 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

The amount of the backlog by type as 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 %

The amount of the backlog by type as at December 31, 2019, is 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 as at December 31, 2020 (23 months as at December 31, 2019).

The duration of the contracts varies depending on the different areas of activity, with the average duration of the contracts for construction activities ranging from 1 to 5 years, maintenance, construction and services up to 10 years and the construction and operation of concessions up to 30 years.

"Capitalized expenses of in-house work on assets" amounting to EUR 5,896 thousand (EUR 4,212 thousand in 2019), relating mainly to in-house work on property, plant and equipment and intangible assets, were recognized under In-house work on tangible and intangible assets in the consolidated income statement in 2020.

Also, "Other operating income" includes mainly supplies invoiced to joint ventures in the construction business, claims against insurance companies and operating subsidies received.

28. Expenses

28.01. Procurements

The detail of this heading at December 31, 2020 and 2019, is as follows:

	Thousands of Euros	
	2020	2019
Cost of merchandise sold	1,476,117	1,491,801
Cost of raw materials and other consumables used	18,669,294	20,298,405
Contract work carried out by other companies	3,471,709	3,961,062
Impairment of merchandise, raw material and procurements	(1,222)	1,401
Total	23,615,898	25,752,669

28.02. Personal expenses

The breakdown of personal expenses for 2020 and 2019 is the following:

	Thousands of Euros	
	2020	2019
Wages and salaries	6,821,849	7,047,203
Social security costs	1,056,209	1,097,964
Other personal expenses	239,755	242,731
Provisions	8,399	6,529
Total	8,126,212	8,394,427

Personal expenses amounting to EUR 4,471 thousand in 2020 (EUR 4,471 thousand in 2019) relating to ACS, Actividades de Construcción y Servicios, S.A. are entered in the consolidated income statement. These share option plans were recognized under "Wages and salaries" in the consolidated income statement.

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

By profesional 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

The distribution of the average number of employees in 2020 and 2019, by line of business, was as follows:

	Average number of employees	
	2020	2019
Construction	59,907	66,786
Industrial Services	45,536	50,747
Services	76,202	76,451
Corporate Unit and other	54	52
Total	181,699	194,036

The average number of employees with disabilities in companies with headquarters in Spain of the ACS Group in 2020 amounts to 7,250 people (7,166 people in 2019). This represents 7.6% (7.3% in 2019) of the ACS Group's average workforce in Spain.

The breakdown of the average number of employees, by gender, by professional category with a disability of at least 33% in Spain is as follows:

	Average number of employees with disabilities >33% in Spain					
	31/12/2020			31/12/2019		
	Men	Women	Total	Men	Women	Total
University graduates	21	15	36	20	16	36
Junior college graduates	34	44	78	39	59	98
Non-graduate line personnel	1,415	1,371	2,786	477	512	989
Clerical personnel	39	87	126	46	92	138
Other employees	1,547	2,677	4,224	2,435	3,470	5,905
Total	3,056	4,194	7,250	3,017	4,149	7,166

28.03. 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 Option Plan on shares of ACS, Actividades de Construcción y Servicios, S.A. (2018 Options Plan), governed by the following terms and conditions:

- 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.
- The beneficiaries are 271 executives with options from 500,000 to 200,000.
- The acquisition price will be EUR 37.170 per share. This price will change by the corresponding amount should a dilution take place.
- 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.
- 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 exceeds 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 1,000 million 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, 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 as at December 31, 2020 and 2019, was EUR 27.150 and EUR 35.650, per share, respectively.

The commitments arising from these plans are hedged through financial institutions (see Note 22). In relation to plan described above, the share options are to be settled through equity instruments and never in cash. However, since the Parent Company has hedged the commitments arising from these plans with a financial institution, their settlement shall not involve, under any circumstances, the issue of equity instruments additional to those outstanding as at December 31, 2020. In 2020, EUR 4,471 thousand (see Note 28.02) (EUR 4,471 thousand in 2019) related to share-based remuneration were recognized under personal expenses in the consolidated income statement, with a balancing entry in equity. For the calculation of the total cost of the aforementioned share plans, the Parent Company considered the financial cost of the shares on the date on which the plan was granted based upon the futures curve on the notional value of each of them, the effect of the estimate of future dividends during the period, as well as the "put" value granted to the financial institution by applying the Black-Scholes formula. This cost is distributed over the vesting years of the plan.

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 as at December 31, 2020, is EUR 8,356 thousand (EUR 7,968 thousand as at December 31, 2019). EUR 985 thousand (EUR 5,794 thousand in 2019) were taken to the consolidated income statement in this connection in the 2020 financial year. 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.

The following share-based remuneration plans were in force for managerial staff of Hochtief, A.G. and its affiliates in 2020:

Long-term Incentive Plan 2017

The Long-term Incentive Plan 2017 (LTIP 2017) was launched by resolution of the Supervisory Board in 2017 and is open to Executive Board members and selected managerial employees. This plan is based on assigning performance share awards (PSA).

The conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a grace period of three years, entitled holders receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The size of the performance bonus depends on the adjusted free cash flow of the last complete year before the exercise date.

The gain is limited to EUR 514.62 per PSA.

Long-term Incentive Plan 2018

The Long-term Incentive Plan 2018 (LTIP 2018) was launched by resolution of the Supervisory Board in 2018 and is open to Executive Board members and selected managerial employees. This plan is based on performance share awards (PSA).

The conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a grace period of three years, entitled holders receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The performance bonus depends on the relevant effective performance indicator for each company in the last full year before the exercise date. For the members of the Executive Board and the management employees of Hochtief, A.G., the performance bonus depends on the adjusted free cash flow.

The gain is limited to EUR 533.70 per PSA.

Long-term Incentive Plan 2019

The Long-term Incentive Plan 2019 (LTIP 2019) was launched by resolution of the Supervisory Board in 2019 and is open to Executive Board members and selected managerial employees. This plan is based on performance share awards (PSA).

The conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a grace period of three years, entitled holders receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The performance bonus depends on the relevant effective performance indicator for each company in the last full year before the exercise date. For the members of the Executive Board and the management employees of Hochtief, A.G., the performance bonus depends on the adjusted free cash flow.

The gain is limited to EUR 477.12 per PSA.

The conditions of all plans stipulate that, during the year—and subject to the fulfillment of all other requisite criteria—Hochtief, A.G. normally has the option of delivering Hochtief shares instead of paying out the gain in cash. Where the entitled individuals are not employees of Hochtief, A.G., the expense incurred on exercise is borne by the affiliated company concerned.

The quantities granted, expired and exercised under the plans to date, are as follows:

	Originally granted	Outstanding at 31 Dec 2019	Granted in 2020	Expired in 2020	Exercised / settled in 2020	Outstanding at 31 Dec 2020
LTIP 2017 – performance stock awards	20,081	20,081	—	—	3,900	16,181
LTIP 2018 – performance stock awards	20,069	20,069	—	—	—	20,069
LTIP 2019 – performance stock awards	21,485	21,485	—	—	—	21,485

Provisions recognized for the stated share-based payment arrangements totaled EUR 8,356 thousand as of the balance sheet date (EUR 7,968 thousand in 2019). The total expense recognized for the stated arrangements in 2020 was EUR 985 thousand (EUR 794 thousand in 2019). The intrinsic value of plans exercisable at the end of the reporting period was EUR 1,309 thousand (EUR 0 thousand in 2019).

28.04. 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.

shares, which gave rise to a loss of EUR 106,773 thousand (a gain 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 22).

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 (TOB), 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.

28.05. Financial costs

The breakdown of financial expenses for 2020 and 2019 is the following:

Financial expenses	Millions of Euros	%	Millions of Euros	%
	2020		2019	
Debt-related financial expenses	270.5	64.0	315.5	63.0
Financial expenses for Collateral and Guarantees	36.2	9.0	41.6	8.0
Other financial expenses	115.8	27.0	140.1	29.0
Total	422.5	100.0	497.2	100.0

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.

29. 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 Notes 02.02.f and 09) at the end of the financial year in the amount of EUR 1,111 million. In addition, it includes revenue from the sale in the 2020 financial year of shadow toll roads (see Note 02.02.f)).

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 03.09).

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 02.02.f)).

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.

30. Distribution of profit

As in previous years, at the date of the call notice of the Annual General Meeting, the Parent Company's Board of Directors agreed to propose an alternative remuneration system allowing shareholders to receive bonus shares of the Company or cash through the sale of the corresponding bonus issue rights. This option would be instrumented through an increase in paid-in capital, which will be subject to approval by the shareholders at the General Shareholders' Meeting. In the event that it is approved, the increase in paid-in capital may be executed by the Board of Directors up to two times, in July and at the start of the following year, coinciding with the times when dividends are customarily paid. During each capital increase, each shareholder of the Company receives a bonus issue right for each share. The free allocation rights will be traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. Depending on the alternative chosen, shareholders would be able to either receive additional paid-in shares of the Company, sell their bonus issue rights on the market or sell them to the company at a specific price calculated using the established formula.

The distribution of the profit for 2020 that the Board of Directors will propose for approval at the General Shareholders' Meeting shall be the confirmation of the interim dividend of EUR 0.16 per share approved by the Board of Directors on June 19, 2020 and paid on July 6, 2020, for a total amount of EUR 46,256 thousand with the rest being transferred from the profit for the financial year (EUR 810,853 thousand) to voluntary reserves.

31. Earnings per share from continuing and discontinued operations

31.01. 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.

	Number of shares	
	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

31.02. 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 (Note 28.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. As at December 31, 2020, as a result of the simultaneous capital increase and reduction in 2021, for the same number of shares, the basic earnings and diluted earnings per share for continuing operations for 2020 are the same.

32. 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 share capital by amortization of its treasury shares approved at the same General Shareholders' Meeting for a maximum amount equal to the amount in which the share capital 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 15.05).

On February 15, 2021, CIMIC announced that they had 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 financial statements of CIMIC announced on January 23, 2020.

On March 26, 2021, Cimic has successfully signed a three-year AUD 1,400 million syndicated bond issuance.

As of the date of preparation of these Annual Accounts, 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.

33. Related party transactions and balances

Transactions between the Parent Company and its Subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are broken down below. Transactions between the Parent Company and its subsidiaries and associates are broken down in the individual financial statements.

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

33.01. Transactions with associates

During the year, Group companies performed the following transactions with related parties which do not form part of the Group:

	Thousands of Euros	
	2020	2019
Sale of goods and services	109,680	152,999
Purchase of goods and services	229	185
Accounts receivable	448,005	545,484
Accounts payable	95,759	117,046

Transactions between related parties are carried under normal market conditions.

33.02. Other 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).

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 transactions carried out in 2019 were as follows:

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. Also, the transactions maintained by this bank as 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 as at December 31, 2019) in guarantees and sureties and EUR 52,407 thousand (EUR 68,079 thousand as 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 Lopez Jimenez, 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 an 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.

34. Board of Directors and senior executives

The Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the boards of directors of the Parent Company and the Group companies or as senior executives of Group companies.

	Thousands of Euros	
	2020	2019
Remuneration for membership of the Board and / or Commissions	3,769	4,163
Wages	6,347	6,370
Variable cash remuneration	4,404	5,324
Total	14,520	15,857

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 457 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 as at December 31, 2020 and 2019:

	Thousands of Euros	
	2020	2019
Long-term savings systems	4,413	4,284
Other concepts	33	33
Total	4,446	4,317

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

34.01. Transactions with members of the Board of Directors

The transactions with members of the Board of Directors or with companies in which they have an ownership interest giving rise to a relation with the ACS Group are indicated in Note 33.02 on transactions with related parties.

34.02. 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)	35,777	36,330
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.

35. Other disclosures concerning the Board of Directors

In accordance with the information held by the Company, no situations of direct or indirect conflict with the interests of the Company have arisen pursuant to applicable regulations (currently, Article 229 of the Spanish Companies Law), all without prejudice to the information on related transactions contained in the notes to the financial statements. The amount corresponding to the liability insurance premiums of, among other insured parties, the Parent Company's directors amounted to EUR 2,291 thousand in 2020 (EUR 852 thousand in 2019).

In 2020 and 2019, the Company had commercial relationships with companies in which some of their directors perform management functions. All these commercial relationships were carried out on an arm's-length basis in the ordinary course of business and related to ordinary Company transactions.

36. Guarantee commitments to third parties and other contingent liabilities

36.01. Guarantees

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 as 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 as 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 million cover EUR 1,037 million of exercise or performance guarantees, EUR 540 million for advance guarantees, 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 22) amounts to EUR 8.2 million (AUD 13.0 million).

The Group's directors do not expect any material liabilities additional to those recognized in the accompanying consolidated statement of financial position to arise as a result of the transactions described in this Note. The contingent liabilities include the ordinary liability of the companies with which the Group carries out its business activities. Normal liability is that concerning compliance with the contractual obligations undertaken in the course of construction, industrial services or urban services by the companies themselves or the unincorporated joint ventures in which they participate.

This coverage is achieved by means of the corresponding guarantees provided to secure the performance of the contracts, compliance with the obligations assumed in the concession contracts, etc.

All of the project financing, including that recognized under "Non-current assets in projects" as well as that recognized under "Non-current asset held for sale and discontinued operations" on the accompanying consolidated statement of financial position, whether fully consolidated or consolidated using the equity method, have construction guarantees until their entry into service.

In this connection, the Group, in its construction activity, has income recognition policies in place based on the collection certainty, in accordance with the contractual conditions of the agreements it executes. However, as indicated in Note 12, there are certain outstanding balances receivable which are under

dispute with the corresponding customers and even, particularly with regard to international works, which require certain necessary experts to intermediate as arbitration processes have commenced to resolve them. This includes the provision made by Cimic for the amount of AUD 675 million (equivalent to EUR 419 million as at December 31, 2020). This provision was not used either in 2020 nor in 2019.

36.02. Other contingent liabilities

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 ACS Group in Alazor (highways R3 and R5) and the accounts receivable for Alazor, have been fully provided for in the Consolidated Annual Accounts of the ACS Group for 2020 and 2019.

With regard to the claim 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 claim 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 claim was formally made and the corresponding preliminary hearing was held (that took place on March 8, 2021), the Court of First Instance No. 13 of Madrid has set a hearing for November 29, 2021.

With regard to the executive claim 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 correspond to the ACS Group). In view of the opposition of the funds, the Court of First Instance No. 51 of Madrid 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 11.3 million corresponded to the ACS Group), condemning the funds to pay the costs.

Invoking the same contractual clause that gave rise to the claim 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 be for the ACS Group). After the reply to the claim was formally made and a preliminary hearing was held (that took place on December 16, 2020), the Court of First Instance No. 26 of Madrid has set a hearing for June 16, 2021.

In relation to the ACS Group's investment in Irasa (R2 highway), 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 costs. After having replied to the claim, the Court of First Instance No. 37 of Madrid set the date for the preliminary hearing for February 7, 2022 and the hearing, for May 23, 2022.

As regards bankruptcy proceedings, it should be noted that **the insolvency proceedings of Henarsa, Irasa, Accesos de Madrid and Alazor** were all declared unforeseeable. 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 they 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 within 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, it 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 Spanish National Commission for Markets and Competition (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 Audiencia Nacional, 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 Spanish National Commission for Markets and Competition (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 Audiencia Nacional, 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 advisers, 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 Consolidated Annual Accounts to arise as a result of the transactions or the results of the proceedings described in this note.

37. Information on the environment

The ACS combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area. The ACS Environmental Policy defines the general principles which must be adhered to, but are sufficiently flexible to accommodate the elements of policy and planning development by the companies in the various business areas and fulfill the requirements of the most recent version of the standard ISO 14001 and other commitments by the companies to other environmental standards, such as EMAS, or standards relating to their carbon footprint or water footprint. Within this Policy, the following commitments are established:

1. To comply with the applicable legislation and standards in general and other voluntary commitments entered into in each of the branches, delegations, projects, works and services of the ACS Group.
2. To prevent contamination, by assessing the potential environmental risks at every stage of a project, job or service, with the aim of designing processes which minimize environmental impact as far as possible.
3. To continuously improve management of environmental activities, by setting and following up on environmental goals.
4. To strive for transparency in external communications, by periodically publishing information about environmental initiatives to all interest groups, catering for their demands and expectations, either in compliance with regulations or independently.
5. To enhance skills and raise awareness, by providing training and educational activities to employees, suppliers, clients and other interest groups.

The significant level of implementation of an environmental management system, present in companies representing 97.4% of Group sales, is based on the objective of seeking adoption of the ISO 14001 standard in the majority of the Group's activities, which is implemented in 74.1% of ACS Group sales.

In order to articulate and deploy a policy based on these environmental commitments, the most significant ones are identified at the corporate level, according to their impact on the environment and the external requirements, which are then contrasted with the management systems of each company and the environmental priorities in each business activity.

Considering the environmental impacts identified, the environmental activities of ACS Group companies will, concretely and operationally, center around four main areas.

1. Energy and emissions
2. The circular economy
3. Efficient and responsible use of water resources.
4. Biodiversity

<i>Key Management - Environment Indicators</i>	2020	2019 (*)
Water extraction (m3)	27,681,049	27,068,160
Ratio: m3 water / Sales (€mn)	805.0	716.2
Direct emissions (Scope 1) (tCO2 equiv.)	2,683,671	3,001,287
Carbon Intensity Ratio Scope 1: Emissions / Sales (€mn)	78.0	79.4
Indirect emissions (Scope 2) (tCO2 equiv.)	183,375	277,291
Carbon Intensity Ratio Scope 2: Emissions / Sales (€mn)	5.3	7.3
Indirect emissions (Scope 3) (tCO2 equiv.)	1,937,759	2,714,878
Carbon Intensity Ratio Scope 3: Emissions / Sales (€mn)	56.4	71.8
Total emissions (tCO2 equiv.)	4,804,804	5,993,456
Total Carbon Intensity Ratio: Total Emissions / Sales (€mn)	139.7	158.6
Non-hazardous waste sent for management (t)	15,713,510	12,669,950
Ratio: Tons of non-hazardous waste / Sales (€mn)	457.0	335.2
Hazardous waste sent for management (t)	389,150	130,343
Ratio: Tons of hazardous waste / Sales (€mn)	11.3	3.4

(*) 2019 data recalculated according to the scope and criteria of the data reported in 2020.

Overseeing the environmental activities of the ACS Group and enacting the planes of action and improvement programs is the responsibility of the Environment Department of each group of companies; the same Departments are responsible for implementing the necessary measures to reduce and mitigate environmental impacts stemming from the Group's activities.

Environmental expenses incurred in 2020 amounted to EUR 2,044 thousand (EUR 1,904 thousand in 2019).

38. Auditors' fees

The fees for financial audit services provided to the various companies in 2020 and 2019 were as follows:

	Thousands of Euros	
	2020	2019
Audit service fees	11,483	10,384
Main auditor	7,143	5,927
Other auditors	4,340	4,457
Other verification services	551	619
Main auditor	551	619
Fees for tax services	2,042	2,800
Main auditor	1,056	1,833
Other auditors	986	967
Other services	1,798	1,638
Main auditor	457	204
Other auditors	1,341	1,434
Total	15,874	15,441

The fees relating to audit services provided by KPMG Auditores, S.L. for the financial statements amounted to EUR 1,817 thousand (EUR 1,809 thousand in 2019) while those relating to other verification services amounted to EUR 410 thousand (EUR 314 thousand in 2019) and the fees for other services amounted to EUR 10 thousand.

