

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

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

	2020
	Days
Average period of payment to suppliers	60
Ratio of transactions paid	57
Ratio of transactions pending payment	67
	Thousands of Euros
Total payments made	2,836,313
Total payments pending	1,372,500

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.

“Average period of payment to 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 period of payment to 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.