In the above table, the amount of other verification services for financial year 2020 includes EUR 410 thousand for services provided by KPMG Auditors, S.L. (EUR 314 thousand in 2019). These services correspond to the limited audit of the interim consolidated financial statements, the comfort letters and the ICFRS Report.

In the above table, the amount of other verification services for the 2020 financial year includes EUR 10 thousand for services provided by KPMG Auditors, S.L. These services mainly correspond to reports on agreed procedures and compliance with covenants.

On the other hand, in relation to the lead auditor, "Other verification services" essentially include limited revisions of intermediate financial statements, comfort letters issuance services and other assurance work (ISAE 3000). The "tax services" item mainly includes advisory services fees for advisory services in transfer pricing documentation, corporate taxes and indirect taxation. Finally, the "other services" item mainly includes legal services, consultancy services and generally agreed-upon procedures.

APPENDICES

As stated in Note 02 to the financial statements, Appendices I and II list the subsidiaries, Joint Ventures and EIGs in the ACS Group in 2020, including their registered office and the Group's effective percentage of ownership. The effective percentage indicated in the Appendices includes, in the event it is applicable to subsidiaries, the proportionate part of the treasury shares held by the subsidiary.

For the companies domiciled in the four main countries of the group, Spain, Germany, Australia and the United States, covering about 77% of sales, a breakdown is performed for the domicile of the main headquarters or management office, expressly declared for tax on profits in the country of residence (in particular, *domicilio fiscal* in Spain, *geschäftsanschrift* in Germany, business address of main business in Australia and corporation's principal office or place of business in the United States). In the other countries, the domicile given is the address considered legally relevant in each case.

The information is grouped in accordance with the management criteria of the ACS Group on the basis of the different business segments or lines of business carried on. Note 25.01 explains the criteria used for segmentation and the reorganization carried out in the year and their restatement for the purposes of comparison, in relation to the infrastructure and concessions business.

1. CORPORATION

This includes the Parent Company of the Group, ACS, Actividades de Construcción y Servicios, S.A., as well as those companies with ownership interests mainly in telecommunications.

2. INFRASTRUCTURE

This area comprises the activities of:

2.1. CONSTRUCTION

Information is separated on the basis of the two companies heading this line of business:

- Dragados
This includes both domestic and foreign activities relating to civil construction works (highways and roads, railways, hydraulic infrastructures, coasts and ports, etc.), as well as residential and non-residential buildings.
- Hochtief
This segment includes the activities carried on by the different business segments of this company:
 - Hochtief Americas – Its activity is mainly carried on in the USA and Canada and relates to the construction of buildings (public and private), infrastructures, civil engineering and educational and sports facilities.
 - Hochtief Asia Pacific – Its activities are carried on by its Australian subsidiary Cimic, in particular construction, mining contracts and the operation and development of real estate infrastructures.
 - Hochtief Europe – This segment mainly operates through Hochtief Solutions A.G., which designs, develops, constructs and operates infrastructure projects, real estate and facilities.

2.2. CONCESSIONS

- Iridium
It carries out infrastructure promotion and development, both in relation to transport and public facilities, managing different public-private collaboration models.
- Abertis
Corresponding to the ACS Group's ownership interest in Abertis.

3. INDUSTRIAL SERVICES

This area is dedicated to applied industrial engineering, developing construction, maintenance and operation activities for energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial.

4. 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 individuals. This area is primarily based in Spain.

Subsidiaries

Company	Registered Office	% Effective Ownership
PARENT		
ACS, Actividades de Construcción y Servicios, S.A.	Avda. de Pío XII, 102. 28036 Madrid. España.	-
Altomira Eólica, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Andasol 4 Central Termosolar Cuatro, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Cariátide, S.A.	Avda. de Pío XII, 102. 28036 Madrid. España.	100,00%
Funding Statement, S.A.	Avda. de Pío XII, 102. 28036 Madrid. España.	100,00%
Infraestructuras Energéticas Medioambientales Extremeñas, S.L.	Polígono Industrial Las Capellanías. Parcela 238B. Cáceres. España.	100,00%
Nexplore, S.A.	Avda. de Pío XII, 102. 28036 Madrid. España.	100,00%
Protide, S.A. Unipersonal	C/ Orense, 34-1º 28020 Madrid - España	100,00%
Residencial Monte Carmelo, S.A.U.	Avda. de Pío XII, 102. 28036 Madrid. España.	100,00%
Statement Structure, S.A.	Avda. de Pío XII, 102. 28036 Madrid. España.	100,00%
INFRASTRUCTURES - DRAGADOS		
Dragados, S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. España.	100,00%
Acainsa, S.A.	C/ Orense, 34-1º. 28020 Madrid. España.	100,00%
Aparcamiento Tramo C. Rambla-Coslada, S.L.	C/ Orense, 34-1º. 28020 Madrid. España.	100,00%
Besalco Dragados, S.A.	Avda. Tajamar nº 183 piso 1º Las Condes. Santiago de Chile. Chile.	50,00%
Blue Clean Water, LLC.	150 Meadowlands Parkway, 2nd Fl.Seacaucus 07094. New Jersey. Estados Unidos.	76,40%
Comunidades Gestionadas, S.A.	C/ Orense, 34-1º. 28020 Madrid. España.	100,00%
Consorcio Constructor Hospital de Quellón, S.A.	Av. Tajamar, 183, depto P-5 Las Condes. Santiago de Chile. Chile.	49,99%
Consorcio Constructor Juzgado de Garantía de Osorno, S.A.	Avda. Vitacura 2939, ofic. 2201. Las Condes. Santiago de Chile. Chile.	50,01%
Consorcio Constructor Puente Santa Elvira, S.A.	Avenida Tajamar 183, piso 5. Las Condes. Santiago. Chile.	49,99%
Consorcio Dragados Compax Dos, S.A.	Avda. Vitacura 2939 ofic 2201. Las Condes. Santiago de Chile Chile	55,00%
Consorcio Dragados Compax, S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes - Santiago de Chile. Chile.	60,00%
Consorcio Embalse Chironta, S.A.	Avda. Vitacura nº 2939. 2201 Las Condes. Santiago de Chile. Chile.	49,99%
Consorcio Tecdra, S.A.	Almirante Pastene, 244.702 Providencia. Santiago de Chile. Chile.	100,00%
Construcciones y Servicios del Egeo, S.A.	Alamanas, 1 151 25 Maroussi. Atenas. Grecia.	100,00%
Construirail, S.A.	C/ Orense, 11. 28020 Madrid. España.	51,00%
Continental Rail, S.A.	C/ Orense, 11. 28020 Madrid. España.	100,00%
DRACE Infraestructuras, S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. España	100,00%
Drace Infraestructures UK, Ltd.	Regina House second floor, 1-5 Queen Street. Londres EC4N 15W. Reino Unido	100,00%
Drace Infraestructures USA, Llc.	701 5 th Avenue, Suite 7170 Seattle, WA 98104. Washington. Estados Unidos.	100,00%
Dragados Australia PTY Ltd.	Level 32, 101 Miller Street - North Sydney - 2060 - NSW. Sydney. Australia.	100,00%
Dragados Canadá, Inc.	150 King Street West, Suite 2103. Toronto ON. Canadá.	100,00%
Dragados Construction USA, Inc.	810 Seventh Ave. 9th Fl. New York, NY 10019. Estados Unidos.	100,00%
Dragados CVV Constructora, S.A.	Avda. Vitacura 2939 of. 2201. Las Condes. Santiago de Chile. Chile.	80,00%
Dragados Inversiones USA, S.L.	Avda. Camino de Santiago, 50 - 28050 Madrid. España.	100,00%
Dragados Ireland Limited	70 Sir John Rogerson's Quay, Dublin 2, D02R296. Dublin. Irlanda.	100,00%
Dragados Obra Civil y Edificac México S.A de C.V.	Oxford 30, Colonia Juárez, CP 06600, Cuauhtémoc. Ciudad de México, México.	100,00%
Dragados UK Ltd.	Regina House 2Nd Floor, 1-5. Queen Street. EC4N 15W-London-Reino Unido	100,00%
Dragados USA, Inc.	810 Seventh Ave. 9th Fl. New York, NY 10019. Estados Unidos.	100,00%
Dycasa, S.A.	Avda. Leandro N. Alem. 986 Piso 4º. Buenos Aires Argentina.	66,10%
Gasoductos y Redes Gisca, S.A.	C/ Orense, 6. 2ª Planta 28020 Madrid. España	52,50%
Geocisa UK Ltd.	Chester House, Kennington Park, 1-3 Brixton Road. Londres SW9 6DE. Reino Unido	100,00%
Geocisa USA Inc.	810 Seventh Ave. 9th Fl. New York, NY 10019. Estados Unidos.	100,00%
Geotecnia y Cimientos del Perú, S.A.C.	C/ El Santuario, 140, Dept. 303. Callao. Lima. Perú.	100,00%
Geotecnia y Cimientos, S.A.	C/ Los Llanos de Jerez, 10-12. 28823 Coslada. Madrid. España	100,00%
Gestifisa, S.A. Unipersonal	C/ Orense, 34 1º. 28020 Madrid. España	100,00%
gGrav-can, Inc.	150 King Street West, Suite 2103. Toronto. Toronto. Canadá.	100,00%
gGravity Engineering, S.A.	Av. del Camino de Santiago, 50. 28050. Madrid. España.	100,00%
gGravity, Inc.	810 Seventh Ave. 9th Fl., NY 10019. Nueva York. Estados Unidos.	100,00%
Inmobiliaria Alabega, S.A.	C/ Orense, 34-1º. 28020 Madrid. España	100,00%
J.F. White Contracting Company	10 Burr Street, Framingham, MA 01701. Estados Unidos.	100,00%
John P. Picone Inc.	31 Garden Lane. Lawrence. NY 11559 Estados Unidos.	100,00%
Lining Precast, LLC .	P.O. Box 12274. Seattle, WA 98102. Estados Unidos.	100,00%
Lucampa, S.A.	C/ Orense, 34-1º. 28020 Madrid. España	100,00%
Mostostal Pomorze, S.A.	80-557 Gdansk ul. Marynarki Polskiej 59. Polonia	100,00%
Muelle Melbourne & Clark, S.A.	Avenida Tajamar 183, piso 5. Las Condes. Santiago. Chile	50,00%
Newark Real Estate Holdings, Inc.	810 Seventh Ave. 9th Fl. New York, NY 10019. Estados Unidos.	100,00%
PA CONEX Sp. z o.o.	Dworska 1, 05-500 (Wólka Kozodawska). Piaseczno. Polonia.	100,00%
PA Wyroby Betonowe Sp. z o.o.	82-300 Elblag ul. Plk. Dabka 215. Polonia	100,00%
Piques y Túneles, S. A.	Avda. Tajamar 183, piso 5. Las Condes. Santiago de Chile. Chile	49,99%
Polaqua Sp. z o. o.	Dworska 1, 05-500 Piaseczno (Wólka Kozodawska). Polonia.	100,00%
Prince Contracting, LLC.	10210 Highland Manor Drive, Suite 110. Tampa, FL, 33610. Estados Unidos.	100,00%
Pulice Construction, Inc.	8660 E. Hartford Drive, Suite 305, Scottsdale, AZ 85255. Estados Unidos.	100,00%
Residencial Leonesa, S.A. Unipersonal	C/ Orense, 34-1º. 28020 Madrid. España	100,00%
Schiavone Construction Company	150 Meadowlands Parkway, 2nd Fl. Seacaucus 07094 New Jersey. Estados Unidos.	100,00%
Sicsa Rail Transport, S.A.	C/ Orense, 11. 28020 Madrid. España	76,00%
Sussex Realty, LLC.	31 Garden Lane Lawrence, NY 11559. EE.UU.	100,00%
Técnicas e Imagen Corporativa, S.L.	Avda. de París, 1 - 19200 Azuqueca de Henares. Guadalajara. España	100,00%
TECO Sp. z o.o.	51-501 Wroclaw ul. Swojczycka 21-41. Polonia	100,00%
Tecsa Empresa Constructora, S.A.	Plaza Circular Nº 4, planta 5ª. 48001 Bilbao. España.	100,00%
Tedra Australia Pty. L.T.D.	293 Queen Street, Altona, Meadows VIC 3028 - Australia	100,00%
Vias Canadá Inc.	150 King Street West, Suite 2103. Toronto ON, M5H 1J9. Canadá.	100,00%
Vias USA, Inc.	810 7th Avenue, 9th Floor. 10019 Nueva York. Estados Unidos.	100,00%
Vías y Construcciones, S.A.	Avenida del Camino de Santiago, nº 50. 28050 Madrid. España.	100,00%

Subsidiaries

Company	Registered Office	% Effective Ownership
INFRASTRUCTURES -IRIDIUM (Concessions)		
Iridium Concesiones de Infraestructuras, S.A.	Avenida del Camino de Santiago, nº 50. 28050 Madrid. España.	100,00%
ACS 288 Holdings, LLC	One Alhambra Plaza suite 1200. Coral Gables. Estados Unidos.	100,00%
ACS BNA GP Inc.	595 Burrard Street, Suite 2600, P.O Box 4, Vancouver, BC V7X 1L3. Vancouver. Canadá.	100,00%
ACS BNA Holdco Inc.	595 Burrard Street, Suite 2600, P.O Box 4, Vancouver, BC V7X 1L3. Vancouver. Canadá.	100,00%
ACS BNA O&M GP Inc	Suite 2600, Three Bentall Cent 595 Burrard St. P.O. Box 4 Vancouver BC V7X 1L3. Vancouver. Canadá.	100,00%
ACS Crosslinx Maintenance Inc.	550 Burrard Street, 2300, Vancouver, British Columbia. Canad V6C 2B5	100,00%
ACS Crosslinx Partner Inc.	666 Burrard Street, Vancouver, B.C. V6C 2Z7. Canadá.	100,00%
ACS EglRT Holdings Inc.	666 Burrard Street, Vancouver, B.C. V6C 2Z7. Canadá.	100,00%
ACS Infraestructuras Perú SAC	Avenida Pardo y Aliaga N 652, oficina304A. San Isidro, Lima 27. Perú.	100,00%
ACS Infraestructuras México, S. R. L. de C. V.	C/ Oxford, 30, Colonia Ju rez, Delegación Cuauhtémoc.CP: 06600 México, Distrito Federal. México.	100,00%
ACS Infrastructure Canadá, Inc.	155 University Avenue, Suite 1800, Toronto, Ontario M5H 3B7. Canadá.	100,00%
ACS Infrastructure Development, Inc.	One Alhambra Plaza suite 1200. Coral Gables. Estados Unidos.	100,00%
ACS Link 427 Holdings Inc.	2800 Park Place. 666 Burrard Street. BC V6C 2Z7.. Vancouver. Canadá.	100,00%
ACS Link 427 Partner Inc.	2800 Park Place. 666 Burrard Street. BC V6C 2Z7.. Vancouver. Canadá.	100,00%
ACS LINXS Holdings, LLC	One Alhambra Plaza, Suite 1200, Coral Gables, Florida 33134. Coral Gables. Estados Unidos.	100,00%
ACS LINXS O&M Holdings, LLC	One Alhambra Plaza, Suite 1200, Coral Gables, Florida 33134. Coral Gables. Estados Unidos.	100,00%
ACS Mosaic Transit Partners Holding Inc.	745 Thurlow Street, Suite 2400 Vancouver, British Columbia V6E 0C5. Vancouver. Canadá.	100,00%
ACS MTP Maintenance INC	745 Thurlow Street, Suite 2400 Vancouver, British Columbia V6E 0C5. Vancouver. Canadá.	100,00%
ACS MTP Partner INC	745 Thurlow Street, Suite 2400 Vancouver, British Columbia V6E 0C5. Vancouver. Canadá.	100,00%
ACS OLRT Holdings INC.	2800 Park Place, 666 Burrard Street Vancouver, British Columbia V6C 2Z7. Vancouver. Canadá.	100,00%
ACS Portsmouth Holdings, L.L.C.	4301 - B: Lucasville-Minford Rd.Minford. OH 45653. Estados Unidos.	100,00%
ACS RT Maintenance Partner INC.	2800 Park Place, 666 Burrard Street Vancouver, British Columbia V6C 2Z7. Vancouver. Canadá.	100,00%
ACS RTF Holdings Inc.	2800 Park Place, 666 Burrard Street, Vancouver BC V6C 2Z7. Vancouver. Canadá.	100,00%
ACS RTF Partner Inc.	2800 Park Place, 666 Burrard Street, Vancouver BC V6C 2Z7. Vancouver. Canadá.	100,00%
ACS RTG Partner INC.	2800 Park Place, 666 Burrard Street Vancouver, British Columbia V6C 2Z7. Vancouver. Canadá.	100,00%
ACS SSLG Partner Inc.	1400-1501 av. McGill College Montréal, QC H3A 3M8. Canadá.	100,00%
ACS St. Lawrence Bridge Holding Inc.	1400-1501 av. McGill College Montréal, QC H3A 3M8. Canadá.	100,00%
ACS WEP Holdings, Inc.	1 Germain Street Suite 1500.Saint John NB E2L4V1. Canadá.	100,00%
Angels Flight Development Company, LLC	One Alhambra Plaza Suite 1200, 33134.. Los Ángeles. Estados Unidos.	86,66%
Autovía Medinaceli-Calatayud Soc.Conces.Estado, S.A.	Avda. Camino de Santiago, 50 - 28050 Madrid. España.	100,00%
Can Brians 2, S.A.	Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. España.	100,00%
CAT Desenvolupament de Concessions Catalanes, S.L.	Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. España.	100,00%
Concesiones de Infraestructuras Chile Dos, S.A.	José Antonio Soffia 2747 Oficina 602 Comuna de Providencia. Santiago. Chile.	100,00%
Concesiones de Infraestructuras Chile Tres, S.A.	José Antonio Soffia 2747 Oficina 602 Comuna de Providencia. Santiago. Chile.	100,00%
Concesiones de Infraestructuras Chile Uno S.A.	Avenida Apoquindo 3001 piso 9, Comuna Las Condes. Chile	100,00%
Concesiones Viarias Chile Tres, S.A.	José Antonio Soffia N°2747, Oficina 602, Comuna de Providencia. Santiago de Chile. Chile	100,00%
Desarrollo de Concesionarias Viarias Dos, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. España.	100,00%
Desarrollo de Concesionarias Viarias Uno, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. España.	100,00%
Desarrollo de Concesiones Ferroviarias, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. España.	100,00%
Desarrollo de Concesiones Hospitalarias de Toledo S.L.	Av. del Camino de Santiago, 50. 28050.. Madrid. España.	100,00%
Dragados Concessions, Ltd.	Hill House, 1 - Little New Street. London EC4A 3TR. Inglaterra.	100,00%
Dragados Waterford Ireland, Ltd.	Unit 3B, Bracken Business Park, Bracken Road, Sandyford Dublin 18. Irlanda	100,00%
Estacionament Centre Direccional, S.A.	Avenida de la Universitat, s/n. 43206 Reus. Tarragona. España.	100,00%
Explotación Comercial de Intercambiadores, S.A.	Avda. de América, 9A (Intercambiador de Tptes)28002 Madrid. España.	100,00%
FTG O&M Solutions ACS GP Ltd.	Suite 2400, 745 Thurlow Street. Vancouver, British Columbia, V6E 0C5. Vancouver. Canadá.	100,00%
FTG O&M Solutions Limited Partnership	Suite 2400, 745 Thurlow Street. Vancouver, British Columbia, V6E 0C5. Vancouver. Canadá.	75,00%
Iridium Aparcamientos, S.L.	Avenida del Camino de Santiago, 50. 28050 Madrid. España.	100,00%
Iridium Colombia Concesiones Viarias, SAS	Calle 93 No. 12-14, Oficina 602, Código Postal 110221.Bogotá. Colombia.	100,00%
Iridium Colombia Desarrollo de Infraestructuras	Calle 93 No. 12-14, Oficina 602, Código Postal 110221.Bogotá. Colombia.	100,00%
Iridium Portlaoise Ireland Limited	Unit 3B, Bracken Business Park, Bracken Road, Sandyford Dublin 18. Irlanda	100,00%
Operadora Autovía Medinaceli Calatayud, S.L.	Avda Camino de Santiago 50. 28050 Madrid. España.	100,00%
Parking Mérida III, S.A.U.	Avenida Lusitania, 15, 1º, Puerta 7. 06800 Mérida. Badajoz. España.	100,00%
Parking Nou Hospital del Camp, S.L.	Avenida de la Universitat, s/n.43206 Reus. Tarragona. España.	100,00%
Parking Palau de Fires, S.L.	Avenida de la Universitat, s/n.43206 Reus. Tarragona. España.	100,00%
Soc Conc Nuevo Complejo Fronterizo Los Libertadore	José Antonio Soffia N 2747, Oficina 602 - comuna de Providencia.Santiago de Chile. Chile.	100,00%
INFRASTRUCTURES - Hochtief		
Hochtief Aktiengesellschaft	Essen, Alemania	52,23%
Beggen PropCo Särl	Luxemburgo, Luxemburgo	52,23%
Builders Direct SA	Luxemburgo, Luxemburgo	52,23%
Builders Insurance Holdings S.A.	Steinfurt, Luxemburgo	52,23%
Builders Reinsurance S.A.	Luxemburgo, Luxemburgo	52,23%
Eurafrica Bauqesellschaft mbH	Essen, Alemania	52,23%
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH	Essen, Alemania	52,23%
Independent (Re)insurance Services S.A.	Luxemburgo, Luxemburgo	52,23%
NEXPLORE Technology GmbH	Essen, Alemania	52,23%
NEXPLORE Technology Holding GmbH & Co. KG	Essen, Alemania	52,23%
NEXPLORE Technology Verwaltungs GmbH	Essen, Alemania	52,23%
Steinfurt Multi-Asset Fund SICAV-SIF	Luxemburgo, Luxemburgo	52,23%
Steinfurt PropCo Särl	Luxemburgo, Luxemburgo	52,23%
Vintage Real Estate HoldCo Särl	Luxemburgo, Luxemburgo	52,23%
Hochtief Americas		
Auburndale Company Inc.	Ohio, Estados Unidos	52,23%
Audubon Bridge Constructors	New Roads, Estados Unidos	28,20%
Canadian Borealis Construction Inc.	Alberta, Canadá	40,72%
Canadian Turner Construction Company Ltd.	Toronto, Canadá	52,23%
CB Finco Corporation	Alberta, Canadá	40,72%
CB Resources Corporation	Alberta, Canadá	40,72%
Clark Builders Partnership	Alberta, Canadá	40,72%
E.E. Cruz and Company Inc.	Holmdel, Estados Unidos	52,23%
FECO Equipment	Denver, Estados Unidos	52,23%
Flatiron Construction Corp.	Wilmington, Estados Unidos	52,23%
Flatiron Constructors Canada Ltd.	Vancouver, Canadá	52,23%
Flatiron Constructors Inc.	Wilmington, Estados Unidos	52,23%
Flatiron Constructors Inc. - Blythe Development Company JV	Firestone. Estados Unidos.	31,34%
Flatiron Constructors Inc. Canadian Branch	Vancouver, Canadá	52,23%

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

Subsidiaries

Company	Registered Office	% Effective Ownership
Flatiron Electric Group	Wilmington, Estados Unidos	52.23%
Flatiron Equipment Company Canada	Calgary, Canadá	52.23%
Flatiron Holding Inc.	Wilmington, Estados Unidos	52.23%
Flatiron Parsons JV	Los Angeles, Estados Unidos	36.56%
Flatiron West Inc.	Wilmington, Estados Unidos	52.23%
Flatiron/Dragados/Sukut JV	Benicia, Estados Unidos	18.28%
Flatiron/Goodfellow Top Grade JV	Wilmington, Estados Unidos	37.86%
Flatiron/Turner Construction of New York LLC	New York, Estados Unidos	52.23%
Flatiron-Blythe Development Company JV	Firestone, Estados Unidos	36.56%
Flatiron-Branch Civi JV	Broomfield, Estados Unidos	31.34%
Flatiron-Lane JV	Longmont, Estados Unidos	28.72%
Flatiron-Skanska-Stacy and Witbec JV	San Marcos, Estados Unidos	20.89%
HOCHTIEF Americas GmbH	Essen, Alemania	52.23%
HOCHTIEF Argentina S.A.	Buenos Aires, Argentina	52.23%
HOCHTIEF USA Inc.	Delaware, Estados Unidos	52.23%
Lakeside Alliance	Chicago, Estados Unidos	26.64%
LightHorse Innovation Corporation	Alberta, Canadá	40.72%
Maple Red Insurance Company	Vermont, Estados Unidos	52.23%
Metacon Technology Solutions LLC	Texas, Estados Unidos	52.23%
Mideast Construction Services Inc.	New York, Estados Unidos	52.23%
OMM Inc.	Plantation, Estados Unidos	52.23%
Real PM Ltd.	Reino Unido	52.23%
Saddleback Constructors	Mission Viejo, Estados Unidos	28.20%
Services Products Buildings Inc.	Ohio, Estados Unidos	52.23%
The Lathrop Company Inc.	Ohio, Estados Unidos	52.23%
The Turner Corporation	Dallas, Estados Unidos	52.23%
Tompkins Builders Inc.	Washington, Estados Unidos	52.23%
Tompkins Turner Brunley Kinsley JV (C4ISR Aberdeen & Proving Grounds)	Maryland, Estados Unidos	26.64%
Trans Hudson Brokerage, LLC	Delaware, Estados Unidos	52.23%
Turner – Martin Harris (Las Vegas Convention and Visitors Authority)	Las Vegas, Estados Unidos	33.95%
Turner (East Asia) Pte. Ltd.	Singapur	52.23%
Turner AECOM-Hunt NFL JV (NFL Stadium)	Inglewood, Estados Unidos	26.11%
Turner Canada Holdings Inc.	New Brunswick, Canadá	52.23%
Turner Canada LLC	New York, Estados Unidos	52.23%
Turner Clayco Memorial Stadium JV (UIUC Memorial Stadium)	Chicago, Estados Unidos	26.64%
Turner Clayco Willis Tower JV (Willis Tower)	Chicago, Estados Unidos	26.64%
Turner Construction Company	New York, Estados Unidos	52.23%
Turner Construction Company of Ohio LLC	Ohio, Estados Unidos	52.23%
Turner Construction/Sano-Rubin Construction Services (St. Peter's Health Ambulatory Center)	Albany, Estados Unidos	31.34%
Turner Consulting (Thailand) Ltd.	Tailandia	52.23%
Turner Consulting and Management Services Pvt. Ltd.	India	52.23%
Turner International (East Asia) Ltd.	Hongkong	52.23%
Turner International (Hong Kong) Ltd.	Hongkong	52.23%
Turner International (UK) Ltd.	Londres, Reino Unido	52.23%
Turner International Consulting (Thailand) Ltd.	Tailandia	26.11%
Turner International Industries Inc.	New York, Estados Unidos	52.23%
Turner International LLC	New York, Estados Unidos	52.23%
Turner International Malaysia Sdn. Bhd.	Malasia	52.23%
Turner International Professional Services Ltd. (Ireland)	Irlanda	52.23%
Turner International Professional Services, S. de R.L. de C.V.	México	51.70%
Turner International Proje Yonetimi Ltd. Sti.	Turquía	52.23%
Turner International Pte. Ltd.	Singapur	52.23%
Turner International Support Services, S. de R.L. de C.V.	México	51.70%
Turner JLN JV (Lyndhurst Elementary)	Baltimore, Estados Unidos	36.56%
Turner Logistics Canada Ltd.	Toronto, Canadá	52.23%
Turner Logistics LLC	New Jersey, Estados Unidos	52.23%
Turner Management Consulting (Shanghai) Co. Ltd.	Shanghai, China	52.22%
Turner Partnership Holdings Inc.	New Brunswick, Canadá	52.23%
Turner Project Management India Pvt. Ltd.	India	52.22%
Turner Regency (Lakewood City Schools)	New York, Estados Unidos	26.64%
Turner Sabinal JV (SAISD 2010 Bond Program)	New York, Estados Unidos	41.78%
Turner Sanorubin JV (Health Alliance)	Albany, Estados Unidos	26.64%
Turner Southeast Europe d.o.o Beograd	Belgrado, Serbia	52.23%
Turner Surety & Insurance Brokerage Inc.	New Jersey, Estados Unidos	52.23%
Turner Vietnam Co. Ltd.	Vietnam	52.23%
Turner/Commercial/Mahogany Triventre (Exelon Baltimore)	Baltimore, Estados Unidos	25.59%
Turner/Con-Real (Terrell High School Academy)	Texas, Estados Unidos	30.29%
Turner/Con-Real (University of Arkansas)	Texas, Estados Unidos	26.64%
Turner/Flatiron JV	San Diego, Estados Unidos	52.23%
Turner/Ozanne (First Energy Stadium Modernization/Huntington Park Garage)	Ohio, Estados Unidos	39.69%
Turner/Ozanne/VAA (Cleveland Convention Center Hotel)	Ohio, Estados Unidos	26.64%
Turner-Flatiron JV (Denver International Airport)	Colorado, Estados Unidos	52.23%
Turner-Kiewit JV (GOAA South Airport)	Florida, Estados Unidos	31.34%
Turner-McKissack JV (HHC – FEMA Coney Island Hospital Campus Renovation)	New York, Estados Unidos	31.34%
Turner-PCL JV (LAX Midfield)	New York, Estados Unidos	26.11%
Turner-PCL JV (San Diego Airport)	San Diego, Estados Unidos	26.11%
Turner-SG Contracting (Hartfield Jackson)	Georgia, Estados Unidos	39.17%
Turner-Welty JV (Duke Energy Corp.)	North Carolina, Estados Unidos	31.34%
Universal Construction Company Inc.	Alabama, Estados Unidos	52.23%
West Coast Rail Constructors	San Marco, Estados Unidos	33.95%

Hochtief Asia Pacific

512 Wickham Street Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
512 Wickham Street Trust	Nueva Gales del Sur, Australia	41.04%
A.C.N. 126 130 738 Pty. Ltd.	Victoria, Australia	41.04%
A.C.N. 151 868 601 Pty. Ltd.	Victoria, Australia	41.04%
Arus Tenang Sdn. Bhd.	Malasia	41.04%
BCJHG Nominees Pty. Ltd.	Victoria, Australia	41.04%
BCJHG Trust	Victoria, Australia	41.04%
BIC Auto Service Centre LLC	Arabia Saudita	18.47%
Bic Contracting Llc.	Emiratos Arabes Unidos	18.47%
BIC Wooden Decor Products Manufacturing (LLC)	Emiratos Arabes Unidos	18.47%
Boggo Road Project Pty. Ltd.	Queensland, Australia	41.04%
Boggo Road Project Trust	Queensland, Australia	41.04%
Broad Construction Pty. Ltd.	Queensland, Australia	41.04%
Broad Construction Services (NSW/VIC) Pty. Ltd.	Western Australia, Australia	41.04%
Broad Construction Services (WA) Pty. Ltd.	Western Australia, Australia	41.04%
Broad Group Holdings Pty. Ltd.	Western Australia, Australia	41.04%
Building Infrastructure Contracting WLL	Catar	18.47%
CIMIC Admin Services Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
CIMIC Finance (USA) Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%

Subsidiaries

Company	Registered Office	% Effective Ownership
CIMIC Finance Ltd.	Nueva Gales del Sur, Australia	41,04%
CIMIC Group Investments No. 2 Pty. Ltd.	Victoria, Australia	41,04%
CIMIC Group Investments Pty. Ltd.	Victoria, Australia	41,04%
CIMIC Group Ltd.	Victoria, Australia	41,04%
CIMIC Residential Investments Pty. Ltd.	Victoria, Australia	41,04%
CM2A Finance Pty. Ltd.	Victoria, Australia	41,04%
CMENA No. 1 Pty. Ltd.	Victoria, Australia	41,04%
CMENA Pty. Ltd.	Victoria, Australia	41,04%
CPB Contractors (PNG) Ltd.	Papua Nueva Guinea	41,04%
CPB Contractors Pty. Ltd.	Nueva Gales del Sur, Australia	41,04%
CPB Contractors UGL Engineering JV	Victoria, Australia	41,04%
Curara Pty. Ltd.	Western Australia, Australia	41,04%
D.M.B. Pty. Ltd.	Queensland, Australia	24,21%
Dais Vic Pty. Ltd.	Victoria, Australia	41,04%
Devine Bacchus Marsh Pty. Ltd.	Queensland, Australia	24,21%
Devine Building Management Services Pty. Ltd.	Queensland, Australia	24,21%
Devine Constructions Pty. Ltd.	Queensland, Australia	24,21%
Devine Funds Pty. Ltd.	Victoria, Australia	24,21%
Devine Funds Unit Trust	Queensland, Australia	24,21%
Devine Homes Pty. Ltd.	Queensland, Australia	24,21%
Devine Land Pty. Ltd.	Queensland, Australia	24,21%
Devine Ltd.	Queensland, Australia	24,21%
Devine Management Services Pty. Ltd.	Queensland, Australia	24,21%
Devine Projects (VIC) Pty. Ltd.	Queensland, Australia	24,21%
Devine Queensland No. 10 Pty. Ltd.	Queensland, Australia	24,21%
Devine SA Land Pty. Ltd.	Queensland, Australia	24,21%
Devine Springwood No. 1 Pty. Ltd.	Nueva Gales del Sur, Australia	24,21%
Devine Springwood No. 2 Pty. Ltd.	Queensland, Australia	24,21%
DoubleOne 3 Pty. Ltd.	Queensland, Australia	24,21%
EIC Activities Pty. Ltd.	Victoria, Australia	41,04%
EIC Activities Pty. Ltd. (NZ)	Nueva Zelanda	41,04%
Giddens Investment Ltd.	Hongkong	41,04%
Gulf Leighton LLC \ UAE	Emiratos Arabes Unidos	18,47%
Hamilton Harbour Developments Pty. Ltd.	Queensland, Australia	32,83%
Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)	Victoria, Australia	32,83%
HOCHTIEF Asia Pacific GmbH	Essen, Alemania	52,23%
HOCHTIEF Australia Holdings Ltd.	Sydney, Australia	52,23%
Inspection Testing & Certification Pty. Ltd.	Western Australia, Australia	41,04%
Jarrah Wood Pty. Ltd.	Western Australia, Australia	41,04%
JH ServicesCo Pty. Ltd.	Victoria, Australia	41,04%
JHAS Pty. Ltd.	Victoria, Australia	41,04%
JHI Investment Pty. Ltd.	Victoria, Australia	41,04%
Kings Square Developments Pty. Ltd.	Queensland, Australia	41,04%
Kings Square Developments Unit Trust	Queensland, Australia	41,04%
Legacy JHI Pty. Ltd.	Victoria, Australia	41,04%
Leighton (PNG) Ltd.	Papua Nueva Guinea	41,04%
Leighton Asia (Hong Kong) Holdings (No. 2) Ltd.	Hongkong	41,04%
Leighton Asia Ltd.	Hongkong	41,04%
Leighton Asia Southern Pte. Ltd.	Singapur	41,04%
Leighton Companies Management Group LLC	Emiratos Arabes Unidos	20,11%
Leighton Contracting (Abu Dhabi) LLC	Emiratos Arabes Unidos	18,47%
Leighton Contractors (Asia) Ltd.	Hongkong	41,04%
Leighton Contractors (China) Ltd.	Hongkong	41,04%
Leighton Contractors (Indo-China) Ltd.	Hongkong	41,04%
Leighton Contractors (Laos) Sole Co. Ltd.	Laos	41,04%
Leighton Contractors (Malaysia) Sdn. Bhd.	Malasia	41,04%
Leighton Contractors (Philippines) Inc.	Filipinas	16,41%
Leighton Contractors Asia (Cambodia) Co. Ltd.	Camboya	41,04%
Leighton Contractors Inc.	Estados Unidos	41,04%
Leighton Contractors Infrastructure Nominees Pty. Ltd.	Victoria, Australia	41,04%
Leighton Contractors Infrastructure Pty. Ltd.	Victoria, Australia	41,04%
Leighton Contractors Infrastructure Trust	Victoria, Australia	41,04%
Leighton Contractors Lanka (Private) Ltd.	Sri Lanka	41,04%
Leighton Contractors Pty. Ltd.	Nueva Gales del Sur, Australia	41,04%
Leighton Engineering & Construction (Singapore) Pte. Ltd.	Singapur	41,04%
Leighton Engineering Sdn. Bhd.	Malasia	41,04%
Leighton Equity Incentive Plan Trust	Nueva Gales del Sur, Australia	41,04%
Leighton Foundation Engineering (Asia) Ltd.	Hongkong	41,04%
Leighton Group Property Services Pty. Ltd.	Victoria, Australia	41,04%
Leighton Harbour Trust	Queensland, Australia	41,04%
Leighton Holdings Infrastructure Nominees Pty. Ltd.	Victoria, Australia	41,04%
Leighton Holdings Infrastructure Pty. Ltd.	Victoria, Australia	41,04%
Leighton Holdings Infrastructure Trust	Victoria, Australia	41,04%
Leighton India Contractors Pvt. Ltd.	India	41,04%
Leighton Infrastructure Investments Pty. Ltd.	Nueva Gales del Sur, Australia	41,04%
Leighton International Ltd.	Cayman Islands, Reino Unido	41,04%
Leighton International Mauritius Holdings Ltd. No. 4	Mauricio	41,04%
Leighton Investments Mauritius Ltd. No. 4	Mauricio	41,04%
Leighton JV	Hongkong	41,04%
Leighton Middle East and Africa (Holding) Ltd.	Cayman Islands, Reino Unido	41,04%
Leighton Middle East Contracting LLC (KSA)	Omán	18,47%
Leighton Middle East LLC (Oman)	Catar	18,47%
Leighton Offshore Eclipse Pte. Ltd.	Singapur	41,04%
Leighton Offshore Faulkner Pte. Ltd.	Singapur	41,04%
Leighton Offshore Mynx Pte. Ltd.	Singapur	41,04%
Leighton Offshore Pte. Ltd.	Singapur	41,04%
Leighton Offshore Sdn. Bhd.	Malasia	41,04%
Leighton Offshore Stealth Pte. Ltd.	Singapur	41,04%
Leighton Portfolio Services Pty. Ltd.	Australian Capital Territory, Australia	41,04%
Leighton Projects Consulting (Shanghai) Ltd.	China	41,04%
Leighton Properties (Brisbane) Pty. Ltd.	Queensland, Australia	41,04%
Leighton Properties (VIC) Pty. Ltd.	Victoria, Australia	41,04%
Leighton Properties (WA) Pty. Ltd.	Nueva Gales del Sur, Australia	41,04%
Leighton Properties Pty. Ltd.	Queensland, Australia	41,04%
Leighton Services UAE Co. LLC	Emiratos Arabes Unidos	41,04%
Leighton Superannuation Pty. Ltd.	Nueva Gales del Sur, Australia	41,04%
Leighton U.S.A. Inc.	Estados Unidos	41,04%
LH Holdings Co. Pty. Ltd.	Victoria, Australia	41,04%
LMENA No. 1 Pty. Ltd.	Victoria, Australia	41,04%
LMENA Pty. Ltd.	Victoria, Australia	41,04%
LNWR Pty. Ltd.	Victoria, Australia	41,04%
LNWR Trust	Nueva Gales del Sur, Australia	41,04%
MTCT Services Pty. Ltd.	Western Australia, Australia	41,04%
Newest Metro Pty. Ltd.	Nueva Gales del Sur, Australia	41,04%

Subsidiaries

Company	Registered Office	% Effective Ownership
Nexus Point Solutions Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
Olympic Dam Maintenance Pty. Ltd.	South Australia, Australia	41.04%
Opal Insurance (Singapore) Pte. Ltd.	Singapur	41.04%
Optima Activities Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
Pacific Partnerships Holdings Pty. Ltd.	Victoria, Australia	41.04%
Pacific Partnerships Investments Pty. Ltd.	Victoria, Australia	41.04%
Pacific Partnerships Investments Trust	Victoria, Australia	41.04%
Pacific Partnerships Pty. Ltd.	Victoria, Australia	41.04%
Pacific Partnerships Services NZ Ltd.	Nueva Zelandia	41.04%
Pekko Engineers Ltd.	Hongkong	41.04%
Pioneer Homes Australia Pty. Ltd.	Queensland, Australia	24.21%
PT Leighton Contractors Indonesia	Indonesia	38.99%
RailFleet Maintenance Services Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
Regional Trading Ltd.	Hongkong	41.04%
Riverstone Rise Gladstone Pty. Ltd.	Queensland, Australia	24.21%
Riverstone Rise Gladstone Unit Trust	Queensland, Australia	24.21%
Sedgman Asia Ltd.	Hongkong	41.04%
Sedgman Botswana (Pty.) Ltd.	Botswana	41.04%
Sedgman Canada Ltd.	Canadá	41.04%
Sedgman Chile S.p.a.	Chile	41.04%
Sedgman Consulting Pty. Ltd.	Queensland, Australia	41.04%
Sedgman CPB JV (SCJV)	Queensland, Australia	41.04%
Sedgman Employment Services Pty. Ltd.	Queensland, Australia	41.04%
Sedgman Engineering Technology (Beijing) Co. Ltd.	China	41.04%
Sedgman International Employment Services Pty. Ltd.	Queensland, Australia	41.04%
Sedgman Malaysia Sdn. Bhd.	Malasia	41.04%
Sedgman Mozambique Ltda.	Mozambique	41.04%
Sedgman Operations Employment Services Pty. Ltd.	Queensland, Australia	41.04%
Sedgman Operations Pty. Ltd.	Queensland, Australia	41.04%
Sedgman Projects Employment Services Pty. Ltd.	Queensland, Australia	41.04%
Sedgman Pty. Ltd.	Queensland, Australia	41.04%
Sedgman SAS (Colombia)	Colombia	41.04%
Sedgman South Africa (Proprietary) Ltd.	Sudáfrica	41.04%
Sedgman South Africa Holdings (Proprietary) Ltd.	Sudáfrica	41.04%
Sedgman USA Inc.	Estados Unidos	41.04%
Silverton Group Pty. Ltd.	Western Australia, Australia	41.04%
Sustaining Works Pty. Ltd.	Queensland, Australia	41.04%
Talcliff Pty. Ltd.	Queensland, Australia	24.21%
Tambala Pty. Ltd.	Mauricio	41.04%
Tasconnect Finance Pty. Ltd.	Victoria, Australia	41.04%
Telecommunication Infrastructure Pty. Ltd.	Victoria, Australia	41.04%
Thai Leighton Ltd.	Tailandia	41.04%
Think Consulting Group Pty. Ltd.	Victoria, Australia	41.04%
Townsville City Project Pty. Ltd.	Nueva Gales del Sur, Australia	32.83%
Townsville City Project Trust	Queensland, Australia	32.83%
Trafalgar EB Pty. Ltd.	Queensland, Australia	24.21%
Trafalgar EB Unit Trust	Queensland, Australia	24.21%
Tribune SB Pty. Ltd.	Queensland, Australia	24.21%
Tribune SB Unit Trust	Queensland, Australia	24.21%
UGL (Asia) Sdn. Bhd.	Malasia	41.04%
UGL (NZ) Ltd.	Nueva Zelandia	41.04%
UGL (Singapore) Pte. Ltd.	Singapur	41.04%
UGL Engineering Pty. Ltd.	Queensland, Australia	41.04%
UGL Engineering Pvt. Ltd.	India	41.04%
UGL Operations and Maintenance (Services) Pty. Ltd.	Queensland, Australia	41.04%
UGL Operations and Maintenance Pty. Ltd.	Victoria, Australia	41.04%
UGL Pty. Ltd.	Western Australia, Australia	41.04%
UGL Rail (North Queensland) Pty. Ltd.	Queensland, Australia	41.04%
UGL Rail Fleet Services Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
UGL Rail Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
UGL Rail Services Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
UGL Regional Linx Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
UGL Resources (Contracting) Pty. Ltd.	Victoria, Australia	41.04%
UGL Resources (Malaysia) Sdn. Bhd.	Malasia	41.04%
UGL Unipart Rail Services Pty. Ltd.	Victoria, Australia	28.73%
UGL Utilities Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
United Goninan Construction Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
United Group Infrastructure (NZ) Ltd.	Nueva Zelandia	41.04%
United Group Infrastructure (Services) Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
United Group International Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
United Group Melbourne Transport Pty. Ltd.	Victoria, Australia	41.04%
United Group Water Projects (Victoria) Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
United Group Water Projects Pty. Ltd.	Victoria, Australia	41.04%
United KG (No. 1) Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
United KG (No. 2) Pty. Ltd.	Victoria, Australia	41.04%
United KG Construction Pty. Ltd.	Australian Capital Territory, Australia	41.04%
United KG Engineering Services Pty. Ltd.	Victoria, Australia	41.04%
United KG Maintenance Pty. Ltd.	Nueva Gales del Sur, Australia	41.04%
Wai Ming M&E Ltd.	Hong Kong	41.04%
Western Port Highway Trust	Victoria, Australia	41.04%

Hochtief Europe

A.L.E.X.-Bau GmbH	Essen, Alemania	52.23%
BePo Hessen Bewirtschaftung GmbH	Essen, Alemania	52.23%
Constructora Cheves S.A.C.	Lima, Peru	33.95%
Deutsche Bau- und Siedlungs-Gesellschaft mbH	Essen, Alemania	52.23%
Deutsche Baumanagement GmbH	Essen, Alemania	52.23%
Dicentra Copernicus Roads Sp. z o.o.	Varsovia, Polonia	52.23%
forum am Hirschgarten Nord GmbH & Co. KG	Essen, Alemania	52.23%
forum am Hirschgarten Süd GmbH & Co. KG	Essen, Alemania	52.23%
HOCHTIEF (UK) Construction Ltd.	Swindon, Gran Bretaña	52.23%
HOCHTIEF Bau und Betrieb GmbH	Essen, Alemania	52.23%
HOCHTIEF BePo Hessen GmbH	Essen, Alemania	52.23%
HOCHTIEF Construction Austria GmbH & Co. KG	Viena, Austria	52.23%
HOCHTIEF Construction Chilena Ltda.	Santiago de Chile, Chile	52.23%
HOCHTIEF Construction Management Middle East GmbH	Essen, Alemania	52.23%
HOCHTIEF CZ a.s.	Praga, República Checa	52.23%
HOCHTIEF Development Czech Republic s.r.o.	Praga, República Checa	52.23%
HOCHTIEF Development Hungary Kft.	Budapest, Hungría	52.23%
HOCHTIEF Development Poland Sp. z o.o.	Varsovia, Polonia	52.23%
HOCHTIEF Engineering GmbH	Essen, Alemania	52.23%
HOCHTIEF Infrastructure GmbH	Essen, Alemania	52.23%
HOCHTIEF LINXS Holding LLC	Wilmington, Estados Unidos	52.23%

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

Subsidiaries

Company	Registered Office	% Effective Ownership
HOCHTIEF OBK Vermietungsgesellschaft mbH	Essen, Alemania	52.23%
HOCHTIEF Offshore Crewing GmbH	Essen, Alemania	52.23%
HOCHTIEF Operators Holding	Wilmington, Estados Unidos	52.23%
HOCHTIEF OPP Projektgesellschaft mbH	Essen, Alemania	52.23%
HOCHTIEF Polska S.A.	Varsovia, Polonia	52.23%
HOCHTIEF PPP Europa GmbH	Essen, Alemania	52.23%
HOCHTIEF PPP Operations Austria GmbH	Viena, Austria	52.23%
HOCHTIEF PPP Operations GmbH	Essen, Alemania	52.23%
HOCHTIEF PPP Schulpartner Braunschweig GmbH	Braunschweig, Alemania	52.23%
HOCHTIEF PPP Solutions (Ireland) Ltd.	Dublin, Irlanda	52.23%
HOCHTIEF PPP Solutions (UK) Ltd.	Swindon, Gran Bretaña	52.23%
HOCHTIEF PPP Solutions GmbH	Essen, Alemania	52.23%
HOCHTIEF PPP Solutions Netherlands B.V.	Vianen, Países Bajos	52.23%
HOCHTIEF PPP Solutions North America Inc.	Wilmington, Estados Unidos	52.23%
HOCHTIEF PPP Transport Westeuropa GmbH	Essen, Alemania	52.23%
HOCHTIEF Presidio Holding LLC	Wilmington, Estados Unidos	52.23%
HOCHTIEF Projektentwicklung „Helfmann Park“ GmbH & Co. KG	Essen, Alemania	52.23%
HOCHTIEF Projektentwicklung GmbH	Essen, Alemania	52.23%
HOCHTIEF SK s.r.o.	Bratislava, Eslovaquia	52.23%
HOCHTIEF Solutions AG	Essen, Alemania	52.23%
HOCHTIEF Solutions Middle East Qatar W.L.L.	Doha, Qatar	25.59%
HOCHTIEF Solutions Real Estate GmbH	Essen, Alemania	52.23%
HOCHTIEF Solutions Saudi Arabia LLC	Al-Khobar, Arabia Saudi	29.59%
HOCHTIEF Trade Solutions GmbH	Essen, Alemania	52.23%
HOCHTIEF U.S. Holdings LLC	Wilmington, Estados Unidos	52.23%
HOCHTIEF ViCon GmbH	Essen, Alemania	52.23%
HOCHTIEF ViCon Qatar W.L.L.	Doha, Qatar	25.59%
HTP Immo GmbH	Essen, Alemania	52.23%
I.B.G. Immobilien- und Beteiligungsgesellschaft Thüringen-Sachsen mbH	Essen, Alemania	52.23%
LOFTWERK Eschborn GmbH & Co. KG	Essen, Alemania	52.23%
Maximiliansplatz 13 GmbH & Co. KG	Essen, Alemania	52.23%
MK 1 Am Nordbahnhof Berlin GmbH & Co. KG	Essen, Alemania	52.23%
Perlo Sp. z o.o.	Varsovia, Polonia	52.23%
Project Development Poland 3 B.V.	Amsterdam, Países Bajos	52.23%
Project SP1 Sp. z o.o.	Varsovia, Polonia	52.23%
Projektgesellschaft Börsentor Frankfurt GmbH & Co. KG	Essen, Alemania	52.23%
Projektgesellschaft Konrad-Adenauer-Ufer Köln GmbH & Co. KG	Essen, Alemania	52.23%
Projektgesellschaft Marco Polo Tower GmbH & Co. KG	Hamburg, Alemania	36.56%
Raststätten Betriebs GmbH	Viena, Austria	52.23%
Spiegel-Insel Hamburg GmbH & Co. KG	Essen, Alemania	52.23%
synexs GmbH	Essen, Alemania	52.23%
Tivoli Garden GmbH & Co. KG	Essen, Alemania	52.23%
Tivoli Office GmbH & Co. KG	Essen, Alemania	52.23%
TRINAC GmbH	Essen, Alemania	52.23%
TRINAC Polska Sp. z o.o.	Varsovia, Polonia	52.23%

INDUSTRIAL SERVICES

ACS Servicios Comunicaciones y Energía, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
ACS Industrial Services, LLC.	2800 Post Oak Blvd, Suite 5858 Houston, TX 77056. Estados Unidos.	100,00%
ACS Perú	Av. Victor Andres Belaunde N° 887 - Carmen de la Legua, Callao	100,00%
ACS Servicios Comunicac y Energía de México SA CV	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	100,00%
Actividades de Instalaciones y Servicios, Cobra, S.A.	Calle 93 nº 11A, OFC203 . Bogotá. Colombia.	100,00%
Actividades de Servicios e Instalaciones Cobra, S.A.	Avenida Petapa 46-11, Zona 12 Guatemala Ciudad. Guatemala	100,00%
Actividades de Servicios e Instalaciones Cobra, S.A.	Avda. Amazonas 3459-159 e Iñaquito Edificio Torre Marfil. Oficina 101. Ecuador	100,00%
Actividades y Servicios, S.A.	Araoz, 1051. Caba. Argentina.	100,00%
Agadirver	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74,54%
Alabastro Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Albatros Logistic, Maroc, S.A.	Rue Ibnou El Coutia. Lotissement At Tawfiq hangar 10 Casablanca.Marruecos	75,00%
Albatros Logistic, S.A.	C/ Franklin 15 P.I. San Marcos 28906 Getafe. Madrid. España.	100,00%
Alcañiz Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Aldebarán S.M.E., S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Alfrani, S.L.	Avenida de Manoteras nº 6, segunda planta, 28050, Madrid. España.	100,00%
Algarmo S.R.L.	Via Uberto Visconti Di Modrone 3.Milan. Italia.	100,00%
Alianz Petroleum S de RL de CV	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	100,00%
Andarrios	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Apadil Armad. Plást. y Acces. de Iluminación, S.A.	E.N. 249/4 Km 4.6 Trajouce. São Domingos de Rana. 2775. Portugal	100,00%
API Fabricación, S.A.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
API Movilidad, S.A.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
Area de Agra	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Arenas Fotovoltaico Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Arenas Solar, S.A.	Luis Alberto de Herrera 1052. Oficina 1402. Montevideo. Uruguay.	100,00%
Argencobra, S.A.	Araoz, 1051. Caba. Argentina.	100,00%
Asistencia Offshore, S.A.	Bajo de la Cabezueta. s/n.11510 Puerto Real. Cadiz. España.	100,00%
ASON Electrónica Aeronautica, S.A.	Cardenal Marcelo Spinola, 10.28016 Madrid. España	100,00%
Atil-Cobra, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Audeli, S.A.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
Avanzia Energia, S.A. de C.V.	Jose Luis Lagrange 103, P 8, Colonia Polanco 1 Seccion, Miguel Hidalgo CP 11510. Méjico D.F.. México.	100,00%
Avanzia Exploración y Producción, S.A. de C.V.	José Luis Lagrange, 103. México DF. México.	100,00%
Avanzia Ingeniería, S. A. de C. V.	C/José Luis Lagrange, 103 - Miguel Hidalgo. México.	100,00%
Avanzia Instalaciones S.A. de C.V.	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	100,00%
Avanzia Operaciones S.A. de C.V.	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	100,00%
Avanzia Recursos Administrativos, S.A. de C.V.	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	100,00%
Avanzia S.A de C.V.	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	100,00%
Avanzia Sistemas, S.A. de C.V.	José Luis Lagrange, 103. Méjico D.F. México.	100,00%
Avanzia Soluciones y Movilidad, S.A. de C.V.	José Luis Lagrange, 103. Méjico D.F. México.	100,00%
B.I. Josebeso, S.A.	Pz Venezuela. Torre Phelps s/n. 1050 Caracas. Venezuela.	82,80%
Belwood Spain, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Biorio, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal.	74,54%
Bonete Fotovoltaica 1, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Bow Power Invest, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Bow Power Sudáfrica (Pty) Ltd.	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburg. Sudáfrica.	100,00%
Brisa Esparsa - Energias Renováveis Unipessoal, Lda.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo.. Oeiras. Portugal.	74,54%
Bruma Energy	Hamburgo, 213. Planta 15. Colonia Juárez, CP 06600. Ciudad de Méjico. México.	100,00%
Bruma Energy invest, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Caliza Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Cantarranas Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
CCR Platforming Cangrejera S.A. de C.V.	José Luis Lagrange, 103 8º.Los Morales Polanco. México.	75,00%
Central Solar Termoelectrica Cáceres, S.A.U.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%

Subsidiaries

Company	Registered Office	% Effective Ownership
Centro de Control Villadiego, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
CIS-WRC, LLC	2800 Post Oak Boulevard Suit 5858.Houston, Texas 77056. Estados Unidos.	53,00%
CM- Construções, Ltda.	Rua, XV de Novembro 200, 14º Andar San Paulo. Brasil CPE 01013-000	74,54%
Cme Angola, S.A.	Av. 4 de Fevereiro, 42.Luanda. Angola.	74,54%
CME Cabo Verde, S.A.	Achada Santo António.Praia. Cabo Verde.	74,54%
CME Perú, S.A.	Av. Víctor Andrés Belaunde 395. San Isidro.Lima.Perú.	74,54%
CME Southern Africa do Sul	Sudáfrica	74,54%
Cobra Asia Pacific PTY Ltda	Level 1, 181 Bay Street Brighton Vic 3186, Australia.	100,00%
Cobra Azerbaijani LLC	AZ 1065, Yasamal district, Murtuva Muxtarov St. 203 "A", ap 37.. Bakú. Azerbaijani.	100,00%
Cobra Bolivia, S.A.	Rosendo Gutierrez, 686 Sopocachi. Bolivia	100,00%
Cobra Brasil Construções, S.A.	Avda. Marechal Camera, 160 Sala 323.Rio de Janeiro. Brasil.	100,00%
Cobra Brasil Servicos, Comunicações e Energia, S.A.	Avda. Marechal Camera 160, sala 1808.Rio de Janeiro. Brasil.	100,00%
Cobra Chile Servicios S.A.	Los Militares 5885, Piso 10, Las Condes, Santiago de Chile. Chile	100,00%
Cobra Concesiones Brasil, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Concesiones, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Cobra Cote D'Ivoire Sarl	Rue Cannebiere Residence Santa Maria, Lot 96 section CE P 416 Coody Danga. Abidjan. Costa de Marfil.	100,00%
Cobra Energy Investment Finance, LLC	2800 Post Oak Blvd, Suite 5858 Houston, TX 77056. Estados Unidos.	100,00%
Cobra Energy Investment, LLC.	2800 Post Oak Blvd, Suite 5858 Houston, TX 77056. Estados Unidos.	100,00%
Cobra Energy, Ltd	60 Solonos street, Atenas. Grecia	100,00%
Cobra Georgia, LLC.	Old Tbilisi Region, 27/9 Brother Zubalashvili Street. Georgia	100,00%
Cobra Gestión de Infraestructuras, S.A.U	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Gestión Infraestructuras Internacional, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Cobra Great Island Limited	160 Shelbourne Road Ballbridge. Dublin. Irlanda/Irlanda Dublin.	100,00%
Cobra Industrial Services, LLC	Yeda. Arabia Saudita.	100,00%
Cobra Industrial Japan, Co Ltd.	Hulic, New shinbashi, 602 2 -11 - 10, shinbashi, minato-ku. Tokio.Japon	100,00%
Cobra Industrial Services Pty	15 alice Lane 9 floor. Morningside Gauteng 2196 Johannesburg. Sudáfrica.	100,00%
Cobra Industrial Services, Inc.	3511 Silverside road.Wilmington Delaware. Estados Unidos.	100,00%
Cobra Infraestructuras Hidráulicas Peru, S.A.	Av. Amador Merino Reyna. Lima. Perú.	100,00%
Cobra Infraestructuras Hidráulicas, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Infraestructuras Internacional, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Instalaciones y Servicios India PVT	1st Floor, Malhan One, Sunlight Colony, Ashram. India	100,00%
Cobra Instalaciones y Servicios Internacional, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Instalaciones y Servicios Malaysia SDN BHD	Jalan Bangsar Utama,1 5900. Kuala Lumpur. Malasia.	100,00%
Cobra Instalaciones y Servicios República Dominicana	Av. Gustavo Mejía Ricart, esq. Abraham Lincoln 102. Piso 10 (Local 1002), Plantini, Santo Domingo.	100,00%
Cobra Instalaciones y Servicios, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Instalações y Servicios, Ltda.	Rua Uruguai, 35. Porto Alegre, Rio Grande do Sul. Brasil.	100,00%
Cobra Msa Ltd.	Los Militares 5885, Piso 10, Las Condes, Santiago de Chile. Chile	100,00%
Cobra Oil & Gas, S.L.U.	Cardenal Marcelo Spinola, 8 1º dcha. 28016. Madrid. España.	100,00%
Cobra Perú, S.A.	Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Perú	100,00%
Cobra Proyectos Singulares, S.A.	Araoz, 1051. Caba. Argentina	100,00%
Cobra Railways UK Limited	Vintlage Yard 59-63 Bermondsey Street. Londres. Reino Unido.	100,00%
Cobra Servicios Auxiliares, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Sistemas de Seguridad, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Cobra Sistemas y Redes, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Cobra Sweden AB	Norrullsgatan 6. Estocolmo. Suecia.	100,00%
Cobra Tedaqua Contracting LLC	P.O. Box 2991 PC 112 Ruwi. Al-Duqm. Omán.	100,00%
Cobra Thermosolar Plants, Inc.	7380 West Sahara Avenue, Suite 160 Las Vegas, Nevada, 89117. Estados Unidos.	100,00%
Cobra Wind Intenacional, Ltd	Johnston Carmichael. Dirección: Cashroom, Commerce House, South Street, Elgin IV30 1JE. Escocia	100,00%
Codehon Instalaciones y Servicios S de RL	Colonia Tres Caminos, Boulevard Suyapa, Edificio Florencia 4to Nivel, Cubiculo 407, Tegucigalpa , Honduras	100,00%
Cogeneración Cadereyta S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	100,00%
COICISA Industrial, S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	60,00%
Coinsal Instalaciones y Servicios, S.A. de C.V.	Residencial Palermo, Pasaje 3, polígono G Casa #4 San Salvador, El Salvador	100,00%
Coinsmar Instalaciones y Servicios, SARLAU	210 Boulevard Serketouni Angle Boulevard Roudani nº 13, Maarif 2100. Casablanca. Marruecos	100,00%
Comercial y Servicios Larco Medellín S.A.	Calle 93 nº 11A, OFC203 . Bogotá. Colombia.	100,00%
Concesionaria Angostura Siguas, S.A.	Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Lima.Perú	100,00%
Concesionaria Desaladora del Sur, S.A.	Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Lima.Perú	100,00%
Consortio Especializado Medio Ambiente, S.A.de C.V	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	60,00%
Consortio Makim	Calle Bolívar, 270 INT. 501 Urb.Leuro. Lima. Perú.	100,00%
Consortio Ofiteco Geoandina	Cra 25 N.96 81. Oficina 203.Bogota . Colombia.	60,00%
Consortio Saneamiento INCA	Avenida Mariscal la Mar, 638. Lima. Perú.	51,00%
Consortio Santa María	Avenida Mariscal la Mar, 638. Lima. Perú.	99,00%
Consortio Sice Disco	Cra 25 N.96 81. Oficina 203.Bogota . Colombia.	50,00%
Consortio Tráfico Urbano de Medellín	Cra 12 Nº 96-81 Of 203. Bogotá. Colombia.	100,00%
Consortio Tunel del Mar	Cra.12 Nº 96-81 Of. 203.Colombia. Bogotá.	50,00%
Construção e Manutenção Electromecânica S.A. (CME)	Rua Rui Teles Palhinha 4 Leirão 2740-278 Porto Salvo. Portugal	74,54%
Construcciones de las Conducciones, S.A.U. (Cotronic)	Avda. de Manoterias, 26 28050 Madrid. España.	100,00%
Constructora Las Pampas de Siguas, S.A.	Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Lima.Perú	100,00%
Control y Montajes Industriales Cymi Chile, Ltda.	C/Apoquindo 3001 Piso 9.206-744 Las Condes. Santiago de Chile. Chile.	100,00%
Control y Montajes Industriales CYMI, S.A.	C/Vía de los Poblados 9-11.28033 Madrid. España.	100,00%
Control y Montajes Industriales de Méjico, S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	100,00%
Conyblox Proprietary Limited	9th Floor, The Towers, 15 Alice Lane Sandton.Johannesburgo. Sudáfrica.	65,00%
Conyceto Pty Ltd.	9th Floor, The Towers, 15 Alice Lane Sandton.Johannesburgo. Sudáfrica.	78,00%
Cosersa, S.A.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
Crescent Dunes Finance, Inc.	251 Little Falls Drive, Wilmington, Delaware 19808. County of New Castle. Estados Unidos.	100,00%
Crescent Dunes Investment, LLC	251 Little Falls Drive, Wilmington, Delaware 19808. County of New Castle. Estados Unidos.	100,00%
Culmore Invest, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Cuyabenopetro, S.A.	Av. Pampite S/N y Simón Valenzuela, Edificio Yoo, Piso 5, Oficina 517 Quito, Ecuador	100,00%
Cymi Brasil, S.L.	Cardenal Marcelo Spinola, 10 28016 Madrid. Madrid. España.	100,00%
Cymi Canadá. INC.	1920 Yonge Street, Suite 272 Toronto, M4S3E2. Ontario. Canadá.	100,00%
Cymi Construções e Paticipações, S.A.	Av. Presidente Wilson 231, sala 1701 20030-021 Centro. Rio de Janeiro. Brasil	100,00%
Cymi DK, LLC	1235 North Loop W. Suite 1020 TX 77008. Houston. Estados Unidos	100,00%
Cymi do Brasil, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-021 Centro. Rio de Janeiro. Brasil	100,00%
Cymi Industrial INC.	1235 North Loop W. Suite 1020 TX 77008. Houston. Estados Unidos	100,00%
Cymi Mejico Sc, S.A. de C.V.	José Luis Lagrange, 103 8º. Los Morales. México DF. México.	100,00%
Cymi Seguridad, S.A.	Avda Manoterias 26 4 planta 28050 Madrid. Madrid. España.	100,00%
Cymi Tech Soluções e Sistemas Ltda	Av. Presidente Wilson 231, sala 1701 20030-021 Centro. Rio de Janeiro. Brasil	100,00%
Cymimasa, S.A.	Avda República de El Salvador 1084. Quito. Ecuador.	100,00%
Dankocom Pty Ltd	9th Floor, The Towers, 15 Alice Lane Sandton.Johannesburgo. Sudáfrica.	52,00%
Desarrollo Informático, S.A.	Avda. de Santa Eugenia, 6. 28031 Madrid. España	100,00%
Desarrollos Energéticos Asturianos, S.L.	Pol.Industrial Las Merindades calle B, s/n. 09550 Villarcayo. Burgos. España.	100,00%
Dimática, S.A.	C/ Saturnino Calleja, 20. 28002 Madrid. España	100,00%
Dirdam Luz S.L	C/Vía de los Poblados 9-11.28033. Madrid. España.	55,00%
Donley Invest, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Dragados Construc. Netherlands, S.A.	Claude Debussylaan 24, 1082 MD Amsterdam. Holanda.	100,00%
Dragados Gulf Construction, Ltda.	P. O Box 3947 Al Khobar 31942. Arabia Saudí.	100,00%
Dragados Industrial, S.A.U.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Dragados Industrial Algeria S.P.A.	Lotissement Parc Hydra.Rue du Bois 18 Lot 189/7. Hydra-Argel. Argelia.	100,00%

Subsidiaries

Company	Registered Office	% Effective Ownership
Dragados Industrial Canadá, Inc.	620 Rene Levesque West Suite 1000 H3B 1 N7 Montreal. Quebec. Canadá	100,00%
Dragados Offshore de Méjico, S.A. de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510 México D.F.	100,00%
Dragados Offshore USA, Inc.	One Riverway, Suite 1700.77056 Texas. Houston. Estados Unidos.	100,00%
Dragados Offshore, S.A.	Bajo de la Cabezueta, s/n. 11510 Puerto Real. Cádiz. España	100,00%
Dragados Proyectos Industriales de Méjico, S.A. de C.V.	C/ Jose Luis Lagrange, 103 Piso 8. Los Morales Polanco.11510 México DF. México.	100,00%
Dunas Solar Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Dyctel Infraestructura de Telecomunicações, Ltda.	C/ Rua Riachuelo, 268, 90010 Porto Alegre. Brasil	100,00%
Dyctel Infraestructuras de Telecomunicaciones, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. España	100,00%
Ecisa Sice Spa	Av. De Vitacura, 2670. Oficina 702.Las Condes. Santiago de Chile. Chile.	50,00%
Ecocivil Electromur G.E., S.L.	C/ Paraguay, Parcela 13/3. 30169 San Ginés. Murcia. España	100,00%
Electren UK Limited	Regina House 1-5 Queen Street.Londres. Reino Unido.	100,00%
Electren USA Inc.	500 Fifth Avenue, 38th floor.Nueva York 10110. Estados Unidos.	100,00%
Electrén, S.A.	Avda. del Brasil, 6. 28020 Madrid. España	100,00%
Electricidad Eleia, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Electromur, S.A.	Carretera del Palmar, nº 530. Murcia. España	100,00%
Electronic Traffic, S.A.	C/ Tres Forques, 147. 46014 Valencia. España	100,00%
Electronic Traffic de México, S.A. de C.V.	Melchor Ocampo 193 Torre C Piso 14D. Veronica Anzures . D.F. 11300. México.	100,00%
Elmocode (Pty) Ltd	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Elmocot (Pty) Ltd	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Elmovert (Pty) Ltd	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Emplogest, S.A.	Rua Alfredo Trindade, 4 Lisboa. 01649 Portugal	98,21%
Emurtel, S.A.	Carretera del Palmar, nº 530. Murcia. España	100,00%
Enclavamientos y Señalización Ferroviaria Enyse, S.A.U.	C/ de Valportillo II, 8 BIS, Pol. Ind. 28108 Alcobendas. Madrid. España	100,00%
Enelec, S.A.	Av. Marechal Gomes da Costa 27. 1800-255 Lisboa. Portugal	100,00%
Energia e Sust. Do Brasil, S.A.	Avda. Marechal Camera, 160. Rio de Janeiro. Brasil.	100,00%
Energía y Recursos Ambientales de Perú, S.A.	Amador Merino Reyna, 267.Lima. Perú.	100,00%
Energía y Recursos Ambientales Internacional, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. España.	100,00%
Energía y Servicios Dinsa I, S.L.	Bajo de la Cabezueta, s/n.11510 Puerto Real. Cádiz. España.	100,00%
Energía y Servicios Dinsa II, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Energía y Servicios Dinsa III, S.L.U.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Energías Renovables Andorranas, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. España.	75,00%
Engemisa Engenharia Limitada	Avda. Marechal Camera, 160 Sala 323.Rio de Janeiro. Brasil.	100,00%
Enipro, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74,54%
Entrepinos Solar	Cardenal Marcelo Spinola, 4 1ªDcha 28016. Madrid. España.	100,00%
Eolfi Greater China Co.,Ltd.	N 6, Sec 4, Xinyi Rd, Da An Dist., Taipei. China.	90,00%
EPC Ciclo Combinado Norte, S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	100,00%
EPC Plantas Fotovoltaicas Lesedi y Letsatsi, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. España	84,78%
Equipos de Señalización y Control, S.A.	C/ Severino Covas, 100. Vigo. Pontevedra. España	100,00%
Etra Bona, S.A.	C/ Mercuri, 10-12. Cornellá de Llobregat. Barcelona. España	100,00%
Etra Deutschland GmbH	Königsallee 92 a, D-40212 Düsseldorf. Düsseldorf. Alemania.	100,00%
Etra France S.A.S.	114 Bis Sur Michel Ange. Paris. Francia.	100,00%
Etra Interandina, S.A.	C/ 100, nº 8A-51, Of. 610 Torre B. Santafe de Bogota. Colombia	100,00%
Etra Investigación y Desarrollo, S.A.	C/ Tres Forques, 147. 46014 Valencia. España	100,00%
Etrabras Mobilidade e Energia Ltda.	Av. Marechal Camara, 160, Sala 1619. 20020-080 Centro.Rio de Janeiro. Brasil.	100,00%
Etracontrol, S.L.	Av. Manóteras, 28.28050 Madrid. España.	100,00%
Etralux, S.A.	C/ Tres Forques, 147. 46014 Valencia. España	100,00%
Etranorte, S.A.	C/ Errerruena, pab. G. P.I. Zabalondo. Munquia. Vizcaya. España	100,00%
Fairview Investment, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Fides Acerca Facility Services, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Fides Facility Services, S.A.	Amador Merino Reyna,267 Oficina 902. Distrito de San Isidro. Lima Perú.	100,00%
Fides Facility Services, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Fides Hspalia Servicios Generales, S.L.	Astronomia, 1., 41015 Sevilla., España.	100,00%
Firefly Investments 261	9th Floor, The Towers, 15 Alice Lane Sandton.Johannesburgo. Sudáfrica.	78,00%
Fotovoltaica Alcor Requena, S.L.	Naciones, 10, Planta 0. Madrid. España.	100,00%
Fotovoltaica Casiopea Requena, S.L.	Naciones, 10, Planta 0. Madrid. España.	100,00%
France Semi, S.A.	20/22 Rue Louis Armand rdc. 75015 Paris. Francia.	100,00%
Geida Beni Saf, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Gercobra GMBH, S.L.	Am Treptower Park 75, 12435 Berlin. Alemania	100,00%
Gerovitae La Guancha, S.A.	C/ Solitica, s/n 38840 La Guancha. Santa Cruz de Tenerife. España.	100,00%
Gestão de Negócios Internacionais SGPS, S.A.	Rua Rui Teles Palhinha 4 - 3º Lei o 2740-278.Porto Salvo. Portugal.	74,54%
Gestión Inteligente de Cargas, S.L.	Cardenal Marcelo Spinola 10. Madrid 28016. España.	100,00%
Golden State Environmental Tedagua Corporation, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Grafic Planet Digital, S.A.U.	C/ Chile 25, P.I. Azque, 28.806 Alcalá de Henares. Madrid. España.	100,00%
Grazigystix Pty Ltd	9th Floor, The Towers, 15 Alice Lane Sandton.Johannesburgo. Sudáfrica.	65,00%
Grupo Cobra East Africa Limited	Loita street.P.O. Box 9539. Nairobi. Kenia.	100,00%
Grupo Cobra South Africa Proprietary Limited	9th Floor, The Towers, 15 Alice Lane Sandton.Johannesburgo. Sudáfrica.	100,00%
Grupo Inesapi S.L.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
Grupo Maessa Saudi Arabia LTD	Khobar -31952 P.O. Box 204. Arabia Saudi	100,00%
Hidalgo Parque Eólico	Hamburgo, 213, Planta 15, Colonia Juárez, CP 06600. Ciudad de Méjico. México.	100,00%
Hidalgo Parque Eólico Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Hidráulica del Chiriquí, S.A.	Calle 50, Edificio F & F Tower, Oficina 27A Panamá, Panamá	100,00%
Hidráulica Río Piedra, S.A.	Calle 50, Edificio F & F Tower, Oficina 27A Panamá, Panamá	100,00%
Hidrogestión, S.A.	Avda. Manóteras, 28. Madrid. España	100,00%
Hidrolazan, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Hiez Hornidurak, Instalazioak eta Zerbitzuak, S.A.	Ctra. Bilbao-Plentzia, 17 Parque A.E.Asuaran. edif.Artxanda 48950 Asua-Erandio. Bizkaia. España.	100,00%
Humiclíma Adbidjan	01 BP 5754. Adbijan. Costa de Marfil.	100,00%
Humiclíma Barbados, Ltd	Palm Court, 28 Pine Road. Belleville. St Michael. Barbados.	100,00%
Humiclíma Caribe Cpor A.Higüey	Avda. Guyacanes s/n .Bavaro. República Dominicana	100,00%
Humiclíma Est Benin	Quartier Boulevard Saint Michel, 72. Benin.	100,00%
Humiclíma Est, S.A.	Gran Vía Asima,29. Palma de Mallorca. España.	100,00%
Humiclíma Guadalupe, SAS	Chez Buro Club Imm sinkel 1 3617 Bal Houelbourg 97122 . Baie Mahault. Guadalupe. Francia.	100,00%
Humiclíma Haití, S.A.	Avda. Guyacanes s/n .Bavaro. República Dominicana (Oficina Humiclíma Caribe)	99,98%
Humiclíma Jamaica Limited	Shoop #17 & 18 The Soopping Village Half Moon, Rose Hall, Montego Bay. Jamaica	100,00%
Humiclíma México, S.A. de C.V.	Carretera Federal Cancún-Tulum, Edificio Terramar Loc, 22,23 y 24 Playa del Carmen, Quintana Roo. México	100,00%
Humiclíma Panamá, S.A.	Calle Bella Vista, Edificio Commercial Park. Apartamento D24. Panamá.	100,00%
Humiclíma St Lucia, Ltd	Pointe Seraphine Castrie. Santa Lucia.	100,00%
Hummansrus I	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Hummansrus II	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Hydro Management, S.L.	Avda.Teneniente General Gutierrez Mellado, 9. 30008 Murcia. España	79,63%
Iberoamericana de Hidrocarburos CQ Explorac&Produc S.A.S.	93 11A Capital Park. Bogotá. Colombia.	52,58%
Iberoamericana de Hidrocarburos, S.A. de C.V.	José Luis Lagrange, 103.. Méjico D.F.. México.	87,63%
Iberoamericana Hidrocarb CQ Explorac & Produc, S.A C.V.	José Luis Lagrange, 103.. Méjico D.F.. México.	52,58%
Ictio Solar Orión, S.L.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
Ictio Solar Perseus, S.L.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
Imapex S.A de C.V	José Luis Lagrange, 103. Ciudad de Mexico. México.	100,00%

Subsidiaries

Company	Registered Office	% Effective Ownership
ImesAPI Maroc	Rue Ibnou El Coutia. Lotissement At Tawfiq hangar 10. Casablanca. Marruecos.	100,00%
Imesapi S.A.C	Calle Arias Araguez Urb. San Antonio 150122 Miraflores. Lima. Perú.	100,00%
ImesAPI, S.A.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
Imocme, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74,54%
Imsideira, S.A. de C.V.	José Luis Lagrange, 103. Méjico D.F.. México.	55,00%
Ingeniería de Transporte y Distribución de Energía Eléctrica, S.L. (Intradel)	Cardenal Marcelo Spinola, 10.28016 Madrid. España.	100,00%
Ingweguard Pty Ltd	9th Floor, The Towers, 15 Alice Lane Sandton. Johannesburgo. Sudáfrica.	60,00%
Initec Energía Ireland, LTD.	Great Island CCGT Project, Great Island, Campile - New Ross - CO. Wexford. Irlanda.	100,00%
Initec Energía Maroc, SARLAU	445, Boulevard Abdeloumen, 3Ème Étage Nº 11 20100. Casablanca. Marruecos.	100,00%
Initec Energía, S.A.	Vía de los Poblados, 11. 28033 Madrid. España.	100,00%
Injar, S.A.	Calle Caramarica, Esq calle Mendoza, Polígono el Sebadal. Santa Cruz de Tenerife. España.	100,00%
Innovantis, S.A.	Av. Rua Vlamir Lenni Nº179 andar 6º. Maputo. Mozambique.	74,54%
Instalacion y mantenimiento de dispositivos, S.A.	Calle Pradillo 48-50. 28002 Madrid. España.	100,00%
Instalaciones de Construcción Cobra, S.A.	Calle 50, Edificio F & F Tower, Oficina 27A Panamá, Panamá	100,00%
Instalaciones y Servicios Codeni, S.A.	Barrio Largaespada: del portón principal del hospital bautista 1 cuadra abajo, 1 cuadra al sur. Casa esquinera color azul, Managua. Nicaragua	100,00%
Instalaciones y Servicios Codepa, S.A.	Calle 50, Edificio F & F Tower, Oficina 27A Panamá, Panamá	100,00%
Instalaciones y Servicios Codeven, C.A.	Avda.S.Fco Miranda. Torre Parque Cristal. Torre Este, planta 8. Oficina 8-10. Chacao. Caracas. Venezuela	100,00%
Instalaciones y Servicios INSERPA, S.A.	Calle 50, Edificio F & F Tower, Oficina 27A Panamá, Panamá	100,00%
Instalaciones y Servicios Moscardó I, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Instalaciones y Servicios Moscardó II, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Instalaciones y Servicios Moscardó III, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Instalaciones y Servicios Moscardó IV, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Instalaciones y Servicios Moscardó V, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Instalaciones y Servicios Moscardó, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Instalaciones y Servicios Spinola III, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Instalaciones y Servicios Uribe Cobra, S.A. de C.V	José Luis Lagrange, 103 piso 8 Los Morales Miguel Hidalgo. México D.F. México.	51,00%
Instalaciones y Servicios Uribe-Cobra Panama, ISUC Panama, S.A.	Calle 50, 23. Ciudad de Panamá. Panamá.	51,00%
Intecsa Ingeniería Industrial, S.A.	Vía de los Poblados, 11. 28033 Madrid. España.	100,00%
Internacional de Pipelines, DAIP, S.L.	C/Vía de los Poblados 9-11.28033 Madrid. España.	100,00%
Istoguard Pty Ltd	323 Lynnwood Road. Menlo Park. Gauteng 0081. Pretoria. Sudáfrica.	60,00%
ISUC Residencial, S.A. de C.V.	José Luis Lagrange, 103. Mexico D.F.. México.	100,00%
Kinkandine Offshore Windfarm Limited	20 Castle Terrace. Edimburgo. Reino Unido (Escocia).	90,00%
Ladogustix	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Lumián, S.A.	C/ Aqaete Esquina Arbejales s/n. 35010 Las Palmas de Gran Canaria. España	100,00%
Luya Solar Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Maessa France SASU	115, rue Saint Dominique.75007 Paris . Francia.	100,00%
Maessa Naval, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Maetel Construction Japan KK	Habululu Nishishimbashi Building 4F, 2-35-2 Nishi-Shinbashi, Minato-ku, 105-0003. Tokio. Japón.	100,00%
Maetel Instalaciones y Servicios Industriales S.A.	C/ Bari, 33 - Edificio 3. 50197 Zaragoza. España	99,40%
Maetel Japan KK	Habululu Nishishimbashi Building 4F, 2-35-2 Nishi-Shinbashi, Minato-ku, 105-0003. Tokio. Japón.	100,00%
Maetel Peru, S.A.C.	Calle Julian Arias Araguez nº250. Lima. Per Lima. Perú.	100,00%
Makiber Belgium	Rue du Commerce 1, boîte 143 (Centre Europe) 6000. Charleroi. Bélgica.	100,00%
Makiber Gulf LLC	Al-Sahafa 13321. Riyadh. Arabia Saudi.	100,00%
Makiber, S.A.	Paseo de la Castellana, 182-2º. 28046 Madrid. España.	100,00%
Manchasol 1 Central Termosolar Uno, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Mantenimiento y Montajes Industriales, S.A.	Calle Via de los Poblados .9. 28033. Madrid. España.	100,00%
Mantenimientos, Ayuda a la Explotación y Servicios, S.A. (MAESSA)	Cardenal Marcelo Spinola, 10.28016 Madrid. España.	100,00%
Masa Algeciras, S.A.	Avda de los Empresarios S/N. Edif Artysur Planta 2ª Local, 10. Palmones - Los Barrios. Cádiz. España.	100,00%
Masa do Brasil Manutenção e Montagens Ltda.	Rua Sao Janeiro n 84. Barrio Sao Cristovao. Rio de Janeiro. Brasil.	100,00%
Masa Galicia, S.A.	Políg. Ind. De la Grela - C/ Guttember, 27, 1º Izqd. 15008 La Coruña. España.	100,00%
Masa Huelva, S.A.	C/ Alonso Ojeda, 1. 21002 Huelva. España.	100,00%
Masa Maroc s.a.r.l.	71 angle Bd. Mohamed V et rue Azilal-Centre d'affaire Contempo 3ème étage 20110. Casablanca. Marruecos.	100,00%
Masa Méjico S.A. de C.V.	Calle Juan Racine N 12 8-Colonia los Morales.. 11510 México DF. México.	100,00%
Masa Norte, S.A.	C/ Ribera de Axpe, 50-3º. 48950 Erandio Las Arenas. Vizcaya. España	100,00%
Masa Puertollano, S.A.	Ctra. Calzada de Calatrava, km. 3.4. 13500 Puertollano. Ciudad Real. España	100,00%
Masa Servicios, S.A.	Avda Gran Vía de L'Hospitalet 8-10 5 Planta.08902 L'Hospitalet de Llobregat. Barcelona. España.	100,00%
Masa Tenerife, S.A.	Pº Milicias de Garachico nº1 8ªplanta of. 84A. Edificio Hamilton.38002 Santa Cruz de Tenerife. España.	100,00%
Mexicana de Servicios Auxiliares, S.A. de C.V.	Av. Paseo de la Reforma, 404. Piso 15.1502. Colonia Juarez. Delegación Cuauhtemoc. 06600 México D.F. México.	100,00%
Mexsemi, S.A. de C.V.	General Mariano Escobedo 510, piso 6 ofcna 602, México DF	99,99%
Midasco, Llc.	7121 Dorsey Run Road Elkridge. Maryland 21075-6884. Estados Unidos.	100,00%
Mochis PV	Hamburgo, 213. Planta 15. Colonia Juárez, CP 06600. Ciudad de Méjico. México.	100,00%
Mochis PV Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Monclova Pirineos Gas, S. A. de C. V.	José Luis Lagrange, 103. México D.F.. México.	69,45%
Moncobra Constructie si Instalare, S.R.L.	Strada Henry Ford nr 29, 200745 Craiova. Rumania	100,00%
Moncobra Dom	3296 Bld Marquisat de Houelbourg- Zi de Jarry97122 Baie Mahault. Guadalupe	100,00%
Moncobra France SAS	Central Ccg Landvisiau Zone du Vern Rue du Ponant 29400. Landvisiau. Francia.	100,00%
Moncobra Perú	Calle Amador Merino Reyna Nro 267 - Interior 902 - San Isidro - Lima, Perú	100,00%
Moncobra, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	100,00%
Monelec, S.L.	C/ Ceramistas, 14. Málaga. España	100,00%
Montrasa Maessa Asturias, S.L.	C/ Camara, nº 54-1º dchra. 33402 Avilés. Asturias. España	50,00%
Moyano Maroc SRALU	269 8D Zertouni Etg 5 Appt 1. Casablanca. Marruecos.	100,00%
Moyano Telsa Sistemas Radiantes y de Telecomunicaciones, S.A.	C/ De La Cañada, 53. 28850 Torrejón de Ardoz. Madrid. España.	100,00%
Mundo Nuevo DV, S.A. de C.V.	Avenida Acueducto 2100 2D-B interior 4, 44660 colinas de San Javier. Guadalajara. México.	50,00%
Murciana de Tráfico, S.A.	Carril Molino Nerva, s/n. Murcia. España	100,00%
Navabuena	Cardenal Marcelo Spinola, 4 1ªDcha 28016. Madrid. España.	100,00%
New Generation Sitems, S.R.L.	139, rue Simone Signoret - Tourmezly II.34070 Montpellier . Francia	74,54%
OCP Perú	Av. Victor Andres Belaunde Nº 887 - Carmen de la Legua, Callao. Perú.	100,00%
Odelga Medical Engineering GmbH	Frankgasse 4 Top 20, 1090.. Viena. Austria.	100,00%
Offshore Wind Limited	St Peter´s Square, 1. Manchester. Reino Unido.	81,00%
Oficina Técnica de Estudios y Control de Obras, S.A	C/ Sepúlveda 6. 28108 Alcobendas. Madrid. España.	100,00%
Ofiteco-Gabi Shoef	34 Nahal Hayarkon St., Yavne. Israel. Yavne. Israel.	50,00%

Subsidiaries

Company	Registered Office	% Effective Ownership
Oilserv S.A.P.I. de C.V.	José Luis Lagrange, 103.. Méjico D.F., México.	34,72%
OKS, Lda.	Rua Rui Teles palhinha n.º4, Leião, Portugal.	74,54%
Opade Organización y Promoción de Actividades Deportivas, S.A.	Cardenal Marcelo Spinola, 10.28016 Madrid. España.	100,00%
Optic1 Powerlines (PTY) LTD	60 Amelia Lane Lanseria Corporate Estate, EXT 46 Lanseria 999. Sudáfrica.	74,54%
Osipass, S.A. de C.V.	Calle Bosque de Cidros, 173. Cuajimalpa de Morelos.. Ciudad de México. México.	50,00%
Overuela Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Palmares Investment, S.L.	Rodríguez Marín, 66 28002. Madrid. España.	100,00%
Pandomix (Pty), Ltd.	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Pandonox (Pty) Ltd	15 Alice Lane, 9th Floor, Towers 15. Gauteng 2198. Johannesburgo. Sudáfrica.	100,00%
Parque Cortado Alto, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	51,00%
Parque Eólico Donado, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Parque Eólico La Val, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	51,00%
Parque Eólico Monte das Aguas, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	60,00%
Parque Eólico Tadeas, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Parque Eólico Valdehiero, S.L.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España.	100,00%
Peaker Solar, S.L.U.	Cardenal Marcelo Spinola 10. Madrid. España.	100,00%
Percomex, S.A.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico.	100,00%
Petróíferos Tierra Blanca, S.A. de C.V.	Calle 6 206, Pozarica de Hidalgo. Méjico.	34,72%
Pilot Offshore Renewables Limited	20 Castle Terrace. Edimburgo. Reino Unido (Escocia).	90,00%
Pintia Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
Planta de Tratamiento de Aguas Residuales, S.A.	Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Perú	100,00%
Procme Madeira S. A.	Cam Novo Santana 4, 9020-102. Funchal. Portugal.	74,54%
Procme Southern Africa do Sul	PO BOX 151, Lanseria 1748. Joahnesburgo. Sudáfrica.	74,54%
Procme, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal.	74,54%
Pucela Solar	Cardenal Marcelo Spinola, 4 1ºDcha 28016. Madrid. España.	100,00%
PV II Sigerico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV III Wallia, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV IV Teodoro, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV IX Gesaleico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV V Teodorico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV VI Turismundo, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV VII Eurico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV VIII Alarico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV X Amalarico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XI Theudis, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XII Teudiselo, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XIII Agila, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XIV Atanagildo, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XIX Gundemarro, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XV Liuva, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XVI Leovigildo, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XVII Recaredo, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XVIII Witerico, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XX Sisebuto, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXI Suínthila, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXII Sisenando, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXIII Chintila, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXIV Tulga, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXIX Égica, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXV Chindasvinto, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXVI Recesvinto, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXVII Wamba, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXVIII Ervigio, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXX Witiza, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
PV XXXI Rodrigo, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
Railways Infraestructuras Instalac y Servicios LLC	Alameer Sultan Street North, Alnaeem dist. (4), Ahmed Al-Hamoody Street Building no. (8) Jeddah. Arabia Saudi	100,00%
Recursos Administrativos Especializados Avanzia, S.A. C.V.	José Luis Lagrange, 103 8º. Los Morales Polanco. México.	100,00%
Recursos Eólicos de México, S.A. de C.V.	José Luis Lagrange, 103 P-8. Los Morales Polanco. México.	100,00%
Remodelación Diesel Cadereyta, S.A. de C.V.	Jose Luis Lagrange, 103 Piso 8 Los Morales Miguel Hidalgo. Méjico D.F. Méjico	99,80%
Remodelación el Sauz, S.A. de C.V.	José Luis Lagrange, 103 P-8. Los Morales Polanco. México.	100,00%
Renovables Spinola II, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Renovables Spinola III, S.L.U.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Repotenciación C.T. Manzanillo, S.A. de C.V.	José Luis Lagrange, 103 P-8. Los Morales Polanco. México.	100,00%
Restel, SAS	Grenoble City Business Center. Grenoble. Francia.	74,54%
Rioparque, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal.	74,54%
Roura Cevasa México, S.A. de C.V.	Calle Oxford, 30, Colonia Juárez, CP 06600, Cuauhtemoc. Ciudad de México. México.	100,00%
Roura Cevasa, S.A.	C/ Chile 25, P.I. Azque, 28.806 Alcalá de Henares. Madrid. España.	100,00%
Salam Sice Tech Solutions, Llc.	Salam Tower West Bay P.O. Box 15224 Doha. Qatar.	49,00%
Saltillo FV	Hamburgo, 213, Planta 15, Colonia Juárez, CP 06600. Ciudad de Méjico. México.	100,00%
Saltillo FV Solar Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Salto Fotovoltaico Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Salto Solar, S.A.	Luis Alberto de Herrera 1052, Oficina 1402. Montevideo. Uruguay.	100,00%
Sari Maintenance Cobra Algeria	Rue de Zacar hydra, 21. Argelia	100,00%
Sari Ofiteco Argelia	Rue du Sahel, 14. Hydra. Argel. Argelia.	49,00%
SAS Controle et Montages Industriels	64 Rue Montgrand. Marseille. 13006 Marseille. Francia.	100,00%
Sedmive, C.A. (Sociedad Española Montajes Industriales Venezuela)	Av. Francisco de Miranda, con Av. Eugenio Mendoza, Edf. Sede Gerencial La Castellana, Piso 8, Oficina 8A, La Castellana. Caracas. Venezuela.	100,00%
Semi Chile Spa	Nueva de Lyon 72, Oficina 701. Comunidad de Providencia, Santiago de Chile. Chile.	100,00%
Semi El Salvador Limitada de Capital Variable	Final 85 Av. Norte número 912, Colonia Escalón, San Salvador.. San Salvador. El Salvador.	100,00%
Semi Engineering and Construction Corporation	175 SW 7TH ST STE 1712, MIAMI, FL 33130. Miami. Estados Unidos.	100,00%
SEMI Engineering Germany GmbH	Schlüterstr, 17 10625 Berlin. Berlin. Alemania.	100,00%
Semi Ingeniería, S.r.l.	C/ Juan Ballenilla N° 35. Zona Industrial Herrera. Santo Domingo Oeste. República Dominicana	100,00%
Semi Israel	Jabotinsky Rd. 5. 8th floor. Ramat Gan 52520 Tel Aviv. Israel.	100,00%
Semi Maroc, S.A.	119, Avenue des F.A.R., Espace Sofia , 4º planta. Casablanca. Marruecos.	100,00%
Semi Panamá, S.A.	Edificio Domino, oficina 5. Via España. Panamá.	100,00%
Semi Peru Montajes Industriales S.A.C.	Calle General Recavarren 111, Oficina 303. Miraflores, Lima. Perú.	100,00%

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

Subsidiaries

Company	Registered Office	% Effective Ownership
Semi Procoim Solar Spa	Calle Apoquindo N° 3001 Piso 9, Region Metropolitana.Santiago De Chile. Chile.	65,00%
Semi Saudi	SEMI Saudi Ground Floor office No: 02 (AL-MARWAH- DIST./7 - Amer Bin Abi Rabeah St.). Jeddah. Arabia Saudi	100,00%
Semiur Montajes Industriales, S.A.	C/ Y1 1445 piso 3 of 5. Montevideo. Uruguay.	100,00%
Semona, S.R.L.	C/ Juan Ballenilla N° 35. Zona Industrial Herrera, Santo Domingo Oeste. República Dominicana	70,00%
Seratype	World Trade Centre 3 Rd Floor Cnr of Johannesburg. Johannesburgo. Sudáfrica.	52,00%
Sermico Colombia S.A.S	Calle 100 n°19 61 OF1010. Bogotá D.C. Bogotá. Colombia.	100,00%
Sermico do Brasil Servicos e Informática Ltda.	Avda. Das Nacoes Unidas n° 12.551 9° e 7° edif. World Trade Center.Brooklin Paulista.Sao Paulo 04578-000 . Brasil. .	100,00%
Sermico France, S.A.S	Rue Georges Stephenson 78180. Montigny le Bretonneux. Francia.	100,00%
Sermico Perú S.A.C	Avenida Mariscal la Mar. 638. Lima. Perú.	100,00%
Sermico, S.A.	C/ Pradillo, 46. 28002 Madrid. España.	100,00%
Serpimex, S.A. de C.V.	C/ Jose Luis Lagrange, 103 Piso 8. Los Morales Polanco.11510 México DF. México.	99,99%
Serpista, S.A.	Cardenal Marcelo Spinola, 10. 28016 Madrid. España	61,00%
Serveis Catalans, Serveica, S.A.	Ptge Torrent de L'Estadell 1 17 Barcelona. España	100,00%
Servicios Cymimex, S.A. de C.V.	José Luis Lagrange, 103 P-8.Los Morales Polanco. México.	99,80%
Servicios Integrales Cobra I, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Servicios Integrales Cobra II, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Servicios Integrales Cobra III, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Servicios Integrales Cobra IV, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Servicios Integrales Cobra V, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Servicios Integrales Cobra, S.L.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%
Servicios Integrales de Mantenimiento, S.A.	Calle 50 Edificio F&F Tower Piso 23. Oficina 23-C. Ciudad de Panamá. Panamá.	100,00%
Servicios Logísticos y Auxiliares de Occidente, SA	Avenida Petapa 46-11, Zona 12 Guatemala Ciudad 01012. Guatemala	100,00%
Sete Lagoas Transmissora de Energia, Ltda.	Avda. Marechal Camera, 160.Rio de Janeiro. Brasil.	100,00%
Setec Soluções Energeticas de Transmissao e Controle, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-021 Centro. Rio de Janeiro. Brasil	100,00%
SICE Ardan projects	4, Hagavish Street. Netanya 42101. Netanya. Israel.	51,00%
Sice Canadá, Inc.	100 King Street West, Suite 1600.Toronto ON M5X 1G5. Canadá.	100,00%
Sice Energía, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. España	100,00%
SICE Nordics AB	C/o Hellström Advokatbyrå KB. Box 7305. 103 90. Estocolmo. Suecia.	100,00%
Sice NZ Limited	Level 4, Corner Kent & Crowhurst Streets, New Market.Auckland, 1149. Australia.	100,00%
SICE PTY, Ltd.	200 Carlisle Street. St kilda. 3182 VIC. Australia.	100,00%
Sice South Africa Pty, Ltd.	C/ PO Box 179. 009 Pretoria, Sudáfrica	100,00%
Sice Tecnologia y Sistemas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. España	100,00%
Sice Vaan	206 Plot n° 15. Sector 10 Dwarka. Nueva Delhi. India.	51,00%
SICE, Inc.	14350 NW 56th. Court Unit 105. Miami. 33054 Florida. Estados Unidos.	100,00%
SICE, LLC.	Rublevskoye Shosse 83/1 121467 Moscu. Rusia	100,00%
Sirbow México S. de R.L. de CV	Hamburgo, 213, Planta 15. Colonia Juárez, CP 06600. Ciudad de Méjico. México.	100,00%
Sirbow México Serv. Admon	Hamburgo, 213, Planta 15. Colonia Juárez, CP 06600. Ciudad de Méjico. México.	100,00%
Sirbow Uruguay, S.A.	Luis Alberto de Herrera 1052, Oficina 1402. Montevideo. Uruguay.	100,00%
Sistema Fotovoltaico de Levante, S.A.U.	Tomás Redondo,1 28033. Madrid. España.	100,00%
Sistemas Integrales de Mantenimiento, S.A.	Calle Via de los Poblados ,9. 28033. Madrid. España.	100,00%
Sistemas Sec, S.A.	C/ Miraflores 383. Santiago de Chile. Chile	51,00%
Small Medium Enterprises Consulting, B.V.	Claude Debussylaan, 44, 1082 MD.Amsterdam. Holanda.	74,54%
Soc Iberica de Construcciones Electricas de Seguridad, S.L.	C/ La Granja 29. 28108 Alcobendas. Madrid. España	100,00%
Sociedad Española de Montajes Industriales, S.A. (SEMI)	Avenida de Manoterías n° 6, segunda planta, 28050, Madrid. España.	100,00%
Sociedad Ibérica de Construcciones Eléctricas en Chile, Spa	Ci Dardignac, 160. Recoleta. Santiago de Chile. Chile.	100,00%
Sociedad Ibérica de Construcciones Eléctricas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. España.	100,00%
Sociedad Industrial de Construcciones Eléctricas, S.A. de C.V.	Paseo de la Reforma, 404. Despacho 1502, Piso 15 Col. Juarez 06600 Delegación Cuauhtemoc México D.F.	100,00%
Sociedad Industrial de Construcciones Eléctricas, S.L., Ltda.	CL 94 NO. 15 32 P 8. Bogot D.C. Colombia.	100,00%
Société Industrielle de Construction Electrique, S.A.R.L.	Espace Porte D Anfa 3 Rue Bab Mansour Imm C 20000 Casa Blanca. Marruecos.	100,00%
Solar Acamar Requena, S.L.	Naciones, 10, Planta 0. Madrid. España.	100,00%
Solar Acrab Requena, S.L.	Naciones, 10, Planta 0. Madrid. España.	100,00%
Solar Merope Requena, S.L.	Naciones, 10, Planta 0. Madrid. España.	100,00%
Solar Ofificio Requena, S.L.	Naciones, 10, Planta 0. Madrid. España.	100,00%
Solatio Energia Gestao de Projotos de Belmonte I Ltda.	Rodavia PE-430 Km 23 SN Malhada Grande. Estado de Pernambuco. Sao Jose do Belmonte. Brasil.	100,00%
Solatio Energia Gestao de Projotos de Belmonte II Ltda.	Rodavia PE-430 Km 23 SN Malhada Grande. Estado de Pernambuco. Sao Jose do Belmonte. Brasil.	100,00%
Soluciones Auxiliares de Guatemala, S.A.	Avenida Petapa 46-11, Zona 12 Guatemala Ciudad 01012. Guatemala	100,00%
Soluciones Eléctricas Auxiliares, S.A.	Calle 50 Edificio F&F Tower Piso 23. Oficina 23-C. Ciudad de Panamá. Panamá.	100,00%
Soluciones Eléctricas Integrales de Guatemala, S.A.	Avenida Petapa 46-11, Zona 12 Guatemala Ciudad 01012. Guatemala	100,00%
Soluciones logísticas Auxiliares, S.A.	Calle Bella Vista, Edificio Commercial Park. Apartamento D24. Panamá.	100,00%
Spcobra Instalações e Serviços, Ltda.	Avenida Artur de Queirós, 915, Casa Branca. Santo Andre. Brasil	99,99%
Sumipar, S.A.	Carretera de la Santa Creu de Calafell 47 Portal B. 08830 Sant Boi de Llobregat. Barcelona. España.	100,00%
Sunbee I - Energias Renováveis, Unipessoal Lda.	Rua Rui Teles Palhinha, 4, Leião 2740-278 Porto Salvo. Oeiras. Portugal.	100,00%
Sunbee II - Energias Renováveis, Unipessoal Lda.	Rua Rui Teles Palhinha, 4, Leião 2740-278 Porto Salvo. Oeiras. Portugal.	100,00%
Sunbee III - Energias Renováveis, Unipessoal Lda.	Rua Rui Teles Palhinha, 4, Leião 2740-278 Porto Salvo. Oeiras. Portugal.	100,00%
Sunbee IV - Energias Renováveis, Unipessoal Lda.	Rua Rui Teles Palhinha, 4, Leião 2740-278 Porto Salvo. Oeiras. Portugal.	100,00%
Sunbee V - Energias Renováveis, Unipessoal Lda.	Rua Rui Teles Palhinha, 4, Leião 2740-278 Porto Salvo. Oeiras. Portugal.	100,00%
Taburete Solar, S.L.U	Cardenal Marcelo Spinola, 4 1ªDcha 28016. Madrid. España.	100,00%
Tacuarembó Fotovoltaico Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Tacuarembó Solar, S.A.	Luis Alberto de Herrera 1052, Oficina 1402. Montevideo. Uruguay.	100,00%
Tahivilla 3 PV, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Tahivilla 4 Solar, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Tahivilla 5 Solar, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Taxway, S.A.	Juncal 1327 D Piso 3. departamento 303.. Uruguay.	100,00%
Tecneira Novas Enerias SGPS, S.A.	Rua Rui Teles Palhinha, 4. Leiao 2740 Oeiras. Portugal	74,54%
Tecneira, S.A.	Rua Rui Teles Palhinha, 4. Leiao 2740-278 Porto Salvo. Portugal	74,54%
Técnicas de Desalinización de Aguas, S.A.	Cardenal Marcelo Spinola 10.28016 Madrid. España.	100,00%
Tecnicas de Sistemas Electrónicos, S.A. (Eyssa-Tesis)	Rua General Pimenta do Castro 11-1. Lisboa. Portugal	100,00%
Tedagua México, S.A. de C.V.	José Luis Lagrange, 103 P-8.Los Morales Polanco. México.	100,00%
Tedagua Renovables, S.L.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. España	100,00%
Tedagua Singapore Pte.Ltd.	3 Anson Road 27-01 Springleaf Tower. Singapur 079909. Singapur. Singapur.	100,00%
Telcarrier, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. España.	100,00%
Tesca Ingeniería del Ecuador, S.A.	Avda. 6 de diciembre N37-153 Quito. Ecuador	100,00%
Tonopah Solar Energy, LLC	2425 Olympic Blvd, suite 500E.Santa Monica, CA 90404. Estados Unidos.	100,00%
Tonopah Solar Investments, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. Estados Unidos.	50,00%
Torocco Wind Holding, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Trabajos de Movilidad S.A.	C/Vía de los Poblados 9-11.28033. Madrid. España.	100,00%
Trafiurbe, S.A.	Estrada Oct vio Pato C Empresar-Sao Domingo de Rana. Portugal	100,00%
Transferable Backlog Projects, S.L.	Cardenal Marcelo Spinola,10 28016. Madrid. España.	100,00%

Subsidiaries

Company	Registered Office	% Effective Ownership
Triana do Brasil Projetos e Serviços, Ltda.	Av. Presidente Wilson 231, sala 1701 20030-021 Centro. Rio de Janeiro. Brasil	100,00%
Trigeneración Extremeña, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. España.	100,00%
Valdealiño Solar	Cardenal Marcelo Spinola, 4 1ª Dcha 28016. Madrid. España.	100,00%
Valdehiero Soalr, S.L.	Cardenal Marcelo Spinola, 10. 28016. Madrid. España.	100,00%
Venelin Colombia SAS	Calle 107 A N°. 8-22. Bogotá. D.C. Colombia	100,00%
Venezolana de Limpiezas Industriales, C.A. (VENELIN)	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.	82,80%
Vetra MPG Holdings 2, LLC	José Luis Lagrange, 103. Méjico D.F.. Méjico.	100,00%
Vetra MPG Holdings, LLC	José Luis Lagrange, 103. Méjico D.F.. Méjico.	100,00%
Viabal Manteniment i Conservacio, S.A.	Guerrers, 39. 07141 Marratxi. Islas Baleares. España	100,00%
Vieyra Energía Galega, S.A.	José Luis de Bugallal Marchesi, 20-1 izq. 15008 La Coruña. España.	51,00%
Zero-E Currencies, S.L.	Cardenal Marcelo Spinola, 10. 28016.. Madrid. España.	100,00%
Zero-E Dollar Assets, S.L.	Cardenal Marcelo Spinola 10. Madrid 28016. España.	100,00%
Zero-E Proyectos Visigodos, S.L.U.	Cardenal Marcelo Spinola, 10 28016. Madrid. España.	100,00%
Zero-E Spanish PV 2	Cardenal Marcelo Spinola 10. Madrid. España.	100,00%
Zero-E Sustainable Solutions, S.A.U.	Cardenal Marcelo Spinola, 10. Madrid. España.	100,00%

SERVICES

ACS Servicios y Concesiones, S.L.	Avda. Camino de Santiago, 50.28050 Madrid. España.	100,00%
Accent Social, S.L.	C/ Josep Ferrater y Mora 2-4 2ª Pl. 08019 - Barcelona. España. Barcelona. España.	100,00%
All Care (GB) Limited	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
Atende Servicios Integrados, S. L.	Avda. República Argentina, 21-Bº 3ª planta Oficina 9 CP 41011 Sevilla. España.	100,00%
Avio Soluciones Integradas, S.A.	Avda Manoterías, 46 Bis 1ª Planta.28050 Madrid. España.	100,00%
Call-In Homecare Limited	Bonnington Bond (Suite 70), 2 Anderson Pl, EH6 5NP. Edimburgo. Reino Unido.	100,00%
Care Relief Team Limited	13 Hope Street, Crook, Co Durham, England, DL15 9HS. Durham. Reino Unido.	100,00%
Clece Care Services, Ltd.	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
Clece Seguridad S.A.U.	Avda. de Manoterías, 46. Bis 1ª Pl. Mod. C 28050 Madrid. España.	100,00%
Clece Vitam S.A.	Av. Manoterías, 46 Bis 1ª Planta. 28050.. Madrid. España.	100,00%
Clece Vitam, S.A. (Portugal)	Concelho de Oeiras, Lisboa. Lisboa. Portugal.	100,00%
Clece, S.A.	Avda. Manoterías, 46 Bis 2ª Planta. 28050 Madrid. España.	100,00%
Clece, S.A. (Portugal)	Concelho de Oeiras, Lisboa. Portugal.	100,00%
Dale Care Ltd.	Hope Street, 13. Crook. Reino Unido.	100,00%
Diamond Quality Care Services Limited	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
Eleva2 Comercializadora S.L.	Avenida de Manoterías, 46 BIS 2 Planta 2. 28050 Madrid. España.	100,00%
Enequip Serveis Integrals S.L.	C/ Calçat, 6 1ª Planta Edificio Tolero 07011 - Palma de Mallorca España	100,00%
Familia Concilia Servicios para el Hogar S.L.	Avda. Manoterías, 46 Bis.28050 - Madrid. España.	100,00%
Hartwig Care Ltd.	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
HazelHead Home Care Limited	Bonnington Bond (Suite 70), 2 Anderson Pl, EH6 5NP. Edimburgo. Reino Unido.	100,00%
Heath Lodge Care Services, Ltd.	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Hounslow. Reino Unido.	100,00%
Homecarers (Liverpool) Limited	8 Childwall Valley Road. Liverpool. Reino Unido.	100,00%
Ideal Complex Care, Ltd.	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
Inserlimp Soluciones S.L.	C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.	100,00%
Integra Formación Laboral y Profesional, S.L.	C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.	100,00%
Integra Logística, Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.	100,00%
Integra Manteniment Gestio i Serveis Integrats Centre Especial D'Ocupacio Illes Balears, S.L. Unipersonal	Pare Frances Molina, 33 CP 07003. Palma de Mallorca 07008 Illes Balears. España.	100,00%
Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L.	C/ Ramón Turró, 71 Bajo. 08005 Barcelona. España	100,00%
Integra Mantenimiento, Gestión Y Servicios Integrados Centro Especial de Empleo Andalucía, S.L.	Polígono Industrial PISA C/ Industria, 1 -Edif. Metropoli I Pta.2ª Mod 15-16 CP 41927 Mairena de Aljarafe. Sevilla. España	100,00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L.	Avda. Cataluña, 20, 1ª planta, oficina7, CP15570, Narón. A Coruña. España	100,00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Murcia, S.L.	Avda. Abenarabi, 28, Torre Damasco, oficina 3, CP 30008.. Murcia. España.	100,00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L.	C/ Músico José orti Soriano, 18 Pta. BJ 46900 - Torrent. Valencia. España	100,00%
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.	100,00%
Integra Mantenimiento, Gestión y Servicios Integrados Extremadura Centro Especial de Empleo, S.L.U.	C/ Luis Alvarez Lencero, 3 Edif. Eurodom 5. Badajoz 06011. Extremadura. España.	100,00%
Klemark Espectáculos Teatrales, S.A.	Avda. Landabari, 4, Leioa. Vizcaya. España.	100,00%
Koala Soluciones Educativas, S.A.	Avda Manoterías, 46 Bis 1ª Planta.28050. Madrid. España.	100,00%
Lauriem Complete Care Limited	Suite B, Cobdown House, London Road Ditton. Aylesford. Reino Unido.	100,00%
Limpiezas Deyse, S.L.	C/ Lérida, 1. Manresa. Barcelona. España	100,00%
Lirecan Servicios Integrales, S.A.	C/ Ignacio Ellacuría Beascochea, 23-26 Planta 2, Playa del Hombre. Telde. Las Palmas. España.	100,00%
Multiserveis Nдавant, S.L.	C/ Josep Ferrater i Mora, 2-4 Barcelona. España.	100,00%
Multiservicios Aeroportuarios, S.A.	Avda. Manoterías 46 Bis 2ª Planta. 28050 Madrid. España	51,00%
NV Care Ltd.	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Hounslow. Reino Unido.	100,00%
R & L Healthcare, Ltd.	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
Richmond 1861, S.L.	Avda. Movera, 600.50016 - Zaragoza. España.	100,00%
Samain Servizos a Comunidade, S.A.	Pza. América, 1, bloque 1, 1ª Pta. 36211.. Vigo. España.	100,00%
Senior Servicios Integrales, S.A.	Avda Manoterías, 46 Bis 1ª Planta.28050. Madrid. España.	100,00%
Serveis Educatius Cavall de Cartró, S.L.	C/ Josep Ferrater y Mora, 2-4 2ª Pl. 08019 - Barcelona. España.	100,00%
Serveis Integrals Lafuente, S.L.	Parque Tecnológico C/ Alessandro Volta 2-4-6 Bloq 3. 46980 Paterna. Valencia. España.	100,00%
Talher, S.A.	Avda. de Manoterías, 46 Bis. 2ª Planta 28050 Madrid. España	100,00%
Universal Care Services (UK) Limited	West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.	100,00%
Zaintzen, S.A.U.	Landabari Zeharbidea 3 Zbekia, 4ª Pisua G.48940 Leioa (Bizkaia). España.	100,00%
Zenit Logistics S.A.	Avda. de Manoterías, 46 Bis.28050 Madrid. España.	100,00%

APPENDIX II

UTE's/EIG's

UTE / EIG	Address	% Effective Ownership	Revenue 100%
Thousand euros			
INFRASTRUCTURES - DRAGADOS			
Yesa	Cl. Rene Petit, 25 - Yesa	33,33%	13.199
Estructura Sagrera Ave	Cl. Vía Laietana, 33, 5ª Planta - Barcelona	33,50%	28.343
Consorcio Constructor Metro Lima	Av. de la República de Colombia 791 - Lima	35,00%	163.115
Consorcio Hospitalario Lima	Av. Benavides, 768, piso 9 - Miraflores - Lima	49,90%	19.168
Sector 2	Cl. Gran Vía, 53 - Bilbao	85,00%	33.798
Castellbisbal - Martorell	Cl. Vía Laietana, 33, 5ª Planta - Barcelona	100,00%	16.414
HS2 Euston Station	Cl. Moorgate, 155 - Londres	50,00%	45.978
MIV Lote Norte	Cl. Francisco Gervás, 14 - 1ªA - Madrid	100,00%	20.018
Sierrapando	Av. Camino de Santiago, 50 - Madrid	70,00%	20.786
El Reguerón	Cl. General Pardiñas, 15 - Madrid	33,33%	37.088
Hospital de Guadalajara	Av. Camino de Santiago, 50 - Madrid	50,00%	21.297
Embalse de Amudevar	Cl. Antonio Valcarreres, 1 - Zaragoza	26,00%	27.260
Mantenimiento Madrid - Sur Lote 1	Av. Europa 18 - Parque Empresarial la Moraleja - Alcobendas	50,00%	10.743
Txagorritxu	Cl. San Antonio, 15 - Vitoria	45,00%	11.783
MIV Centro	Av. Camino de Santiago, 50 - Madrid	29,00%	17.318
Lote 7 Ram	Cl. Julián Camarillo, 6 - Madrid	35,00%	13.751
Mantenimiento Lote 2 Noroeste	Cl. Federico Echevarría, 1 - León	17,00%	20.204
MIV Noroeste	Cl. Viriato 47 - 3ª - Barcelona	5,00%	28.654
Supercemento-Dycasa - Chediack RN7	Capitán General Ramón Freire 2265 - Buenos Aires - Argentina	33,33%	14.822
CPB Dragados Samsung	Level 18, 177 Pacific Hwy, North Sydney NSW 2060. Australia.	30,00%	116.799
Hampton Roads	240 Corporate Blvd., Norfolk, VA 23502	42,00%	201.271
SH-288 Toll Lanes	2636 South Loop West Freeway, 3rd floor, Houston, TX 77054	50,00%	54.757
HSR 2-3	1610 Arden Way, Suite 175, Sacramento, CA 95815	50,00%	374.150
I-16 at I-95 Interchange	20 Martin Court, Savannah, GA 31419	100,00%	22.017
Chesapeake Tunnel	2377 Ferry Road, Virginia Beach, VA 23455	100,00%	82.596
Harbor Bridge	500 N. Shoreline Blvd, Suite 500, Corpus Christi, TX 78401	50,00%	186.731
Isabella Lake Dam	2959 Eve Avenue - Lake Isabelle, CA 93240	35,00%	89.607
I2/I69C Interchange	1708 Hughes Landing Blvd, The Woodlands, TX 77380	100,00%	33.405
Automated People Mover	2959 Eve Avenue - Lake Isabelle, CA 93240	20,00%	396.743
3rd Track Constructors	900 Merchants Concourse, Westbury, NY 11590	50,00%	458.947
GCT Constructors	150 Meadowlands Pkwy, Secaucus, NJ 07094	100,00%	53.199
Skanska Picone 26W-20	75-20 Astoria Blvd, Suite 200, East Elmhurst, NY 11370	35,00%	14.155
Unionport Constructors	150 Meadowlands Pkwy, Secaucus, NJ 07094	55,00%	45.393
Potomac Yards Constructors	421 E. Route 59, Nanuet, NY 10954	40,00%	41.569
New Bridge Sant Lawrence	2015 Rue Peel, Montreal Quebec H3A 1T8	25,00%	117.653
Eglinton Crosslinx Transit Solutions - Constructors	4711 Yonge St, Suite 1500, Toronto M2N 7E4	25,00%	679.954
Link 427	1 Royal Gate Boulevard, Unit G, Woodbridge, ON L4L 8Z7	50,00%	130.685
Cote Vertu EDT GEC Civil SEP	1095 Rue Valets L'Ancienne-Lorette QC G2E 4M7	35,00%	35.612
Ottawa LRT Constructors OLRT Phase II	1600 Carling Avenue, Suite 450, PO Box 20, Ottawa K1Z 1G3	33,33%	31.849
White Rose SNC-Dragados-Pennecon G.P.	1133 Topsail Road, Mount Pearl, Newfoundland, A1N 5G2	40,00%	86.613
REM	1140 boulevard de Maisonneuve, Montreal, Quebec H3A 1M8	24,00%	769.985
Finch - Mosaic Transit Constructors GP	150 King Street West, Suite 2103, Toronto M5H 1J9	33,33%	211.387
Gordie Howe - BNA Constructors Canada GP	150 King Street West, Suite 2103, Toronto M5H 1J9	40,00%	233.613
Site C - Aecon-Flatiron-Dragados-EBC Partnership	1055 Dunsmuir Street, Suite 2124, Vancouver, BC V7X1G4	27,50%	256.961
Centennial Expansion Partners	851 Centennial Road, Vancouver, BC V6A 1A3	60,00%	109.601

INFRASTRUCTURES - Hochtief

ARGE A7 Hamburg-Bordesholm	Hamburg, Germany	70,00%	14.728
ARGE BAUARGE A6 West	Heilbronn, Germany	60,00%	149.116
ARGE Ersatzneubau K30	Hamburg, Germany	75,00%	19.818
ARGE ÖPP BMG Mauerstraße Berlin	Berlin, Germany	50,00%	60.306
ARGE SBT 1.1 Tunnel Gloggnitz	Gloggnitz, Austria	40,00%	86.336
ARGE Tunnel Rastatt	Ötigheim, Germany	50,00%	28.780
ARGE Tunnel Trimberg	Wehretal, Germany	50,00%	14.800
ARGE U-Bahn Nürnberg U3 SW BA 2.2	Nuremberg, Germany	50,00%	23.401
ARGE VE41 Hp Marienhof	Munich, Germany	50,00%	46.038
BAB A100, 16. Bauabschnitt	Berlin, Germany	50,00%	15.896
Citylink	Danderyd, Sweden	50,00%	11.499
CRSH1 - Sydhavn	Copenhagen, Denmark	50,00%	164.754
FHB Plateau GmbH	Hamburg, Germany	50,00%	12.018
London Power Tunnels Phase 2	London, United Kingdom	50,00%	58.107
Praha - Pojezdová dráha TWY+stání OP Jih	Prague, Czech Republic	40,00%	12.219
Stuttgart 21 PFA 1. Los 3 Bad Cannstatt	Stuttgart, Germany	40,00%	22.973
ViA15 (A12/A15)	Utrecht, Netherlands	25,00%	45.789
Zuidasdok	Amsterdam, Netherlands	42,50%	32.668

INDUSTRIAL SERVICES

UTE amazon cpd	Calle Jesús, 81 46007 Valencia. España	50,00%	16.983
Avanzia initec valle de méxico	Calle Jose Luis Lagrange, 103 - 11510. Colonia Veronica Anzures. Mejico	1,00%	13.044
UTE mantenimiento ave energía	Avenida de Brasil, 6 - 28016. Madrid	45,55%	16.321
UTE suc. san jose suc. tedagua	Calle Alem Leandro, 855. Buenos Aires. Argentina	50,00%	15.195
Arge moncobra Itercon	Calle Gottesweg, 56 50969 Koln, Alemania	50,00%	10.111
UTE Devas I	Calle General Peron 36 28020 Madrid	33,28%	19.162
UTE Devas II	Calle General Peron 36 28020 Madrid	33,28%	18.651
UTE Parques Singulares Lote 2	Calle Embajadores 320 28053 Madrid	50,00%	14.770

APPENDIX II

UTE's/EIG's

UTE / EIG	Address	% Effective Ownership	Revenue 100%
Thousand euros			
UTE Luz Madrid Oeste	Cl Sepúlveda, 6 28108 Alcobendas (Madrid).	85,01%	21.977
UTE Luz Madrid Centro	Cl Sepúlveda, 6 28108 Alcobendas (Madrid).	85,01%	24.181
UTE Pedralba-Ourense	Pz/ Sagrado Corazón de Jesús, 4-2. 48011 Bilbao	50,00%	14.183

APPENDIX III

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.

APPENDIX III

CHANGES IN THE SCOPE OF CONSOLIDATION

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.

APPENDIX III

CHANGES IN THE SCOPE OF CONSOLIDATION

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.

APPENDIX III

CHANGES IN THE SCOPE OF CONSOLIDATION

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 Electrice 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 Crl
 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.

APPENDIX III

CHANGES IN THE SCOPE OF CONSOLIDATION

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.

Statement of Responsibility and Authorization for Issue

The members of the Board of Directors declare that, to the best of their knowledge, the Consolidated Annual Accounts (Statement of Financial Position, Statement of Income, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements) have been prepared in accordance with the applicable accounting principles and give a true and fair view of the equity, financial position and results of ACS, Actividades de Construcción y Servicios, S.A. and of the companies included in the consolidation, taken as a whole and that the management report (which contains the consolidated non-financial information statement) includes a true and fair view of the performance and results of the business and of the position of ACS, Actividades de Construcción y Servicios, S.A. and of the companies included in the consolidation, taken as a whole, together with a description of the main risks and uncertainties that they face. Pursuant to prevailing legislation, the members of the Board of Directors sign this statement of responsibility, the Consolidated Annual Accounts and the directors' report of ACS, Actividades de Construcción y Servicios, S.A. and the subsidiaries comprising the ACS Group, prepared in accordance with current standards and International Financial Reporting Standards (IFRS), which were closed at December 31, 2020, on 552 sheets of common paper, including this one, all of which are signed by the Chairman and the Secretary of the Board of Directors.

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)

Madrid, March 31, 2021



Auditor's Report on
ACS, Actividades de
Construcción y
Servicios, S.A.
and Subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the year ended December 31, 2020)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of ACS, Actividades de Construcción y Servicios, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of ACS, Actividades de Construcción y Servicios, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at December 31, 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

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

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

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

Recognition of revenue from long-term contracts

See notes 03.16, 12 and 27 to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>A significant portion of the ACS Group's revenue relates to construction contracts and industrial services contracts, in which revenue is recognised using the percentage of completion method or the stage of completion of the contract.</p> <p>The recognition of revenue and the gain/loss on these contracts therefore entails a high level of judgement by management and the Directors, and control of the estimates made and any deviations that might arise over the contract term. The estimates take into account all costs and revenue associated with the contracts, including any additional costs not initially budgeted, any risks or claims being disputed, and any revenue under negotiation with or being claimed from the customer. The Group recognises revenue related to amounts being claimed, negotiated or disputed with customers at the amount which it is considered highly probable will not be subject to significant reversal once the inherent uncertainty is resolved, either because customer approval has been obtained or because there are supporting technical and/or legal reports.</p> <p>Due to the uncertainty associated with these estimates and the fact that changes therein could lead to material differences in the revenue recorded, this has been considered a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> – Evaluating the design and implementation of the key controls associated with the process of recognising revenue using the percentage of completion method. – Selecting a random sample of construction and industrial services contracts based on certain quantitative and qualitative criteria, so as to evaluate the most significant and complex estimates used in the recognition of revenue. We obtained documentation supporting these estimates and, where applicable, evidence of any judgements made by management and the Directors. – Conducting a comparative analysis of gain/loss on completed contracts with the budgeted gain/loss. – Analysing the key clauses of a selection of contracts, identifying relevant contractual mechanisms, such as penalties, and assessing whether or not such clauses have been appropriately reflected in the amounts recognised in the consolidated annual accounts. – Assessing the reasonableness and the judgement applied by management and the Directors in evaluating the work completed and pending certification, awaiting approval by the customer, recognised as revenue at year end, and for a sample of such works analysing the status of negotiations with customers of the main contracts and evaluating the reasonableness and consistency of the documentation



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Recognition of revenue from long-term contracts	
See notes 03.16, 12 and 27 to the consolidated annual accounts	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<p>underpinning the probability of recovery, considering our own expectations based on knowledge of the client and our experience in the sector and in the countries in which the Group operates.</p> <ul style="list-style-type: none">– Assessing whether the provisions recognised at year end in relation to each of the contracts reasonably reflect the main obligations and the level of risk of the contracts, evaluating the judgement applied by management and the Directors in these estimates.– Visiting some of the work sites, carrying out on-site inspections of the stage of completion of the projects and identifying possible areas of risk through observation, analysis of documentation and discussions with on-site personnel.– Assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Recoverability of deferred tax assets

See notes 03.19 and 26.05 to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At December 31, 2020, deferred tax assets in the consolidated statement of financial position include Euros 652 million in respect of tax credits (tax losses and deductions) of the Spanish tax group.</p> <p>The recognition of deferred tax assets entails a high level of judgement by management and the Directors in assessing the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and tax planning opportunities.</p> <p>Due to the significance of these balances of deferred tax assets and the uncertainty associated with their recovery, this has been considered a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none">- Assessing the design and implementation of the controls over the recognition and measurement of deferred tax assets.- Assessing the key assumptions used to estimate the Group's future taxable profits.- Comparing these key assumptions with data from external sources, such as economic forecasts, and the Group's historical data.- Bringing in our tax specialists to perform an assessment of the tax planning strategies and to assess the appropriateness of the Group's approach in circumstances in which the tax treatment may be uncertain.- Evaluating the sufficiency of future taxable profits to offset deferred tax assets, considering the time limit established for such offset and as well as their consistency with the financial reporting framework applicable to the Group.- Assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Valuation of the investment in ABERTIS

See note 09 to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At December 31, 2020 the Group holds an equity-accounted investment in Abertis Holdco, S.A. which is recognised under “Investments accounted for using the equity method” in the consolidated statement of financial position in an amount of Euros 2,868,396 thousand. As required under the applicable financial reporting framework, once the investment has been accounted for using the equity method, the Group assesses whether there is objective evidence that its net investment in the associate may be impaired. Where there is objective evidence of impairment, the Group calculates the recoverable amount.</p> <p>The recoverable amount is calculated by applying measurement techniques that often require the exercising of judgement by the Directors and management, as well as the use of assumptions and estimates.</p> <p>Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investment, we have considered the measurement thereof a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none">- Evaluating the design and implementation of key controls related to process of estimating the recoverable amount.- Assessing whether there is evidence that the investment may be impaired, for the purpose of determining whether the carrying amount exceeds the recoverable amount.- Evaluating the reasonableness of the methodology, assumptions and data used by management and the Directors when estimating the recoverable amount of the investment in Abertis Holdco, S.A., with the involvement of our valuation specialists, and analysing the sensitivity of this amount to changes in the key assumptions, in order to determine the impact thereof on the measurement.- Assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



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Accounting treatment of the sale of 50% of Thiess

See notes 02.01, 02.02.f), 09.01, 22 and 29 to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>In 2020, the subsidiary CIMIC reached an agreement with funds advised by Elliot for the sale of 50% of the equity investment held by CIMIC in Thiess, a subgroup engaged in the mining business, while retaining the remaining 50%. A pre-tax gain of Euros 1,111 million was generated on this transaction.</p> <p>Having evaluated the economic substance and accounting treatment of this transaction, Group management has determined that:</p> <ul style="list-style-type: none"> - CIMIC has lost control of Thiess under the terms of IFRS 10, and the sale transaction has therefore been recognised in the accounting records at December 31, 2020. - The 50% interest in Thiess retained by CIMIC is a joint venture, and the Thiess subgroup is thus accounted for using the equity method at December 31, 2020. <p>The agreements reached by CIMIC and Elliot are complex and require management to make judgements and assessments to determine whether the transaction resulted in the loss of control under the terms of IFRS 10, and how to recognise the retained 50% interest at December 31, 2020.</p> <p>Due to the complexity and significance of the transaction, recognition thereof has been considered a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - Analysing the sale-purchase agreement and the shareholders' agreement for the purpose of understanding the terms and conditions of the transaction. - Obtaining and analysing the report issued by an external expert regarding how the transaction was to be recognised. - Analysing whether or not CIMIC has control of Thiess at December 31, 2020, as well as the recognition of the 50% interest retained by CIMIC in Thiess, assessing: <ul style="list-style-type: none"> - whether CIMIC has the ability to unilaterally manage the relevant activities that affect the future returns on the investment and the implications arising from the shareholder decision-making rights stipulated in the shareholders' agreement; and - whether the minimum dividend payout stipulated in the shareholders' agreement and Elliott's put option provide contradictory evidence with respect to CIMIC's accounting treatment of the transaction. - Analysing the measurement of Elliott's put option. - Assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Consolidation of BICC and classification as a discontinued operation

See notes 02.01, 03.09 and 32 to the consolidated annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As indicated in note 02.01, the ACS Group held a 45% interest in BICC Contracting LLC (BICC), which until 2019 was accounted for using the equity method in the consolidated annual accounts, on considering that significant influence existed, but not control, among other reasons, as the call option for the purchase of the remaining 55% of BICC was not deemed to embody a substantial right, in view of the legal limitations on purchases of companies in the United Arab Emirates. In 2020, at the request of the Spanish securities market supervisor (CNMV), which required the Group to retrospectively change the method used to recognise its investment in BICC, the ACS Group fully consolidated its stake in BICC and restated the comparative figures, in accordance with IAS 8.</p> <p>The identification and measurement of the assets acquired and liabilities assumed from BICC at the date control was taken, and variations therein up to December 31, 2020, is a complex process that requires judgements and estimates on the part of management.</p> <p>On February 15, 2021 the ACS Group reported that it had signed an agreement with a third party outside the Group for the sale of its investment in BICC. Thus, at December 31, 2020 BICC has been classified as a non-current asset held for sale and a discontinued operation.</p> <p>Due to the complexity of the identification and measurement of the assets and liabilities of BICC, and to the judgement required of management when classifying and presenting this investment as a non-current asset held for sale and a discontinued operation at December 31, 2020, this has been considered a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - Understanding the judgements and assumptions applied by management in relation to the change in the method used to account for BICC in the consolidated annual accounts. - Analysing the consolidation process carried out by the Group with respect to BICC at January 1, 2019; December 31, 2019 and December 31, 2020. This entailed communication with and involvement in the work performed by the component's auditor. - Analysing the identification and measurement of the assets acquired and liabilities assumed from BICC, carried out in accordance with IFRS 3. - Assessing whether the assets and liabilities of BICC are presented appropriately at January 1, 2019 and at the subsequent reporting dates in the ACS Group's consolidated annual accounts. - Evaluating whether the classification of BICC as a non-current asset held for sale and a discontinued operation qualifies for such accounting treatment in accordance with IFRS 5. - Assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Other Information: Consolidated Directors' Report

Other information solely comprises the 2020 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

- a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2020, and that the content and presentation of the report are in accordance with applicable legislation.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

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

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

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

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



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee of the Parent _____

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated March 31, 2021.

Contract Period _____

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on May 10, 2019 for a period of three years, from the year ended December 31, 2019.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Manuel Martín Barbón

On the Spanish Official Register of Auditors ("ROAC") with No. 16239

31 March 2021